



**CSIS** California School Information Services

# Ross Valley School District

## Business Office Review

June 1, 2011



**Joel D. Montero**  
Chief Executive Officer







**CSIS California School Information Services**

---

June 1, 2011

Eileen Rohan, Superintendent  
Ross Valley School District  
110 Shaw Drive  
San Anselmo, California 94960

Dear Superintendent Rohan:

In November 2010, the Ross Valley School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for a business office review. Specifically, the agreement stated that FCMAT would perform the following:

1. Conduct an organization and staffing review of the business office to determine work flow, duties assigned to each desk, and make recommendations to maximize efficiency.
2. Review budget development and monitoring practices and make recommendations for improvement.
3. Review communication practices between the business department and other departments and administrative staff and make recommendations for improvement.

This final report contains the study team's findings and recommendations in the above areas of review. We appreciate the opportunity to serve the Ross Valley School District, and extend our thanks to all the staff for their assistance during fieldwork.

Sincerely,

Joel D. Montero  
Chief Executive Officer

**FCMAT**

Joel D. Montero, Chief Executive Officer

1300 17<sup>th</sup> Street - CITY CENTRE, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647  
422 Petaluma Blvd North, Suite. C, Petaluma, CA 94952 • Telephone: 707-775-2850 • Fax: 707-775-2854 • [www.fcmat.org](http://www.fcmat.org)  
Administrative Agent: Christine L. Frazier - Office of Kern County Superintendent of Schools



# Table of contents

About FCMAT .....	iii
Introduction .....	1
Background.....	1
Study Team.....	1
Study Guidelines .....	1
Executive Summary.....	3
Findings and Recommendations.....	5
Organization and Staffing.....	5
Budget Development and Monitoring.....	15
Communications .....	25
Appendices.....	27



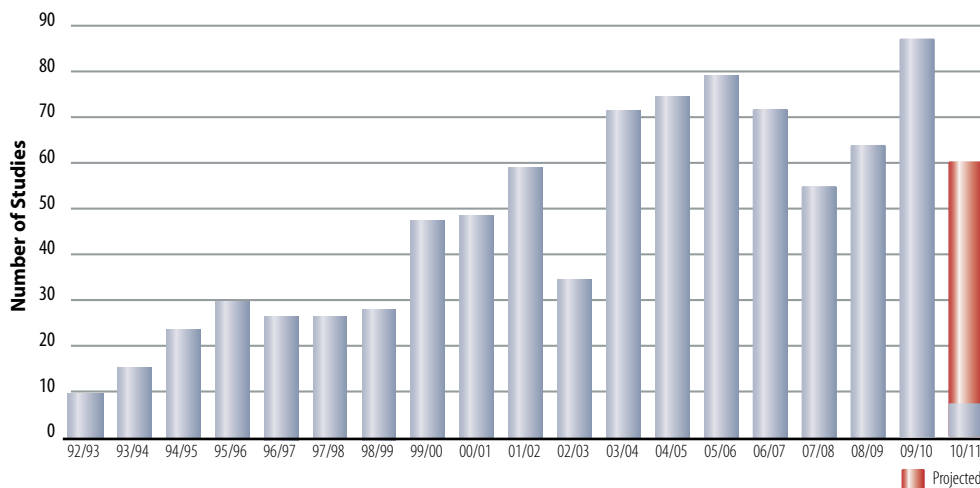
# About FCMAT

FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices and efficient operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and share information.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the local education agency to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

**Study Agreements by Fiscal Year**



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help local educational agencies operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) arm of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS) and also maintains DataGate, the FCMAT/CSIS software LEAs use for CSIS services. FCMAT was created by Assembly Bill 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. Assembly Bill 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. Assembly Bill 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county office of education and school districts to work together locally to improve fiscal procedures and accountability standards. Assembly Bill 2756

(2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, SB 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform nearly 850 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.



# Introduction

## Background

The Ross Valley School District serves the central Marin communities of San Anselmo, Fairfax, and Sleepy Hollow. The district includes three schools that serve grades K-5: Brookside Elementary School, Manor Elementary School and Wade Thomas Elementary School. White Hill Middle School serves grades 6-8. District enrollment was 1,973 for the 2009-10 school year, marking the fourth consecutive year of enrollment growth.

In October 2010 the district requested FCMAT to review business office staffing levels, budget development and monitoring practices and communications. The study agreement specifies that FCMAT will perform the following:

1. Conduct an organization and staffing review of the business office to determine workflow and duties assigned to each desk, and make recommendations to maximize efficiency.
2. Review budget development and monitoring practices and make recommendations for improvement.
3. Review communication practices between the business department and other departments and administrative staff and make recommendations for improvement.

## Study Team

The study team was composed of the following members:

Jim Cerreta  
FCMAT Consultant  
Sacramento, California

Terry Bradley  
FCMAT Consultant  
Clovis, California

Laura Haywood  
FCMAT Public Information Specialist  
Bakersfield, California

## Study Guidelines

A FCMAT study team visited the district on December 6 and 7, 2010 to conduct interviews, collect data, and review documents. This report is a result of those activities and is divided into the following sections:

- Executive Summary
- Organization and Staffing
- Budget Development and Monitoring
- Communications



# Executive Summary

Like many California public agencies, Ross Valley School District finds itself operating with ever-decreasing financial resources from the federal and state government. A slow-recovering state and national economy, coupled with expiring federal stimulus entitlements, leaves the district in a precarious fiscal condition that includes a large structural budget deficit. This difficult financial situation has occurred even though the district has made millions of dollars in budget reductions over the last several years.

The district has experienced continuous turnover in various administrative positions during this time, which has added to the challenge of developing and implementing effective fiscal solutions. In particular, the district superintendent position has changed hands multiple times in the last five years, leaving the district without consistent direction and leadership.

The current superintendent, district administration and the governing board are working diligently to resolve the district's structural deficit through development of a new fiscal recovery plan. Community involvement has been sought, and district staff members are working hard to develop a process to identify core versus supplemental program priorities. If successful, the plan will return the district to fiscal solvency over time.

To succeed, the district must have an effective communication system in place to provide for sharing of reliable fiscal information. Such a system is comprised of many components, from the formal lines of communication inside and outside the organization to the somewhat informal internal communications among staff.

The district has strived to engage its community in discussions about the fiscal crisis through the use of surveys and advisory committees. Yet internal communication is lacking both in terms of staff involvement and confidence. With significant turnover in the superintendent position during the past five years, the chief business official managed the budget development process largely on her own and without sufficient guidance. The district budget has been developed without input from school and department budget managers and has created frustration on the part of those administrators. As a result, management level staff has little understanding of their budgets. They do not feel involved regarding allocations or augmentations, and question the reliability of fiscal information provided by the chief business official. This is a very unhealthy situation for any organization, but particularly when the fiscal solvency of the agency is in question and thus should be rectified as soon as possible.

The district's budget development and monitoring systems are functioning at a fairly low level. Industry-standard tools such as a budget development calendar and routine budget reports are not utilized. The QSS financial management system does not appear to be utilized as effectively as it could be, with some believing it is not reliable in certain aspects. An upgraded system, known as QCC, is just months away from implementation. The district should make every effort to ensure the capabilities of the new system are utilized to the district's maximum benefit.

FCMAT also reviewed business office position functions and staffing levels. Interviews and documentation indicate the business office has experienced constant change over the last several years including the juggling of duties and assignments, some of which occurred as the result of the elimination of the accountant position. This occurred at a time of increasing complexity of school district finances and growing compliance requirements. This made it more challenging for the chief business official to provide timely and accurate fiscal support to the entire organization. The district should consider restoring this position.

Staffing levels of the district business office were compared to allocations of six like-sized elementary school districts throughout California. The survey revealed the Ross Valley School District staffing is consistent with the comparison districts. Nevertheless, it may be necessary to restore the accountant position even if doing so means further restructuring of the business office to ensure the proper mix of technical skills and experience are available to manage the district's fiscal challenges.

# Organization and Staffing

## Principles of Organizational Structure

A school district's organizational structure should establish the framework for leadership and for delegating duties and responsibilities. The organizational structure should adapt as the district's enrollment increases or declines. A district should be staffed according to generally accepted theories of organizational structure and standards used in other school agencies of like size and type. The most common of theories of organizational structure are span of control, chain of command, and line and staff authority.

### Span of Control

Span of control refers to the number of subordinates reporting directly to a supervisor. Although there is no agreed upon ideal number of subordinates for span of control, it is generally agreed that the span can be larger at lower levels of an organization than at higher levels, because subordinates at lower levels typically perform more routine duties and can therefore be supervised more easily.<sup>1</sup>

### Chain of Command

Chain of command refers to the flow of authority within an organization and is characterized by two significant principles: unity of command, where a subordinate is only accountable to one supervisor; and the scalar principle, which suggests that authority and responsibility should flow in a direct vertical line from top management to the lowest level. The result is a hierarchical division of labor.<sup>2</sup>

### Line and Staff Authority

Line authority is the relationship between supervisors and subordinates. It refers to the direct line in the chain of command. For example, the assistant superintendent of business services has direct line authority over the director of fiscal services, and the director of fiscal services has direct line authority over the fiscal services department staff. Conversely, staff authority is advisory in nature. Staff personnel do not have the authority to make and implement decisions; rather they act in support roles to line personnel.<sup>3</sup> The organizational structure of local educational agencies contains both line and staff authority.

The purpose of the organizational structure is to help district management make decisions to facilitate student learning while balancing its financial resources. The organizational design should outline the management process and its links to the system of communication, authority and responsibility necessary to achieve the district's goals and objectives.

---

1 Principles of School Business Management, Association of School Business Officials, Incorporated, Wood, R.Craig, Thompson, David C., Picus, Lawrence, O., Tharpe, Don I., 2<sup>nd</sup> Edition (1995)

2 Ibid

3 Ibid

## Business and Financial Services Structure and Staffing

In reviewing various documents provided by the district and reviewing information on the district's web page, the position title for the leader of the business department is inconsistent. Some documents identify the title as chief business official while other documents identify the title of the position as business manager and/or chief business manager. For the purposes of this section of this study, the title of chief business official will be used because it has become the industry standard for California school districts.

The Business and Financial Services Department is overseen by the chief business official (CBO), who has served in this position since 2006. Prior to assuming the CBO position in the Ross Valley District, the CBO served in a neighboring district for five years with responsibilities related solely to payroll and accounting functions. This is the first management position in a school district for the CBO. Except for the limited experience gained as an employee in payroll and accounting in a neighboring district, the CBO took this position with no formal professional development or training in the role and function of a CBO. Since taking the CBO position, the individual has completed the CBO leadership program operated by the Association of California School Administrators (ACSA).

The organizational chart for the department indicates that the following positions report directly to the CBO: payroll coordinator, accounting assistant, staff assistant, print shop specialist and food service coordinator. Functions typically assigned to the CBO position, including informational technology, facilities, maintenance and operations, collective bargaining and risk management, are assigned to either the superintendent or assistant superintendent because the current CBO has little or no experience in these important areas. The assignment of these functions to other members of the administrative team has resulted in the affected administrators having to concentrate on functions outside their normal areas of responsibility.

Interviews with staff members within and outside the business department indicated that the department no longer provides reliable, accurate and timely information to the governing board, school sites and district-level departments. One of the reasons for this decrease in service is the elimination of the accountant position in July 2009; however, based on information provided by several individuals interviewed, another reason for the perceived lack of reliability and reduction in services is the limited teamwork of business department staff coupled with lack of experience and limited direction coming from the CBO.

In addition, many business department employees are relatively new to their current positions, which has resulted in a reallocation of duties and uncertainty among the employees remaining in the department. To obtain a clearer understanding of the amount of time required for the tasks assigned to each position and to determine the impact of the elimination of the accountant position, the district should consider assigning each business office staff member to complete a one-month time analysis. This process will also allow the district to determine if proper internal controls are being adhered to in the business office.

The district utilizes QSS, the Marin County Office of Education financial software system. Based on interviews with members of the Business Department, QSS is lacking in several aspects of a state-of-the-art integrated financial software system including an effective position control system, online purchase requisitioning and ordering and a human resources system that is inte-

grated with the budget, accounting and payroll system. Although QSS has limited capabilities, it also appears that the system is underutilized by the business office.

Marin County is in the process of converting to QCC, a system that should provide the district with the tools to better manage and improve the effectiveness and efficiency of the business department and provide staff members outside the department with greater capability to manage and control their respective budgets. However, the necessary training during the testing of this system should be made available to members of the business department and, once implemented, to members of other district-level departments and affected school site staff members.

## Internal Controls

Internal controls are the foundation of sound financial management and allow districts to fulfill their educational mission while helping ensure efficient operations, reliable financial information and legal compliance. Internal controls also help protect the district from material weaknesses, serious errors and fraud.

All educational agencies should establish internal control procedures to perform the following:

- Prevent internal controls from being overridden by management
- Ensure ongoing state and federal compliance
- Provide assurance to management that the internal control system is sound
- Help identify and correct inefficient processes
- Ensure that employees are aware of the proper internal control expectations

Districts should apply the following basic concepts and procedures to their transactions and reporting processes to build a solid internal control structure:

- System of checks and balances
- Segregation of duties
- Staff cross-training
- Use of prenumbered documents
- Asset security
- Timely reconciliations
- Comprehensive annual budget
- Inventory controls

A desk audit of each position in the business office was not part of this assignment. However, interviews with all members of the business office staff and a review of job descriptions appear to reveal deficiencies related to internal control procedures. Job descriptions and actual assignments of the CBO, accounting assistant and staff assistant should be reviewed to ensure proper separation of duties and the necessary checks and balances to protect district assets.

Employees indicated that little or no cross-training occurs for some of the department's key functions, including tasks in purchasing, accounts payable and payroll. These tasks are essential to the district's operations, and the lack of cross-training could place the district at risk of serious errors.

Employees in the district office and at school sites reported that the budget information provided by the business office is inconsistent and not provided in a timely manner. As a result, school site staff maintain their own manual budget administration system to keep an updated and accurate record of their general fund budget for supplies, materials and equipment. This dual budget monitoring and administration leads to inconsistencies and misunderstanding between the business office and school sites and departments regarding the status of their respective budgets.

Effective position control is an essential component of an effective financial software system and should be available for use in the operation of the business and human resources offices. The existing position control system that is part of the QSS financial system has been implemented effectively by the CBO; however, it is not currently in use and accessible to the human resources department.

Desk manuals are essential to the smooth business office operations, especially in a district that experiences high turnover of staff. Other than a very thorough desk manual for the staff assistant position, there do not appear to be any desk manuals available for new or substitute employees in the business office.

## Recommendations

*The district should:*

1. Authorize Business Department staff members to attend training sessions provided by the Marin County Department of Education as the QCC financial system is being tested and implemented. Establish a schedule for training district and school site staff on the QCC system once implemented.
2. Consider having each business office staff member complete a one-month time analysis.
3. Consider a follow-up review of the specific duties of each member of the business department to ensure that proper internal control systems are in place.
4. Direct all members of the business department staff to develop a desk manual that identifies position duties, including procedures to follow for each duty.
5. During the development of the 2011-12 general fund budget, consider re-establishing the accountant position and apportion the funds necessary for the district to recruit and maintain an experienced individual for this necessary position.
6. Develop a timely and accurate budget administration system that can be used by departments and school sites in monitoring and administering their respective budgets.
7. Work with the human resources department so that both the business and human resources departments can use the QSS position control system.



8. Complete a thorough evaluation of the CBO that includes not only the technical performance of the individual but the ability of the individual to provide the leadership required of the CBO position and to develop an effective business office team. The evaluation should include interviews with employees in the Business Department, in other departments and at school sites.
9. Establish a consistent title for the leader of the business office and modify all district documents to reflect the correct title of the position.

## Accounting Assistant

The district has one accounting assistant position. Because of a lack of department staff, this employee performs duties related to accounts payable, accounts receivable, deposits cash, makes budget transfers, balances cash with the Marin County Treasurer, balances clearing accounts and student body funds, and performs other department duties. The accounting assistant position reports directly to the CBO.

This employee has worked for the district for approximately 10 years and has served in this position for approximately four years. Prior to this assignment, the employee performed payroll and human resources functions. Interviews with the accounting assistant and other employees in the district office reported that the accounting assistant is overwhelmed and has done an excellent job under very difficult conditions.

A review of the job description for the accounting assistant position and interviews with department staff shows that some of the duties assigned to the accounting assistant are inconsistent with sound internal control practices. For example, a single employee should not prepare invoices for payment, make journal entries and balance cash with the county treasurer. The accounting assistant is also responsible for depositing cash. To separate duties and provide better internal controls, the district should consider reassigning some of these to other members of the business department.

## Recommendations

*The district should:*

1. Complete a one-month time analysis of the work performed by the accounting assistant.
2. Conduct a study of specific responsibilities of each staff member in the business office to ensure that proper internal controls practices are in place.
3. Consider funding and filling the accountant position or, alternatively, approve and fund a second accounting assistant position in the business department.

## Staff Assistant

The staff assistant reports directly to the CBO. Because the business department has limited staffing, the staff assistant position includes many functions typically performed by employees requiring more technical experience than required in the job description for this position. For example, this position is responsible for monitoring and preparing parcel tax exemptions and appeals, maintains the phone system in the district office, provides backup to the food services coordinator and backs up the computer system. However, the staff assistant does not maintain the daily schedule or monitor phone calls for the CBO. Staff reported that it is very difficult to ascertain the CBO's schedule, which makes it difficult for employees from other departments to get the opportunity to discuss issues with the CBO.

The employee serving in this position has been an employee in the district for approximately one year, and it is the employee's first experience with a school district. However, the employee has extensive experience in private sector positions with supervisory and leadership responsibilities.

During the interview with the staff assistant, the employee presented a desk manual for this position. The manual summarizes major responsibilities for each month of the fiscal year, July through June. Although the manual provides an excellent summary of the major responsibilities for the position, it does not include the steps necessary to complete the tasks.

## Recommendations

*The district should:*

1. Consider conducting a reclassification study of this position to determine if the title and placement on the salary schedule is consistent with the responsibilities and duties assigned.
2. Conduct a one-month time analysis of the work performed by the staff assistant.
3. Utilizing the document prepared by the staff assistant, expand it to include steps necessary to complete the tasks identified in the existing report.
4. Require the CBO to either allow the staff assistant to maintain the daily calendar for the CBO or, alternatively, require the CBO to provide the staff assistant with a copy of the daily calendar.

## Payroll Coordinator

The payroll coordinator has been a district employee since 2000 but has only been in this position since August 2009. Previously, the payroll coordinator served as the district's accountant. This employee applied for and was appointed to the payroll coordinator position when the accountant position was eliminated in 2009.

During FCMAT's interview, the payroll technician presented a brief, two-page summary of the steps for preparing district payrolls. This document cannot be considered a complete desk manual but would be useful in preparing such a manual. This is especially important as the

Marin County Office of Education transitions from a payroll system that is part of the QSS financial system to the QCC system that is being implemented for school districts throughout the county.

Another reason for the importance of this manual is that during the interview with the payroll coordinator, it was reported that the employee might be leaving the district within the next couple of months because of “burnout” as a result of the elimination of the accountant position and the business office being understaffed.

## Recommendations

*The district should:*

1. Conduct a one-month time analysis of the payroll coordinator’s daily responsibilities and duties.
2. Utilizing the document provided by the payroll coordinator, develop a complete desk manual for the position, taking into consideration the conversion to the QCC payroll system.
3. With the impending departure from the District of the Payroll Coordinator, start the process of replacing this position as soon as possible. This is especially critical because of the conversion to the QCC payroll system by the Marin County Office of Education.
4. Consider the temporary appointment of an experienced consultant familiar with the QCC payroll system to help with its implementation until the district can recruit and train an employee in all aspects of its development and maintenance.

## Print Shop Specialist

The print shop specialist has been employed by the district for approximately four years. In addition to being responsible for virtually all district printing and written communication with the community, this position also maintains the district website and redesigns most district-wide forms used by departments and school sites. Further, the print shop specialist has been assigned to assist the district staff with district-wide surveys, which at times can be very time-consuming.

Although additional responsibilities appear to have been assigned to this position because of the employee’s abilities, the position has been reduced to .6 of a full-time position because of budget constraints. This reduction in time has significantly affected the ability of the district to provide up-to-date written communication with school sites, parents and community members. During the FCMAT interview, the print shop specialist stated that even though the district acquired a new printer that is used for most booklets, an older printer also needs to be replaced if the district wants to maintain the quantity and quality of print shop service that school sites and district departments have come to expect.

The print shop specialist also reported during this interview that he is well informed of districtwide issues because of monthly meetings held for all district office employees. However, he is not as aware of issues in the business office because of the infrequency of meetings.

Numerous other district office personnel pointed out during interviews that the print shop specialist devotes many more hours to the position than the 24 hours per week assignment. This issue must be addressed by the district before it becomes a violation of both federal and state employment laws and regulations.

## Recommendations

*The district should:*

1. Conduct a reclassification of the print shop specialist position to determine if the responsibilities and duties assigned warrant a change in the job description and placement on the salary schedule.
2. Conduct a one-month time analysis of the print shop specialist position to determine if the duties assigned over and above those identified in the job description can reasonably be completed within the hours assigned to the position.
3. Complete a thorough review of the equipment being used by the print shop and as funds become available, replace outdated equipment to improve the efficiency and effectiveness of this operation.
4. Contract with an outside third party to analyze the operation and cost of the print shop along with the cost of printing/copying done at school sites to determine if the continued operation of the current system is cost effective and can provide timely communication to school sites, parents and the community, as opposed to contracting for said services.

## Food Services Coordinator

The food services coordinator supervises the child nutrition department, which is responsible for providing meals to the district's students, including those eligible for free and reduced price meals. As is the case with most district departments, there is very little backup for this position, and that is provided by the staff assistant.

Because of time constraints, it was not possible to interview the employee who holds this position. However, a copy of the position handbook was made available to the study team. In reviewing this document, it was found to be thorough and provided the detailed steps necessary for a substitute to temporarily maintain departmental operations. The document outlines daily, weekly and monthly activities, as well as the processes necessary to complete the activities.

## Recommendations

*The district should:*

1. Use the desk manual developed by the food services coordinator as a template to develop desk manuals for other business department positions.

## Staffing Comparisons

To develop a comparison of business department staffing, FCMAT obtained data from six California elementary school districts with enrollment similar to that of Ross Valley School District. In choosing the comparison districts, FCMAT included two elementary school districts located in Marin County that had enrollments somewhat similar to that of Ross Valley. The other four elementary school districts are located throughout the state in four different counties. The comparison districts surveyed included Central Union, Chowchilla, Corning Union, Robla, Dixie and Larkspur elementary school districts.

Although comparative information is useful, it should not be considered the only measure of appropriate staffing levels. School districts in California are complex organizations and vary widely in demographics and resources.

As a result, careful evaluation is necessary in reviewing the results of the comparisons. Generalizations can be misleading if significant circumstances related to each district are not taken into account. The following factors were considered when selecting the comparative districts:

- Grade level configuration of the district (elementary)
- District size
- Revenue limit districts (rather than basic aid)
- Percentage of students eligible for free and reduced price meals

The following table lists the student enrollment and business department staffing levels of the comparison districts as reflected on the Ed-Data website for 2008-09 and from data obtained from the comparison districts.

Item	Ross Valley SD	Robla SD**	Larkspur SD	Central Union SD	Corning Union SD	Dixie SD	Chowchilla ESD
Enrollment*	1,940	1,950	1,330	1,866	1,947	1,796	1,928
CBO position	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Business Office Support Staff	Payroll Coord.; Acct Asst.; Staff Asst.	Fiscal Serv Mgr.; Admin Serv. Coord.	Admin. Asst Payroll/Benefits (.75); HR Asst. (.75)	Acct Supv.; Acct Coord.; Bus. Sect.; Dist. Clrk	Acct Tech; Admin Asst; Payroll Tech	Asst. to CBO; Acct/Payroll; Bus. Tech; Accountant	Acct Asst.; Payroll/ Acct Specialist; Acct Clerk
Total Bus. Office Support Staff	3.0	2.0	2.5	4.0	3.0	4.0	3.0
District Depts. Reporting to CBO	Business; Food Serv; Print Shop	Business; Food Serv; Technology	Business; Food Serv; Classified Personnel	Business; Food Serv; Maint/Ops/Grnds; Facilities; Warehouse	Business; Food Serv; Maint/Ops/Grnds; Facilities; Transportation	Business; Food Serv.	Business; Classified Personnel; Food Serv; Maint/ Ops/Grnds; Transportation; Reprographics

\*2008-09 enrollment per Ed-Data Web page

\*\*Payroll reports to Human Resources

Based on the districts surveyed, the span of control and the number of management level staff that report directly to the CBO, the number of business office support staff in the Ross Valley School District is comparable to the districts included in the comparison study. However, many of the districts surveyed included both a payroll technician and accounting technician position in the business office in addition to clerks and assistants. The district would benefit from reinstating the accountant position and is encouraged to attempt to allocate the resources necessary to fund this position when developing the 2011-12 general fund budget.

As mentioned previously in the staffing section of this study and as shown in the comparison, it is very unusual in the administrative structure of California school districts to have only two main district support departments reporting to the CBO. A highly qualified CBO should be able to assist the superintendent by having departments such as technology, facilities and maintenance/operations reporting directly to the CBO.

## Recommendations

*The district should:*

1. As funding allows, consider filling the position of accountant in the business office.
2. Consider increasing the span of control of the CBO position to include district-level departments such as maintenance/operations/grounds/facilities and technology.

# Budget Development and Monitoring

## General Budget Management

Fiscal accountability and budget oversight of California school districts is required by various Education Code sections. The enacted statutes comprise the core of measures that were implemented in response to multiple school district financial failures during the last two decades. The county office of education is responsible for conducting this oversight. Periodic reviews are required with each state-required budget report, at adoption and with each interim report.

The external oversight provided by the Marin County Office of Education has been extended to include the assignment of a fiscal expert. The assignment of this additional oversight was agreed to mutually by the district and the county office of education in an effort to provide support as the district began the identification and implementation of budget reductions pursuant to a fiscal recovery plan. The district school board has been developing a plan and calendared action to implement same at their February 2011 meeting.

Policies and regulations of the school board should be adopted that provide clear guidance to the community, district administration and other stakeholders regarding management of the district budget. Guidance to staff regarding expectations for the budget, including goals and objectives for student achievement, should be identified. Processes by which budgets are aligned with the goals and objectives, along with standardized budget assumptions and the budget development and monitoring processes, should be included. The school board's current policies and procedures provide for some but not all of these recommendations.

Federal and state government agencies require a single plan for student achievement that documents the coordination of categorically funded programs. The plans demonstrate how the school plans to use such funds to improve student achievement and comply with other restrictions surrounding these resources. School site councils, consisting of parents and staff, are required to develop the plan including budgetary line-item detail. Interviews with school site staff indicated that funds are sometimes allocated by the district office before the plans are developed by the school site council. This practice is inconsistent with the purpose and function of a school site council and should be reviewed by district administration.

Multiyear financial projections are required by AB 1200 and AB 2756 and are a part of the adoption budget and interim reporting process. In June 2004, AB 2756 (Daucher) was passed and signed into law on an urgency basis. This legislation made substantive changes to the financial accountability and oversight used to monitor the fiscal position of school districts and county offices. Among other things, AB 2756 strengthened the roles of the superintendent of public instruction (SPI) and county offices of education and their ability to intervene during fiscal crises, including requesting assistance from FCMAT.

Financial planning is crucial for every school district, regardless of its size or structure. Long-term financial planning helps a district strategically align its budget with its instructional goals and programs, and should be a part of annual budget development. Multiyear financial projections (MYFPs) help districts make more informed decisions and provide the ability to forecast the effect of current decisions, and should be evaluated and updated at least during each interim financial reporting period and in preparation for negotiations. Documentation provided to FCMAT indicates the district is diligent in its multiyear financial projection development and management.

Many staff development opportunities are available to district business office staff that provide critical technical information and development of leadership capacity relative to the performance of their duties. As fiscal conditions continue to deteriorate, it has become more difficult to fund these activities, let alone justify the time spent away from the office. FCMAT encourages the district to make a priority of staff development activities for the business office to ensure they have the knowledge and skills necessary to perform their duties at the highest level.

California school districts have worked with a number of industry-standard budget development and monitoring tools for many years. Some of these tools provide enrollment and staffing projection analysis, others offer revenue and expenditure multiyear financial projections, and still others assist with cash flow management. District staff has recently utilized the free online tool Budget Explorer as developed by FCMAT. This program contains all of the above-noted analysis tools, helping to improve staff efficiency and productivity. Staff should continue to use this tool to analyze and monitor district budgets and multiyear financial projections.

## Recommendations

*The district should:*

1. Develop board policy and administrative regulations that provide guidance to staff regarding processes by which budgets are aligned with the goals and objectives, standardized budget assumptions and the budget development and monitoring processes.
2. Review the practice of designating restricted categorical funds before school site councils have the opportunity to develop the single plan for student achievement.
3. Make a priority of staff development activities for the business office to ensure they have the knowledge and skills necessary to perform their duties at the highest level.
4. Continue to use Budget Explorer to analyze and monitor its budgets and multiyear financial projections.

## Budget Development

Development of the district budget is a critical component of sound fiscal management in public schools. Effective communication of the district's priorities, challenges and opportunities to all interested parties is necessary to achieve the district's goals and objectives, which include providing quality educational programs and improving student performance. The budget is the means by which this communication occurs.

The district adopts its annual budget within the statutory time lines established by California Education Code Section 42127, which requires that on or before July 1, the governing board shall hold a public hearing on the budget to be adopted for the subsequent fiscal year. No later than five days after that adoption, or by July 1, whichever occurs first, the governing board shall file that budget with the county superintendent of schools. The budget should reflect the



district's goals and objectives, which should be developed annually and approved by the board. School district budgets are not static; the revenues, expenses and estimated ending balance of each fund can change because of items such as the state-adopted budget, changes in personnel, and negotiated settlements of employee bargaining agreements.

Budget development is a detailed process that begins as early as November or December of the prior year in most school districts. Effective budget development includes utilization of a budget calendar so that each staff member is aware of deadlines for which they are responsible, and all interested parties are informed of the process. FCMAT's interviews revealed that a budget development calendar was utilized last for the 2008-09 fiscal year. The district should review its budget development tasks and time lines and construct a district-specific annual budget development calendar each year to ensure the process is managed appropriately.

Effective communication of district budget priorities and challenges can greatly enhance the ability to achieve its financial and educational goals. As noted, a budget development calendar is an effective tool for communicating the district budget process to interested parties. Another tool utilized by most school districts is a budget advisory committee (BAC). Other communication tools include community surveys, newsletters, postings on the district website, and press releases.

BACs are typically comprised of members of the community, district administration, site and department staff, parent and community groups and collective bargaining unit representatives. They collectively provide feedback to district administration, and then to the school board, regarding budget priorities. They should not have specific authority over any aspect of the budget or the development process, as that should be reserved for the school board.

The district has utilized an advisory committee in the past, with significant involvement by the school board at the committee level. School board involvement can be problematic, in that some committee members may not feel as free to participate or share their thoughts. FCMAT recommends discontinuing this practice.

The district has also conducted community surveys to seek input regarding budget priorities. One such process is under development as of the writing of this report. The budget development process conducted during the 2008-09 year included a survey wherein community members were asked to identify and rank budget priorities. The results of this survey were received as ineffective by some school board members because it was perceived that survey respondents were not necessarily informed, and thus the quality of their feedback may be suspect. Other board members felt the survey produced reliable information. The school board is approaching the current survey with the goal of producing feedback that is considered reliable by all district decision makers.

During the 2008-09 fiscal year the district developed a core and supplemental program analysis to guide their survey efforts. Staff assigned each program a status as being either necessary to the core instructional program as determined by the school board, or supplemental to that core. Programs or portions thereof identified as supplemental were the subject of budget reductions that year, while core items were preserved.

The list was resurrected for the current year fiscal recovery plan budget reduction process. The list was updated to identify current cost estimates and allocations, and a timeline developed to implement the district's recovery plan. Board actions regarding staff layoffs and other actions have been identified on the calendar. Supplemental items have been identified and their costs calculated, along with a target budget reduction amount for the 2011-12, 2012-13 and 2013-14 fiscal years. A community survey is under development to seek feedback regarding prioritization of the reductions.

Any budget development process should be presented in a format that provides decision makers with a framework from which they can take appropriate action. All too often, board members in public education express frustration that the complexities of California school finance make it difficult to identify information that will assist them in their decision making. The Standardized Account Code Structure (SACS) financial report is often considered too detailed and complex, lacking information for the purposes of key decision makers. Chief business officials often report frustration when identifying the information that will allow decision makers the ability to carry out their responsibilities, and what formats best achieve that task.

The Ross Valley School District is no different and has suffered from the challenges noted above. To address this, the district should consider the following report format as a framework to assist in the budget development and monitoring decision-making process.

- A summary of the district multiyear financial projection, as approved by the school board:
  - Unrestricted resources only
  - Restricted resources only
  - Combined resources
- A summary of the district cash flow projection for the entire multiyear financial projection period
- Details of reserves and designations of the ending fund balance, by year, for the general fund
- List of key budget development assumptions, to include:
  - Enrollment projections
  - Federal, state and local revenue changes (material items only) and their allocation
  - Staffing allocations
  - School and department allocations
  - Fixed cost allocations (step and column costs, statutory and contracted benefits, utilities, etc.)
  - Contributions to restricted programs
  - Budget reductions, allocations and/or reallocations
  - Program restoration, modification and expansion priorities
- Analysis mapping budget allocations or reductions to board goals and objectives

These documents can be supplemented by additional information that the district deems helpful to the decision-making process.

The district's CBO alone has been primarily responsible for budget development, including developing site and department budgets, during fiscal years where there have not been significant funding reductions proposed by the state. In years where such reductions have been proposed, as noted earlier, a variety of community-based processes have been utilized to seek input regarding budget priorities.

The CBO reports that in previous years consistent direction regarding the district budget has not been provided by the district superintendent, leaving her to develop the budget without guidance. Any community-based process was managed by school board members; direction regarding technical aspects of revenue and expenditure assumptions was provided by school board members as well. Internal processes involving site and department budget managers were virtually nonexistent.

Many of these managers reported to the FCMAT team their frustration regarding this format. Little or no input was sought for their priorities or needs. Proposed budget amounts appeared to be rollovers of prior year budgets. No opportunity to request enhancements or reallocations was provided. In essence the proposed budget was what it was, and site and department managers were left to communicate their needs after budget adoption by the school board.

Although having a single staff member create the budget may expedite budget development, site managers have expressed a desire to have input into the process. This would help create a sense of shared ownership and responsibility, a deeper understanding of budgetary issues, and possibly fewer budget transfers during the year.

Implementing such a process will require a significant effort at the beginning of budget development. The business department would need to prepare budget development materials, provide a budget workshop and be more available to provide assistance and answer questions as work progresses. However, the result would be a greater sense of ownership on the part of those responsible for managing site and department budgets.

To this end, the district school board needs to develop a realistic and manageable expectation of the productivity of the CBO and business office staff given existing staffing levels. The CBO is responsible to meet external mandated compliance requirements of federal, state, county and local regulatory agencies, as well as generate reliable management information for effective decision making by the superintendent and the board. These tasks take time, skill, education, experience and energy, particularly when funding issues develop. A balance needs to be struck between time allocated to meet external compliance demands and internal management information needs. If no balance is achieved, both will suffer and few needs will be met, placing the district at even greater fiscal jeopardy. FCMAT recommends consideration of existing workloads whenever additional tasks are assigned to the business office to allow for quality external and internal business and financial management services from the business office.

Position costs comprise most of the district's expenditure base. The district utilizes the position control system in the QSS human resources module. During budget development, position control is revised and updated; certificated staffing allocations are driven by enrollment projections and calculated based on formulas. Final staffing allocations are approved and vacancies filled.

A reliable position control system establishes positions by site or department and helps prevent over- or under-budgeting by including all district-approved positions. In addition, a reliable position control system prevents a district from omitting routine annual expenses from the budget, such as substitutes, extra duty pay, stipends, vacation payouts and estimated column changes.

To be effective, a single position control system needs to be used and integrated with other financial modules such as budget and payroll. In addition, position control functions need to be separated to ensure proper internal controls. The controls should ensure that only board-authorized positions are entered into the system, that human resources hires only employees for authorized positions, and that the payroll department pays only employees hired for authorized positions.

The proper separation of duties is a key factor in creating strong internal controls and a reliable position control system.

Rolling over position control data from the current fiscal year to the budget year provides a starting point for developing the district's budget and should be completed early in the budget development process. Position control files for the budget year should then be updated to eliminate positions, add new approved positions, make changes in statutory and health and welfare benefit rates, and make any other adjustments that will affect salaries and benefits for the budget year. A fully functioning position control system helps districts maintain accurate budget projections, employee demographic data and salary and benefit information. The system should be used to update the budget at each reporting period.

The human resources department should play a key role in the management of position control. They, much like the school and department budget managers, must have an opportunity for input into staffing allocations because they are responsible for meeting the staffing needs of the district. To accomplish this, they must also be acutely aware of the current status of all authorized positions and vacancies. Communication of budgeted position data is essential to the management of position costs.

Certificated positions are staffed in accordance with the district's certificated staff collective bargaining agreement. Classified support and administrative positions are staffed per agreements reached between district and site or department managers. Human resources department staff reported that position decisions are not always communicated effectively and sometimes change without explanation.

The CBO should provide clear and concise information regarding position authorizations. The common vehicle for this is a position control form that is used to articulate position and personnel changes alike, affording both departments the opportunity to inform each other of any changes. District staff reported that the form is not consistently utilized; FCMAT recommends the form be used whenever changes are implemented to the following:

- Opening, adjusting and/or closing positions
- Filling or vacating existing positions
- Position funding
- Personnel compensation
- Work calendar

Sound internal controls should be in place for any position control system. The following table provides a suggested distribution of labor between the business and personnel departments to help provide the necessary internal control structure for position control. Tasks are listed in order of execution.

Governing board	Approve or authorize position
Business department	Input approved position into position control, with estimated salary/budget Assign position a unique number
Personnel department	Enter demographic data into the main demographic screen, including: <ul style="list-style-type: none"> <li>• Employee name</li> <li>• Employee address</li> <li>• Social Security number</li> <li>• Credential</li> <li>• Classification</li> <li>• Salary schedule placement</li> <li>• Annual review of employee assignments</li> <li>• Update employee benefits</li> <li>• Review and update employee work calendars</li> </ul>
Business or personnel department	Annually review and update salary schedules
Business department	Update account codes Budget development Budget projections Multiyear projections Salary projections

## Recommendations

*The district should:*

1. Review budget development tasks and timelines and implement a district-specific budget development calendar each year.
2. Avoid direct board member involvement in the operation of budget advisory committees.
3. Adopt a budget report format that assists key decision makers at the district and governing board level in carrying out their responsibilities.
4. Assign sites and departments the task of creating their budgets. Ensure that the business department develops and designs budget materials and support to provide sites with the tools and knowledge needed to complete this task.
5. Separate position control duties between the human resources and business services departments to provide for proper internal controls.
6. Integrate the position control, payroll and budgeting systems on QSS to ensure maximum efficiency and accuracy in position management.
7. Keep the position control system current at all times, utilize the position control form to communicate all position changes, and use the position

control system to upload salary and benefit information for each reporting period.

8. Consider staffing levels and the mandated workload of all business office staff when directing same regarding additional tasks and responsibilities.

## Budget Monitoring

Once the district budget is adopted, the monitoring process begins to ensure that budgeted resources are received as projected and authorized expenditures are not exceeded. This monitoring is necessary to ensure the district's fiscal viability. A failure to provide such oversight is an invitation for fiscal disaster, and figures prominently into the characteristics of districts that experience fiscal insolvency.

External monitoring and oversight of the district budget is provided by the Marin County Office of Education as required by the Education Code. A formal review process is required of the adopted budget, as well as periodic interim budget reports. Other external oversight activities include audits conducted by the district's independent external financial auditors, as well as compliance and financial audits conducted by federal and state agencies, as required by law and regulation.

Internal monitoring and oversight of the district budget is the responsibility of district management, and is a component of a sound system of internal control. The budget monitoring process originates with the business office providing access to reliable fiscal information to site and department budget managers.

The district utilizes the QSS financial management system as provided by the Marin County Office of Education. The program is being modified to provide a more user-friendly environment, including easier menu navigation. However, until these enhancements are implemented, the system is considered by many in the district to be antiquated in terms of user interface. Staff at the site and department level report frustration utilizing QSS. The system does not provide reports or screens that they can easily interpret. Others report the performance of the system is inconsistent. A few staff members reported to the FCMAT team that they manually track their transactions and then reconcile their balances to program reports as they cannot effectively utilize the QSS program to perform research or generate reports. Others reported they ignore QSS altogether and simply call the business office to identify their available budget balances.

The business office should work closely with site and department staff to identify the basis for these deficiencies and support their ability to utilize the program successfully. They should also report such issues to the Marin COE and work to implement effective solutions to problems or performance issues that all districts in the county are experiencing.

Sites have online access to the QSS financial system and can review line-item detail budgets. If a budget transfer is needed, site and department personnel manually prepare a budget transfer form and submit to the CBO requesting that a transfer be completed. If approved, the accounting assistant enters the transfer into QSS; if not, the CBO contacts the school or department to discuss any issues identified. This process is time consuming and inefficient, particularly considering the capabilities of most financial management software programs. Staff at the schools and departments reported frustration with this process, including lost forms and inconsistent

guidance from the CBO regarding use of account codes and appropriate utilization of restricted resources.

The financial management system is capable of providing site and department staff the ability to process their own budget transfer requests, which eliminates the need for paper processing. Such authority should be limited to those accounts for which the budget manager has responsibility. Training should be provided to site and department staff on how to utilize the system for this purpose.

Budget monitoring is greatly enhanced with payroll encumbering. This process provides an encumbrance entry for payroll obligations for the balance of the fiscal year for each salary and benefit line item. Identified overages, if any, can then be corrected timely. The district does utilize payroll encumbering, although some districts have reported the QSS system is not completely reliable in this regard. The business office should work with the Marin COE to ensure payroll encumbering works effectively in the new QCC system.

The unaudited year-end financial report is a key document relative to the budget monitoring process. Issued each September, the report provides details regarding the final status of previous year transactions and cash position. The district should utilize this information in the current year budget to:

- Update beginning fund balance budgets to match actual amounts
- Evaluate current year revenue and expenditure budget allocations relative to past actual transaction trends over a multiyear period
- Update cash flow projections to reflect actual cash, accounts receivable and accounts payable accruals as of the close of the previous year

The district audit report, issued in December of each year, should be used as a source document to record audit adjustments made to the district's books by the independent external financial auditors. The district budget should also be modified to provide for any changes required by the posting of these audit adjustments.

## Recommendations

*The district should:*

1. Work with the Marin County Office of Education to identify best practices regarding utilization of the new QCC financial management system and its capabilities surrounding financial research, report generation and budget transfer processing.
2. Train site and department staff to manage budget transfers for accounts under their responsibility.
3. Ensure the payroll encumbering feature of the new QCC system functions properly.





# Communications

Effective communication is essential to any well-functioning school district, especially in small districts like Ross Valley where the schools are typically the hub of the community. In addition to effective communication to community residents, effective, accurate and consistent communication among employees in each department and between departments and school sites is necessary to maximize the effectiveness of the district's overall operation.

Because the district has experienced turnover in key administrative positions as well as with staff members in the business office, effective communication is essential when implementing new direction and structural changes caused by new leadership and severe general fund budget reductions.

## Communication in the Business Office

One of the most important areas of communication in a school district lies within the business office. Because all aspects of a school district operation are impacted by financial decisions being made at the district level, all members of the business office should understand why certain decisions are made and the impact of those decisions on their department as well as other departments and school sites.

The CBO has been employed in that position by the district since 2006. However, there appears to be little, if any, respect and trust developed between the CBO and staff members in the department. Staff meetings are infrequent at best, and written communication within the department is basically nonexistent. Department staff members do not have access to the CBO's calendar, which makes it very awkward when staff from other departments question the whereabouts of the CBO. Further, staff members are not permitted to answer phone calls on behalf of the CBO which, again, creates frustration for both staff members in the business office and individuals trying to reach the CBO. This practice also reduces the effectiveness of the CBO because these types of clerical tasks should not be done regularly by a key member of the superintendent's cabinet.

Open communication within any department is enhanced when members of the department adopt an "open-door" policy. Certainly there are times when doors have to be closed because of the nature of the discussion and/or meeting; however, the current CBO's door is closed the majority of the time the employee is in the office. This policy limits the informal discussions that are so vital in creating an atmosphere of trust and cooperation among department staff members.

## Recommendations

*The district should:*

1. Strongly encourage the CBO to hold regular meetings with all business office staff members.
2. Strongly encourage the CBO to provide access to her professional calendar to staff members in the business office.
3. Direct the CBO to allow the staff members in the business office to answer the CBO's phone when the CBO is not in the office.

4. Encourage all members of the business office to work together to create a positive office atmosphere of trust and cooperation. A first step would be to create an “open-door” policy.

## Business Office Communications with Departments, School Sites and Community

Communication between the CBO and other district-level instructional and operational administrators is inconsistent. Further, it appears the CBO has difficulty explaining important budget and financial data in a manner that is understandable. This lack of being clear and concise has led to long and frustrating meetings of district administrators with the CBO in an attempt to understand budget information and provide budget reports to the governing board, school sites and community in an understandable format.

Budget information provided by the business office is not timely, is inconsistent and contains errors. Reports that are made to the governing board are not always the same as reports provided to district administrators and school sites. This lack of consistency has resulted in a lack of trust in budget and financial reports and has led to departments maintaining their own budget status reports. This practice has led to unnecessary duplicative work being done by district-level and school site staff members.

As is the case within the business office, verbal communication between the CBO and department administrators is infrequent. Financial and budget information for state and federal programs is not consistent or accurately reported. Again, this has led to concerns on the part of district administrators regarding the expenditure of federal and state categorical funds and that the funds are fully expended within the proper time frames.

## Recommendations

*The district should:*

1. Develop a user-friendly template for use by the CBO in developing and reporting state, federal and local budget information to the governing board, district-level staff, school sites and the community.
2. With the pending implementation of the QCC financial software system, provide the necessary professional development to staff members in the business office so that the system can be used to provide timely and accurate financial information to staff members responsible for maintaining and administering department and school site budgets.
3. Upon implementation of the QCC financial software system, provide professional development opportunities to district and school site staff members so that the district can fully utilize the system.
4. Encourage the CBO to provide timely information related to financial and other business-related issues by establishing a regular meeting schedule with each district-level administrator and school principal.

# Appendices

## Appendix A

### Study Agreement



# FCMAT

FISCAL CRISIS & MANAGEMENT  
ASSISTANCE TEAM

CSIS California School Information Services

---

## FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT November 3, 2010

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the Ross Valley School District, hereinafter referred to as the District, mutually agree as follows:

### 1. BASIS OF AGREEMENT

The Team provides a variety of services to school districts and county offices of education upon request. The District has requested that the Team provide for the assignment of professionals to study specific aspects of the Ross Valley School District operations. These professionals may include staff of the Team, County Offices of Education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this Agreement.

In keeping with the provisions of AB1200, the County Superintendent will be notified of this agreement between the District and FCMAT and will receive a copy of the final report. The final report will be published on the FCMAT website.

### 2. SCOPE OF THE WORK

#### A. Scope and Objectives of the Study

The scope and objectives of this study are to:

1. Conduct an organization and staffing review of the business office to determine work flow, duties assigned to each desk, and make recommendations to maximize efficiency.
2. Review budget development and monitoring practices and make recommendations for improvement.
3. Review communication practices between the business department and other departments and administrative staff and make recommendations for improvement.

B. Services and Products to be Provided

- 1) Orientation Meeting - The Team will conduct an orientation session at the School District to brief District management and supervisory personnel on the procedures of the Team and on the purpose and schedule of the study.
- 2) On-site Review - The Team will conduct an on-site review at the District office and at school sites if necessary.
- 3) Exit Report - The Team will hold an exit meeting at the conclusion of the on-site review to inform the District of significant findings and recommendations to that point.
- 4) Exit Letter - The Team will issue an exit letter approximately 10 days after the exit meeting detailing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
- 5) Draft Reports - Sufficient copies of a preliminary draft report will be delivered to the District administration for review and comment.
- 6) Final Report - Sufficient copies of the final study report will be delivered to the District administration following completion of the review.
- 7) Follow-Up Support – Six months after the completion of the study, FCMAT will return to the District, if requested, to confirm the District's progress in implementing the recommendations included in the report, at no cost. Status of the recommendations will be documented to the District in a FCMAT Management Letter.

3. PROJECT PERSONNEL

The study team will be supervised by Anthony L. Bridges, CFE, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- |                         |   |
|-------------------------|---|
| <i>A. Jim Cerreta</i>   | <i>FCMAT Fiscal Intervention Specialist</i> |
| <i>B. Terry Bradley</i> | <i>FCMAT Consultant</i>                     |

Other equally qualified consultants will be substituted in the event one of the above noted individuals is unable to participate in the study.

#### 4. PROJECT COSTS

The cost for studies requested pursuant to E.C. 42127.8(d)(1) shall be:

- A. \$500.00 per day for each Team Member while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings.
- B. All out-of-pocket expenses, including travel, meals, lodging, etc. The District will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon acceptance of the final report by the District.

**Based on the elements noted in section 2 A, the total cost of the study is estimated at \$6,500.**

- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services are payable to Kern County Superintendent of Schools - Administrative Agent.

#### 5. RESPONSIBILITIES OF THE DISTRICT

- A. The District will provide office and conference room space while on-site reviews are in progress.
- B. The District will provide the following (if requested):
  - 1) A map of the local area
  - 2) Existing policies, regulations and prior reports addressing the study request
  - 3) Current or proposed organizational charts
  - 4) Current and two (2) prior years' audit reports
  - 5) Any documents requested on a supplemental listing
  - 6) Any documents requested on the supplemental listing should be provided to FCMAT in electronic format when possible.
  - 7) Documents that are only available in hard copy should be scanned by the district and sent to FCMAT in an electronic format.
  - 8) All documents should be provided in advance of field work and any delay in the receipt of the requested documentation may affect the start date of the project.

- C. The District Administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with pupils. The District shall take appropriate steps to comply with EC 45125.1(c).

6. **PROJECT SCHEDULE**

The following schedule outlines the planned completion dates for key study milestones:


<i>Orientation:</i>	<i>to be determined</i>
<i>Staff Interviews:</i>	<i>to be determined</i>
<i>Exit Interviews:</i>	<i>to be determined</i>
<i>Preliminary Report Submitted:</i>	<i>to be determined</i>
<i>Final Report Submitted:</i>	<i>to be determined</i>
<i>Board Presentation:</i>	<i>to be determined</i>
<i>Follow-Up Support:</i>	<i>If requested</i>

7. **CONTACT PERSON**

Name of contact person: Eileen Rohan, Superintendent

Telephone: (415) 454-2162 x103 FAX: (415) 454-6840

E-Mail: erohan@rossvalleyschools.org

 11-3-10

Eileen Rohan, Superintendent  
Ross Valley School District

Date

 November 3, 2010

Anthony L. Bridges, CFE  
Deputy Executive Officer  
Fiscal Crisis and Management Assistance Team

Date