

### Introduction

Preventing a fiscal crisis is the goal of the financial accountability provisions enacted through the seminal Assembly Bill (AB) 1200 (Chapter 1213/1991) in 1991. In response to a series of court cases, the Legislature created a multifaceted plan to ensure accountability and oversight of local education agencies' (LEAs') financial conditions. This includes an early warning system that uses budget reviews, interim reporting provisions and certifications, oversight and intervention, and uniform criteria and standards regarding financial condition, reporting and trends. The original AB 1200 provisions have been expanded and improved upon over the past 30 years through 50 or more legislative bills, and through enactment of and revisions to regulations.

As part of AB 1200, the Legislature created FCMAT and assigned the organization certain responsibilities. The fiscal crisis category of work was the genesis for the formation of FCMAT, both in developing a prevention system and in providing elements of the recovery process when an LEA is in fiscal crisis.

As used herein, fiscal crisis applies to TK-12 traditional LEAs (non-charter schools) or districts. Other, similar, fiscal crisis statutes apply to community colleges, and those will be covered in a later part of this series. Although some concepts in AB 1200 apply to charter schools, charter schools do not enjoy the protections afforded traditional districts. If a charter school is in fiscal crisis, its options are limited and usually follow the path of a private business in financial crisis, including the use of U.S. bankruptcy protections.

The terms fiscal crisis and fiscal distress tend to be used interchangeably. But for clarity, fiscal distress is less serious and precedes fiscal crisis. Districts experiencing fiscal distress have many options for turnaround. More frequently fiscal distress is the result of short-term budget difficulties and can be resolved by aggressive budget balancing actions. Fiscal crisis is more severe, usually the result of prolonged imbalances between resources and spending, or unanticipated events, leading to cash flow shortages and the exhaustion of options to mitigate those shortages (e.g., temporary cash borrowing options). The historical fiscal crises have all begun with governance and management failures that went uncorrected or unmitigated for a length of time, finally manifesting in a fiscal crisis. The length of time from stability to distress to crisis can vary. Small districts can transition through these stages quickly, and any district can experience a sudden event that has significant financial implications (e.g., uninsured judgement, destructive fire or natural catastrophe).

The term receivership is not defined in state statutes as it relates to school districts in fiscal crisis. The term is used in statute when referring to an LEA with an outstanding state loan and with an administrator or trustee assigned to the district by its county superintendent. Having said that, the term receivership is FCMAT's preferred way to describe an LEA that has petitioned the state for an emergency apportionment pursuant to Education Code Section 41320 and following. The terms state takeover and state bailout are not accurate descriptions of the process. First, as explored below, the receivership process begins with an LEA requesting an emergency apportionment from the state. The state does not initiate the process. Second, as also explored

below, there is no additional state appropriation to the LEA, only an emergency apportionment, which is a loan that the LEA must repay with interest.

Although the receivership process focuses on fiscal crisis, rarely is the crisis limited to fiscal matters. More frequently than not, crisis is also exhibited in the LEA's governance, instructional program, student services, personnel management, and facilities operations.

## **Federal Bankruptcy Protection**

California's local governments, including school districts, have access to protection under U.S. bankruptcy laws. Chapter 9 of the U.S. Bankruptcy Code was created exclusively for local governments to adjust or reduce their obligations when their resources are inadequate to cover such obligations. Unlike other forms of bankruptcy, the filing of Chapter 9 is different in two ways. First, the filing is fully at the discretion of the locality; creditors are not permitted to force a local government to file for relief. Second, the bankruptcy court may not compel a locality to sell its assets or increase tax rates to raise revenues to meet its obligations, nor may the court compel the locality to dissolve or reorganize its governance structure.

Chapter 9 requires that the locality meet several criteria to be eligible to file for relief:

- Be insolvent, which is defined as unable to 1) pay its current obligations, or 2) pay obligations that will become due during the next fiscal year.
- Have no feasible alternative to bankruptcy before it may file for relief. In other words, bankruptcy must be the last resort in addressing unsustainable obligations.
- Demonstrate intent to develop a plan to adjust obligations by displaying an authentic willingness to adjust its obligations.

These basic principles are embedded in the state's receivership process for school districts.

- The historical definition of insolvency for LEAs is the inability to meet their payroll obligations (the single largest obligation for any LEA). Furthermore, there is similarity between federal provisions to meet obligations that become due in the next fiscal year with the concept of a negative interim report certification, which is based on a district being unable to meet its financial obligations for the current and one subsequent year.
- The receivership statutes described below provide a feasible alternative to bankruptcy for California's school districts. The Legislature has established an alternate way for districts to request an emergency apportionment to help them meet their financial obligations while they work through a fiscal recovery plan (or to use the federal code's term, plan of adjustment).
- The receivership statutes do not leave it to the district's governing body to voluntarily develop a fiscal recovery plan, but instead require such a plan and provide assistance, including FCMAT, to help the district do so. Depending on the dollar amount of unsustainable obligations, the state statutes go a step further and remove the governing authority of the local board and provide criteria and a process for identifying an alternative governing body while the district develops and progresses through the recovery plan.

## Historical Basis for Receivership Process

The process we know today as receivership was born out of the legislative remedy to civil rights litigation designed to protect all students and safeguard students and the community from a school shutdown due to insufficient funds. The California Supreme Court's opinion in *Butt v. State of California* laid out an obligation for the state to protect the integrity and equality of our educational system for students. The case, 4 Cal.4th 668, is available at: <https://scocal.stanford.edu/opinion/butt-v-state-california-31401>, and states in pertinent part:

In late April 1991, after a period of mounting deficits, the Richmond Unified School District (District) announced it lacked funds to complete the final six weeks of its 1990-1991 school term. The District proposed to close its doors on May 1, 1991. The Superior Court of Contra Costa County issued a preliminary injunction directing the State of California (State), its Controller, and its Superintendent of Public Instruction (SPI) to ensure that the District's students would receive a full school term or its equivalent. The court approved the SPI's plan for an emergency State loan, and for appointment by the SPI of an administrator to take temporary charge of the District's operation. [4 Cal.4th 674]

We declined to stay implementation of the plan pending the State's appeal. However, we transferred the appeal here in order to decide an important issue of first impression: Whether the State has a constitutional duty, aside from the equal allocation of educational funds, to prevent the budgetary problems of a particular school district from depriving its students of "basic" educational equality.

We affirm the trial court's determination that such a duty exists under the California Constitution. Further, the court did not err in concluding, on the basis of the plaintiffs' preliminary showing, that the particular circumstances of this case demanded immediate State intervention. However, the court exceeded its judicial powers by approving the diversion of emergency loan funds from appropriations clearly intended by the Legislature for other purposes.

Therefore, the receivership process includes a provision for an emergency apportionment and for an administrator to take temporary charge of the district's operation. With respect to the apportionment, the court also made clear that the State Superintendent of Public Instruction (SSPI) and other constitutional officers lacked the authority to redirect existing funds, but that the proper process was for the Legislature to pass an appropriations bill and for the governor to sign it. Education Code Section 41320.2 states: "It is the intent of the Legislature that emergency apportionments, as described in this section, not occur, unless funds have been specifically appropriated therefor by the Legislature."

## Pre- Receivership

As noted above, there is a progression from stability to distress to crisis, the timing of which varies based on the circumstances of each individual LEA. Except for a sudden event resulting in an immediate fiscal crisis, there are usually early warning signs of distress in a district's operations. Thus, the purpose and importance of the county superintendent's, and in some circumstances the SSPI's, fiscal oversight responsibilities of LEAs. More specifically, the county superintendent's attention to detail in reviewing and approving or disapproving an LEA's budget, reviewing interim reports and concurring or changing the certifications, reviewing unaudit-

ed actuals, and reviewing and following through on the LEA's annual audit are essential. The outcome of each review should be a thoughtful, data-supported written correspondence to the LEA's governance team (governing board and superintendent) outlining any concerns observed. Such observations should be specific, and follow-up should be conducted. FCMAT's Indicators of Risk or Potential Insolvency, which are aligned with the State Board of Education (SBE) adopted standards and criteria, guide the county superintendent in forming a basis for determining concerns.

Education Code Section 42127.6 (covered in more detail in Part 2 of this series – Management Assistance) provides a statutory scheme with a complex progression of investigation, findings, notification, appellate review, further findings and further appellate review. This includes the county superintendent's determination to change a certification on an interim report (a downgrade) or to designate a district a lack of going concern. This progression leads to the county superintendent's exercise of fiscal emergency powers, including the assignment of a fiscal advisor with stay and rescind authority, but stops short of actual receivership.

During this investigation and its progression of findings and further findings, FCMAT would be automatically engaged to perform a Fiscal Health Risk Analysis (FHRA), and may be engaged to perform a multiyear financial projection and multiyear cash flow study. The cash flow study is critical to the process because it determines the cash position of the LEA by month over an 18–24 month period. Negative cash balances must be mitigated by borrowing, and when all borrowing options are exhausted, negative cash balances may justify an emergency apportionment of funds from the state. If the district requests an emergency apportionment, this analysis becomes the basis for the timing of receivership and the size of the emergency apportionment (including associated costs of intervention).

As described below, despite the cash flow analysis and projection, receivership is ultimately triggered by the LEA's request for state intervention and an emergency apportionment.

A key activity during the pre-receivership process is communication among the LEA, county superintendent, California Department of Education (CDE), SBE, Department of Finance (DOF) and legislative partners. Regular updates from evolving data and findings, consideration of the LEA's corrective action, further analysis, and LEA partner engagement are essential activities. FCMAT facilitates this process.

During this time, FCMAT would typically begin a dialogue with legislative staff, a local legislator, and state partners about an emergency apportionment bill, including identifying the author and crafting language. Because the Legislature is not in session all year, the lead time for the Legislature's consideration of an emergency apportionment must be considered along with the timing of the district's cash needs.

## Receivership

The formal process of receivership begins when the LEA requests an emergency apportionment.

The governing board of a school district that determines during a fiscal year that its revenues are less than the amount necessary to meet its current year expenditure obligations may request an emergency apportionment through the Superintendent of Public Instruction subject to the requirements and repayment provisions of this article and Article 2.7. [Education Code Section 41320.2]

As a condition to any emergency apportionment to be made pursuant to Section 41320.2, the following requirements shall be met: (1) The school district requesting the apportionment... [Education Code Section 41320]

“School district” means a school district that requests an emergency apportionment pursuant to Section 41320... [Education Code Section 41329.50]

Before applying for an emergency apportionment in the amount identified in this subdivision, the governing board of a school district shall discuss the need for that apportionment at a regular or special meeting of the governing board of the school district and, at that meeting, shall receive testimony regarding the apportionment from parents, exclusive representatives of employees of the school district, and other members of the community. [Education Code Section 41326(a)]

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district are the result of a program for which legislative authority was requested by that local agency or school district, within the meaning of Section 17556 of the Government Code and Section 6 of Article XIII B of the California Constitution. [Senate Bill 533 (Chapter 325/2012), Section 14] [Emphasis added]

Statute sets forth provisions for emergency apportionments (Education Code Section 41320). Additionally, statute sets forth two sets of conditions of acceptance (Education Code Section 41320.1) or conditions on emergency apportionments (Education Code Section 41325 and following). For ease of describing the process, FCMAT often refers to these as two types of receivership or two types of loans, with the type determined by the amount of the emergency apportionment requested.

Education Code Section 41320.1 is not amount-specific; however, Section 41326(a) provides an additional set of conditions for districts that accept an apportionment “that exceeds an amount equal to 200 percent of the amount of the reserve recommended for that school district under the standards and criteria adopted pursuant to Section 33127...” In other words, there are conditions for loan amounts up to and equal to 200% of a district’s required reserve for economic uncertainty, and additional conditions for loan amounts that exceed the 200% threshold. For example, a district with 10,000 average daily attendance is required to have not less than 3% of its total general fund expenditures and other financing uses in unrestricted reserves (California Code of Regulations, 5 CCR Section 15455). If the district has total expenditures and other financing uses of \$100,000,000, then 3% is a reserve requirement of \$3,000,000. Thus, a loan amount in excess of \$6,000,000 (200% of \$3,000,000) would have the additional conditions provided for in Education Code Section 41325 and following. All emergency apportionments since 1991 have exceeded the 200% threshold.

FCMAT describes these two different sets of emergency apportionment conditions as a type 1 (Education Code Section 41320.1) or type 2 loan (Education Code Section 41325 and following), respectively.

**OVERVIEW OF FCMAT’S WORK: PART 1 – FISCAL CRISIS IN SCHOOL DISTRICTS**

<p align="center"><b>Type 1</b> <b>Loan Amounts Less Than or Equal To 200%</b></p>	<p align="center"><b>Type 2</b> <b>Loan Amounts in Excess of 200%</b></p>
<p>Report by auditor on financial conditions and budgetary controls of district, management review by qualified management consultant (e.g., FCMAT) and a fiscal plan adopted by the governing board to resolve financial problems (41320(a))</p>	<p>Report by auditor on financial conditions and budgetary controls of district, management review by qualified management consultant (e.g., FCMAT) and a fiscal plan adopted by the governing board to resolve financial problems (41320(a))</p>
<p>Fiscal plan adopted shall be approved or disapproved by county superintendent (41320(a))</p>	<p>Fiscal plan adopted shall be approved or disapproved by county superintendent (41320(a))</p>
<p>Emergency apportionment released after SSPI reviews and approves various reviews, fiscal plan, and repayment plan (41320(f))</p>	<p>Emergency apportionment released after SSPI reviews and approves various reviews, fiscal plan, and repayment plan (41320(f))</p>
	<p>Before applying for an emergency apportionment, governing board shall discuss the need for that apportionment at a regular or special meeting of the governing board and, at that meeting, shall receive testimony regarding the apportionment from parents, exclusive representatives of employees of the school district, and other members of the community (41326(a))</p>
<p>Governing board retains governing authority</p>	<p>Governing authority is shifted to county superintendent under the supervision of the SSPI; governing board serves as an advisory body reporting to the administrator; advisory body is not entitled to any compensation or benefits; upon appointment of administrator, district superintendent is no longer an employee of the district (41325(a), 41326(b), 41326(d)(1), 41326(d)(3))</p>
<p>Assignment of a trustee and necessary staff reporting to county superintendent, costs paid by district (41320.1(a)(1))</p>	<p>Appoint an administrator reporting to county superintendent, costs paid by district (41326(b))</p>
<p>Trustee's role is to monitor and review the district's operation 41320.1(c)(1))</p>	<p>Administrator's role may include: implement substantial changes in the fiscal policies and practices, including filing for protection under Chapter 9 of the U.S. bankruptcy code; revise educational programs to align with revenue and state pupil performance standards; encourage all members of the district community to accept a fair share of the burden; consult with a variety of partners including FCMAT; adjust and change policies to effectively implement recovery plans (41326(b)(10))</p>
	<p>Within 30 days of assuming authority, administrator shall discuss options for resolving the fiscal problems with a variety of partners, including FCMAT (41326.1)</p>
<p>Trustee may stay or rescind actions that may affect the district's financial condition (41320.1(c)(1))</p>	<p>Once transitioned to trustee, trustee may stay or rescind actions that may affect the district's financial condition (41320.1(c)(1))</p>
<p>After trustee and until the loan is repaid, the county superintendent may stay or rescind actions that may affect the district's financial condition (41320.1(c)(2))</p>	<p>After transition to trustee and until the loan is repaid, the county superintendent may stay or rescind actions that may affect the district's financial condition (41320.1(c)(2))</p>
<p>Various reporting requirements and certifications of district and county superintendent (41320(c), 41320.1(c)(2), (3) and (4), 41321)</p>	<p>Various reporting requirements and certifications of administrator submitted to county superintendent and SSPI for approval (41327)</p>
	<p>Various reporting requirements and certifications of county superintendent regarding the district's budget and interim reports, including the status of the implementation of recovery plans; reporting continues for six months following transition to local control (41327.2(b))</p>

Trustee remains until county superintendent, SSPI and president of the SBE determine conditions have been met but no less than three years (41320.1(a)(3))	Administrator remains until the administrator, county superintendent, SSPI and president of the SBE determine that future compliance with recovery plans is probable but no less than one year; county superintendent and SSPI have approved all recovery plans; FCMAT completes at least two comprehensive reviews; collective bargaining agreements are approved and consistent with recovery plans (41326(f))
	After administrator’s role is complete, a trustee is assigned to monitor and review the district’s operation (41326(g))
County superintendent entitled to reimbursement of all costs by district (41320(g))	County superintendent and FCMAT are entitled to reimbursement of all costs by district (41326(b)(9), 41328)
If applicable, personnel commission decisions may be stayed or rescinded by trustee (41322)	If applicable, personnel commission shall be suspended by administrator (41322)

Numbers shown are Education Code Section references.

Exhibits A and B provide a high-level graphical overview of the conditions for and progression of the two types of loans. For type 2 loans, progression through the phases determines changes in governance, and ultimately a parallel process to type 1 loans leading up to full repayment and exiting receivership. For type 2 loan receiverships, return of local control occurs when the administrator’s work is complete and a transition is made to a trustee. This is conditioned on a series of determinations and approvals, but no less than one year following acceptance of the loan, as follows:

- Recovery plans are approved and FCMAT completes at least two comprehensive reviews (described below)
- The administrator certifies that all collective bargaining agreements have been negotiated and ratified, and that the agreements are consistent with the terms of the recovery plans
- The district has completed all reports required by the county superintendent and administrator
- The administrator, county superintendent, SSPI and president of the SBE determine that future compliance with recovery plans is probable
- Approval by the county superintendent, with the concurrence of the SSPI

The determination of when to return local control is both objective and subjective. The objective components include some of the conditions in the list above. The subjective component is based on the joint determination by the administrator, county superintendent, SSPI and president of the SBE that future compliance with recovery plans is probable. This is best determined by the district’s progress in implementing the recovery plan as evidenced by annual or semiannual comprehensive assessments conducted by FCMAT, better known as the comprehensive review (discussed below).

Governance authority is exercised in five broad areas: 1) financial management, 2) pupil achievement, 3) personnel management, 4) facilities management, and 5) governance and community relations. Local governance authority may be returned over all areas at one time or in phases by area. However, returning authority in phases requires careful consideration and coordination as it creates a situation where the governing board may have authority over one or more areas

under the observance of a trustee while simultaneously an administrator may retain authority over one or more other areas of district operations.

Once local control is returned and a trustee is in place or, in the case of type 1 loans, the trustee serves until the district has adequate fiscal systems and controls in place, compliance with the recovery plan is probable and the county superintendent, SSPI and president of the SBE decide that the trustee is no longer needed. In no event shall the trustee serve for less than three years.

Before the district repays the loan, including interest, the district shall select an auditor to conduct an audit of its fiscal systems (i.e., an internal control audit). If the fiscal systems are deemed to be inadequate, the county superintendent, with the concurrence of the SSPI and president of the SBE, may retain the trustee until the deficiencies are corrected. The cost of the audit and additional services of the trustee shall be borne by the district. Thus, it is possible for the trustee to remain in place beyond the maturity of the loan (Education Code 41320.1(a)(4)).

Statute provides that if a district previously in receivership violates a provision of the recovery plans within five years after the trustee is removed or after the emergency apportionment is repaid, whichever occurs later, the county superintendent, with the concurrence of the SSPI and president of the SBE, may reassume, either directly or through an administrator, the legal rights, duties and powers of the governing board. This reassumption of receivership continues until the latter of 1) determination that future compliance with recovery plans is probable, or 2) one year (Education Code Section 41326(h)).

Exhibit C provides the relevant Education Code statutes for receivership.

### **Source of Emergency Apportionment**

Cash for the emergency apportionment may come from proceeds of the sale of bonds by the California Infrastructure and Economic Development Bank (I-Bank) or from the state general fund. When the emergency apportionment is made through the I-Bank, it may be a two-part process depending on the district's cash flow needs. An initial apportionment may come in the form of an advance from the state school fund or Education Protection Account. This advance is repaid with interest from the proceeds of the lease financing between the district and the I-Bank (Education Code Section 41329.52). As an alternative to the I-Bank lease financing, and based on the availability of general fund resources, the emergency apportionment may be in the form of an advance from the state general fund. The loan amount, including implied costs, shall be repaid over 20 years (Education Code Section 41329.53).

### **Appointment and Duties of Trustee and Administrator**

When the prerequisites and conditions for the appointment of either a trustee or administrator are met as outlined above, FCMAT is assigned the responsibility to identify and vet candidates.

FCMAT begins the process by holding one-on-one and small group listening meetings with identified partners of the district (e.g., board members, labor partners, representative staff, students, city and civic leaders, parents, advisory committee members, county office staff) to gain insight on the qualities and characteristics they are seeking in the trustee or administrator. An open community meeting is also held. Those qualities and characteristics are summarized, and themes are developed from the input. The themes are then used to develop 1) recruitment flyer information, 2) questions for candidates to respond to in their letters of interest, and 3) interview



questions. The summary of the qualities and characteristics is published, but not attributed to the various sources. These listening meetings meet the statutory requirements to provide an opportunity for public input on the selection of the pool of candidates.

FCMAT follows a standard recruitment and outreach process, including preparing a recruitment flyer, advertising, email announcements to potentially 10,000 California education administrators, outreach through a variety of professional organizations, and finally through individual outreach. The initial application process is for candidates to submit 1) a current resume, and 2) a letter of interest that answers five to six questions derived from the qualities and characteristics identified from the partner input sessions.

Applications are evaluated and candidates are placed into tiers or ranked. The main determinant of which tier applicants are placed in is a scoring matrix with a scale of zero-to-three across 10 factors. The first group of six factors is rated based on applicants’ responses to the questions / topics drawn from the partner input sessions. The second group of four factors is rated on applicants’ years of experience as 1) superintendent, 2) fiscal, and 3) relevant experience, and their education attainment. Two FCMAT reviewers independently score and compare notes, then reconcile any differences. Scores from both reviewers are added together.

The vetted list of applicants includes all applicants and is sent to the county superintendent for further evaluation and recommendation to the SSPI and president of the SBE. FCMAT normally recommends that those candidates in the top tier advance in the process and be interviewed. Each county superintendent conducts their evaluation differently, but most form an interview committee that includes representatives from the district, then personally interview candidates recommended by the interview committee. The final decision is made by the county superintendent, SSPI and president of the SBE, pursuant to the table below.

Trustees	Administrators
The county superintendent, SSPI and president of the SBE, <i>by majority vote</i> , appoint a trustee from a pool of candidates <i>with expertise in management and finance</i> identified and vetted by FCMAT (41320.1(a))	The county superintendent, <i>with the concurrence</i> of both the SSPI and president of the SBE, shall appoint an administrator who has <i>recognized expertise in management and finance</i> from a pool of candidates identified and vetted by FCMAT (41326(b))
FCMAT, when selecting the pool of candidates for trustee, shall consider candidates’ expertise in management and finance, previous experience mitigating fiscal distress in districts, and ability to meaningfully engage with the community, and shall provide an opportunity for public input on the selection of the pool of candidates (41320.1(b))	FCMAT, when selecting the pool of candidates for administrator, shall consider candidates’ expertise in management and finance, previous experience mitigating fiscal distress in districts, and ability to meaningfully engage with the community, and shall provide an opportunity for public input on the selection of the pool of candidates (41326(c))
Trustee remains until county superintendent, SSPI and president of the SBE decide to terminate trustee but in no event for less than three years (41320.1(a)(3))	Administrator remains until the county superintendent, with the concurrence of the SSPI and the president of the SBE, returns local governing authority; must be after at least one year, at least 60 days after the county superintendent notifies the Legislature, DOF, SSPI, president of the SBE, and Controller, and after FCMAT completes at least two comprehensive reviews (41326(f) and (g))

Numbers shown are Education Code Section references.

Statute provides for conditions of employment for trustees and administrators, including compensation, workers’ compensation, retirement system, and other procedural provisions.

Statute provides specific roles and responsibilities for trustees and administrators. Other roles are assumed based on circumstances, experience, needs and conditions of the district. FCMAT

has developed job descriptions for trustees and administrators (see Exhibit D). The table below includes specific statutory roles repeated from the first table in this document.

Trustees	Administrators
Trustee’s role is to monitor and review the district’s operation 41320.1(c)(1))	Administrator’s role may include: implement substantial changes in the fiscal policies and practices, including filing for protection under Chapter 9 of the U.S. bankruptcy code; revise educational programs to align with revenue and state pupil performance standards; encourage all members of the district community to accept a fair share of the burden; consult with a variety of partners including FCMAT; adjust and change policies to effectively implement recovery plans (41326(b)(10))
	Within 30 days of assuming authority, administrator shall discuss options for resolving the fiscal problems with a variety of partners, including FCMAT (41326.1)
Trustee may stay or rescind actions that may affect the district’s financial condition (41320.1(c)(1))	Once transitioned to trustee, trustee may stay or rescind actions that may affect the district’s financial condition (41320.1(c)(1))
If applicable, personnel commission decisions may be stayed or rescinded by trustee (41322)	If applicable, personnel commission shall be suspended by administrator (41322)

Numbers shown are Education Code Section references.

Regardless of whether a trustee or an administrator is present, during receivership the county superintendent retains the responsibility to superintend schools under their jurisdiction, including all regular budget review and reporting obligations. In essence, for districts in receivership, the county superintendent has a dual track responsibility of 1) all normal oversight responsibilities (AB 1200 process), and 2) governance and operational responsibilities for the district or monitoring through a trustee.

### Comprehensive Review

When an administrator is appointed, FCMAT shall conduct comprehensive assessments in five operational areas over which governance is exercised: 1) financial management, 2) pupil achievement, 3) personnel management, 4) facilities management, and 5) governance and community relations. The SBE adopts a list of professional and legal standards that all school districts are encouraged to use as a guide to conduct good educational programs and fiscal and management practices. These standards form the minimum basis for evaluating the improvement of a district in receivership under a type 2 loan (Education Code Sections 41327(d), 41327.1).

The long-standing list of SBE-approved standards includes approximately 300 items. In 2019, the SBE adopted an update to the standards following FCMAT’s review and recommendations, narrowing the standards to approximately 150. The update captured modernized terms and requirements, eliminated duplicate standards across the five operational areas, and focused on standards that contribute to recovery. A list of the current standards is included as Exhibit E, and is available on the FCMAT website at: <https://www.fcmat.org/PublicationsReports/FCMAT-Standards-for-Comprehensives-3-2019.pdf>.

The first comprehensive review shall be conducted beginning six months after the emergency apportionment is approved, and annually thereafter until local control is returned to the district. In practice, the first review constitutes the baseline assessment, and each annual review thereafter provides an update on the progress the district is making in recovery. Progress is reported

by standard in each of the five operational areas in written form by stating the standard, describing the current conditions, and making recommendations to progress through recovery. The recommendations constitute the improvement plan required of FCMAT in statute.

When Delaine Eastin (the author of AB 1200 when in the California Assembly) was the SSPI, she requested that a summary of progress be developed to facilitate a more objective evaluation of a district’s progress toward recovery. As a result, FCMAT developed a scoring rubric and set guidelines for minimum scores to be reached before an operational area should be returned to local control. The rubric is not in statute. The scoring rubric has been used consistently since its creation. However, the rubric was revised in 2019 with the adoption of the updated standards. The revised rubric provides a more objective scoring system with less variability and subjectivity regarding the degree of attainment of the standard.

The 2019 rubric uses a scale of 0-4 for each standard as follows:

0	Not implemented. There is no significant evidence that the LEA has planned or implemented the standard.
1	Planning. The LEA is planning in preparation for implementing the standard.
2	Implementation begun. The LEA has begun implementing elements of the standard.
3	Implemented. The LEA has effectively implemented all elements of the standard.
4	Sustained. The LEA has implemented all elements of the standard and sustained the implementation effectively for at least one year.

The individual standard scores in each operational area are added together and the total is divided by the number of standards to determine an average score by operational area. The rubric established that the minimum score for an operational area to be considered for return to local control is a three, with no individual standard score below a two.

After each comprehensive review is completed, the county superintendent, in consultation with FCMAT, the SSPI and the president of the SBE, shall determine, based on the needs and circumstances identified in the assessment, the level of improvement needed before local control may be returned.

FCMAT approaches the comprehensive review in the same manner as it does all other work. The standards form the basis for the evaluation. Documents that will illustrate compliance with those legal requirements and professional standards are requested of the district and reviewed in detail by the assigned FCMAT teams. Interviews are scheduled with appropriate members of the district’s staff, county superintendent’s staff and other district partners. A triangulation of data from multiple sources, including documents, interviews and personal observations, is conducted and documented. Observations are summarized in a report, and recommendations to close any gaps are prepared. FCMAT assigns a team of staff and/or consultants to each operational area based on their expertise. Each team has a lead that reports to a FCMAT project lead, who has overall responsibility for the engagement. In the case of recent FCMAT comprehensive reviews, FCMAT has performed its work for financial management entirely with current or prior FCMAT staff, pupil achievement with a mix of staff and consultants (and moving forward with the California Collaborative for Educational Excellence (CCEE) as consultant), personnel manage-

ment and governance and community relations with School Services of California as consultant, and facilities management with a combination of staff and consultants. Each team assigns a score to the standards they evaluate. The lead FCMAT staff member reviews all scores for consistent application and reference to prior year scores to determine appropriateness. Finally, the district and county superintendent are provided a draft of the comprehensive review report and encouraged to review it for factual accuracy and make comments back to FCMAT for consideration before FCMAT publishes the report.

In writing its reports, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. Each team member working on a study reviews the draft report to confirm accuracy and achieve consensus on the final recommendations. All FCMAT reports are edited and formatted by professional technical writers, and go through at least one internal peer review and a legal review.

To illustrate the magnitude of a comprehensive review, for the last review published in 2022, the resources included:

- 8 FCMAT staff, including a FCMAT writer
- 10 FCMAT consultants
- The district submitted and FCMAT reviewed more than 4,700 documents
- The FCMAT project lead spent approximately eight months on the engagement, while each team spent approximately four months on their respective operational area
- The report was 600 pages and included 885 recommendations
- FCMAT incurred \$416,833 of costs; all but \$18,833 was paid by the district

As such, the process in Inglewood spans the current and previous sets of standards and scoring rubrics. However, the original standards agreed to for Inglewood remain in use to ensure continuity and comparability from year to year. As such, not all of the 2019 SBE-adopted changes impact Inglewood.

As was the practice historically, before the first comprehensive review was conducted by FCMAT for Inglewood, the SSPI, administrator and FCMAT agreed on what standards would be evaluated. This resulted in narrowing the standards used for Inglewood to 153. Two standards are no longer applicable, so the most current comprehensive review evaluated 151 standards.

For illustration, the link to the July 2022 comprehensive review for Inglewood is: [https://www.fcmat.org/PublicationsReports/Inglewood\\_comprehensive\\_2022.pdf](https://www.fcmat.org/PublicationsReports/Inglewood_comprehensive_2022.pdf)

Furthermore, the scoring rubric used in Inglewood is the rubric that was in place in 2013 when the first comprehensive review was conducted. This also ensures continuity and comparability from year-to-year. The rubric in use for Inglewood uses a scale of 0-10 for each standard as follows:

0	Means the standard has not been implemented
1-7	Means the standard is partially implemented, with the range used to designate the degree to which implementation has occurred
8-10	Means the standard is fully implemented, with the range used to designate the degree of sustainability

The individual standard scores in each operational area are added together and the total is divided by the number of standards to determine an average score by operational area. The rubric established that the minimum milestone score for an operational area to be considered for return to local control is a six, with no individual standard score below a four.

For illustration, Inglewood's scores over time as of July 2022 are included as Exhibit F.

### **Review of County Superintendent's Oversight**

Within three months of the county superintendent assuming control over a district, FCMAT shall review the county superintendent's fiscal oversight of the district and report its findings to the Legislature. The review and report shall include findings of fiscal oversight actions that were or were not taken and may include recommendations for an appropriate legislative response to improve fiscal oversight. In the year following the completion of the first review, FCMAT shall commence annual reviews of the effectiveness of the county superintendent's oversight of the district (Education Code Section 41326(l)(1-3)).

If after performing the review FCMAT determines the county superintendent failed to carry out their responsibilities for fiscal oversight as required in statute, the SSPI, with the concurrence of the president of the SBE, may exercise the authority of the county superintendent. The SSPI and president of the SBE shall require the county superintendent to demonstrate remediation of deficiencies. The statute further provides that if the SSPI finds, based on the FCMAT reviews, that the county superintendent failed to take into account particular types of indicators of financial distress, or failed to take appropriate remedial actions, the SSPI must further investigate if similar failures exist with regard to other districts with negative or qualified certifications (Education Code Section 41326(l)(4)).

The statutes that require the reviews outlined above are not new. Previously, the responsibilities for the initial and annual reviews were assigned to the SSPI. However, the SSPI never fulfilled these responsibilities, and in 2018 the Legislature shifted responsibility for the reviews to FCMAT. In response, FCMAT developed a new tool: the County Office Evaluation Tool. The tool has two components: an initial evaluation and an annual evaluation.

FCMAT approaches the county office evaluation in the same manner as it does all other work. Statutory requirements, standards and best practices are identified and form the basis for the evaluation. Documents that will illustrate compliance with those statutory requirements, standards and best practices are identified, requested of the county superintendent, and reviewed in detail by the assigned FCMAT team. Interviews are scheduled with appropriate members of the county superintendent's staff. A triangulation of data from multiple sources, including documents, interviews and personal observations, is conducted and documented. Observations are summarized in a report. In the case of the County Office Evaluation Tool, specific questions are included to be as objective as possible. Each team member working on a study reviews the draft report to confirm accuracy and achieve consensus on the final recommendations. All FCMAT reports are edited and formatted by professional technical writers, and go through at least one internal peer review and a legal review. Finally, the county superintendent is provided with a draft of the report and encouraged to review it for factual accuracy and make comments back to FCMAT for consideration before FCMAT publishes the report.

Up through the annual evaluations conducted in 2022, the county office evaluations have not been performed by any FCMAT staff; instead, FCMAT relied on a team of consultants while ensuring that three of the four members of the team were county office business officials. Beginning with the 2023 annual evaluations, FCMAT staff will lead the team, and three of the four team members will again be county office business officials.

For illustration, the link to the March 2021 initial review of Alameda County Office of Education is [https://www.fcmat.org/PublicationsReports/Alameda\\_COE\\_final\\_report.pdf](https://www.fcmat.org/PublicationsReports/Alameda_COE_final_report.pdf), and the link to the November 2022 annual review of Alameda County Office of Education is <https://www.fcmat.org/PublicationsReports/alameda-coe-annual-review-2022-final-10004.pdf>.

### **School Closure and Consolidation Requirements**

Commencing September 6, 2022, Education Code Section 41329 was added to require that districts in receivership conduct an equity impact analysis before approving school closures or consolidation. The equity analysis must include, but is not limited to, analysis of the following:

- Physical condition of the facility
- Operating costs of the school compared to potential savings resulting from closure
- Capacity to accommodate excess students
- Special programs available at the school being considered for closure
- Environmental factors (e.g., traffic)
- Balance of student demographics (e.g., ethnicity, students with disabilities, homeless youth)
- Student transportation needs
- Aesthetics and opportunity for blight on surrounding community
- Impact on feeder school attendance patterns

When a governing board or administrator initially considers a recommendation regarding a school closure or consolidation, it must be at a regularly scheduled board meeting. The district must share how it prepared its list of recommended closures and consolidations, and at a minimum include the following:

- Factors used to identify the list
- Equity impact analysis findings for each school
- Plan for the use of the school once vacated
- Criteria used to assign displaced students to other schools or the process of reassignment
- Options and timeline for transitioning students to new schools, including safe routes and transportation

The action must review and consider public input. The final decision may not be made until a subsequent regularly scheduled board meeting, when a final recommendation may be made

along with a resolution that certifies that the required community engagement process was completed. The governing board or administrator may then make a final decision.

The time from the beginning of equity impact analysis to final approval must not exceed 12 months. Unless extended by the Legislature, this statute becomes inoperative on July 1, 2028.

This statute does not apply to the closure of a school due solely to the unsafe condition of the school's facilities.

## **FCMAT Funding**

To support FCMAT's fiscal crisis work, funding is provided as follows:

- For pre-receivership activities
  - FHRA triggered by automatic engagement criteria is covered by FCMAT's regular state appropriation
  - FHRA requested by a district is charged to the district
  - Multiyear projection and cash flow analysis is charged to the district or may be covered in part by FCMAT's regular state appropriation
- Identification and vetting of trustee or administrator is eligible to be covered by a FCMAT technical assistance fund retained by the DOF; FCMAT has absorbed the costs to date
- Comprehensive review activity is paid by the district (Education Code Section 41328)
- Review of county superintendent's oversight is eligible to be covered by a FCMAT technical assistance fund retained by the DOF; FCMAT has absorbed the costs to date

## **History of School District Receivership**

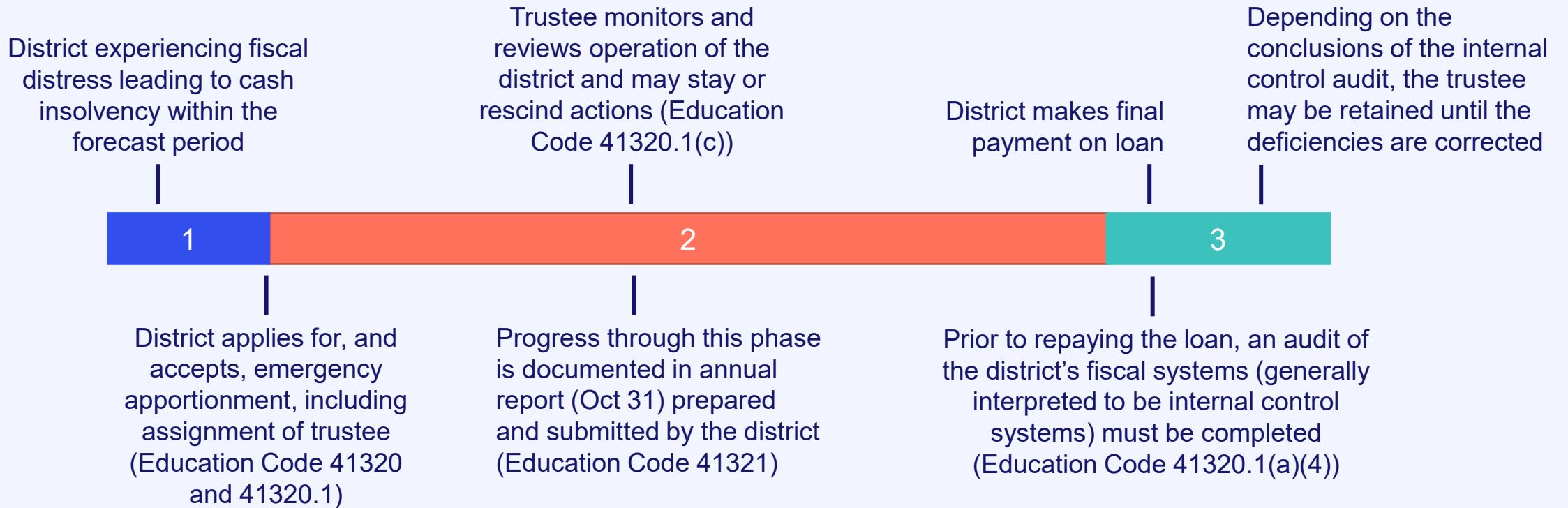
Nine school districts and one community college have entered receivership since 1990. Exhibit G provides a chart on the history of school district receiverships since 1990.

## **Exhibits A and B**

### **Types of Receivership and Their Phases**

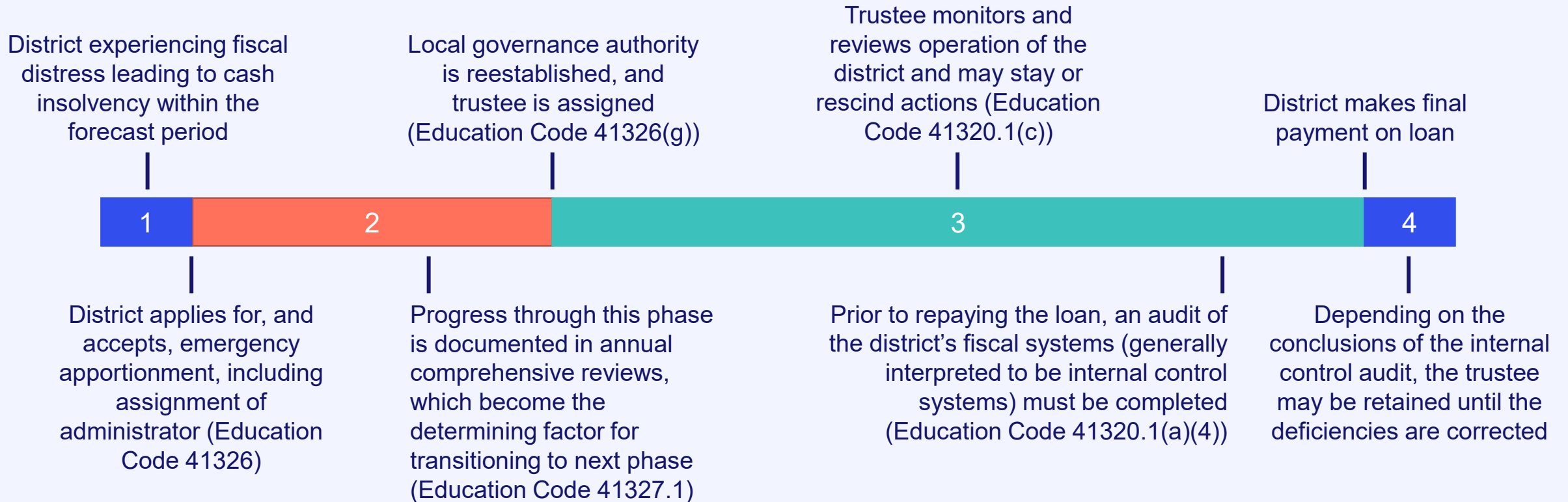


# Phases of Recovery Under Receivership – Loan Equal to or Less Than 200%



This graphic is for illustration purposes only.

# Phases of Recovery Under Receivership – Loan Greater Than 200%



This graphic is for illustration purposes only.

**Exhibit C**

**Education Code Statutes for Receivership**

## Exhibit C

### Statutes Regarding School District Receivership (California Education Code)

#### EDUCATION CODE – EDC

##### TITLE 2. ELEMENTARY AND SECONDARY EDUCATION [33000 - 65001]

*( Title 2 enacted by Stats. 1976, Ch. 1010. )*

##### DIVISION 3. LOCAL ADMINISTRATION [35000 - 45500]

*( Division 3 enacted by Stats. 1976, Ch. 1010. )*

##### PART 24. SCHOOL FINANCE [41000 - 43052]

*( Part 24 enacted by Stats. 1976, Ch. 1010. )*

##### CHAPTER 3. State School Fund [41300 - 41455]

*( Heading of Chapter 3 amended by Stats. 1979, Ch. 373. )*

#### ARTICLE 2. Emergency Apportionments [41320 - 41322]

*(Article 2 enacted by Stats. 1976, Ch. 1010.)*

#### 41320.

As a condition to any emergency apportionment to be made pursuant to Section 41320.2, the following requirements shall be met:

- (a) The school district requesting the apportionment shall submit to the county superintendent of schools having jurisdiction over the school district a report issued by an independent auditor approved by the county superintendent of schools on the financial conditions and budgetary controls of the school district, a written management review conducted by a qualified management consultant approved by the county superintendent of schools, and a fiscal plan adopted by the governing board to resolve the financial problems of the school district.
- (b) The county superintendent of schools shall review, and provide written comment on, the independent auditor's report, the management review, and the school district plan. That written comment shall include the county superintendent's approval or disapproval of the school district plan. In the event the county superintendent disapproves the plan, the governing board shall revise the school district plan to respond to the concerns expressed by the county superintendent.
- (c) Upon his or her approval of the school district plan, the county superintendent of schools shall submit copies of the report, review, plan, and written comments specified in subdivision (b) to the Superintendent, the Joint Legislative Audit Committee, the Joint Legislative Budget Committee, the Director of Finance, the president of the state board or his or her designee, and the Controller.
- (d) The school district receiving the apportionment shall be eligible for assistance from the California Collaborative for Educational Excellence pursuant to Section 52074.
- (e) The county superintendent of schools, with the concurrence of the Superintendent, shall certify to the Director of Finance that the action taken to correct the financial problems of the school district is realistic and will result in placing the school district on a sound financial basis.
- (f) The school district shall develop a schedule to repay the emergency loan, including any lease financing pursuant to Article 2.7 (commencing with Section 41329.50), and submit it to the county superintendent of schools. The county superintendent of schools shall review and comment on the repayment schedule and submit it to the Superintendent for approval or disapproval. Upon the approval of the repayment schedule, and of the other reports, reviews, plans, and the appointment of the trustee

required by this article, the Superintendent shall request the Controller to disburse the proceeds of the emergency loan to the school district.

(g) The school district requesting the apportionment shall reimburse the county superintendent of schools for the costs incurred by the superintendent pursuant to this section.

*(Amended by Stats. 2018, Ch. 426, Sec. 6. (AB 1840) Effective September 17, 2018.)*

#### **41320.1.**

Acceptance by the school district of the apportionments made pursuant to Section 41320 constitutes the agreement by the school district to all of the following conditions:

(a) The county superintendent of schools, the Superintendent, and the president of the state board or his or her designee shall, by majority vote, appoint a trustee from a pool of candidates identified and vetted by the County Office Fiscal Crisis and Management Assistance Team pursuant to subdivision (b) who has recognized expertise in management and finance and may employ, on a short-term basis, staff necessary to assist the trustee, including, but not limited to, certified public accountants, as follows:

(1) The expenses incurred by the trustee and necessary staff shall be borne by the school district.

(2) The county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, shall establish the terms and conditions of the employment, including the remuneration of the trustee. The trustee shall report directly to the county superintendent of schools. The county superintendent of schools shall provide regular updates to the Superintendent and the president of the state board or his or her designee regarding the work of the trustee.

(3) The trustee, and necessary staff, shall serve until the school district has adequate fiscal systems and controls in place, the Superintendent has determined that the school district's future compliance with the fiscal plan approved for the school district pursuant to Section 41320 is probable, and the county superintendent of schools, the Superintendent, and the president of the state board or his or her designee decide to terminate the trustee's appointment, but in no event for less than three years. The county superintendent of schools shall notify the Legislature, the Department of Finance, and the Controller no less than 60 days before the time that the county superintendent of schools expects these conditions to be met.

(4) Before the school district repays the loan, including interest, the recipient of the loan shall select an auditor from a list established by the Superintendent and the Controller to conduct an audit of its fiscal systems. If the fiscal systems are deemed to be inadequate, the county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, may retain the trustee until the deficiencies are corrected. The cost of this audit and any additional cost of the trustee shall be borne by the school district.

(5) Notwithstanding any other law, all reports submitted to the trustee are public records.

(6) To facilitate the appointment of the trustee and the employment of necessary staff, this section is exempt from the requirements of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

(7) If the trustee appointed pursuant to this section is an employee of the department, the salary and benefits of that employee shall be established by the Superintendent and paid by the school district. During the time of appointment, the employee is an employee of the school district, but shall remain in the same retirement system under the same plan as if the employee had remained in the department. Upon the expiration or termination of the appointment, the employee shall have the right to return to his or her former position, or to a position at substantially the same level as that position, with the department. The time served in the appointment shall be counted for all purposes as if the employee had served that time in his or her former position with the department.

(b) The County Office Fiscal Crisis and Management Assistance Team, when selecting the pool of candidates for trustee, shall consider candidates' expertise in management and finance, previous experience mitigating fiscal distress in school districts, and ability to meaningfully engage with the community that the school district serves, and shall provide an opportunity for public input on the selection of the pool of candidates for trustee.

(c) (1) The trustee appointed pursuant to this section shall monitor and review the operation of the school district. During the period of his or her service, the trustee may stay or rescind an action of the governing board of the school district that, in the judgment of the trustee, may affect the financial condition of the school district.

(2) After the trustee's period of service, and until the loan is repaid, the county superintendent of schools that has jurisdiction over the school district may stay or rescind an action of the governing board of the school district that, in his or her judgment, may affect the financial condition of the school district. The county superintendent of schools shall notify the Superintendent and the president of the state board or his or her designee, within five business days, if he or she stays or rescinds an action of the governing board of the school district. The notice shall include, but not be limited to, both of the following:

(A) A description of the governing board of the school district's intended action and its financial implications.

(B) The rationale and findings that support the county superintendent of school's decision to stay or rescind the action of the governing board of the school district.

(3) If the county superintendent of schools notifies the Superintendent and the president of the state board or his or her designee pursuant to paragraph (2), the county superintendent of schools shall report to the Legislature, pursuant to Section 9795 of the Government Code, on or before December 30 of every year, whether the school district is complying with the fiscal plan approved for the school district.

(4) The county superintendent of schools, with concurrence from the Superintendent, may establish timelines and prescribe formats for reports and other materials to be used by the trustee to monitor and review the operations of the school district. The trustee shall approve or reject all reports and other materials required from the school district as a condition of receiving the apportionment. The Superintendent, upon the recommendation of the trustee, may reduce an apportionment to the school district in an amount up to two hundred dollars (\$200) per day for each late or unacceptable report or other material required under this part, and shall report to the Legislature a failure of the school district to comply with the requirements of this section. If the county superintendent of schools determines, at any time, that the fiscal plan approved for the school district under Section

41320 is unsatisfactory, he or she may modify the plan as necessary, with concurrence from the Superintendent, and the school district shall comply with the plan as modified.

(d) At the request of the county superintendent of schools, with approval from the Superintendent, the Controller shall transfer to the department, from an apportionment to which the school district would otherwise have been entitled pursuant to Section 42238.02, as implemented by Section 42238.03, the amount necessary to pay the expenses incurred by the trustee and associated costs incurred by the county superintendent of schools.

(e) For the fiscal year in which the apportionments are disbursed and every year thereafter, the Controller, or an auditor that is designated by the Controller as both active and able to perform K–12 local education agency audits, shall cause an audit to be conducted of the books and accounts of the school district, in lieu of the audit required by Section 41020. At the Controller’s discretion, the audit may be conducted by the Controller, his or her designee, an auditor that is designated by the Controller as both active and able to perform K–12 local education agency audits, or an auditor selected by the school district and approved by the Controller. The costs of these audits shall be borne by the school district. These audits shall be required until the Controller determines, in consultation with the county superintendent of schools and the Superintendent, that the school district is financially solvent, but in no event earlier than one year following the implementation of the plan or later than the time the apportionment made is repaid, including interest. The auditor selected pursuant to this subdivision, if any, the county superintendent of schools, a County Office Fiscal Crisis and Management Assistance Team representative, the Superintendent, and the school district superintendent, or their respective designees, shall meet before the audit to discuss the terms of the audit and the timeline under which it will proceed. In addition, the Controller shall conduct quality control reviews pursuant to subdivision (c) of Section 14504.2.

(f) For purposes of errors and omissions liability insurance policies, the trustee appointed pursuant to this section is an employee of the local educational agency to which he or she is assigned. For purposes of workers’ compensation benefits, the trustee is an employee of the local educational agency to which he or she is assigned, except that a trustee appointed pursuant to paragraph (7) of subdivision (a) is an employee of the department for those purposes.

(g) Except for an individual appointed by the vote pursuant to subdivision (a) as a trustee described in paragraph (7) of subdivision (a), the trustee appointed pursuant to this section is a member of the State Teachers’ Retirement System, if qualified, for the period of service as trustee, unless the trustee elects in writing not to become a member. A person who is a member or retirant of the State Teachers’ Retirement System at the time of appointment shall continue to be a member or retirant of the system for the duration of the appointment. If the trustee chooses to become a member or is already a member, the trustee shall be placed on the payroll of the school district for the purpose of providing appropriate contributions to the system. The Superintendent may also require that an individual appointed as a trustee described in paragraph (7) of subdivision (a) be placed on the payroll of the school district for purposes of remuneration, other benefits, and payroll deductions. For purposes of workers’ compensation benefits, the state-appointed trustee is deemed an employee of the local educational agency to which he or she is assigned, except that a trustee who is described in paragraph (7) of subdivision (a) is an employee of the department for those purposes.

*(Amended by Stats. 2018, Ch. 426, Sec. 7. (AB 1840) Effective September 17, 2018.)*

#### **41320.2.**

(a) The governing board of a school district that determines during a fiscal year that its revenues are less than the amount necessary to meet its current year expenditure obligations may request an emergency apportionment through the Superintendent of Public Instruction subject to the requirements and repayment provisions of this article and Article 2.7 (commencing with Section 41329.50).

(b) It is not the intent of the Legislature that this section authorize emergency loans to school districts for the purpose of meeting cashflow requirements pending the receipt of local taxes and other funds.

(c) It is the intent of the Legislature that emergency apportionments, as described in this section, not occur, unless funds have been specifically appropriated therefor by the Legislature.

*(Amended by Stats. 2004, Ch. 263, Sec. 3. Effective August 23, 2004.)*

#### **41321.**

(a) On or before October 31 of the year following receipt of an emergency apportionment, and each year thereafter, until the emergency apportionment, including interest, is repaid, the governing board of the school district shall prepare a report on the financial condition of the school district. The report shall include, but not necessarily be limited to, all of the following information:

(1) Specific actions taken to reduce expenditures or increase income, and the cost savings and increased income resulting from those actions.

(2) A copy of the adopted budget for the current fiscal year.

(3) Reserves for economic uncertainties.

(4) Status of employee contracts.

(5) Obstacles to the implementation of the adopted recovery plan.

(b) The school district shall submit the report to the trustee for review. Upon the trustee's approval of the report, the school district shall transmit copies to the county superintendent of schools, the Superintendent, the president of the state board or his or her designee, and the Controller.

*(Amended by Stats. 2018, Ch. 426, Sec. 8. (AB 1840) Effective September 17, 2018.)*

#### **41322.**

(a) If a trustee has been appointed over a school district pursuant to Section 41320.1, the trustee may stay or rescind the actions of the personnel commission of the school district if a personnel commission exists.

(b) If an administrator has been appointed over a school district pursuant to Section 41326, the administrator shall suspend the actions of the personnel commission of the school district if a personnel commission exists.

*(Added by Stats. 1993, Ch. 924, Sec. 7. Effective January 1, 1994.)*



**EDUCATION CODE – EDC**

**TITLE 2. ELEMENTARY AND SECONDARY EDUCATION [33000 - 65001]**

*( Title 2 enacted by Stats. 1976, Ch. 1010. )*

**DIVISION 3. LOCAL ADMINISTRATION [35000 - 45500]**

*( Division 3 enacted by Stats. 1976, Ch. 1010. )*

**PART 24. SCHOOL FINANCE [41000 - 43052]**

*( Part 24 enacted by Stats. 1976, Ch. 1010. )*

**CHAPTER 3. State School Fund [41300 - 41455]**

*( Heading of Chapter 3 amended by Stats. 1979, Ch. 373. )*

**ARTICLE 2.5. Conditions on Emergency Apportionments [41325 - 41329]**

*(Article 2.5 added by Stats. 1991, Ch. 1213, Sec. 10.)*

**41325.**

(a) The Legislature finds and declares that when a school district becomes insolvent and requires an emergency apportionment from the state in the amount designated in this article, it is necessary that the county superintendent of schools, under the supervision of the Superintendent, assume control of the school district in order to ensure the school district's return to fiscal solvency.

(b) It is the intent of the Legislature that an administrator, appointed pursuant to Section 41326, do all of the following:

(1) Implement substantial changes in the school district's fiscal policies and practices, including, if necessary, the filing of a petition under Chapter 9 of the federal Bankruptcy Code for the adjustment of indebtedness.

(2) Revise the school district's educational program to reflect realistic income projections, in response to the dramatic effect of the changes in fiscal policies and practices upon educational program quality and the potential for the success of all pupils.

(3) Encourage all members of the school community to accept a fair share of the burden of the school district's fiscal recovery.

(4) Consult, for the purposes described in this subdivision, with the school district governing board, the exclusive representatives of the employees of the school district, parents, and the community.

(5) Consult with and seek recommendations from the county superintendent of schools and the Superintendent for the purposes described in this subdivision.

(c) For purposes of this article, the county superintendent of schools, the Superintendent, and the president of the state board or his or her designee may also appoint a trustee with the powers and responsibilities of an administrator, as set forth in this article.

*(Amended by Stats. 2018, Ch. 426, Sec. 9. (AB 1840) Effective September 17, 2018.)*

**41326.**

(a) Notwithstanding any other provision of this code, the acceptance by a school district of an apportionment made pursuant to Section 41320 that exceeds an amount equal to 200 percent of the amount of the reserve recommended for that school district under the standards and criteria adopted pursuant to Section 33127 constitutes the agreement by the school district to the conditions set forth in this article. Before applying for an emergency apportionment in the amount identified in this subdivision, the governing board of a school district shall discuss the need for that apportionment at a regular or special meeting of the governing board of the school district and, at that meeting, shall receive testimony regarding the apportionment from parents, exclusive representatives of employees of the school district, and other members of the community. For purposes of this article, “qualifying school district” means a school district that accepts a loan as described in this subdivision.

(b) The county superintendent of schools shall assume all the legal rights, duties, and powers of the governing board of a qualifying school district. The county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, shall appoint an administrator from a pool of candidates identified and vetted by the County Office Fiscal Crisis and Management Assistance Team pursuant to subdivision (c) to exercise the authority described in this subdivision in accordance with all of the following:

(1) The administrator shall serve under the direction and supervision of the county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, until terminated by the county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, at their discretion.

(2) The administrator shall have recognized expertise in management and finance.

(3) To facilitate the appointment of the administrator and the employment of necessary staff, this section is exempt from the requirements of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

(4) Notwithstanding any other law, if an employee of the state or the office of the county superintendent of schools is appointed to act as administrator pursuant to this section, the administrator, if he or she is an employee of the state or the office of the county superintendent of schools, is an employee of the qualifying school district during the tenure of his or her appointment, but shall remain in the same retirement system under the same plan that has been provided by his or her employment with the state or the office of the county superintendent of schools. Upon the expiration or termination of the appointment, the employee shall have the right to return to his or her former position, or to a position at substantially the same level as that position, with the state or the office of the county superintendent of schools. The time served in the appointment shall be counted for all purposes as if the administrator had served that time in his or her former position with the state or the office of the county superintendent of schools.

(5) Except for an individual appointed as an administrator by the county superintendent of schools who is described in and subject to paragraph (4), the administrator shall be a member of the State Teachers’ Retirement System, if qualified, for the period of service as administrator, unless he or she elects in writing not to become a member. A person who is a member or retirant of the State Teachers’ Retirement System at the time of appointment shall continue to be a member or retirant of the system for the duration of the appointment. If the administrator chooses to become a member or

is already a member, the administrator shall be placed on the payroll of the qualifying school district for purposes of providing appropriate contributions to the system. The Superintendent may also require the administrator to be placed on the payroll of the qualifying school district for purposes of remuneration, other benefits, and payroll deductions.

(6) For purposes of workers' compensation benefits, the administrator is an employee of the qualifying school district, except that an administrator described in and subject to paragraph (4) may be deemed an employee of the state or office of the county superintendent of schools, as applicable.

(7) The qualifying school district shall add the administrator as a covered employee of the qualifying school district for all purposes of errors and omissions liability insurance policies.

(8) The salary and benefits of the administrator shall be established by the county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, and paid by the qualifying school district.

(9) The county superintendent of schools or the administrator may employ, on a short-term basis and at the expense of the qualifying school district, any staff necessary to assist the administrator, including, but not limited to, a certified public accountant.

(10) The administrator may do all of the following:

(A) Implement substantial changes in the fiscal policies and practices of the qualifying school district, including, if necessary, the filing of a petition under Chapter 9 (commencing with Section 901) of Title 11 of the United States Code for the adjustment of indebtedness.

(B) Revise the educational program of the qualifying school district to reflect realistic income projections and pupil performance relative to state standards.

(C) Encourage all members of the school community to accept a fair share of the burden of the fiscal recovery of the qualifying school district.

(D) Consult, for the purposes described in this subdivision, with the governing board of the qualifying school district, the exclusive representatives of the employees of the qualifying school district, parents, and the community.

(E) Consult with, and seek recommendations from, the Superintendent, the county superintendent of schools, and the County Office Fiscal Crisis and Management Assistance Team authorized pursuant to subdivision (c) of Section 42127.8 for purposes described in this article.

(F) Upon approval by the county superintendent of schools, enter into agreements on behalf of the qualifying school district and, subject to any contractual obligation of the qualifying school district, change existing school district rules, regulations, policies, or practices as necessary for the effective implementation of the recovery plans referred to in Sections 41327 and 41327.1.

(G) Request the advice and assistance of the California Collaborative for Educational Excellence.

(c) The County Office Fiscal Crisis and Management Assistance Team, when selecting the pool of candidates for administrator, shall consider candidates' expertise in management and finance, previous

experience mitigating fiscal distress in school districts, and ability to engage meaningfully with the community that the school district serves, and shall provide an opportunity for public input on the selection of the pool of candidates for administrator.

(d) (1) Except as provided for in paragraph (2), the period of time during which the county superintendent of schools exercises the authority described in subdivision (b), the governing board of the qualifying school district shall serve as an advisory body reporting to the administrator appointed pursuant to subdivision (b), and has no rights, duties, or powers, and is not entitled to any stipend, benefits, or other compensation from the qualifying school district.

(2) (A) After one complete fiscal year has elapsed following the qualifying school district's acceptance of an emergency apportionment, the governing board of the qualifying school district may conduct an annual advisory evaluation of an administrator for the duration of the administratorship.

(B) An advisory evaluation of an administrator shall focus on the administrator's effectiveness in leading the qualifying school district toward fiscal recovery and improved academic achievement. Advisory evaluation criteria shall be agreed upon by the governing board of the qualifying school district and the administrator before the advisory evaluation. The advisory evaluation shall include, but not be limited to, all of the following:

(i) Goals and standards consistent with Section 41327.1.

(ii) Commendations in the areas of the administrator's strengths and achievements.

(iii) Recommendations for improving the administrator's effectiveness in areas of concern and unsatisfactory performance.

(C) An advisory evaluation of an administrator conducted by the governing board of a qualifying school district shall be submitted to the Governor, the Legislature, pursuant to Section 9795 of the Government Code, the Superintendent, the president of the state board or his or her designee, the county superintendent of schools, and the County Office Fiscal Crisis and Management Assistance Team.

(3) Upon the appointment of an administrator pursuant to this section, the district superintendent of schools is no longer an employee of the qualifying school district.

(4) A determination of the severance compensation for the district superintendent of schools shall be made pursuant to subdivision (k).

(e) Notwithstanding Section 35031 or any other law, the administrator, after according the affected employee reasonable notice and the opportunity for a hearing, may terminate the employment of a deputy, associate, assistant superintendent, or other school district level administrator who is employed by a qualifying school district under a contract of employment signed or renewed after January 1, 1992, if the employee fails to document, to the satisfaction of the administrator, that before the date of the acceptance of the emergency apportionment he or she either advised the governing board of the qualifying school district, or his or her superior, that actions contemplated or taken by the governing board of the qualifying school district could result in the fiscal insolvency of the qualifying school district, or took other appropriate action to avert that fiscal insolvency.

(f) The authority of the county superintendent of schools, the Superintendent, the president of the state board or his or her designee, and the administrator, under this section shall continue until all of the following occur:

(1) (A) After one complete fiscal year has elapsed following the qualifying school district's acceptance of an emergency apportionment as described in subdivision (a), the administrator determines, and so notifies the county superintendent of schools, the Superintendent, and the president of the state board or his or her designee, that future compliance by the qualifying school district with the recovery plans approved pursuant to paragraph (2) is probable.

(B) The county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, may return power to the governing board of the qualifying school district for an area listed in subdivision (a) of Section 41327.1 if performance under the recovery plan for that area has been demonstrated to the satisfaction of the county superintendent of schools, with concurrence from the Superintendent.

(2) The county superintendent of schools, with concurrence from the Superintendent, has approved all of the recovery plans referred to in subdivision (a) of Section 41327 and the County Office Fiscal Crisis and Management Assistance Team completes the improvement plans specified in Section 41327.1 and has completed a minimum of two reports identifying the qualifying school district's progress in implementing the improvement plans.

(3) The administrator certifies that all necessary collective bargaining agreements have been negotiated and ratified, and that the agreements are consistent with the terms of the recovery plans.

(4) The qualifying school district has completed all reports required by the county superintendent of schools and the administrator.

(5) The county superintendent of schools, with concurrence from the Superintendent, determines that future compliance by the qualifying school district with the recovery plans approved pursuant to paragraph (2) is probable.

(g) When the conditions stated in subdivision (f) have been met, and at least 60 days after the county superintendent of schools has notified the Legislature, pursuant to Section 9795 of the Government Code, the Department of Finance, the Superintendent, the president of the state board or his or her designee, and the Controller that he or she expects the conditions prescribed pursuant to this section to be met, the governing board of the qualifying school district shall regain all of its legal rights, duties, and powers, except for the powers held by the trustee provided for pursuant to Article 2 (commencing with Section 41320). The parties specified in Section 41320.1 shall appoint a trustee under that section to monitor and review the operations of the qualifying school district until the conditions of subdivision (b) of that section have been met.

(h) Notwithstanding subdivision (g), if the qualifying school district violates a provision of the recovery plans approved by the county superintendent of schools, with concurrence from the Superintendent, pursuant to this article within five years after the trustee appointed pursuant to Section 41320.1 is removed or after the emergency apportionment is repaid, whichever occurs later, or the improvement plans specified in Section 41327.1 during the period of the trustee's appointment, the county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, may reassume, either directly or through an administrator appointed in accordance with this section, all of the legal rights, duties, and powers of the governing board of the qualifying school district. The county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, shall return to the governing board of the qualifying school district all of its legal rights, duties, and powers reassumed under this

subdivision when he or she determines that future compliance with the approved recovery plans is probable, or after a period of one year, whichever occurs later.

(i) Article 2 (commencing with Section 41320) shall apply except as otherwise specified in this article.

(j) It is the intent of the Legislature that the legislative budget subcommittees annually conduct a review of each qualifying school district that includes an evaluation of the financial condition of the qualifying school district, the impact of the recovery plans upon the qualifying school district's educational program, and the efforts made by the state-appointed administrator to obtain input from the community and the governing board of the qualifying school district.

(k) (1) The district superintendent of schools is entitled to a due process hearing for purposes of determining final compensation. The final compensation of the district superintendent of schools shall be between zero and six times his or her monthly salary. The outcome of the due process hearing shall be reported to the Superintendent and the public. The information provided to the public shall explain the rationale for the compensation.

(2) This subdivision applies only to a contract for employment negotiated on or after June 21, 2004.

(l) (1) When the county superintendent of schools assumes control over a qualifying school district pursuant to subdivision (b), the County Office Fiscal Crisis and Management Assistance Team shall review the fiscal oversight of the qualifying school district by the county superintendent of schools. The County Office Fiscal Crisis and Management Assistance Team may consult with other fiscal experts, including other county superintendents of schools and regional fiscal teams, in conducting this review.

(2) Within three months of the county superintendent of schools assuming control over a qualifying school district, the County Office Fiscal Crisis and Management Assistance Team shall report its findings to the Legislature, pursuant to Section 9795 of the Government Code, and shall provide a copy of that report to the Department of Finance, the Superintendent, and the president of the state board or his or her designee. This report shall include findings as to fiscal oversight actions that were or were not taken and may include recommendations as to an appropriate legislative response to improve fiscal oversight.

(3) In the year following the completion of the report required in paragraph (2), the County Office Fiscal Crisis and Management Assistance Team shall begin annual reviews of the effectiveness of the oversight of the qualifying school district by the county office of education.

(4) If, after performing the duties described in paragraphs (1), (2), and (3), the County Office Fiscal Crisis and Management Assistance Team determines that the county superintendent of schools failed to carry out his or her responsibilities for fiscal oversight as required by this code, the Superintendent, with the concurrence of the president of the state board or his or her designee, may exercise the authority of the county superintendent of schools who has oversight responsibilities for a qualifying school district. The Superintendent and the president of the state board or his or her designee shall further require the county superintendent of schools to demonstrate remediation of deficiencies identified in reports required in paragraphs (2) and (3). If the Superintendent finds, based on the reports required in paragraphs (2) and (3), that the county superintendent of schools failed to appropriately take into account particular types of indicators of financial distress, or failed to take appropriate remedial actions in the qualifying school district, the Superintendent shall further investigate whether the county superintendent of schools failed to take into account those indicators, or similarly failed to take appropriate actions in other school districts with negative or qualified certifications.

*(Amended by Stats. 2018, Ch. 426, Sec. 10. (AB 1840) Effective September 17, 2018.)*

**41326.1.**

Within 30 days of assuming authority, an administrator who has control over a school district pursuant to Section 41326 shall discuss options for resolving the fiscal problems of the district with all of the following groups and shall consider, on a monthly basis, or more frequently if so desired by the administrator, information from one or more of the following groups:

- (a) The governing board of the school district.
- (b) Any advisory council of the school district.
- (c) Any parent-teacher organization of the school district.
- (d) Representatives from the community in which the school district is located.
- (e) The district administrative team.
- (f) The County Office Fiscal Crisis and Management Assistance Team.
- (g) Representatives of employee bargaining units.
- (h) The county superintendent of schools.

*(Amended by Stats. 2005, Ch. 22, Sec. 36. Effective January 1, 2006.)*

**41327.**

(a) In accordance with timelines, instructions, and a format established by the county superintendent of schools, with concurrence from the Superintendent, the administrator appointed pursuant to subdivision (b) of Section 41326 shall prepare or obtain the following reports and plans:

(1) A management review and recovery plan.

(2) A multiyear financial recovery plan. The multiyear financial recovery plan shall include a plan, to be submitted annually on or before July 1, to repay to the state any and all loans owed by the school district.

(3) During the period of service by the administrator appointed pursuant to subdivision (b) of Section 41326, an annual report on the financial condition of the school district, including, but not necessarily limited to, all of the following information:

(A) Specific actions taken to reduce school district expenditures or increase income to the school district, and the amount of the resulting cost savings and increases in income.

(B) A copy of the adopted school district budget for the current fiscal year.

(C) The amount of the school district budgetary reserve.

(D) The status of employee contracts.

(E) Any obstacles to the implementation of the recovery plans described in paragraphs (1) and (2).

(b) Each of the reports or plans required under this section, or under any other law that requires the school district to prepare reports or plans, shall be submitted to the county superintendent of schools for approval, with concurrence from the Superintendent. The county superintendent of schools may accept and approve, for the purposes of this section, any reports or plans that were prepared by or for

the school district prior to the school district's acceptance of a loan as described in subdivision (a) of Section 41326.

(c) With the approval of the county superintendent of schools, the administrator appointed pursuant to subdivision (b) of Section 41326 may enter into agreements on behalf of the school district and, subject to any contractual obligation of the school district, change any existing school district rules, regulations, policies, or practices as necessary for the effective implementation of the recovery plans referred to in subdivision (a).

(d) The County Office Financial Crisis and Management Assistance Team shall do an annual review of the progress made with regard to the recovery plans required by subdivision (a), and submit that review to the county superintendent, the Superintendent, and the president of the state board or his or her designee.

*(Amended by Stats. 2018, Ch. 426, Sec. 11. (AB 1840) Effective September 17, 2018.)*

#### **41327.1.**

(a) The state board shall adopt and may periodically update by regulation a comprehensive list of professional and legal standards that all school districts are encouraged to use as a guide to conduct a good educational program and fiscal and management practices that shall be used as the basis of evaluating the improvement of qualifying school districts pursuant to this article. These standards shall, at a minimum, address all of the following areas:

(1) Financial management.

(2) Pupil achievement.

(3) Personnel management.

(4) Facilities management.

(5) Community relations.

(b) If an administrator is appointed pursuant to Section 41326, the County Office Fiscal Crisis and Management Assistance Team established pursuant to Section 42127.8 shall conduct comprehensive assessments in the five areas specified in subdivision (a).

(c) After the assessments specified in subdivision (b) are completed, the county superintendent of schools, in consultation with the County Office Fiscal Crisis and Management Assistance Team, the Superintendent, and the president of the state board or the president's designee, shall determine, based upon the school district's particular needs and circumstances, the level of improvement needed in the standards adopted pursuant to subdivision (a) before local authority will be returned pursuant to subdivision (g) of Section 41326. Based upon this determination, the County Office Fiscal Crisis and Management Assistance Team shall complete improvement plans in the five areas specified in subdivision (a) that focus on the agreed upon standards, and that are consistent with the financial improvement plan.

(d) Beginning six months after an emergency loan is approved, and annually thereafter until local authority is returned pursuant to subdivision (g) of Section 41326, the County Office Fiscal Crisis and Management Assistance Team shall file a written status report with the appropriate fiscal and policy committees of the Legislature, the Members of the Legislature that represent the qualifying school district, any advisory council of the school district, the Superintendent, the county superintendent of



schools, and the Director of Finance. The reports shall indicate the progress that the school district is making in meeting the recommendations of the improvement plans developed pursuant to this section.

(e) If the County Office Fiscal Crisis and Management Assistance Team indicates in writing that it has insufficient resources to complete the comprehensive assessments, improvement plans, and progress reports required pursuant to this section, the county superintendent of schools shall request proposals to complete these tasks, and subject to the approval of the Department of Finance, select an entity to complete the tasks assigned to the County Office Fiscal Crisis and Management Assistance Team pursuant to this section.

*(Amended by Stats. 2020, Ch. 24, Sec. 21. (SB 98) Effective June 29, 2020.)*

#### **41327.2.**

(a) The appointment of an administrator pursuant to Section 41326 does not remove any statutory rights, duties, or obligations from the county superintendent of schools. The county superintendent of schools retains the responsibility to superintend school districts under his or her jurisdiction.

(b) The county superintendent of schools shall submit reports to the Superintendent, the president of the state board or his or her designee, the appropriate fiscal and policy committees of the Legislature, and the Director of Finance subsequent to review by the county superintendent of schools of the school district's budget and interim reports in accordance with subdivision (d) of, and paragraph (1) of subdivision (f) of, Section 42127, and paragraph (2) of subdivision (a) of, and subdivision (e) of, Section 42131. These reports shall document the fiscal and administrative status of the qualifying school district, particularly in regard to the implementation of fiscal and management recovery plans. Each report shall also include a determination of whether the revenue streams to the school district appear to be consistent with its expenditure plan, according to the most recent data available at the time of the report. These reports are required until six months after all rights, duties, and powers are returned to the school district pursuant to this article.

*(Amended by Stats. 2018, Ch. 426, Sec. 13. (AB 1840) Effective September 17, 2018.)*

#### **41328.**

The qualifying district shall bear 100 percent of all costs associated with implementing this article, including the activities of the County Office Fiscal Crisis and Management Assistance Team or the regional team. The Superintendent of Public Instruction shall withhold from the apportionments to be made from the State School Fund to the district the amounts due pursuant to this section.

*(Amended by Stats. 2005, Ch. 22, Sec. 37. Effective January 1, 2006.)*

#### **41329.**

(a) A school district under financial distress, as defined in subdivision (b), shall do all of the following before approving the closure or consolidation of a school of the school district:

- (1) In deciding what schools to close or consolidate, the governing board of the school district shall conduct an equity impact analysis in its consideration of school closures or consolidations. The governing board of the school district shall develop a set of metrics for the development of the equity

impact analysis and make those metrics public at a regularly scheduled meeting of the governing board of the school district so that the public can provide input regarding the metrics being used to conduct the analysis. The metrics shall include, but are not limited to, all of the following:

(A) The condition of a school facility.

(B) The operating cost of a school and the associated savings resulting from a closure or consolidation.

(C) The capacity of a school to accommodate excess pupils.

(D) Special programs available at the schools being considered for closure or consolidation and whether those programs will be provided at the same current level at the schools to which pupils will be diverted.

(E) Environmental factors, including, but not limited to, traffic and proximity to freeway access.

(F) Balance of pupil demographics, including race or ethnicity, pupils with disabilities, English learners, foster youth, and homeless youth, in the schools being considered for closure or consolidation, and the resulting demographic balance of pupils after placement in other schools, in order to determine if the decision to close or consolidate will have a disproportionate impact on any particular demographic group.

(G) Transportation needs of pupils.

(H) Aesthetics and the opportunity for blight and negative impact on the surrounding community.

(I) Impact on feeder school attendance patterns with the closure of any particular school and whether the closure will attenuate attendance at other schools or specialized programs as a result.

(2) (A) The governing board of the school district shall provide its recommendations regarding school closures and consolidations to the public at a regularly scheduled meeting and share how it prepared its list and include, at a minimum, all of the following information:

(i) Factors used to identify the list of school closures or consolidations.

(ii) Equity impact analysis findings for each school closure or consolidation.

(iii) Plan for the use of the schools proposed for closure or consolidation once it becomes a vacated facility.

(iv) Criteria used to assign displaced pupils to other schoolsites, or a description of the process of reassignment that will be used by the school district.

(v) Options and timeline for transitioning pupils to their new schools, including improving safe routes to schools and home-to-school transportation needs.

(B) The governing board of the school district shall review and consider the feedback presented at the public meeting and make its decision on any school closures or consolidations at a subsequently scheduled regular meeting.

(C) At the subsequent regularly scheduled meeting, the governing board of the school district shall present its final recommendation for school closures or consolidations, which shall include a review of how public input was incorporated into the final recommendation. Any affirmative action by the governing board of the school district to implement a school closure or consolidation shall be made only after it adopts a resolution concluding that the community engagement process required pursuant this section has been completed.

(D) (i) Upon an affirmative action by the governing board of the school district to implement a school closure or consolidation, the school district shall provide information to parents and pupils in multiple formats, including, but not limited to, email and paper notifications.

(ii) Notifications to parents shall be translated into their primary language pursuant to Section 48985.

(iii) The information shall include all of the following:

(I) The date of the approved closure or consolidation.

(II) The pupil's new school assignment, as applicable.

(III) School district resources for pupils and parents to support the pupil's transition.

(IV) School district contacts for additional information.

(b) For purposes of this section, "financial distress" means a school district with an emergency apportionment pursuant to Article 2 (commencing with Section 41320) or this article, a trustee appointed pursuant to Article 2 (commencing with Section 41320), or an administrator appointed pursuant to this article.

(c) For purposes of this section, "governing board of a school district" includes a trustee appointed pursuant to Article 2 (commencing with Section 41320), or an administrator appointed pursuant to this article.

(d) This section does not apply to a school district's closure of a school due solely to the unsafe condition of the school's facilities.

(e) The process outlined pursuant to this section shall not take more than 12 months from the initiation of the equity impact analysis pursuant to paragraph (1) of subdivision (a) to the notification to parents of the final determination of the governing board of the school district pursuant to subparagraph (D) of paragraph (2) of subdivision (a).

(f) This section shall become inoperative on July 1, 2028, and, as of January 1, 2029, is repealed.

*(Added by Stats. 2022, Ch. 253, Sec. 1. (AB 1912) Effective September 6, 2022. Inoperative July 1, 2028, by its own provisions. Repealed as of January 1, 2029, by its own provisions.)*

# **Exhibit D**

## **Job Descriptions for Trustees and Administrators**

## Trustee Roles and Responsibilities

Acceptance by a district of an emergency state apportionment made pursuant to Section 41320 constitutes an agreement by the district that a trustee will be appointed to ensure the district's fiscal recovery and solvency per Education Code Section 41320.1. The trustee shall be appointed jointly by the county superintendent, the Superintendent of Public Instruction (SPI), and the president of the State Board of Education. The trustee should have recognized expertise in management and finance, shall report directly to the county superintendent, and shall serve until the district has adequate fiscal systems and controls in place and the SPI has determined that the district's future compliance with the fiscal plan approved for the district pursuant to Section 41320 is probable.

The trustee shall monitor and review the operations of the district, and shall perform the following functions:

1. Serve in a fiscal oversight capacity until the district has adequate fiscal systems and controls in place, and future compliance with the approved recovery plan is probable.
2. Provide advice and make recommendations to district staff and governing board members regarding budgetary, fiscal, or other issues that may affect the financial condition of the district.
3. Attend all meetings of the governing board and review all governing board materials prior to each board meeting to determine if any items or intended action will have a negative fiscal impact on the district's financial condition.
4. Stay or rescind an action of the governing board of the district or of the personnel commission where, in the judgment of the trustee, the action may adversely affect the financial condition of the district or be contrary to the district's approved recovery plan.
5. Notify the county superintendent of schools when a stay or rescind of a governing board decision is made. The county superintendent then shall notify the Superintendent and the president of the state board or his or her designee within five business days.
6. Monitor the financial projections and cash balances of all district funds for the current and two subsequent fiscal years, and, if necessary, assist district staff in preparing these projections.
7. Monitor all collective bargaining activity and review all proposals being considered, including the resulting fiscal impact.

8. Regularly meet with the district superintendent and chief business officer to obtain updates on the district's efforts to reduce expenditures or enhance revenues.
9. Assist the county superintendent with establishing timelines and prescribing formats for reports and other materials to be used to monitor and review the operations of the district.
10. Communicate openly and timely with the county superintendent, district staff, governing board, and community, and promptly inform the county superintendent of critical issues or incidents.
11. Review and approve the district's required annual report of the financial condition of the district, including all of the following information:
  - (1) Specific actions taken to reduce expenditures or increase income, and the cost savings and increased income resulting from those actions, to ensure the revisions are consistent with the district's needs and recovery plan.
  - (2) The adopted budget for the current fiscal year.
  - (3) Reserves for economic uncertainties.
  - (4) Status of employee contracts.
  - (5) Obstacles to the implementation of the adopted recovery plan.
12. Using the Fiscal Crisis and Management Assistance Team's (FCMAT's) Fiscal Health Risk Analysis, annually evaluate the district's risk of insolvency in the current and two subsequent fiscal years and communicate findings to the county superintendent.
13. Determine, with concurrence from the county superintendent and SPI, that future compliance by the district with the approved recovery plan is probable so that the district can meet its future financial obligations.
14. Provide regular updates to the county superintendent regarding the progress of the district toward fiscal stability.
15. Consult with, and seek recommendations from, the county superintendent, the SPI, and FCMAT in ensuring the fiscal recovery and solvency of the district.
16. With approval from the county superintendent, the SPI, and the president of the state board, retain the authority and responsibilities of an administrator, as set forth in Education Code Section 41325.
17. Assist in related matters as needed regarding the district's fiscal recovery and solvency, in accordance with Education Code Sections 41320.1, 41321, and 41322.
18. Review the financial and budgetary conditions of the district, including an analysis of internal controls, and determine if it may be unable to meet its financial obligations for the current or two subsequent fiscal years, or should receive a qualified or negative interim financial certification.

19. Meet with appropriate district staff, as needed, to assess fiscal health, organizational structure and staffing, effectiveness of internal controls, and other related concerns.
20. Consult with the governing board on fiscal and budgetary matters, facilities projects, debt obligations and other operational areas, as needed.
21. Provide recommendations for improvements in district processes related to the budget, including position control, areas for cost containment, reducing unrestricted contributions from the general fund, etc.
22. Confirm that the district conducts its business operations in compliance with statutory requirements and within acceptable legal and professional standards.
23. Advise county superintendent regarding potential action to improve or protect the fiscal solvency of the district.
24. Provide additional support, technical assistance, professional learning, and advice outlined in the five operational areas defined by Education Code Section 41327.1 in the Long Range Recovery Plan (LRRP). Focus on assisting the district in addressing recommendations identified in the LRRP to support maintaining future solvency, organizational effectiveness and recovery. Report annually to the county superintendent regarding the progress made by the district in implementing LRRP.

Related Education Code Sections: 41320, 41320.1, 41322



## **Administrator**

### **Roles and Responsibilities**

When a school district becomes insolvent and requires an emergency state apportionment 200% or greater of the recommended reserve amount based on the standards and criteria, the county superintendent of schools, under the supervision of the state Superintendent of Public Instruction (SPI), assumes control of the district to ensure its return to fiscal solvency.

The county superintendent of schools, with concurrence from both the SPI and the president of the State Board of Education, will appoint an administrator in accordance with relevant Education Code sections, including 41325, 41326, and 41327. The administrator serves under the direction and supervision of the county superintendent of schools, with concurrence from both the SPI and the president of the state board, until terminated by the county superintendent of schools, with concurrence from both the SPI and the president of the state board.

On behalf of the county superintendent of schools, the administrator shall perform the following functions:

1. Assume all legal rights, duties, and powers of the district's governing board, superintendent, and Personnel Commission, if applicable.
2. Assume control and oversight of all district fiscal, educational, programmatic and operational functions, with the primary objective of restoring fiscal solvency and returning the district to local control and governance.
3. Implement substantial changes in the district's fiscal policies and practices, including, if necessary, the filing of a bankruptcy petition (Chapter 9) to restructure the district's indebtedness.
4. Revise the educational program of the district to reflect realistic income projections and to improve pupil performance relative to state standards.
5. Represent the district in consultation with the governing board, the exclusive representatives of the employees, parents, other citizens, the community, and governmental agencies.
6. Encourage all members of the school community to accept a fair share of the burden of the district's fiscal recovery.
7. Consult with, and seek recommendations from, the county superintendent of schools, the SPI, and the Fiscal Crisis and Management Assistance Team (FCMAT) in ensuring the fiscal recovery and solvency of the district.

8. Request the advice and assistance, as needed, of the California Collaborative for Educational Excellence.
9. Upon approval by the county superintendent of schools, enter into agreements on behalf of the district and, subject to any contractual obligations of the district, change existing district rules, regulations, policies, or practices as necessary for the effective implementation of fiscal recovery plans.
10. Certify that all necessary collective bargaining agreements have been negotiated and ratified, and that the agreements are consistent with the terms of the fiscal recovery plan.
11. Ensure that the district has completed all reports required by the county superintendent of schools and the administrator.
12. Determine, with concurrence from the county superintendent of schools and SPI, that future compliance by the district with the approved fiscal recovery plan is probable.
13. Discuss options for resolving the fiscal problems of the district with all the following groups within 30 days of assuming authority, and consider, monthly or more frequently, information from one or more of the following groups:
  - a) The governing board of the school district
  - b) Any advisory council of the school district
  - c) Any parent-teacher organization of the school district
  - d) Representatives from the community in which the school district is located
  - e) The district administrative team
  - f) The Fiscal Crisis and Management Assistance Team
  - g) Representatives of employee bargaining units
  - h) The county superintendent of schools
14. Prepare or obtain the following reports and plans for approval by the county superintendent of schools and the SPI:
  - a) A management review and fiscal recovery plan.
  - b) A multiyear financial recovery plan, including a plan, to be submitted annually on or before July 1, to repay to the state any and all loans owed by the district.
  - c) An annual report on the financial condition of the district, including, but not necessarily limited to, all the following information:
    - i. Specific actions taken to reduce district expenditures or increase income, and the amount of the resulting cost savings and increases in income.
    - ii. A copy of the adopted district budget for the current fiscal year.
    - iii. The amount of the district's budgetary reserve.
    - iv. The status of employee contracts.
    - v. Any obstacles to the implementation of the fiscal recovery plan.

15. Conduct, in consultation with FCMAT, comprehensive assessments in the following areas:
  - i. Financial management
  - ii. Pupil achievement
  - iii. Personnel management
  - iv. Facilities management
  - v. Community relations
16. Evaluate employees who report directly to the administrator and oversee the evaluation of other employees as defined by California law and district policy.
17. Review all district policies and procedures and make appropriate decisions for addition, deletion, or modification.
18. Provide leadership and direction in planning and financing school site additions or improvements, as needed, to meet growth needs, or in strategically identifying and coordinating school site consolidations and/or closures.
19. Identify and assess all potential and actual lawsuits against the district and determine potential settlement options or other resolutions.
20. Assist in related matters, as needed, regarding the district's fiscal recovery and solvency, and with the intent to return the district to local control and governance.
21. Perform any additional duties or address additional goals as may be outlined in the emergency appropriation legislation.

Related Education Code Sections: 41325, 41326, 41326.1, 41327

# Exhibit E

## FCMAT Standards for Comprehensive Reviews

**Community Relations and Governance**

**1.1 Leadership and Organizational Capacity**

The LEA has the leadership, culture and organizational capacity to implement and maintain systemic reform, continuous improvement and high expectations for community relations and governance. The organization demonstrates a commitment to attract, develop, and retain competent individuals to carry out responsibilities for community relations and governance in alignment with objectives. The LEA establishes a framework of relationships, policies, systems, processes and practices that are participatory and ensure accountability, fairness and transparency.

**1.2 Leadership and Organizational Capacity**

The organizational structure clearly identifies key areas of authority and responsibility for community relations and governance. Reporting lines in each area are clearly identified and logical.

**1.3 Leadership and Organizational Capacity**

LEA leaders set the tone and establish the environment, exhibiting integrity and ethical values in carrying out their community relations and governance responsibilities and directing the work of those they supervise.

**2.1 Planning**

The LEA has an internal annual community relations and governance calendar that lists responsible parties and all ongoing community relations and governance activities. The calendar is shared with all applicable departments and is used to ensure responsible parties meet critical deadlines, including those required by statute and board policy/administrative regulations.

**2.2 Planning**

The LEA has developed, and the board has adopted, a communications plan that addresses both internal and external communications. A process and structure exists to regularly update the communications plan based on best practices, assessment of communication strategies, and changing technology. The LEA communicates with all its stakeholders in a timely manner and facilitates two-way communications.

*Note: Communications are also addressed in Finance Standard 1.6.*

**3.1 Parent/Community Relations**

At the beginning of each school year the LEA provides all parents/guardians with an annual notice of parents' rights and responsibilities including the uniform complaint procedure. The annual notice and the complaint procedure are readily available. The LEA has internal procedures for accepting, investigating and responding to formal complaints, including Williams complaints, through a uniform complaint procedure. Both the notice of parents' rights and responsibilities, and the uniform complaint procedure are available in English and all other languages spoken by 15% or more of the students. (E.C. 48980, 48985, 11500; CCR Title 5, 4621, 4622)

**3.2 Parent/Community Relations**

The LEA encourages parents and community members to be involved in school activities and their children's education. Volunteers receive relevant training and contribute in meaningful ways to the schools. (E.C. 48985, 11500; CCR Title 5, 4621, 4622)

## Community Relations and Governance

### 3.3 Parent/Community Relations

The LEA publishes a school accountability report card by the date and in the format prescribed by regulation. (E.C. [35256](#))

### 3.4 Parent/Community Relations

The LEA has established broad-based committees and councils to advise the LEA on critical issues and operations. The membership of these committees meets legal requirements, if any, and is representative of the student population. The members of each committee and council thoroughly understand their charge and mission, and have received the training needed to effectively fulfill their responsibilities. (E.C. 52855)

Note: This standard applies to LEA-wide committees. See Pupil Achievement Standard 2.4 for school site parent advisory groups.

### 4.1 Board Policies, Roles and Conduct

The LEA has secured stakeholder input during policy development and review, has adopted all policies mandated by state and federal law, and follows its own adopted policies. Policies and administrative regulations are up to date, written, regularly reviewed, communicated to staff, and readily available to staff and stakeholders for reference. Policies reflect local priorities.

### 4.2 Board Policies, Roles and Conduct

Board members participate in initial and ongoing professional learning opportunities to understand and effectively fulfill their roles.

### 4.3 Board Policies, Roles and Conduct

The board is actively involved in building community relations, including maintaining functional and civil working relationships with one another and the LEA's administrative team. The board demonstrates respect for and support of staff, students and stakeholders.

### 4.4 Board Policies, Roles and Conduct

The board is engaged in developing policy and setting the direction of the LEA in the interests of all its students, including but not limited to the development and adoption of the LCAP. The board makes decisions after considering the recommendation of the administration and reviewing relevant and reliable data. The board supports the administration in their responsibility to implement adopted policies.

### 4.5 Board Policies, Roles and Conduct

The board maintains the confidentiality of privileged data. (E.C. 35107, 52060)

### 4.6 Board Policies, Roles and Conduct

The LEA adopts and updates as necessary a conflict of interest code to ensure LEA board members, executive leadership and other designated employees and consultants perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who support them. The LEA collects conflict of interest statements annually from those covered by the Conflict of Interest Code, keeps these statements on file and complies with all legal requirements pertaining to the Fair Political Practices Act. (G.C. 1090, 87100-87505, specifically, 87200 and 87300)

## Community Relations and Governance

### 5.1 Board Meetings

The LEA adopts and publishes a schedule of regular board meetings with times, dates and places specified. Regular meetings are held frequently enough to conduct all LEA business in a timely fashion, build the capacity of board members and facilitate a regular focus on continuous improvement. Meetings are held at times and in locations that facilitate community involvement. (E.C. 35140)

### 5.2 Board Meetings

Board meetings are held in compliance with the Ralph M. Brown Open Meetings Act, including the timely publishing of agendas and the conduct of open and closed sessions. Board meetings are conducted according to a set of board-adopted bylaws, proceed in a businesslike manner, allow opportunity for full discussion and consideration, and provide members of the public an opportunity to address the board before or during the board's consideration of each item of business. Adopted bylaws provide a process for the public to place items on the board agenda for consideration. The board honors and respects stakeholder input at meetings.

Board members are prepared for meetings; they familiarize themselves with the agenda and supporting materials prior to the meeting. (E.C. 35145.5, G.C. 54950, 54954.1, 54954.2)



## Personnel Management

### 1.1 Leadership and Organizational Capacity

The LEA has the leadership, culture and organizational capacity to implement and maintain systemic reform, continuous improvement and high expectations in personnel management. The organization demonstrates a commitment to attract, develop, and retain competent human resources individuals, in alignment with its objectives.

### 1.2 Leadership and Organizational Capacity

The organizational structure clearly identifies key areas of authority and responsibility for personnel management. Reporting lines in each area are clearly identified and logical.

### 1.3 Leadership and Organizational Capacity

LEA leaders set the tone and establish the environment, exhibiting integrity and ethical values in carrying out their personnel responsibilities and directing the work of those they supervise.

### 1.4 Leadership and Organizational Capacity

The personnel department head is a member of the LEA's cabinet and participates in decision making early in the process.

### 2.1 Planning

The LEA has an internal annual personnel department calendar that lists responsible parties and all ongoing personnel activities. The calendar is shared with all applicable departments and used to ensure responsible parties are meeting critical deadlines including those required by statute, board policy/administrative regulation, collective bargaining agreements and for CALPADS and CBEDS reporting.

### 2.2 Planning

The LEA has clearly defined and clarified roles for board and staff relative to recruitment, hiring, evaluation and discipline of employees.

### 2.3 Planning

The personnel department communicates regularly with internal staff and all departments on their responsibilities for personnel processes and internal controls. Communications are in writing when they affect many staff or user groups, are issues of importance, or include a change in procedures. The personnel department is responsive to other departments' needs.

### 3.1 Employee Recruitment/Selection

The LEA provides equal employment opportunities in compliance with applicable laws and personnel practices to ensure nondiscrimination in hiring practices. (E.C. 44100-44105; G.C. 11135)

### 3.2 Employee Recruitment/Selection

The LEA has implemented employment procedures that comply with legislation and its collective bargaining agreements, including for management, short-term and substitute employees. (E.C. 44914-44921, 45103, 44258.9, 44265.2, 33126, 35030, 35031, 44929.20; G.C. 3511.1, 53260-53264, 54946)

## Personnel Management

### 3.3 Employee Recruitment/Selection

The LEA has established and implemented pre-employment requirements. (E.C. 44237, 45125, 45125.1, 45125.01, 44332.6, 44346.1, 44830.1, 45122.1, 44839, 49406)

### 3.4 Employee Recruitment/Selection

The LEA has a recruitment plan based on an assessment of the LEA's needs for specific skills, knowledge, and abilities, and has defined selection procedures. The LEA has established an adequate recruitment budget based on its circumstances. Job applications meet legal requirements and LEA needs.

### 4.1 Induction and Professional Learning

The LEA has established a process by which all employee notices and in-service trainings are provided and documented as required by law. The LEA also provides annual professional development to managers/site administrators. (E.C. 231.5, 44691, 56240; Penal Code 11166.5; 8 CCR 3204, 5193; G.C. 8355, 12940, 12950.1; 34 CFR 104.8)

### 4.2 Induction and Professional Learning

The LEA has developed and implemented an employment checklist to be used for all new employees that includes LEA forms and those required by law. Initial orientation and materials are provided for all new staff in all classifications: substitutes, certificated, classified and management.

### 4.3 Induction and Professional Learning

Personnel staff members attend trainings on best practices, regulations and requirements for personnel functions, including the department's policies and procedures. Personnel staff members also receive training on the use of technology that will help them perform their job responsibilities.

### 5.1 Operational Procedures

The LEA properly administers regulations or agreements covering various types of leaves. (E.C. 45190-45210, 44962-44988; LC 245-249, 2810.5) Tracking of employee absences and use of time off in all categories is timely and is reported to payroll for any necessary salary adjustments.

### 5.2 Operational Procedures

The LEA maintains a seniority list of certificated employees that contains each employee's first date of paid service and credentials held (E.C. 44844-44846). Certificated staff verify the accuracy of this information in writing.

### 5.3 Operational Procedures

The LEA reports changes in the employment status of a certificated employee to the Commission on Teacher Credentialing (CTC) and other LEAs as required. (E.C. 44030.5, 44242.5, 44939.5, 44940)

### 5.4 Operational Procedures

Personnel files are complete, secure and available for inspection. (E.C. 44031; L.C. 1198.5)

**Personnel Management**

**5.5 Operational Procedures**

Current job descriptions are established for each type of work performed by certificated and classified employees (E.C. 35020, 45109). These job descriptions are in compliance with the Americans with Disabilities Act (ADA) requirements and accurately identify all essential and marginal functions and duties of each position.

**5.6 Operational Procedures**

The LEA has procedures in place that ensure personnel and payroll staff meet regularly to solve problems and issues that arise during the processing of new employees, classification changes, employee promotions, managing paid and unpaid leaves and other functions.

**5.7 Operational Procedures**

The LEA has established and uses certificated and classified staffing formulas to guide the number of full-time equivalent positions allocated to sites, programs and departments.

**5.8 Operational Procedures**

The LEA's electronic employee information systems are capable of collecting, analyzing, maintaining, and reporting the data required for local use and state and federal reporting, including but not limited to: budgeting; payroll; credentials; seniority; evaluations; and personnel by funding source, program, Statewide Educator ID, location, and demographic data as required for CALPADS/CBEDS.

**6.1 Compliance Practices**

The LEA's nondiscrimination policy, administrative regulations and the availability of complaint procedures are regularly publicized within the LEA and in the community, including posting in all schools and offices, staff lounges and student government meeting rooms. The LEA has established a process that allows employees to have their concerns heard in an expeditious and unbiased manner. (G.C. 11135, 53296-53299; E.C. 35186, 44112-44114; 5 CCR 4680-4687)

**6.2 Compliance Practices**

The LEA is in compliance with federal and state regulations related to personnel.

**6.3 Compliance Practices**

The LEA has properly identified exempt and nonexempt employees and has developed and implemented rules and regulations for overtime that are in compliance with the Fair Labor Standards Act and California statutes. (E.C. 45127, 45128, 45130; 29 CFR, Chapter 8, 201-219)

**7.1 Evaluation**

The LEA has established and implemented processes and procedures for the regular written evaluation and assessment of the superintendent, classified, certificated and management employees. (E.C. 44663, 45113; G.C. 3543.2)

## Personnel Management

### 7.2 Evaluation

Management has the ability to evaluate job requirements and duties and match those to the employee's work performance. All employees are evaluated on performance by a management-level employee knowledgeable about their work performance at least annually or as prescribed by the applicable collective bargaining agreement. The evaluation criteria are clearly communicated and, to the extent possible, measurable. The evaluation includes follow-up on prior performance issues and establishes goals to improve future performance. Employees are evaluated in a manner that effectively uses the probationary period.

### 8.1 Employee Services

The LEA provides employees with periodic printed communications on employee benefits. Timely notification of annual open enrollment periods is sent to all employees, and information about dependents is verified periodically.

### 8.2 Employee Services

The LEA's risk management unit is actively involved in providing injured workers with an opportunity to participate in a modified duty or return-to-work program. Updates are provided to the cabinet.

### 9.1 Employer/Employee Relations

The LEA has adopted and published an employee salary schedule for every position and has a system in place to implement it without delays. (E.C. 45023, 45101, 45160)

### 9.2 Employer/Employee Relations

The LEA has developed parameters and guidelines for collective bargaining that ensure that the collective bargaining agreements do not impede the effectiveness and efficiency of LEA operations and service delivery. Management analyzes the collective bargaining agreements to identify any characteristics that impede effective delivery of LEA services. The LEA identifies those issues for consideration by the board.

### 9.3 Employer/Employee Relations

The LEA has a process that provides management and the board with information on the impact of all bargaining proposals.

### 9.4 Employer/Employee Relations

Bargaining proposals are sunshined in accordance with the law to allow public input. (G.C. 3547)

### 9.5 Employer/Employee Relations

The LEA provides all managers and supervisors (certificated and classified) with training in contract management.

**Pupil Achievement**

**1.1 Leadership and Organizational Capacity**

The LEA has the leadership, culture and organizational capacity to implement and maintain systemic reform and high expectations to improve student achievement and learning as defined in the LEA's Local Control Accountability Plan (LCAP) and other aligned LEA and school site plans. The organization demonstrates a commitment to attract, develop, and retain competent educational services employees, in alignment with pupil achievement objectives.

**1.2 Leadership and Organizational Capacity**

The organizational structure clearly identifies key areas of authority and responsibility for educational services. Reporting lines in each area are clearly identified and logical.

**1.3 Leadership and Organizational Capacity**

LEA leaders set the tone and establish the environment, exhibit integrity and ethical values in carrying out their educational services responsibilities and directing the work of those they supervise.

**1.4 Leadership and Organizational Capacity**

The educational services department head is a member of the LEA's cabinet and participates in decision making early in the process.

**1.5 Leadership and Organizational Capacity**

Principals are instructional leaders for their schools, promoting the learning and success of all students through a variety of strategies, including making formal and informal classroom visits and providing constructive feedback and assistance to teachers.

**2.1 Planning**

The LEA has an internal educational services department calendar that lists responsible parties and all ongoing educational services activities. The calendar is shared with all applicable departments and used to ensure responsible parties are meeting critical deadlines including those required by statute, board policy, administrative regulation, collective bargaining agreement and for California Longitudinal Pupil Achievement Data System/California Basic Education Data System (CALPADS/CBEDS) reporting.

**2.2 Planning**

The LEA has increased or improved services for students in proportion to the percentage of unduplicated students (i.e., low-income students, English learners, and foster youth) whose enrollment generated the additional funds (concentration and supplemental). The LEA follows the State Board of Education (SBE)-adopted regulations regarding how such expenditure of funds will be managed to demonstrate compliance in the LCAP. The LEA monitors the impact of the increased or improved services relative to progress toward meeting the LCAP goals, and uses this data to inform revisions to the LCAP and other LEA/school plans. The increased or improved services resulting from implementation of the LEA's LCAP have a positive impact on student outcomes.

**2.3 Planning**

The LEA's adopted budget includes expenditures consistent with the specific actions and strategies included in the LEA's board-adopted LCAP, based on the projections of the costs included in the plan.

## Pupil Achievement

### 2.4 Planning

Each school has the various parent advisory groups (e.g., school site council, English Learner Advisory Committee (ELAC)) that are composed of the requisite members and actively engaged in school planning (E.C. 52050-52075). These parent advisory groups are informed of and invited to participate in the development and evaluation of the LCAP and other LEA and school site improvement plans, and in overseeing the implementation of these plans. (E.C. 52852.5, 52853, 52855, 6401)

### 3.1 Curriculum

The LEA adopts and provides an academic program based on State Board of Education (SBE) or board-adopted instructional textbooks and materials for all students, including English learners and students with disabilities. The LEA provides ongoing professional learning on the adopted materials to teachers, school site and LEA administrators, and all other instructional staff responsible for implementation. The LEA develops the support needed to fully implement the adopted materials. (E.C. 60119, 60040-60044, 60048, 60200)

### 3.2 Curriculum

The LEA provides research-based multi-tiered interventions and support for students who fail to demonstrate proficiency in one or more core content areas, and uses standards-based textbooks and materials for intervention.

### 3.3 Curriculum

Curriculum and instruction for special education students is rigorous and meets their learning needs. (E.C. 56205, 56345)

### 4.1 Instructional Strategies

The LEA provides all students with equal access to educational opportunities. The LEA's policies, practices, and staff demonstrate a commitment to provide equitable access and to serve the needs of all students, parents, and family members. (E.C. 51007, Title VI)

### 4.2 Instructional Strategies

The LEA provides students with the courses needed to meet the high school graduation requirements, including an alternative means for students to complete the prescribed course of study required for high school graduation (E.C. 51225.3). The LEA provides access and support for all students to complete UC- and CSU-required courses (A-G requirement). The LEA provides students in grades 7-12 a course of study to attain entry-level employment skills upon graduation from high school through a rigorous academic curriculum that integrates career skills. (E.C. 51228 (b))

### 4.3 Instructional Strategies

The LEA has written policies and procedures for students with special needs; these are properly implemented pursuant to federal and state laws, and meet the least restrictive environment requirement. (E.C. 56000, 56040.1, 56205; 20 USC 1400 et seq.; CFR 300.114)

### 4.4 Instructional Strategies

Programs for English learners (EL) comply with state and federal regulations, meet the quality criteria set forth by the California Department of Education (CDE), and help English learners develop proficiency in English.

**Pupil Achievement**

**4.5 Instructional Strategies**

The LEA engages qualified specialists to improve student learning and provide services consistent with students' needs, the LEA's LCAP, and other school site and LEA improvement plans.

**5.1 Assessment and Accountability**

The LEA and school site administrators monitor the use of adopted materials and programs to ensure they are fully implemented.

**5.2 Assessment and Accountability**

The LEA provides and supports LEA and school site administrators, teachers, and other personnel responsible for programs (e.g., special education, homeless, migrant, English learners) in the use of information systems and technology to manage student data. The LEA also provides professional learning opportunities for LEA and school site staff to help them analyze and use this data to improve student learning outcomes and achievement.

**5.3 Assessment and Accountability**

The LEA uses assessment data, outcomes from prior courses, and teacher recommendations to correctly place students. The LEA has developed and implemented common assessments, and uses the results of the assessments to inform instruction, interventions and accelerations for individual students based on their unique needs. The LEA uses assessment data, graduation and dropout rates, and attendance and discipline data to establish and communicate instructional priorities and strategies for improved school climate, student learning and achievement.

**6.1 Professional Learning**

The LEA budgets for, provides and monitors adherence to an ongoing continuum of professional learning to ensure instructional staff and administrators are updated on and accountable for implementing research-based strategies for improved student achievement to meet the needs identified in the LCAP, IEPs, and other LEA and site plans. The LEA supports and provides learning opportunities for principals and teachers in schools that are underperforming and/or under mandated improvement programs. Improvement plans are evaluated, monitored and re-evaluated.

**6.2 Professional Learning**

The LEA provides opportunities and ongoing support for teachers to collaborate on analyzing data and improving curriculum, instruction, and use of assessment data.

**7.1 Data Management/Student Information Systems**

The LEA assigns data management roles to school site and LEA administrators, other personnel responsible for programs, data entry clerks and others involved in data management, and holds these individuals accountable for ensuring that accurate and reliable data are collected, maintained and reported.

*Note: Finance Standards 7.1 and 7.2 also reference student records, student data, and/or CALPADS.*

## **Pupil Achievement**

### **7.2 Data Management/Student Information Systems**

The LEA has developed a technology plan to guide the provision of adequate technology to support online learning and online student performance assessments. The LEA budget supports technology consistent with the technology plan.

*Note: Standard 7.5 in the Finance Standards addresses technology standards and calls for the standards to be updated as the technology plan evolves.*



## Financial Management

### 1.1 Leadership and Organizational Capacity

The LEA has the leadership, culture and organizational capacity to implement and maintain systemic reform, continuous improvement and high expectations in financial management. The organization demonstrates a commitment to attract, develop, and retain competent business services individuals in alignment with its objectives.

### 1.2 Leadership and Organizational Capacity

The organizational structure clearly identifies key areas of authority and responsibility for business services. Reporting lines in each area are clearly identified and logical.

### 1.3 Leadership and Organizational Capacity

LEA leaders set the tone and establish the environment, exhibiting integrity and ethical values in carrying out their financial responsibilities and directing the work of those they supervise.

### 1.4 Leadership and Organizational Capacity

The LEA has an internal business services department calendar that lists responsible parties and all the ongoing business and finance activities. The calendar is shared with all applicable departments and used to ensure responsible parties are meeting critical deadlines including those required by statute, board policy/administrative regulation, or collective bargaining agreements.

### 1.5 Leadership and Organizational Capacity

The business services department head is a member of the LEA's cabinet and participates in decision making early in the process.

### 1.6 Leadership and Organizational Capacity

Verbal and written communications are easily understood and regularly occur among the board, senior administrators, business services department, staff and the community.

*Note: Communications are also addressed in Community Relations and Governance Standard 2.2.*

### 2.1 Internal Control

To discourage and detect fraud, the LEA has established and implemented formal policies and procedures that provide both a mechanism for individuals to report illegal acts and a formal investigative process. (Statement on Audit Standards (SAS) 109, SAS 78, SAS 99: Treadway Commission)

### 2.2 Internal Control

Procedure manuals are developed, communicated and implemented. When deviations from established policies and procedures are identified, they are remedied and communicated in a timely and consistent manner.

### 2.3 Internal Control

The business and operational departments communicate regularly, verbally and in writing, with internal staff and departments about their responsibilities for accounting procedures and internal controls.

## Financial Management

### 3.1 Budget Policy and Procedures

The appointed administrator/board guides the budget process by developing policy and regulations that focus on expenditure standards and formulas to support objectives, meet goals and maintain financial solvency for the current and two subsequent fiscal years. The appointed administrator/board uses the budget to communicate and document its plan and progress to allocate financial resources toward local goals and objectives. The board is engaged in understanding the fiscal status of the LEA and prioritizing LEA fiscal issues.

### 3.2 Budget Policy and Procedures

The budget development process is based on collaboration across the LEA, and includes input from staff, administrators, board and community, and, if applicable, a budget advisory committee. The budget development process incorporates the financial details contained in all other LEA plans to create a comprehensive budget.

### 3.3 Budget Policy and Procedures

The LEA's business office has and follows a technical process to develop the budget. The process uses defined formulas for projecting revenues and expenditures.

### 3.4 Budget Policy and Procedures

The LEA uses an effective position control system as a check and balance between personnel decisions and budgeted appropriations; the LEA uses the system to track personnel allocations and project salary and benefit expenditures.

### 3.5 Budget Policy and Procedures

The budget monitoring process reflects LEA policy and includes systems that support routine review designed to provide early warning of discrepancies. The LEA reviews the budget at least monthly, makes revisions as needed, and communicates budget updates per local policies, county requirements and state statutes (e.g., first interim, second interim).

### 3.6 Budget Policy and Procedures

The LEA is in compliance with all statutory budget timeline and format requirements. (E.C. 42103, 42127, 42130, 42131(e) and 52062(b)(1))

### 4.1 Financial Management

The LEA records all financial activity for all programs in a timely and accurate fashion. Accounting work is properly supervised and reviewed to ensure that transactions are recorded in a timely and accurate manner, and to allow the preparation of periodic financial statements.

### 4.2 Financial Management

The LEA has adequate and effective procedures to manage and control procurement and comply with Public Contract Code. Procedures include systems for inventory and, if applicable, warehouse that ensure the safeguarding of LEA assets. (Public Contract Code 20111 and 20114)

**Financial Management**

**4.3 Financial Management**

The LEA uses an asset inventory system for all equipment items with a current market value of more than \$500. The LEA also complies with Governmental Accounting Standards Board (GASB) Statement No. 34 regarding capital assets. Capital equipment, including technology and furniture, is tagged as LEA-owned property and inventoried. Inventory results are reconciled with the property records at least every two years. (E.C. 35168)

**4.4 Financial Management**

The LEA has an adequate system to account for federal and state categorical program revenues and related expenditures. The LEA fully and accurately records the maximum costs for direct and indirect support to restricted programs and locally defined grants.

**4.5 Financial Management**

The LEA takes measures to contain the cost of special education services, including transportation if applicable, while providing a free and appropriate public education to special education students. The LEA meets the criteria for the maintenance of effort requirement. The program is designed to minimize contributions from the LEA's unrestricted general fund while supporting the LEA's goals and objectives.

**4.6 Financial Management**

The LEA takes measures to control the cost of transportation services while supporting the LEA's goals and objectives. The LEA meets the criteria for the maintenance of effort requirement.

**4.7 Financial Management**

The LEA operates its food service programs in compliance with all applicable laws and regulations. The program is designed to minimize contributions from the LEA's unrestricted general fund while supporting the LEA's goals and objectives.

**4.8 Financial Management**

The LEA has established a method to identify, track and report expenditures associated with the Local Control and Accountability Plan (LCAP) goals/actions and minimum proportionality percentage requirement.

**4.9 Financial Management**

The LEA implements procedures to ensure timely and accurate payroll processing. Unless the county office does not draw warrants on behalf of the LEA, the LEA's payroll procedures comply with the requirements established by the county office of education. (E.C. 42646)

**4.10 Financial Management**

The LEA implements procedures to ensure timely and accurate accounts payable processing. Unless the county office does not draw warrants on behalf of the LEA, the LEA's accounts payable procedures comply with the requirements established by the county office of education. (E.C. 17605)

## Financial Management

### 4.11 Financial Management

The LEA has a comprehensive risk-management program that monitors the various aspects of risk management including workers' compensation, property and liability insurance. As required by law, the LEA has actuarial reports prepared routinely for workers' compensation, property and liability programs. (E.C. 42141)

### 4.12 Financial Management

The LEA uses California School Accounting Manual (CSAM)- and Generally Accepted Accounting Principles (GAAP)-compliant standard procedures for closing its financial records at fiscal year end to ensure accurate recording of transactions. The LEA's year-end closing procedures comply with the procedures and requirements established by the county office of education. On or before September 15, the LEA's board approves the unaudited actuals on a form prescribed by the SPI and files the statement with the county superintendent of schools (E.C. 42100).

### 4.13 Financial Management

The LEA arranges for an annual audit and complies with the deadlines and requirements established by E.C. 41020 and 14505.

### 4.14 Financial Management

The LEA estimates and records pensions and other postemployment benefits, if applicable, in accordance with Governmental Accounting Standards Board (GASB) requirements.

### 4.15 Financial Management

Long-term debt obligations are properly recorded and reported and have a clearly-identified funding stream for repayment. The LEA does not use the proceeds from certificates of participation (COPs) or other non-voter-approved debt secured by real property for its general operations, regardless of its budget certification. (G.C. 8855, E.C. 42133.5)

### 4.16 Financial Management

The LEA complies with laws regarding public disclosure of its fiscal obligations related to health and welfare benefits for retirees, self-insured workers' compensation, collective bargaining agreements and new non-voter approved debt. (G.C. 3540.2, 3547.5; E.C. 42142, 17150.1)

### 5.1 Bell Schedule and Attendance Accounting

At least semi-annually, the LEA verifies that each school bell schedule meets instructional time requirements for minimum day and annual minutes.

### 5.2 Bell Schedule and Attendance Accounting

Students are enrolled and entered into the student information system (SIS) and other supporting systems in an efficient, accurate and timely manner. School sites maintain an accurate record of daily enrollment and attendance. LEA personnel responsible for California Longitudinal Pupil Achievement Data System (CALPADS) reporting maintain statewide student identifiers and partner with personnel responsible for state and federal reporting to routinely reconcile data between child nutrition systems, CALPADS and student attendance and enrollment systems.

**Financial Management**

**5.3 Bell Schedule and Attendance Accounting**

The LEA adopts and implements policies and regulations for its enrollment and attendance program.

**5.4 Bell Schedule and Attendance Accounting**

The LEA uses a range of intervention programs to improve and recover student attendance. The LEA has and uses procedures to routinely follow up on all absenteeism.

**5.5 Bell Schedule and Attendance Accounting**

School site personnel receive periodic and timely training on the LEA’s attendance and enrollment procedures, systems used to record enrollment and attendance, and related changes in laws and regulations.

**6.1 Projections**

The LEA provides a multiyear financial projection (MYFP) at the time of budget adoption and all interim periods for at least the general fund, consistent with the policy of the county office of education. (E.C. 42131) The assumptions for revenues and expenditures are reasonable and supported by documentation.

**6.2 Projections**

Multiyear financial projections are prepared and used in decision-making, especially when a significant multiyear expenditure commitment is contemplated, including salary or employee benefit increases negotiated through collective bargaining.

**6.3 Projections**

The LEA forecasts its cash receipts and disbursements and verifies those projections monthly to adequately manage its cash. The LEA reconciles its cash to bank statements and reports from the county treasurer monthly. Any borrowing for cash flow needs is repaid in accordance with contractual or statutory requirements.

**7.1 Technology and Information Systems**

The LEA has adopted policies and procedures that specify requirements for contracts and purchase orders for electronic technology services – including cloud-based services for digital storage, management and retrieval of student records, as well as educational software – that authorize a third-party provider to access, store and/or use student records. (E.C. 49073.1)

**7.2 Technology and Information Systems**

Automated financial systems provide accurate, timely, and relevant information that conforms to all accounting standards, including state and federal reporting requirements. Automated systems are integrated to improve accuracy and timeliness when cost effective to do so. The LEA ensures the various systems are maintained, compatible, and supported. Employees receive training and supervision in using and operating the systems.

**7.3 Technology and Information Systems**

Internal controls are instituted and reviewed periodically to safeguard system integrity and security.

**7.4 Technology and Information Systems**

The LEA has a disaster recovery plan that includes both the backing up and recovery of data and systems for critical educational and administrative information systems.

## Financial Management

### 7.5 Technology and Information Systems

Technology standards are established for both hardware and software, and all technology purchases conform to these standards.

### 7.6 Technology and Information Systems

The LEA optimizes funding of various types of technology throughout the organization by effective use of federal E-Rate discounts, the California Teleconnect Fund, and other discount programs and funding sources to reduce costs for various technology.

### 8.1 Associated Student Body (ASB)

The LEA has established and implemented board policies, administrative regulations and operational procedures regarding associated student body organizations. These policies and regulations are developed and written clearly to ensure compliance when student body organizations deposit, invest, spend, and raise funds. (E.C. 48930-48938)

### 8.2 Associated Student Body

The LEA business office performs oversight procedures throughout the year to verify that associated student body activities comply with established procedures. The LEA provides annual training and ongoing guidance to school and LEA personnel on the policies and procedures governing associated student body accounts.

### 9.1 Charter Schools

The LEA has established processes, procedures and timelines for authorizing and renewing charter school petitions, including the memorandum of understanding. The LEA has adopted board policies that identify and establish financial and data management and reporting standards that the charter school will follow.

### 9.2 Charter Schools

The LEA continually monitors the financial and data management and performance of each authorized charter school to ensure the charter is following the petition and any established memorandum of understanding.

### 9.3 Charter Schools

The LEA meets the audit and reporting requirements of Proposition 39 related to charter schools. (E.C. 47614; CCR Title 5, 11969.1-11969.10)

## Facilities Management

### 1.1 Leadership and Organizational Capacity

The LEA has the leadership, culture and organizational capacity to implement and maintain systemic reform, continuous improvement and high expectations in facilities management. The organization demonstrates a commitment to attract, develop and retain competent facilities management individuals in alignment with its objectives.

### 1.2 Leadership and Organizational Capacity

The organizational structure clearly identifies key areas of authority and responsibility for facilities management. Reporting lines in each area are clearly identified and logical.

### 1.3 Leadership and Organizational Capacity

LEA leaders set the tone and establish the environment, exhibiting integrity and ethical values in carrying out their facilities management responsibilities and directing the work of those they supervise.

### 2.1 Planning

The LEA has an internal annual facilities department calendar that lists responsible parties and all ongoing facilities activities. The calendar is shared with all applicable departments and used to ensure responsible parties are meeting critical deadlines, including those required by statute and board policy/administrative regulation.

### 2.2 Planning

The LEA has standards for real property acquisition and disposal. (E.C. 17230-17234, 17251-17251.5, CCR Title V, 14001)

### 2.3 Planning

The LEA has established and uses a selection process to choose licensed architectural/engineering services. (G.C. 4525-4526)

### 2.4 Planning

The LEA obtains approval of plans and specifications from the Division of the State Architect (DSA), and from the Office of Public School Construction (OPSC) when required, before awarding a contract to the lowest responsible bidder. (E.C. 17263, 17267)

### 2.5 Planning

The LEA collects statutory fees on construction within its boundaries. (E.C. 17620, G.C. 65995, 66000, 66001, 66006)

### 2.6 Planning

The LEA seeks available state and local funds for facilities and routinely reviews and monitors its eligibility to maximize funding opportunities. (E.C. 15278-15282)

### 2.7 Planning

The LEA has a long-range school facilities master plan that has been updated in the last five years, or more recently if enrollment is changing rapidly.

**Facilities Management**

**3.1 Construction, Improvement and Modernization**

The LEA maintains a plan for maintaining and modernizing its facilities. (E.C. 17366)

**3.2 Construction, Improvement and Modernization**

Public works contracts and change orders are processed and receive approval from authorized personnel before they are implemented. (PCC 20118.4)

**3.3 Construction, Improvement and Modernization**

The LEA complies with the Department of Industrial Relations (DIR) awarding body responsibilities. (LC 1770-1784)

**4.1 School Safety**

The LEA has ensured the development of comprehensive safety plans for its schools. The plans include adequate measures to address safety concerns identified through systematic planning aimed at the prevention of, and education about, incidents involving crime and violence on the school campus. (E.C. 32280-32289)

**4.2 School Safety**

The LEA ensures that all employees who have access and/or authorization to use hazardous materials are regularly informed of restrictions on the storage and disposal of chemical compounds, hazardous substances, and flammable or toxic materials. (E.C. 49341, 49411; FAC 12981; HSC 25163, 25500; LC 6360-6363; CCR Title 8, 5191 and 5194)

**4.3 School Safety**

Each elementary and intermediate school conducts a fire drill at least once each month. Each secondary school conducts a fire drill at least twice each school year. (CCR Title 5, 550)

**4.4 School Safety**

The LEA complies with Injury and Illness Prevention Program requirements. (CCR Title 8, 3203)

**4.5 School Safety**

The LEA ensures that all required asbestos inspections are complete and that Asbestos Hazard Emergency Response Act (AHERA)-accredited individuals perform the work. (E.C. 49410-49410.7; 40 CFR Part 763)

**4.6 School Safety**

The LEA routinely conducts site inspections and maintains buildings and grounds to ensure student and staff safety.

**4.7 School Safety**

The LEA has a documented process for issuing and retrieving master and sub-master keys. All administrators follow a standard organizationwide process for issuing keys to and retrieving keys from employees.



## Facilities Management

### 5.1 Maintenance and Operations

The LEA is in compliance with requirements of the Williams case settlement as it relates to facilities that pose a threat to the health and safety of students and staff. (E.C. 17576, 17592.70-17592.73, 35186; CCR Title 5, 631, 4683)

### 5.2 Maintenance and Operations

The LEA has established the required account for ongoing and major maintenance. (E.C. 17014, 17070.75)

### 5.3 Maintenance and Operations

The LEA keeps adequate maintenance records and reports, including a complete inventory of maintenance and operations supplies, materials and tools, to safeguard items from loss.

### 5.4 Maintenance and Operations

All employees who are required to perform custodial maintenance or grounds work on LEA sites are provided with adequate supplies, equipment and training to perform these tasks in a timely and professional manner.

### 5.5 Maintenance and Operations

The LEA has an effective written preventive maintenance plan and a documented process for prioritizing and assigning routine repair work orders. The LEA has a work order system that tracks all maintenance requests, the employee assigned, dates of completion, labor hours and the cost of materials.

### 6.1 Use of School Facilities

The LEA follows state regulations by establishing terms and conditions for community organizations' use of school facilities, including the requirement to establish direct cost and fair market rental rates and to specify which groups have which priorities and fee schedules, in accordance with the Civic Center Act. (E.C. 38130-31839)

# Exhibit F

## Inglewood USD Comprehensive Review Scores

# Inglewood USD Comprehensive Review Scores

Exhibit F

Section/Team	No. of Stds.	July 2013 Avg. Score	July 2014 Avg. Score	July 2015 Avg. Score	July 2016 Avg. Score	July 2017 Avg. Score	July 2018 Avg. Score	July 2019 Avg. Score	July 2020 Avg. Score	July 2021 Avg. Score	July 2022 Avg. Score
Community Relations and Governance	20	1.05	0.45	1.40	3.78	4.85	5.50	6.20	Omitted per SB 98, Section 102 due to COVID-19 pandemic	7.05	7.80
Personnel Management	28	1.46	1.36	2.82	4.00	5.43	6.32	6.60		6.57	6.68
Pupil Achievement	31	3.23	2.03	2.87	3.32	3.68	3.94	3.87		3.87	4.48
Financial Management	43	1.19	1.33	1.95	2.16	2.44	3.28	3.81		3.70	4.26
Facilities Management	31	2.24	2.59	3.81	3.94	4.65	5.29	5.13		4.71	5.16

# Exhibit G

## History of School District Receiverships Since 1990

**Exhibit G**  
**History of Emergency Appropriations for School Districts**  
**1990-2022**

District	2020-21 or 2021-22 Demographic Data		Tenure of Administrator / Trustee	Enabling Authority	Date of Issue	Amount of Emergency Appropriation	Interest Rate	Date/Amount of I-Bank Refinance & Remaining General Fund Loan	Outstanding Balance as of July 1, 2022	Repayment Terms	Amount Paid (Principal & Interest) as of July 1, 2022	Maturity Date
Inglewood USD	8,657 ADA UPP 66.2% H	63.18% .5% W 29.4% AA	Administrator: 10/03/12 to present	SB 533 (Chp 325/2012); AB 86 (Chp 48/2013)	11/12/2012 11/30/12 02/13/13	\$7,000,000 \$12,000,000 \$10,000,000 =\$29,000,000 (\$55 million authorized)	2.307%	On 11/01/13 \$29,086,724 refinanced by GF	\$20,975,274	GF: \$1.8 million due each November, 2014-2033; \$2.6 million due November 2024	\$12,823,888	GF: November 1, 2034
South Monterey County Joint Union HSD (formerly King City Joint Union HSD)	2,356 ADA 85.61% UPP W	3.6% 94.5% H .2% AA	Administrator: 07/23/09-06/30/16; Trustee: 07/01/16-present	SB 130 (Chp 20/2019); SB 97 (Chp 357/2013)	07/22/09 03/11/10 04/14/10	\$2,000,000 \$3,000,000 \$8,000,000 =\$13,000,000	2.307%*	On 04/14/10 \$5 million, plus provided additional \$8 million (total I-Bank loan of \$14,395,000 including principal, accrued interest and expenses)	\$6,307,855	I-Bank: \$1.2 million total due during the period July through October, 2010-2012; \$9 million total due during the period July through October, 2013-2028	\$12,639,237	I-Bank: October 2028
Vallejo City USD	10,267 ADA 84.41% UPP W	10.9% 47.8% H 25.1% AA	Administrator: 06/22/04-03/31/13; Trustee 07/13/07-present	SB 1190 (Chp 53/2004)	06/23/04 08/13/07	\$50,000,000 \$10,000,000 =\$60,000,000	1.5%*	On 12/01/05 \$20,642,992 refinanced by sale of I-Bank bonds of \$21,205,000 (principal and accrued interest) \$25,000,000 - GF, \$10,000,000 - GF	\$7,420,366	I-Bank: \$1.3 million total due during the period July through January, 2006-2024; GF: \$1.6 million due each June 2007-2024; GF: \$670,797 due each August, 2008-2024	\$61,812,324	I-Bank: January 2024; GF: August 13, 2024
Oakland USD	33,911 ADA 57.86% UPP W	10.9% 45.0% H 21.4% AA	Administrator: 06/16/03-06/28/09; Trustee: 07/01/08-present	SB 39 (Chp 14/2003)	06/04/03 06/28/06	\$65,000,000 \$35,000,000 =\$100,000,000	1.778%*	On 12/01/05 \$50,830,859 refinanced by sale of I-Bank bonds of \$59,565,000 (principal and accrued interest); \$35,000,000 - GF	\$11,842,547	I-Bank: \$3.8 million total due during the period July through January, 2006-2023; GF: \$2.1 million due each June, 2007-2026	\$107,438,594	I-Bank: January 2023; GF: June 29, 2026
West Fresno ESD Lapsed/merged	N/A	N/A	Administrator: 03/19/03-06/30/11; Trustee 08/26/08-12/04/09	AB 38 (Chp 1/2003)	12/29/2003	\$1,300,000 (\$2,000,000 authorized)	1.930%	N/A	\$0	N/A	\$1,425,773	GF: December 31, 2010
Emery USD	689 ADA UPP	88.51% 10.6% W 24.6% H 43.9% AA	Administrator: 08/01/01-06/30/04; Trustee 07/01/04-07/29/11	AB 96 (Chp 135/2001)	9/21/2001	\$1,300,000 (\$2,300,000 authorized)	4.190%	N/A	\$0	N/A	\$1,742,501	GF: June 20, 2011
Compton USD	10,267 ADA 84.41% UPP W	6.2% 47.8% H 25.1% AA	Administrator: 07/93-12/10/01; Trustee 12/11/01-06/02/03	AB 657 (Chp 78/1993); AB 1706 (Chp 924/1993)	07/19/93 10/14/93 06/29/94	\$3,500,000 \$7,000,000 \$9451,259 =\$19,951,259	4.400% 4.313% 4.387%	N/A	\$0	N/A	\$24,358,061	GF: June 20, 2001
Coachella Valley USD	16,682 ADA 90.47% UPP W	1.9% 97.9% H .2% AA	Administrator: 05/26/92-09/30/96; Trustee 10/01/96-12/20/01	SB 1278 (Chp 59/1992)	06/16/92 01/26/93	\$5,130,708 \$2,169,292 =\$7,300,000	5.338% 4.493%	N/A	\$0	N/A	\$9,271,830	GF: Decembe 20, 2001
West Contra Costa USD (formerly Richmond Unified)	26,558 ADA 58.05% UPP W	10.9% 53.7% H 13.3% AA	Pre-AB 1200 Trustee: 07/01/90-05/01/91; Administrator: 05/02/91-05/03/92; Trustee: 05/04/92-05/31/12	AB 1202 (Chp 171/1990); Superior Court Order	08/01/90 01/01/91 07/01/91	\$2,000,000 \$7,525,000 \$19,000,000 =\$28,525,000	1.532% 2004 refi rate	On 12/01/05 \$15,475,263 refinanced by sale of \$15,735,000 in I-Bank bonds (principal and accrued interest)	\$0	N/A	\$47,688,620	I-Bank: May 30, 2012

Exhibit G

Source: California Department of Education, Accessed 01/08/23; Ed-Data.Org and DataQuest accessed 01/09/23; Demographic data: Upp = Unduplicated Pupil Percentage, W =% white students, H=% Hispanic students, AA=% African America students

\* Subsidized interest pursuant to Education Code Sections 41329.57(a)(1) & 41329.575; aggregate annual state cost \$2.463M