

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Fiscal Health Risk Analysis

May 24, 2024



West Contra Costa Unified School District

Michael H. Fine
Chief Executive Officer

May 24, 2024

Kenneth Chris Hurst, Ed.D., Superintendent
West Contra Costa Unified School District
1108 Bissell Ave.
Richmond, CA 94801

Dear Superintendent Hurst:

In March 2024, the West Contra Costa Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a review of the district's fiscal health. The agreement stated that FCMAT would perform the following:

Prepare an analysis using the 20 factors in FCMAT's [Fiscal Health Risk Analysis](#) (FHRA) and identify the Client's specific risk rating for fiscal insolvency.

This final report contains the study team's findings and recommendations. FCMAT appreciates the opportunity to serve the West Contra Costa Unified School District and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,



Michael H. Fine
Chief Executive Officer

Contents

About FCMAT	3
Introduction.....	5
Background	5
Fiscal Health Risk Analysis Guidelines	5
Study Team	6
Fiscal Health Risk Analysis	7
Summary	7
About the Analysis.....	7
Areas of High Risk.....	7
Budget and Fiscal Status	8
Material Weakness Questions	8
Score Breakdown by Section.....	10
Fiscal Health Risk Analysis Questions.....	11
Budget and Fiscal Status:.....	11
Annual Independent Audit Report.....	11
Budget Development and Adoption	12
Budget Monitoring and Updates.....	14
Cash Management.....	15
Charter Schools	15
Collective Bargaining Agreements.....	15
Contributions and Transfers	17
Deficit Spending (Unrestricted General Fund)	17
Employee Benefits.....	18

Enrollment and Attendance..... 18

Facilities 19

Fund Balance and Reserve for Economic Uncertainty..... 19

General Fund – Current Year 20

Information Systems and Data Management 21

Internal Controls and Fraud Prevention 21

Leadership and Stability..... 22

Multiyear Projections..... 23

Non-Voter-Approved Debt and Risk Management 23

Position Control 23

Special Education.....24

Risk Score, 20 numbered sections only.....25

District Fiscal Solvency Risk Level, all FHRA factors.....25

Appendices.....26

 A: Comparison of 2021 FHRA Results to 2024 FHRA Results27

 B: Study Agreement 38

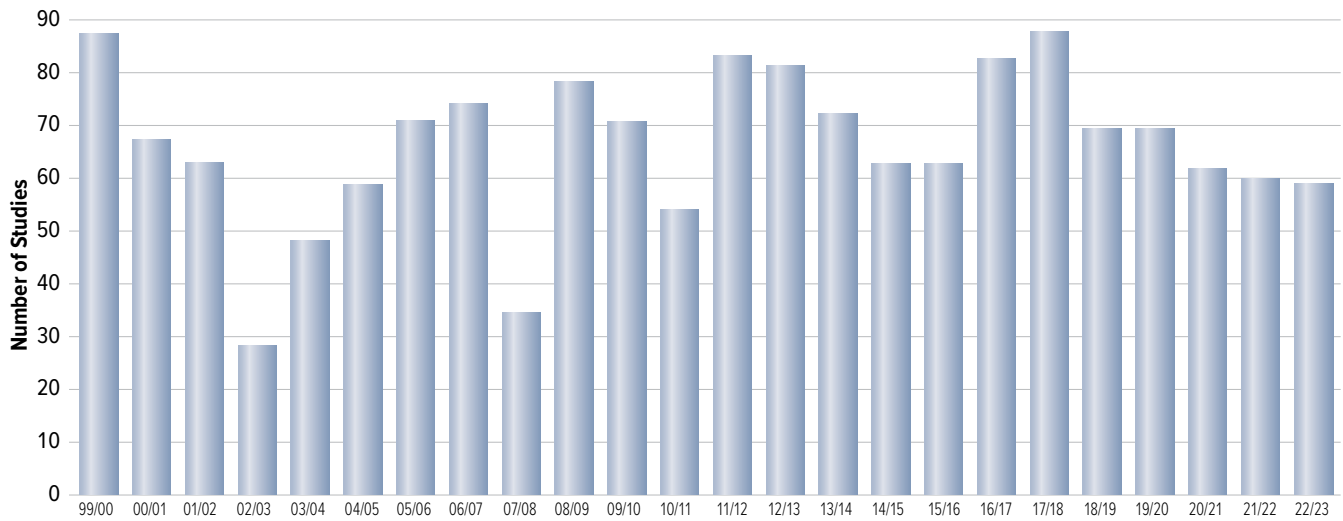
About FCMAT

FCMAT’s primary mission is to assist California’s local TK-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT’s fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices, support the training and development of chief business officials and help to create efficient organizational operations. FCMAT’s data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and inform instructional program decisions.

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

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

Studies by Fiscal Year



FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of TK-14 LEAs and the implementation of major educational reforms. FCMAT also develops and provides numerous publications, software tools, workshops and professional learning opportunities to help LEAs operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) division of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also hosts and maintains the Ed-Data website (www.ed-data.org) and provides technical expertise to the Ed-Data partnership: the California Department of Education, EdSource and FCMAT.

FCMAT was created by Assembly Bill (AB) 1200 in 1991 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. AB 1115 in 1999 codified CSIS’ mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. AB 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

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

On September 17, 2018 AB 1840 was signed into law. This legislation changed how fiscally insolvent districts are administered once an emergency appropriation has been made, shifting the former state-centric system to be more consistent with the principles of local control, and providing new responsibilities to FCMAT associated with the process.

Since 1992, FCMAT has been engaged to perform more than 1,400 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of

Schools is the administrative agent for FCMAT. The team is led by Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

Background

Historically, FCMAT has not engaged directly with school districts showing distress until it has been invited to do so by the district or the county superintendent. The state's 2018-19 Budget Act provides for FCMAT to offer more proactive and preventive services to fiscally distressed school districts by automatically engaging with a district under the following conditions:

- Disapproved budget.
- Negative interim report certification.
- Three consecutive qualified interim report certifications.
- Downgrade of an interim certification by the county superintendent.
- Lack of going concern designation.

Under these conditions, FCMAT will perform a fiscal health risk analysis to determine the level of risk for insolvency. FCMAT has updated its Fiscal Health Risk Analysis (FHRA) tool that weights each question based on high, moderate and low risk. The analysis will not be performed more than once in a 12-month period per district, and the engagement will be coordinated with the county superintendent and build on their oversight process and activities already in place per Assembly Bill (AB) 1200. There is no cost to the county superintendent or to the district for the analysis.

This fiscal health risk analysis is being conducted because the district had the following conditions, under which an analysis is required by the 2018-19 State Budget Act.

- Three consecutive qualified interim report certifications.
- Lack of going concern designation.

Located in Contra Costa County, the West Contra Costa Unified School District serves the cities of Richmond, El Cerrito, San Pablo, Pinole, and Hercules, along with the unincorporated areas of Bayview-Montalvin Manor, East Richmond Heights, El Sobrante, Kensington, North Richmond, and Tara Hills. Governed by a five-member board, the district provides education from preschool through adult levels across its 33 elementary schools, five kindergarten through grade eight schools, six middle and junior high schools, seven comprehensive high schools, and five alternative schools. According to [EdData.org](https://www.eddata.org), the student enrollment for the 2022-23 academic year reached 25,737 (excluding charter schools), with an unduplicated pupil percentage of approximately 60.76%, inclusive of students who are English learners, foster youth, or eligible for free or reduced-price meals.

FCMAT performed a fiscal health risk analysis to determine the district's level of risk for insolvency. The 2023-24 first interim report was used as the financial reporting period for FCMAT's analysis.

Fiscal Health Risk Analysis Guidelines

FCMAT entered into a study agreement with the West Contra Costa Unified School District on March 8, 2024, and a study team visited the district on March 6-8, 2024 to conduct interviews, collect data and review documents. Following fieldwork, the FCMAT study team continued to review and analyze documents. This report is the result of those activities.

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. In writing its reports, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

Study Team

The team was composed of the following members:

Marcus Wirowek, CFE
Intervention Specialist

Robbie Montalbano, CFE
Intervention Specialist

Roslynne Manansala-Smith
Intervention Specialist

Cassady Clifton
FCMAT Technical Writer

Each team member reviewed the draft report to confirm its accuracy and to achieve consensus on the analysis.

Fiscal Health Risk Analysis For TK-12 School Districts



FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Dates of fieldwork: March 6-8, 2024

District: West Contra Costa Unified School District

Summary

On September 26, 2023, the Contra Costa County Superintendent of Schools issued a Lack of Going Concern designation for West Contra Costa Unified School District. The county superintendent identified several critical issues for the district to address in accordance with FCMAT's list of [Indicators of Risk or Potential Insolvency](#). On February 5, 2024, the county office of education followed up with the district regarding its efforts to address the issues. Subsequently, FCMAT engaged automatically to conduct a Fiscal Health Risk Analysis (FHRA) due to the district's lack of going concern designation and three consecutive qualified interim report certifications. These circumstances automatically elevate the district to a high risk of fiscal insolvency, regardless of its medium risk score.

In 2021, FCMAT conducted an FHRA for the district due to three consecutive qualified interim report certifications. Appendix A provides an analysis detailing changes in responses to questions from 2021 to 2024. Cumulatively, the number of "no" responses decreased by seven since FCMAT's initial visit. This suggests likely improvements in the district's processes and procedures. Moreover, the district's risk percentage decreased from 37.4% in 2021 to 27.0% in 2024. Despite these improvements, the district faces ongoing challenges such as declining enrollment and deficit spending, which is projected to continue through at least 2025-26.

Employee compensation constitutes a majority of the district's expenses, with salaries and benefits accounting for approximately 84% of its unrestricted expenditures. While the district projects a decrease in the amount of unrestricted funds used for employee costs, this projection relies on the assumption that the district adheres to its adopted fiscal recovery plan.

FCMAT could not verify whether the district fulfilled all the requirements of Government Code 3540.2 and 3547.5 and California Education Code 42142. Although the district disclosed all of its collective bargaining agreements with employee groups, there was no evidence to suggest that the superintendent and the chief business official had certified their affordability before they were approved by the governing board.

District management is responsible for providing accurate financial information based on current, reliable data so the governing board can make sound decisions. The governing board is ultimately responsible for the district's budget and fiscal stability.

District Fiscal Solvency Risk Level: HIGH

About the Analysis

The Fiscal Crisis and Management Assistance Team (FCMAT) has developed the Fiscal Health Risk Analysis (FHRA) as a tool to help evaluate a school district's fiscal health and risk of insolvency in the current and two subsequent fiscal years.

The FHRA includes 20 sections, each of which contains specific questions. Each section and specific question is included based on FCMAT's work since the inception of AB 1200; they are the common indicators of risk or potential insolvency for districts that have neared insolvency and needed assistance from outside agencies. Each section of this analysis is critical, and lack of attention to these critical areas will eventually lead to a district's failure. The analysis focuses on essential functions and processes to determine the level of risk at the time of assessment.

The greater the number of "no" answers to the questions in the analysis, the greater the potential risk of insolvency or fiscal issues for the district. Not all sections in the analysis and not all questions within each section carry equal weight; some areas carry higher risk and thus count more heavily in calculating a district's fiscal stability. To help the district, narratives are included for responses that are marked as a "no" so the district can better understand the reason for the response and actions that may be needed to obtain a "yes" answer.

Identifying issues early is the key to maintaining fiscal health. Diligent planning will enable a district to better understand its financial objectives and strategies to sustain a high level of fiscal efficiency and overall solvency. A district should consider completing the FHRA annually to assess its own fiscal health risk and progress over time.

Areas of High Risk

The following sections on this page and the next duplicate certain questions and answers given in the Fiscal Health Risk Analysis Questions later in this document and identify conditions that create significant risk of fiscal insolvency. The existence of an identified budget or fiscal status or a material weakness indicated by a "no" answer to any of these items supersedes all other

scoring and will elevate the district’s overall risk level.

Budget and Fiscal Status: Is district currently <i>without</i> the following?:	Yes	No
Disapproved budget	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Negative interim report certification	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three consecutive qualified interim report certifications	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Downgrade of an interim certification by the county superintendent	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lack of going concern designation	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Material Weakness Questions	Yes	No	N/A
2.5 Has the district’s budget been approved unconditionally by its county office of education in the current and two prior fiscal years?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.4 Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with Education Code 42142?###	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.6 Has the district addressed any deficiencies the county office of education has identified in its oversight letters in the most recent and two prior fiscal years?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.3 Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known?.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.4 If the district’s cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to address its cash flow needs for the current and subsequent year?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5.2 Has the district fulfilled and does it have evidence showing fulfillment of its oversight responsibilities in accordance with Education Code 47604.32?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5.3 Are all charters authorized by the district going concerns and not in fiscal distress?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.3 Does the district accurately quantify the effects of collective bargaining agreements and include them in its budget and multiyear projections?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.4 Did the district conduct a presettlement analysis and identify related costs or savings, if any (e.g., statutory benefit, and step-and-column salary increases), for the current and subsequent years, and did it identify ongoing revenue sources or expenditure reductions to support the agreement?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.2 If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection any transfers from the unrestricted general fund to cover any projected negative fund balance?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8.3 If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10.6 Are the district’s enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable considerations?.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.2 Does the district have sufficient and available capital outlay and/or bond funds to cover all contracted obligations for capital facilities projects?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.1 Is the district able to maintain the minimum reserve for economic uncertainty in the current year (including Fund 01 and Fund 17) as defined by criteria and standards?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 12.2 Is the district able to maintain the minimum reserve for economic uncertainty in the two subsequent years? ✓
- 12.3 If the district is not able to maintain the minimum reserve for economic uncertainty, does the district's multiyear financial projection include a board-approved plan to restore the reserve? ✓
- 19.1 Does the district account for all positions and costs? ✓

Score Breakdown by Section

Because the score is not calculated by category, category values provided are subject to minor rounding error and are provided for information only.

1.	Annual Independent Audit Report	0.4%
2.	Budget Development and Adoption	1.8%
3.	Budget Monitoring and Updates	1.6%
4.	Cash Management	1.0%
5.	Charter Schools	0.4%
6.	Collective Bargaining Agreements	3.1%
7.	Contributions and Transfers	2.0%
8.	Deficit Spending (Unrestricted General Fund)	2.9%
9.	Employee Benefits	1.6%
10.	Enrollment and Attendance	1.0%
11.	Facilities	0.1%
12.	Fund Balance and Reserve for Economic Uncertainty	0.0%
13.	General Fund - Current Year	2.7%
14.	Information Systems and Data Management	0.0%
15.	Internal Controls and Fraud Prevention	2.7%
16.	Leadership and Stability	2.2%
17.	Multiyear Projections	0.0%
18.	Non-Voter-Approved Debt and Risk Management	1.0%
19.	Position Control	1.0%
20.	Special Education	1.6%
Score		27.0%

Fiscal Health Risk Analysis Questions

Budget and Fiscal Status: Is the district currently <i>without</i> the following?:	Yes	No
Disapproved budget	✓	<input type="checkbox"/>
Negative interim report certification	✓	<input type="checkbox"/>
Three consecutive qualified interim report certifications	✓	<input type="checkbox"/>
Downgrade of an interim certification by the county superintendent	✓	<input type="checkbox"/>
Lack of going concern designation	<input type="checkbox"/>	✓

1. Annual Independent Audit Report	Yes	No	N/A
------------------------------------	-----	----	-----

1.1	Has the district corrected the most recent and prior two years’ audit findings without affecting its fiscal health?	<input type="checkbox"/>	✓	<input type="checkbox"/>
-----	---	--------------------------	---	--------------------------

The district’s 2019-20 audit report identified five findings, regarding issues related to associated student body (ASB) funds; the After School Education and Safety Program; unduplicated pupil count (UPC) of students who are English learners, foster youth, or eligible for free or reduced-price meals; instructional materials; and the School Accountability Report Card. Among these findings was a questioned cost of \$18,473, stemming from the district misreporting one student as an English learner. This overreporting of UPC reduced the district’s unduplicated pupil percentage.

The district’s 2020-21 audit report identified four findings, addressing matters related to account reconciliations, ASB funds, classroom teacher salaries, and instructional materials. The auditor found that the district failed to meet the current expense of education minimum requirement outlined in California Education Code (EC) 41372, which mandates that 55% of expenses be allocated toward classroom teacher salaries. As a result of this failure, the district incurred a deficiency of \$4,643,216. Subsequently, the district requested an exemption to this requirement, which was granted by the Contra Costa County Office of Education.

The district’s 2021-22 audit report identified four findings, regarding issues related to ASB funds, time reporting, classroom teacher salaries, and instructional time. Just as in the 2020-21 fiscal year, the district failed to meet the minimum requirement for current expense of education outlined in EC 41372, resulting in a deficiency of \$7,586,471. Once again, the county office granted the district an exemption from this requirement.

Moreover, the district’s 2021-22 audit report noted that one district school did not meet the required amount of instructional time outlined in EC 46207. This failure exposed the district to penalties totaling \$470,851. The district did not provide FCMAT with evidence that it is appealing the audit finding.

1.2	Has the audit report for the most recent fiscal year been completed and presented to the board within the statutory timeline? (Extensions of the timeline granted by the State Controller’s Office should be explained.)	<input type="checkbox"/>	✓	<input type="checkbox"/>
-----	--	--------------------------	---	--------------------------

At the time of fieldwork, the district’s audit for 2022-23 had not yet been completed or presented to the district governing board. Initially, the district requested an extension from the State Controller’s Office (SCO) on December 14, 2023, which the SCO granted, extending the deadline to February 29, 2024. However, on February 23, 2024, the district submitted a second extension request. Once again, the district’s request was approved, with an extension until April 30, 2024.

- 1.3 Were the district’s most recent and prior two audit reports free of findings of material weaknesses?
- 1.4 Has the district corrected all reported audit findings from the most recent and prior two audits?

The district’s 2019-20 audit report identified repeat findings in ASB funds management and instructional materials.

The district’s 2020-21 audit report identified repeat findings in ASB funds management and instructional materials.

The district’s 2021-22 audit report identified repeat findings in both ASB funds management and its failure to meet the minimum requirement of allocating 55% of the current expense of education to classroom teacher salaries (EC 41372).

As of the time of fieldwork, the district’s 2022-23 audit report had not yet been completed, so it is unknown whether the district has corrected any of the four findings included in the 2021-22 audit report.

Each year, the district has provided the county office with explanations for its audit exceptions/findings and identified corrective actions to resolve them.

2. Budget Development and Adoption

Yes No N/A

- 2.1 Does the district develop and use written budget assumptions and multiyear projections that are reasonable, are aligned with the county office of education instructions, and have been clearly articulated?
- 2.2 Does the district use a budget development method other than a prior-year rollover budget, and, if so, does that method include tasks such as review of prior year estimated actuals by major object code and removal of one-time revenues and expenses?
- 2.3 Does the district use position control data for budget development?
- 2.4 Does the district calculate the Local Control Funding Formula (LCFF) revenue correctly?
- 2.5 Has the district’s budget been approved unconditionally by its county office of education in the current and two prior fiscal years?
- 2.6 Does the budget development process include input from staff, administrators, the governing board, the community, and the budget advisory committee (if there is one)?
- 2.7 Does the district budget and expend restricted funds before unrestricted funds?

The California Department of Education uses the Consolidated Application to distribute categorical funds — those designated for specific programs or uses — from various federal programs to local educational agencies across the state. The district’s January 2024 application indicates that it had carryover and unspent federal funds from the 2021-22 fiscal year in the following resources:

Title I, Part A (resource 3010): \$5,731,799, which equates to 73.3% of allocated 21-22 apportionment, in adjusted carryover funds. The allowable percentage is 15%. The district submitted a Carryover Waiver request to the CDE in January 2024 and was awaiting a response at the time of fieldwork. The request included a justification and description of how the district plans to expend the unspent funds.

Title IV, Part A (resource 4127): \$152,967 in unspent funds. The CDE will invoice the district for the unspent funds.

- 2.8 Have the Local Control and Accountability Plan (LCAP) and the budget been adopted within statutory timelines established by Education Code 42103 and 52062 and filed with the county superintendent of schools no later than five days after adoption or by July 1, whichever occurs first, for the current and one prior fiscal year? ✓
- 2.9 Has the district refrained from including carryover funds in its adopted budget? ✓
- 2.10 Other than objects in the 5700s and 7300s and appropriate abatements in accordance with the California School Accounting Manual, does the district avoid using negative or contra expenditure accounts? ✓

The district’s adopted budget for 2023-24 includes abatement and negative account lines, including both unrestricted and restricted expenditure budget lines, as shown in Table 1 below.

Procedure 560 of the California School Accounting Manual defines the allowable and disallowable abatements of expenditures. Given that reasons for allowable abatements are limited, the budgeted amounts seem to serve as an overall budget adjustment rather than an allowable abatement. Also, abatements are usually transactional in nature, and typically not something that is budgeted for.

Table 1. Unrestricted and Restricted Expenditures, 2023-24 Adopted Budget

Account Code	Budget
Unrestricted	
01-0000-1110-643-1110-1000-200100-0-0000	-\$16,705,954.00
01-0000-3101-643-1110-1000-200100-0-0000	-\$3,190,837.00
01-0000-3311-643-1110-1000-200100-0-0000	-\$242,236.00
01-0000-3401-643-1110-1000-200100-0-0000	-\$2,159,010.00
01-0000-3501-643-1110-1000-200100-0-0000	-\$20,205.00
01-0000-3601-643-1110-1000-200100-0-0000	-\$519,137.00
01-0000-3701-643-1110-1000-200100-0-0000	-\$691,200.00
01-0000-2410-674-1110-2700-600110-0-0000	-\$2,330,000.00
01-0000-3202-674-1110-2700-600110-0-0000	-\$321,644.00
01-0000-3302-674-1110-2700-600110-0-0000	-\$144,460.00
01-0000-3312-674-1110-2700-600110-0-0000	-\$33,785.00
01-0000-3402-674-1110-2700-600110-0-0000	-\$1,000,000.00
01-0000-3502-674-1110-2700-600110-0-0000	-\$4,660.00
01-0000-3602-674-1110-2700-600110-0-0000	-\$72,405.00
Restricted	
01-3182-2110-635-1110-1000-300114-0-0000	-\$36,352.00
01-3182-4300-677-1110-1000-600100-0-0000	-\$29,726.00
01-6500-1110-622-5760-1110-700100-0-0000	-\$1,770,507.00
01-6500-3101-622-5760-1110-700100-0-0000	-\$361,409.00
01-6500-3311-622-5760-1110-700100-0-0000	-\$26,128.00
01-6500-3401-622-5760-1110-700100-0-0000	-\$518,895.00
01-6500-3501-622-5760-1110-700100-0-0000	-\$4,419.00
01-6500-3601-622-5760-1110-700100-0-0000	-\$54,546.00
01-6500-3702-622-5730-1110-700100-0-0000	-\$22,320.00
01-7810-4300-624-1110-2140-300110-0-0000	-\$13,689.00
01-7810-5850-624-1110-2140-300110-0-0000	-\$15,281.00
Total	-\$30,288,805.00

Source: District-provided information.

- 2.11 Does the district have a documented policy and/or procedure for evaluating the proposed acceptance of grants and other types of restricted funds and the potential multiyear impact on the district’s unrestricted general fund?

Although the district has documented board policies 3230 (federal grants) and 3290 (gifts, grants, and bequests), it did not provide FCMAT with evidence of a formal documented system for considering, evaluating and accepting grants and other types of restricted funds.

- 2.12 Does the district adhere to a budget calendar that includes statutory due dates, major budget development tasks and deadlines, and the staff members/departments responsible for completing them?

3. Budget Monitoring and Updates

Yes No N/A

- 3.1 Are actual revenues and expenses consistent with the most current budget?

- 3.2 Are budget revisions posted in the financial system at each interim report, at a minimum? . . .

- 3.3 Are clearly written and articulated budget assumptions that support budget revisions communicated to the board at each interim report, at a minimum?

While the district presented the governing board with many clear budget assumptions that support its budget revisions, it did not provide explanations for increases of more than \$47 million in federal, state and local revenues. Additionally, the district’s presentation lacked information about budget revisions in expenditures.

- 3.4 Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with Education Code 42142?

- 3.5 Do the district’s responses fully explain the variances identified in the criteria and standards? .

- 3.6 Has the district addressed any deficiencies the county office of education has identified in its oversight letters in the most recent and two prior fiscal years?

- 3.7 Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure?

- 3.8 Does the district encumber and adjust encumbrances for salaries and benefits?

- 3.9 Are all balance sheet accounts in the general ledger reconciled at least at each interim report and at year end close?

- 3.10 For the most recent and two prior fiscal years, have the interim reports and the unaudited actuals been adopted and filed with the county superintendent of schools within the timelines established in Education Code?

The district consistently submits its reports to the county superintendent within the timelines established in the Education Code; however, the district governing board does not always approve the reports within these timelines. This was the case with its 2023-24 second interim report, which was due on March 17, 2024. The report was scheduled to go to the board on March 6, 2024, but was pulled from the agenda. Finally, on March 20, 2024, the board approved the Second interim. Similarly, the governing board did not approve the 2022-23 unaudited actuals report until September 20, 2023, five days after the September 15 deadline.

4. Cash Management		Yes	No	N/A
4.1	Are accounts held by the county treasurer reconciled with the district's and county office of education's reports monthly?	✓	<input type="checkbox"/>	<input type="checkbox"/>
4.2	Does the district reconcile all bank (cash and investment) accounts with bank statements monthly?	✓	<input type="checkbox"/>	<input type="checkbox"/>
4.3	Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known?	<input type="checkbox"/>	✓	<input type="checkbox"/>
	<i>Although the district forecasts its general fund cash flow for the current year and updates it as necessary to ensure cash flow needs are known, it does not create cash flow projections for the subsequent year. It is best practice for districts to forecast their general fund cash flows for the subsequent year and regularly update them. Doing so ensures that cash flow needs are known and allows sufficient time to plan for cash borrowing, if necessary.</i>			
4.4	If the district's cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to address its cash flow needs for the current and subsequent year?	<input type="checkbox"/>	<input type="checkbox"/>	✓
4.5	Does the district have sufficient cash resources in its other funds to support its current and projected obligations in those funds?	✓	<input type="checkbox"/>	<input type="checkbox"/>
4.6	If interfund borrowing is occurring, does the district comply with Education Code 42603?	<input type="checkbox"/>	<input type="checkbox"/>	✓
4.7	If the district is managing cash in any fund(s) through external borrowing, does the district's cash flow projection include repayment based on the terms of the loan agreement?	<input type="checkbox"/>	<input type="checkbox"/>	✓
5. Charter Schools		Yes	No	N/A
5.1	Does the district have a board policy or other written document(s) regarding charter oversight?	✓	<input type="checkbox"/>	<input type="checkbox"/>
5.2	Has the district fulfilled and does it have evidence showing fulfillment of its oversight responsibilities in accordance with Education Code 47604.32?	<input type="checkbox"/>	✓	<input type="checkbox"/>
	<i>Interviews with staff indicated that the district is in the process of fulfilling its EC 47604.32 oversight responsibilities. However, the documents provided to FCMAT did not show thorough and consistent oversight conducted by staff.</i>			
5.3	Are all charters authorized by the district going concerns and not in fiscal distress?	<input type="checkbox"/>	✓	<input type="checkbox"/>
	<i>Interviews with staff indicated that all the charter schools authorized by the district are considered going concerns. However, the documents provided by the district indicates deficiencies in the oversight process. Consequently, FCMAT could not definitively determine whether the district's charter schools are financially stable or if they are experiencing fiscal distress.</i>			
5.4	Has the district identified specific employees in its various departments (e.g., human resources, business, and instructional) to be responsible for oversight of all approved charter schools?	✓	<input type="checkbox"/>	<input type="checkbox"/>
6. Collective Bargaining Agreements		Yes	No	N/A
6.1	Has the district settled with all its bargaining units for the past two fiscal years?	✓	<input type="checkbox"/>	<input type="checkbox"/>

- 6.2 Has the district settled with all its bargaining units for the current year? ✓
The district was in negotiations with all its labor partners at the time of fieldwork.
- 6.3 Does the district accurately quantify the effects of collective bargaining agreements and include them in its budget and multiyear projections? ✓
- 6.4 Did the district conduct a presettlement analysis and identify related costs or savings, if any (e.g., statutory benefits, and step-and-column salary increases), for the current and subsequent years, and did it identify ongoing revenue sources or expenditure reductions to support the agreement? ✓
- 6.5 In the current and prior two fiscal years, has the district settled the total cost of the bargaining agreements including step-and-column salary increases at or under the funded cost of living adjustment (COLA)? ✓

The district has agreed to some settlements with its bargaining units that exceeded the funded COLA, as shown in Table 2 below. However, some information is missing because it was either unclear or not provided by the district.

Table 2. Cost-of-Living Adjustments for 2021-22 and 2022-23

	2021-22	2022-23
Statutory COLA	1.70%	6.56%
United Teachers of Richmond	0.03%	7.00%
Teamsters		6.00%
West Contra Costa Administrators' Association		7.00%
School Supervisors' Association/International Federation of Professional and Technical Engineers		4.50%

Source: District-provided documents.

Note: Some information is missing because it was either unclear or not provided by the district.

- 6.6 If settlements have not been reached in the past two years, has the district identified resources to cover the costs of the district's proposal(s)? ✓
- 6.7 Did the district comply with public disclosure requirements under Government Code 3540.2 and 3547.5, and Education Code 42142? ✓
- 6.8 Did the superintendent and CBO certify the public disclosure of collective bargaining agreements prior to board approval? ✓

A review of governing board agenda items and minutes showed that the disclosures attached to the agendas lacked the signatures of both the superintendent and the CBO, which are required to certify that the district can meet the costs associated with the agreements for their entire duration. Although the district provided FCMAT with signature pages dated before the governing board meeting, it is unclear whether the governing board or the public were aware that the certifications had been signed before the board approved them.

6.9 Is the governing board’s action consistent with the superintendent’s and CBO’s certification? .

A review of governing board agenda items and minutes showed that the disclosures attached to the agendas lacked the signatures of both the superintendent and CBO, which are required to certify that the district can meet the costs associated with the agreements for their entire duration. Although the district provided FCMAT with signature pages dated before the governing board meeting, it is unclear whether the governing board or the public were aware that the certifications had been signed before the board approved them.

7. Contributions and Transfers **Yes** **No** **N/A**

7.1 Does the district have a board-approved plan to eliminate, reduce or control any contributions/transfers from the unrestricted general fund to other restricted programs and funds?

Although the governing board has developed a plan to address its financial issues, the plan does not contain any provisions regarding contributions from the unrestricted general fund to other restricted programs.

7.2 If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection any transfers from the unrestricted general fund to cover any projected negative fund balance?

7.3 If any contributions/transfers were required for restricted programs and/or other funds in either of the two prior fiscal years, and there is a need in the current year, did the district budget for them at reasonable levels?

The district initially budgeted \$76,429,904 for contributions to restricted programs in the 2020-21 fiscal year. However, this amount was later revised to \$71,266,091 during both the first interim and second interim reporting periods. In the district’s unaudited actuals report, the contribution to restricted programs was recorded as \$60,404,596, which is a 15.2% decrease from the figures reported at first and second interim.

8. Deficit Spending (Unrestricted General Fund) **Yes** **No** **N/A**

8.1 Is the district avoiding deficit spending in the current fiscal year?

According to the approved budget included in the district’s 2023-24 first interim report, deficit spending of \$6 million is projected in the unrestricted general fund.

8.2 Is the district projected to avoid deficit spending in both of the two subsequent fiscal years? . .

The district projects deficit spending of \$6.8 million in 2024-25 and \$327,000 in 2025-26, according to the approved multiyear financial projection included in the district’s 2023-24 first interim report. However, these amounts are contingent on the district implementing expenditure reductions of \$17.3 million for 2024-25 and \$24.3 million for 2025-26.

8.3 If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency?

At its January 24, 2024 board meeting, the district governing board approved a plan with an itemized list of budget reductions totaling \$19.7 million. Subsequently, during the February 7, 2024 and March 6, 2024 governing board meetings, six resolutions were presented for approval that would collectively eliminate a total of 188.21 full-time

equivalent positions. Although interviews with staff suggested that the governing board approved these resolutions, the district did not provide FCMAT with evidence confirming the implementation of these reductions.

8.4 Has the district decreased deficit spending over the past two fiscal years?

9. Employee Benefits **Yes No N/A**

9.1 Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board (GASB) requirements to determine its unfunded liability for other post-employment benefits (OPEB)?

9.2 Does the district have a plan to fund its liabilities for retiree health and welfare benefits with the total of annual required service payments (e.g., legal, contractual or locally defined such as pay-as-you-go premiums, trust agreement obligations, or a board adopted commitment) no greater than 2% of the district’s unrestricted general fund revenues?

The district funds its retiree health and welfare benefits program on a pay-as-you-go basis. According to the first interim report, the district’s projected OPEB contribution for the 2023-24 fiscal year is \$11,776,032, amounting to 3.2% of its unrestricted general fund revenues.

9.3 Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?

9.4 Within the last five years, has the district conducted a verification and determination of eligibility for benefits for all active and retired employees and dependents?

The district relies on its health insurance administrator, the California Public Employees’ Retirement System, to monitor employee and dependent eligibility for health insurance. However, the district did not provide FCMAT with evidence showing that it conducts periodic verification and determination of eligibility for vision, dental and life insurance benefits.

9.5 Does the district track, reconcile and report employees’ compensated leave balances? . . .

10. Enrollment and Attendance **Yes No N/A**

10.1 Has the district’s enrollment been increasing or remained stable for the current and two prior years?

According to EdData.org, the district has experienced a steady decline in census day enrollment over the past four years, averaging approximately 3.1% annually.

10.2 Does the district monitor and analyze enrollment and average daily attendance (ADA) data at least monthly through the second attendance reporting period (P-2)?

10.3 Does the district track historical enrollment and ADA data to establish future trends?

10.4 Do school sites maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the site and district levels?

10.5 Has the district certified its California Longitudinal Pupil Achievement Data System (CALPADS) data by the required deadlines (Fall 1, Fall 2, EOY) for the current and two prior years?

10.6 Are the district’s enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable considerations?

10.7	Do all applicable sites and departments review and verify their respective CALPADS data and correct it as needed before the report submission deadlines?	✓	<input type="checkbox"/>	<input type="checkbox"/>
10.8	Has the district planned for enrollment losses to charter schools?	✓	<input type="checkbox"/>	<input type="checkbox"/>
10.9	Does the district follow established board policy to limit outgoing interdistrict transfers and ensure that only students who meet the required qualifications are approved?.	✓	<input type="checkbox"/>	<input type="checkbox"/>
10.10	Does the district meet the student-to-teacher ratio requirement of no more than 24-to-1 for each school in grades TK-3 classes, or, if not, does it have and adhere to an alternative collectively bargained agreement?	✓	<input type="checkbox"/>	<input type="checkbox"/>

11. Facilities			Yes	No	N/A
-----------------------	--	--	------------	-----------	------------

11.1	If the district participates in the state’s School Facilities Program, has it met the required contribution for the Routine Restricted Maintenance Account?	✓	<input type="checkbox"/>	<input type="checkbox"/>	
11.2	Does the district have sufficient and available capital outlay and/or bond funds to cover all contracted obligations for capital facilities projects?	✓	<input type="checkbox"/>	<input type="checkbox"/>	
11.3	Does the district properly track and account for facility-related projects?	✓	<input type="checkbox"/>	<input type="checkbox"/>	
11.4	Does the district use its facilities fully in accordance with the Office of Public School Construction’s loading standards?	<input type="checkbox"/>	✓	<input type="checkbox"/>	
	<i>District documents indicate that many schools are underenrolled compared to their overall capacity. More than half of the district’s schools are underenrolled by more than 10%. Operating schools close to or at capacity ensures efficiency in overall operating costs for facilities and reduces the need for additional facilities.</i>				
11.5	Does the district include facility needs (maintenance, repair and operating requirements) when adopting a budget?	✓	<input type="checkbox"/>	<input type="checkbox"/>	
11.6	Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues?	✓	<input type="checkbox"/>	<input type="checkbox"/>	
11.7	If the district passed a Proposition 39 general obligation bond, has it met the requirements for audit, reporting, and a citizens’ bond oversight committee?	✓	<input type="checkbox"/>	<input type="checkbox"/>	
11.8	Does the district have a long-range facilities master plan that reflects its current and projected facility needs?.	✓	<input type="checkbox"/>	<input type="checkbox"/>	

12. Fund Balance and Reserve for Economic Uncertainty			Yes	No	N/A
--	--	--	------------	-----------	------------

12.1	Is the district able to maintain the minimum reserve for economic uncertainty in the current year (including Fund 01 and Fund 17) as defined by criteria and standards?	✓	<input type="checkbox"/>	<input type="checkbox"/>
12.2	Is the district able to maintain the minimum reserve for economic uncertainty in the two subsequent years?	✓	<input type="checkbox"/>	<input type="checkbox"/>
12.3	If the district is not able to maintain the minimum reserve for economic uncertainty, does the district’s multiyear financial projection include a board-approved plan to restore the reserve?	<input type="checkbox"/>	<input type="checkbox"/>	✓
12.4	Is the district’s projected unrestricted fund balance stable or increasing in the two subsequent fiscal years?	✓	<input type="checkbox"/>	<input type="checkbox"/>
12.5	If the district has unfunded or contingent liabilities or one-time costs other than post-employment benefits, does the unrestricted general fund balance include sufficient assigned or committed reserves above the recommended reserve level?	<input type="checkbox"/>	<input type="checkbox"/>	✓

13. General Fund – Current Year		Yes	No	N/A
13.1	Does the district ensure that one-time revenues do not pay for ongoing expenditures? <input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<p><i>In the State Standards and Criteria for Fiscal Solvency section of its 2023-24 first interim report, the district indicates that it pays for ongoing expenditures by using one-time funding from sources such as the Elementary and Secondary School Emergency Relief COVID-19 Fund; Arts, Music and Instructional Materials Discretionary Block Grant; and Learning Recovery Emergency Block Grant. Furthermore, the district states in the executive summary of its first interim report that as funds are projected to be fully expended, it is “necessary to cut all ongoing expenditures currently being charged to these programs.”</i></p>			
13.2	Is the percentage of the district’s general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the statewide average for the current year? . . . <input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
13.3	Is the percentage of the district’s general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the statewide average for the two prior years? . . <input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
13.4	If the district has received any uniform complaints or legal challenges regarding local use of supplemental and concentration grant funding in the current or two prior years, is the district addressing the complaint(s)? <input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
13.5	Does the district either ensure that restricted dollars are sufficient to pay for staff assigned to restricted programs or have a plan to fund these positions with unrestricted funds? <input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<p><i>In 2022-23, the district used unrestricted general funds to support various restricted programs, including special education, the Department of Rehabilitation Transition Program (WorkAbility), and the National Board for Professional Teaching Standards Certification Incentive Program. For 2023-24, the district projects continued contributions to special education and the National Board for Professional Teaching Standards Certification Incentive Program.</i></p>			
13.6	Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time? <input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<p><i>The district's January 2024 Consolidated Application indicates that it had carryover and unspent federal funds from the 2021-22 fiscal year in the following resources:</i></p> <p><i>Title I, Part A (resource 3010): \$5,731,799, which equates to 73.3% of allocated 21-22 apportionment, in adjusted carryover funds. The district submitted a Carryover Waiver request to the CDE in January 2024 and was awaiting a response at the time of fieldwork. The district’s request included a justification and description of how the district plans to expend the unspent funds.</i></p> <p><i>Title IV, Part A (resource 4127): \$152,967 in unspent funds. The CDE will invoice the district for the unspent funds.</i></p>			

- 13.7 Does the district account for program costs, including the maximum allowable indirect costs, for each restricted resource and other funds?
- The district's 2023-24 first interim report identifies an approved indirect cost rate of 7.69%; however, the rates in the district's budget vary widely from 0% to 13.32%.*
- Similarly, the district's 2022-23 unaudited actuals report shows an approved rate of 5.11%; however, the list of applied indirect cost rates varies from 0% to 5.11%.*
- Likewise, the district's 2021-22 unaudited actuals report identifies an approved rate of 6.10%; however, the list of applied indirect cost rates also varies from 0% to 6.10%.*
- These variances indicate that the district is not consistently applying indirect charges to restricted resources and funds.*

14. Information Systems and Data Management **Yes No N/A**

- 14.1 Does the district use an integrated financial and human resources system?
- 14.2 Does the district use the system(s) to provide key financial and related data, including personnel information, to help the district make informed decisions?
- 14.3 Has the district accurately identified students who are eligible for free or reduced-price meals, English learners, and foster youth, in accordance with the LCFF and its LCAP?
- 14.4 Is the district using the same financial system as its county office of education?
- 14.5 If the district is using a separate financial system from its county office of education, is there an automated interface that allows data to be sent and received by both the district and county financial systems?
- 14.6 If the district is using a separate financial system from its county office of education, has the district provided the county office with direct access so the county office can provide oversight, review and assistance?

15. Internal Controls and Fraud Prevention **Yes No N/A**

- 15.1 Does the district have controls that limit access to its financial system and include multiple levels of authorization?
- 15.2 Are the district's financial system's access and authorization controls reviewed and updated upon employment actions (e.g., resignations, terminations, promotions or demotions) and at least annually?
- During interviews, staff indicated that they review access to the district's financial system and authorization controls monthly. They reported that authorization controls are updated based on employment actions submitted through the district's online portal, Inform K12. However, the district did not provide FCMAT with documents to validate this practice.*
- 15.3 Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?:
- Accounts payable (AP)
 - Accounts receivable (AR)
 - Purchasing and contracts.
 - Payroll
 - Human resources (i.e., duties relative to position control and payroll processes)

- 15.4 Are beginning balances for the new fiscal year posted and reconciled with the ending balances for each fund from the prior fiscal year?
- As of its 2023-24 adopted budget, the district had successfully posted and reconciled the beginning balances with the ending balances for each fund from the prior year. However, according to the district's 2023-24 first interim report, the beginning balances in the following Standardized Account Code Structure (SACS) fund forms no longer reconcile with the ending balances from the prior year:*
- Fund 13: \$338,821 variance compared to prior-year ending balance.*
- Fund 21: \$2,358,338 variance compared to prior-year ending balance.*
- Fund 25: \$123,627 variance compared to prior-year ending balance.*
- 15.5 Does the district review and work to clear prior year accruals throughout the year?
- 15.6 Has the district reconciled and closed the general ledger (i.e., books) within the time prescribed by the county office of education?
- 15.7 Does the district have processes and procedures to discourage and detect fraud?
- Board Policy 3400 and Administrative Regulation 2400, Management of District Assets/Accounts, describe the procedures for reporting and investigating fraud in the district. This policy and regulation state, in part:*
- The Superintendent or designee shall establish a method for employees and outside persons to anonymously report any suspected instances of fraud, impropriety, or irregularity.*
- Despite interviews with staff indicating that employees in the district's Business Department are vigilant in monitoring for fraud, the district did not provide FCMAT with evidence demonstrating that it has implemented fraud detection controls.*
- 15.8 Does the district have a process for collecting reports of possible fraud (such as an anonymous fraud reporting hotline) and for following up on such reports?
- 15.9 Does the district have an internal audit process?
- While the district conducts audits of its ASB funds, it lacks a documented internal auditing process. Interviews with staff indicated that the district's internal auditor position has been vacant since June 2020.*

16. Leadership and Stability

Yes No N/A

- 16.1 Does the district have a chief business official who has been with the district as chief business official for more than two years?.
- The district's CBO started in July 1, 2023. The district has had three different CBOs over the last four years.*
- 16.2 Does the district have a superintendent who has been with the district as superintendent for more than two years?
- 16.3 Does the superintendent meet on a scheduled and regular basis with all members of their administrative cabinet?
- 16.4 Is training on financial management and budget provided to site and department administrators who are responsible for budget management?
- 16.5 Does the governing board adopt and revise policies and administrative regulations annually? .

- 16.6 Are newly adopted or revised policies and administrative regulations implemented, communicated and available to staff?
While some staff interviews suggested that revised polices and administrative regulations are distributed to certain management-level employees for dissemination, the district could not provide FCMAT with any evidence showing that this information was communicated to all staff across the organization.
- 16.7 Do all board members attend training on the budget and governance at least every two years?
Only two board members completed the California School Board Association's Masters in Governance program in 2021.
- 16.8 Is the superintendent's evaluation performed according to the terms of the contract?

17. Multiyear Projections **Yes No N/A**

- 17.1 Has the district developed multiyear projections that include detailed assumptions aligned with industry standards?
- 17.2 To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation with multiyear considerations?
- 17.3 Does the district use its most current multiyear projection in making financial decisions?
- 17.4 If the district uses a broad adjustment category in its multiyear projection (such as lines B10, B1d, B2d Other Adjustments, in the SACS Form MYP/MYPI), is there a detailed list of what is included in the adjustment amount and are the adjustments reasonable?

18. Non-Voter-Approved Debt and Risk Management **Yes No N/A**

- 18.1 Are the sources of repayment for non-voter-approved debt (such as certificates of participation (COPs), bridge financing, bond anticipation notes [BANS], revenue anticipation notes [RANs]) stable, predictable, and other than unrestricted general fund?
The district has two COPs. The 2005 COP, with a principal balance of \$1.25 million at the end of 2022-23, has been entirely paid off in 2023-24. The 2017 COP, with a principal balance of \$3.55 million at the time of fieldwork, requires approximately \$450,000 in annual payments (including principal and interest). This debt is scheduled to be fully repaid in 2032. While the payments for both COPs are stable and predictable, they are paid from the district's general fund.
- 18.2 If the district has issued non-voter-approved debt, has its credit rating remained stable or improved during the current and two prior fiscal years?
- 18.3 If the district is self-insured, has the district completed an actuarial valuation as required and have a plan to pay for any unfunded liabilities?
- 18.4 If the district has non-voter-approved debt (such as COPs, bridge financing, BANS, and RANs), is the total of annual debt service payments no greater than 2% of the district's unrestricted general fund revenues?

19. Position Control **Yes No N/A**

- 19.1 Does the district account for all positions and costs?

- 19.2 Does the district analyze and adjust staffing based on staffing ratios and enrollment?
Staff interviews indicated that before planning the staffing reduction plan for 2024-25, staffing matrices were used for certificated and most classified staffing that were not aligned with staffing ratios and enrollment. The county office's September 2023 letter designating the district a lack of going concern stated the following:
The district has a history of declining enrollment while not reducing staff to match. The board has not acted on all staffing or vacancy reductions recommended by the district's business services department.
This was evidenced by the governing board's failure to approve two resolutions brought to the March 15, 2023 board meeting aimed at reducing staffing due to the elimination of restricted revenues.
The district's governing board has since acted to reduce staffing. At its February 7, 2024 and March 6, 2024 meetings, the governing board approved six resolutions that would collectively eliminate a total of 188.21 full-time equivalent positions. However, the district did not provide FCMAT with evidence confirming the implementation of these reductions.
- 19.3 Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim reporting periods?
- 19.4 Does the district identify a budget source for each new position before the position is authorized by the governing board?
- 19.5 Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted?
- 19.6 Do managers and staff responsible for the district's human resources, payroll and budget functions meet regularly to discuss issues and improve processes?.

20. Special Education **Yes** **No** **N/A**

- 20.1 Does the district monitor, analyze and adjust staffing ratios, class sizes and caseloads to align with statutory requirements and industry standards?
During interviews, staff indicated that the district regularly monitors staffing ratios, class sizes and caseloads to ensure alignment with statutory requirements and industry standards. However, the district did not provide FCMAT with sufficient documents to validate this process.
- 20.2 Does the district access available funding sources for costs related to special education (e.g., excess cost pool, legal fees, mental health)?
- 20.3 Does the district use appropriate tools to help it make informed decisions about whether to add services (e.g., special circumstance instructional assistance process and form, transportation decision tree)?
- 20.4 Does the district budget and account correctly for all costs related to special education (e.g., transportation, due process hearings, indirect costs, nonpublic schools and/or nonpublic agencies)?
The district does not charge full indirect costs to all its special education resources. According to the district's 2022-23 unaudited actuals report, indirect costs were charged at rates varying from 0% to 5.11%, which is the district's maximum rate. Similarly, the 2023-24 first interim report indicates that budgeted indirect costs vary from 0% to 7.69%, also up to the district's maximum rate.

20.5 Is the district’s contribution rate to special education at or below the statewide average contribution rate?

20.6 Is the district’s rate of identification of students as eligible for special education at or below the countywide and statewide average rates?

For the 2022-23 academic year (the most recent certified data available), the district’s identification rate was 13.59%. This is higher than both the countywide identification rate of 12.95% and the statewide rate of 13.07%.

20.7 Does the district analyze whether it will meet the maintenance of effort requirement at each interim reporting period?

During interviews, staff indicated that they analyze whether the district will meet the maintenance of effort requirement at each interim period; however, the district did not provide FCMAT with evidence of this practice. Moreover, interim reports to the governing board do not include the Special Education Maintenance-of-Effort, Interim Projections-to-Actuals (SEMAI) form that shows the district’s projected revenue, expenditures and contribution to special education.

Risk Score, 20 numbered sections only: 27.0%

Key to Risk Score from 20 numbered sections only:

- High Risk: 40% or more*
- Moderate Risk: 25-39.9%*
- Low Risk: 24.9% and lower*

District Fiscal Solvency Risk Level, all FHRA factors: High

(The existence of any condition from the “[Budget and Fiscal Status](#)” section, and/or a material weakness, will supersede this score because it elevates the district’s risk level.)

Appendices

A: Comparison of 2021 FHRA Results to 2024 FHRA Results

B: Study Agreement

Appendix A - Comparison of 2021 FHRA Results to 2024 FHRA Results

Shading indicates changes in the district’s “No” responses to questions in its 2021 and 2024 FHRAs.

1. Annual Independent Audit Report		2021	2024
1.1	Has the district corrected the most recent and prior two years’ audit findings without affecting its fiscal health?	No	No
1.2	Has the audit report for the most recent fiscal year been completed and presented to the board within the statutory timeline? (Extensions of the timeline granted by the State Controller’s Office should be explained.)	Yes	No
1.3	Were the district’s most recent and prior two audit reports free of findings of material weaknesses?	No	Yes
1.4	Has the district corrected all reported audit findings from the most recent and prior two audits?	No	No

1. Annual Independent Audit Report			
Response	2021	2024	Change in Number of “No” Responses
Yes	1	1	No Change
No	3	3	
N/A	0	0	

2. Budget Development and Adoption		2021	2024
2.1	Does the district develop and use written budget assumptions and multiyear projections that are reasonable, are aligned with the county superintendent’s instructions, and have been clearly articulated?	Yes	Yes
2.2	Does the district use a budget development method other than a prior-year rollover budget, and, if so, does that method include tasks such as review of prior year estimated actuals by major object code and removal of one-time revenues and expenses?	Yes	Yes
2.3	Does the district use position control data for budget development?	Yes	Yes
2.4	Does the district calculate the Local Control Funding Formula (LCFF) revenue correctly?	Yes	Yes
2.5	Has the district’s budget been approved unconditionally by its county superintendent in the current and two prior fiscal years?	Yes	Yes
2.6	Does the budget development process include input from staff, administrators, the governing board, the community, and the budget advisory committee (if there is one)?	Yes	Yes
2.7	Does the district budget and expend restricted funds before unrestricted funds?	Yes	No
2.8	Have the Local Control and Accountability Plan (LCAP) and the budget been adopted within statutory timelines established by Education Code 42103 and 52062 and filed with the county superintendent of schools no later than five days after adoption or by July 1, whichever occurs first, for the current and one prior fiscal year?	Yes	Yes
2.9	Has the district refrained from including carryover funds in its adopted budget?	Yes	Yes
2.10	Other than objects in the 5700s and 7300s and appropriate abatements in accordance with the California School Accounting Manual, does the district avoid using negative or contra expenditure accounts?	No	No

2. Budget Development and Adoption		2021	2024
2.11	Does the district have a documented policy and/or procedure for evaluating the proposed acceptance of grants and other types of restricted funds and their potential multiyear impact on the district's unrestricted general fund?	No	No
2.12	Does the district adhere to a budget calendar that includes statutory due dates, major budget development tasks and deadlines, and the staff members/departments responsible for completing them?	Yes	Yes

2. Budget Development and Adoption			
Response	2021	2024	Change in Number of "No" Responses
Yes	10	9	Increased by 1
No	2	3	
N/A	0	0	

3. Budget Monitoring and Updates		2021	2024
3.1	Are actual revenues and expenses consistent with the most current budget?	No	Yes
3.2	Are budget revisions posted in the financial system at each interim report, at a minimum?	Yes	Yes
3.3	Are clearly written and articulated budget assumptions that support budget revisions communicated to the board at each interim report, at a minimum?	No	No
3.4	Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with Education Code 42142?	Yes	Yes
3.5	Do the district's responses fully explain the variances identified in the criteria and standards?	Yes	Yes
3.6	Has the district addressed any deficiencies the county superintendent has identified in its oversight letters in the most recent and two prior fiscal years?	Yes	Yes
3.7	Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure?	Yes	Yes
3.8	Does the district encumber and adjust encumbrances for salaries and benefits?	Yes	Yes
3.9	Are all balance sheet accounts in the general ledger reconciled at least at each interim report and at year-end close?	Yes	Yes
3.10	For the most recent and two prior fiscal years, have the interim reports and the unaudited actuals been adopted and filed with the county superintendent of schools within the timelines established in Education Code?	Yes	No

3. Budget Monitoring and Updates			
Response	2021	2024	Change in Number of "No" Responses
Yes	8	8	No Change
No	2	2	
N/A	0	0	

4. Cash Management		2021	2024
4.1	Are accounts held by the county treasurer reconciled with the district's and county superintendent's reports monthly?	Yes	Yes
4.2	Does the district reconcile all bank (cash and investment) accounts with bank statements monthly?	Yes	Yes
4.3	Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known?	Yes	No

4. Cash Management		2021	2024
4.4	If the district’s cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to address its cash flow needs for the current and subsequent year?	No	N/A
4.5	Does the district have sufficient cash resources in its other funds to support its current and projected obligations in those funds?	Yes	Yes
4.6	If interfund borrowing is occurring, does the district comply with Education Code 42603?	N/A	N/A
4.7	If the district is managing cash in any fund(s) through external borrowing, does the district’s cash flow projection include repayment on the terms of the loan agreement?	N/A	N/A

4. Cash Management			
Response	2021	2024	Change in Number of “No” Responses
Yes	4	3	No Change*
No	1	1	
N/A	2	3	

*For scoring purposes, a change to an “N/A” answer is treated as if the answer had been changed to “Yes.”

5. Charter Schools		2021	2024
5.1	Does the district have a board policy or other written document(s) regarding charter oversight?	No	Yes
5.2	Has the district fulfilled and does it have evidence showing fulfillment of its oversight responsibilities in accordance with Education Code 47604.32?	No	No
5.3	Are all charters authorized by the district going concerns and not in fiscal distress?	Yes	No
5.4	Has the district identified specific employees in its various departments (e.g., human resources, business, instructional, and others) to be responsible for oversight of all approved charter schools?	Yes	Yes

5. Charter Schools			
Response	2021*	2024	Change in Number of “No” Responses
Yes	2	2	No Change
No	2	2	
N/A	0	0	

*In 2021, item 5.5 was included in this section, but it is not part of the 2024 FHRA.

6. Collective Bargaining Agreements		2021	2024
6.1	Has the district settled with all its bargaining units for the past two fiscal years?	Yes	Yes
6.2	Has the district settled with all its bargaining units for the current year?	Yes	No
6.3	Does the district accurately quantify the effects of collective bargaining agreements and include them in its budget and multiyear projections?	Yes	Yes
6.4	Did the district conduct a presettlement analysis and identify related costs or savings, if any (e.g., statutory benefits, and step-and-column salary increases), for the current and subsequent years, and did it identify ongoing revenue sources or expenditure reductions to support the agreement?	No	Yes
6.5	In the current and prior two fiscal years, has the district settled the total cost of the bargaining agreements including step-and-column increases at or under the funded cost of living adjustment (COLA)?	No	No
6.6	If settlements have not been reached in the past two years, has the district identified resources to cover the costs of the district’s proposal(s)?	N/A	N/A

6.7	Did the district comply with public disclosure requirements under Government Code 3540.2 and 3547.5, and Education Code 42142?	No	Yes
6.8	Did the superintendent and CBO certify the public disclosure of collective bargaining agreement prior to board approval?	No	No
6.9	Is the governing board’s action consistent with the superintendent’s and CBO’s certification?	No	No

6. Collective Bargaining Agreements			
Response	2021	2024	Change in Number of “No” Responses
Yes	3	4	Decreased by 1
No	5	4	
N/A	1	1	

7. Contributions and Transfers **2021 2024**

7.1	Does the district have a board-approved plan to eliminate, reduce or control any contributions/transfers from the unrestricted general fund to other restricted programs and funds?	No	No
7.2	If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection any transfers from the unrestricted general fund to cover any projected negative fund balance?	No	N/A
7.3	If any contributions/transfers were required for restricted programs and/or other funds in either of the two prior fiscal years, and there is a need in the current year, did the district budget for them at reasonable levels?	Yes	No

7. Contributions and Transfers			
Response	2021	2024	Change in Number of “No” Responses
Yes	1	0	No Change*
No	2	2	
N/A	0	1	

*For scoring purposes, a change to an “N/A” answer is treated as if the answer had been changed to “Yes.”

8. Deficit Spending (Unrestricted General Fund) **2021 2024**

8.1	Is the district avoiding deficit spending in the current fiscal year?	Yes	No
8.2	Is the district projected to avoid deficit spending in both of the two subsequent fiscal years?	No	No
8.3	If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency?	No	No
8.4	Has the district decreased deficit spending over the past two fiscal years?	Yes	Yes

8. Deficit Spending			
Response	2021	2024	Change in Number of “No” Responses
Yes	2	1	Increased by 1
No	2	3	
N/A	0	0	

9. Employee Benefits **2021 2024**

9.1	Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board (GASB) requirements to determine its unfunded liability for other post-employment benefits (OPEB)?	Yes	Yes
-----	---	-----	-----

9.2	Does the district have a plan to fund its liabilities for retiree health and welfare benefits with the total of annual required service payments (legal, contractual or locally defined such as pay-as-you-go premiums, trust agreement obligations, or board adopted commitments) no greater than 2% of the district’s unrestricted general fund revenues?	No	No
9.3	Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?	Yes	Yes
9.4	Within the last five years, has the district conducted a verification and determination of eligibility for benefits for all active and retired employees and dependents?	No	No
9.5	Does the district track, reconcile and report employees’ compensated leave balances?	Yes	Yes

9. Employee Benefits			
Response	2021	2024	Change in Number of “No” Responses
Yes	3	3	No Change
No	2	2	
N/A	0	0	

10. Enrollment and Attendance **2021 2024**

10.1	Has the district’s enrollment been increasing or remained stable for the current and two prior years?	No	No
10.2	Does the district monitor and analyze enrollment and average daily attendance (ADA) data at least monthly through the second attendance reporting period (P2)?	Yes	Yes
10.3	Does the district track historical enrollment and ADA data to establish future trends?	Yes	Yes
10.4	Do school sites maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the site and district levels?	Yes	Yes
10.5	Has the district certified its California Longitudinal Pupil Achievement Data System (CALPADS) data by the required deadlines (Fall 1, Fall 2, EOY) for the current and two prior years?	Yes	Yes
10.6	Are the district’s enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable considerations?	No	Yes
10.7	Do all applicable sites and departments review and verify their respective CALPADS data and correct it as needed before the report submission deadlines?	Yes	Yes
10.8	Has the district planned for enrollment losses to charter schools?	Yes	Yes
10.9	Does the district follow established board policy to limit outgoing interdistrict transfers and ensure that only students who meet the required qualifications are approved?	Yes	Yes
10.10	Does the district meet the student-to-teacher ratio requirement of no more than 24-to-1 for each school in grades TK-3 classes, or, if not, does it have and adhere to an alternative collectively bargained agreement?	No	Yes

10. Enrollment and Attendance			
Response	2021	2024	Change in Number of “No” Responses
Yes	7	9	Decreased by 2
No	3	1	
N/A	0	0	

11. Facilities **2021 2024**

11.1	If the district participates in the state’s School Facilities Program, has it met the required contribution for the Routine Restricted Maintenance Account?	No	Yes
------	---	----	-----

11.2	Does the district have sufficient and available capital outlay and/or bond funds to cover all contracted obligations for capital facilities projects?	Yes	Yes
11.3	Does the district properly track and account for facility-related projects?	Yes	Yes
11.4	Does the district use its facilities fully in accordance with the Office of Public School Construction's loading standards?	No	No
11.5	Does the district include facility needs (maintenance, repair and operating requirements) when adopting a budget?	Yes	Yes
11.6	Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues?	Yes	Yes
11.7	If the district passed a Proposition 39 general obligation bond, has it met the requirements for audit, reporting, and a citizens' bond oversight committee?	Yes	Yes
11.8	Does the district have a long-range facilities master plan that reflects its current and projected facility needs?	Yes	Yes

11. Facilities			
Response	2021	2024	Change in Number of "No" Responses
Yes	6	7	Decreased by 1
No	2	1	
N/A	0	0	

12. Fund Balance and Reserve for Economic Uncertainty **2021 2024**

12.1	Is the district able to maintain the minimum reserve for economic uncertainty in the current year (including Fund 01 and Fund 17) as defined by criteria and standards?	Yes	Yes
12.2	Is the district able to maintain the minimum reserve for economic uncertainty in the two subsequent years?	No	Yes
12.3	If the district is not able to maintain the minimum reserve for economic uncertainty, does the district's multiyear financial projection include a board-approved plan to restore the reserve?	No	N/A
12.4	Is the district's projected unrestricted fund balance stable or increasing in the two subsequent fiscal years?	No	Yes
12.5	If the district has unfunded or contingent liabilities or one-time costs other than post-employment benefits, does the unrestricted general fund balance include sufficient assigned or committed reserves above the recommended reserve level?	Yes	N/A

12. Fund Balance and Reserve for Economic Uncertainty			
Response	2021	2024	Change in Number of "No" Responses
Yes	2	3	Decreased by 3*
No	3	0	
N/A	0	2	

*For scoring purposes, a change to an "N/A" answer is treated as if the answer had been changed to "Yes."

13. General Fund – Current Year **2021 2024**

13.1	Does the district ensure that one-time revenues do not pay for ongoing expenditures?	No	No
13.2	Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the statewide average for the current year?	No	Yes
13.3	Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the statewide average for the two prior years?	Yes	Yes

13.4	If the district has received any uniform complaints or legal challenges regarding local use of supplemental and concentration grant funding in the current or two prior years, is the district addressing the complaint(s)?	Yes	N/A
13.5	Does the district either ensure that restricted dollars are sufficient to pay for staff assigned to restricted programs or have a plan to fund these positions with unrestricted funds?	No	No
13.6	Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time?	Yes	No
13.7	Does the district account for program costs, including the maximum allowable indirect costs, for each restricted resource and other funds?	No	No

13. General Fund – Current Year			
Response	2021	2024	Change in Number of “No” Responses
Yes	3	2	No Change*
No	4	4	
N/A	0	1	

*For scoring purposes, a change to an “N/A” answer is treated as if the answer had been changed to “Yes.”

14. Information Systems and Data Management **2021 2024**

14.1	Does the district use an integrated financial and human resources system?	Yes	Yes
14.2	Does the district use the system(s) to provide key financial and related data, including personnel information, to help the district make informed decisions?	Yes	Yes
14.3	Has the district accurately identified students who are eligible for free or reduced-price meals, English learners, and foster youth, in accordance with the LCFF and its LCAP?	No	Yes
14.4	Is the district using the same financial system as its county superintendent?	Yes	Yes
14.5	If the district is using a separate financial system from its county superintendent, is there an automated interface that allows data to be sent and received by both the district’s and county superintendent’s systems?	N/A	N/A
14.6	If the district is using a separate financial system from its county superintendent, has the district provided the county superintendent with direct access so the county superintendent can provide oversight, review and assistance?	N/A	N/A

14. Information Systems and Data Management			
Response	2021	2024	Change in Number of “No” Responses
Yes	3	4	Decreased by 1
No	1	0	
N/A	2	2	

15. Internal Controls and Fraud Prevention **2021 2024**

15.1	Does the district have controls that limit access to its financial system and include multiple levels of authorization?	Yes	Yes
15.2	Are the district’s financial system’s access and authorization controls reviewed and updated upon employment actions (e.g., resignations, terminations, promotions or demotions) and at least annually?	No	No
15.3	Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?:	Yes	Yes
	• Accounts payable (AP)	Yes	Yes
	• Accounts receivable (AR)	Yes	Yes
	• Purchasing and contracts	Yes	Yes
	• Payroll	Yes	Yes
	• Human resources (i.e., duties relative to position control and payroll processes)	Yes	Yes
15.4	Are beginning balances for the new fiscal year posted and reconciled with the ending balances for each fund from the prior fiscal year?	Yes	No
15.5	Does the district review and work to clear prior year accruals throughout the year?	Yes	Yes
15.6	Has the district reconciled and closed the general ledger (books) within the time prescribed by the county superintendent?	Yes	Yes
15.7	Does the district have processes and procedures to discourage and detect fraud?	No	No

15. Internal Controls and Fraud Prevention **2021 2024**

15.8	Does the district have a process for collecting reports of possible fraud (such as an anonymous fraud reporting hotline) and for following up on such reports?	Yes	Yes
15.9	Does the district have an internal audit process?	No	No

15. Internal Controls and Fraud Prevention*			
Response	2021	2024	Change in Number of "No" Responses
Yes	10	9	Increased by 1
No	3	4	
N/A	0	0	

*Item 15.3 includes subitems so the total number of possible "Yes," "No" or "N/A" responses is greater than the number of section items.

16. Leadership and Stability **2021 2024**

16.1	Does the district have a chief business official who has been with the district as chief business official for more than two years?	No	No
16.2	Does the district have a superintendent who has been with the district as superintendent for more than two years?	Yes	Yes
16.3	Does the superintendent meet on a scheduled and regular basis with all members of their administrative cabinet?	Yes	Yes
16.4	Is training on financial management and budget provided to site and department administrators who are responsible for budget management?	Yes	Yes
16.5	Does the governing board adopt and revise policies and administrative regulations annually?	No	Yes
16.6	Are newly adopted or revised policies and administrative regulations implemented, communicated and available to staff?	Yes	No
16.7	Do all board members attend training on the budget and governance at least every two years?	No	No
16.8	Is the superintendent's evaluation performed according to the terms of the contract?	Yes	Yes

16. Leadership and Stability			
Response	2021	2024	Change in Number of "No" Responses
Yes	5	5	No Change
No	3	3	
N/A	0	0	

17. Multiyear Projections **2021 2024**

17.1	Has the district developed multiyear projections that include detailed assumptions aligned with industry standards?	No	Yes
17.2	To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation with multiyear considerations?	Yes	Yes
17.3	Does the district use its most current multiyear projection in making financial decisions?	Yes	Yes
17.4	If the district uses a broad adjustment category in its multiyear projection (such as lines B10, B1d, B2d Other Adjustments, in the SACS Form MYP/MYPI), is there a detailed list of what is included in the adjustment amount and are the adjustments reasonable?	No	Yes

17. Multiyear Projections			
Response	2021	2024	Change in Number of "No" Responses
Yes	2	4	Decreased by 2

No	2	0	
N/A	0	0	

18. Non-Voter-Approved Debt and Risk Management **2021 2024**

18.1	Are the sources of repayment for non-voter-approved debt {such as certificates of participation (COPs), bridge financing, bond anticipation notes (BANS), revenue anticipation notes (RANS) and others} stable, predictable, and other than unrestricted general fund?	No	No
18.2	If the district has issued non-voter-approved debt, has its credit rating remained stable or improved during the current and two prior fiscal years?	No	Yes
18.3	If the district is self-insured, has the district completed an actuarial valuation as required and have a plan to pay for any unfunded liabilities?	N/A	N/A
18.4	If the district has non-voter-approved debt (such as COPs, bridge financing, BANS, RANS and others), is the total of annual debt service payments no greater than 2% of the district’s unrestricted general fund revenues?	Yes	Yes

18. Non-Voter-Approved Debt and Risk Management			
Response	2021	2024	Change in Number of “No” Responses
Yes	1	2	Decreased by 1
No	2	1	
N/A	1	1	

19. Position Control **2021 2024**

19.1	Does the district account for all positions and costs?	Yes	Yes
19.2	Does the district analyze and adjust staffing based on staffing ratios and enrollment?	Yes	No
19.3	Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim reporting periods?	Yes	Yes
19.4	Does the district identify a budget source for each new position before the position is authorized by the governing board?	Yes	Yes
19.5	Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted?	Yes	Yes
19.6	Do managers and staff responsible for the district’s human resources, payroll and budget functions meet regularly to discuss issues and improve processes?	Yes	Yes

19. Position Control			
Response	2021	2024	Change in Number of “No” Responses
Yes	6	5	Increased by 1
No	0	1	
N/A	0	0	

20. Special Education **2021 2024**

20.1	Does the district monitor, analyze and adjust staffing ratios, class sizes and caseloads to align with statutory requirements and industry standards?	Yes	No
20.2	Does the district access available funding sources for costs related to special education (e.g., excess cost pool, legal fees, mental health)?	Yes	Yes
20.3	Does the district use appropriate tools to help it make informed decisions about whether to add services (e.g., special circumstance instructional assistance process and form, transportation decision tree)?	No	Yes

- 20.4 Does the district budget and account correctly for all costs related to special education (e.g., transportation, due process hearings, indirect costs, nonpublic schools and/or nonpublic agencies)? No No
- 20.5 Is the district’s contribution rate to special education at or below the statewide average contribution rate? Yes Yes
- 20.6 Is the district’s rate of identification of students as eligible for special education at or below the countywide and statewide average rates? No No
- 20.7 Does the district analyze whether it will meet the maintenance of effort requirement at each interim reporting period? No No

20. Special Education			
Response	2021	2024	Change in Number of “No” Responses
Yes	3	3	No Change
No	4	4	
N/A	0	0	

Appendix B – Study Agreement



FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT FOR TRIGGERED FISCAL HEALTH RISK ANALYSIS

This study agreement, hereinafter referred to as Agreement, is made and entered into by and between the Fiscal Crisis and Management Assistance Team, hereinafter referred to as the Team or FCMAT, and the West Contra Costa Unified School District, hereinafter referred to as the Client; collectively, FCMAT and Client are hereinafter referred to as the Parties. This Agreement shall become effective from the date of execution hereof by FCMAT.

1. BASIS OF AGREEMENT

FCMAT provides a variety of services to local education agencies (LEAs) as authorized by Education Code (EC) 42127.8(d) and 84041. In accordance with state budget act provisions, FCMAT will study the Client’s fiscal health because the county superintendent of schools designated the Client as a lack of going concern in accordance with EC 42127.6.

FCMAT will assign professionals to conduct the study. The professionals will include FCMAT staff and may include professionals from county offices of education, school districts, charter schools, community colleges, other public agencies or private contractors. All professionals assigned shall work under the direction of FCMAT. All work shall be performed in accordance with the terms and conditions of this Agreement.

FCMAT will notify the Client’s county superintendent of schools of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

Prepare an analysis using the 20 factors in FCMAT’s [Fiscal Health Risk Analysis](#) (FHRA) and identify the Client’s specific risk rating for fiscal insolvency.

B. Services and Products to be Provided

1. Orientation Meeting

The Team will conduct an orientation session at the Client’s location to brief the Client’s management and supervisory personnel on the Team’s procedures and the purpose and schedule of the study. This orientation meeting is normally held at the beginning of fieldwork for the study.

2. Fieldwork

The Team will conduct fieldwork at the Client’s office and/or school site(s), or other locations as needed. Limited fieldwork may also be conducted remotely via telephone or videoconferencing services, in addition to the Public Safety Considerations outlined in Section 13 below.

3. Exit Meeting

The Team will hold an exit meeting at the conclusion of the fieldwork to inform the

Client of the status of the study. The exit meeting will include a review of the scope of work; outstanding items, including documents, data and interviews not yet received or held; and the estimated timeline for a draft report. The meeting will not memorialize details regarding findings because the Team's conclusions may change after a complete analysis is finished. Exceptions to this will be findings of immediate health and safety concerns for students or staff, and other time-sensitive items that include the potential for risk or exposure to loss.

4. Exit Letter

Approximately five business days after the exit meeting, the Team will issue an exit letter briefly memorializing the topics discussed in the exit meeting.

5. Draft Report

An electronic copy of a preliminary draft report will be delivered to the Client's point of contact identified below for review and comment.

6. Final Report

An electronic copy of the final report will be delivered to the Client's point of contact and to the Client's county superintendent of schools following completion of the study. FCMAT's work products are public and all final reports are published on the FCMAT website.

7. Board Presentation

Presentations to the Client's board will be made depending on the Client's risk rating. If the risk rating is low, the board presentation is optional and will be considered at the request of the Client. If the risk rating is moderate or high, the Team will make a board presentation at the Client's first regularly scheduled board meeting following the issuance of the final report. If the Team is unable to present at the first regularly scheduled board meeting following the issuance of the final report, the Team will make a board presentation at a regularly scheduled board meeting that is mutually agreeable to the Parties.

3. **PROJECT PERSONNEL**

The personnel assigned to the study will be led by a FCMAT staff person (job lead) and will include at least one other professional. FCMAT will notify the Client of the assigned personnel when the fully executed copy of this Agreement is returned to the Client.

FCMAT will communicate to the Client any changes in assigned project personnel.

4. **PROJECT COSTS**

Pursuant to the state budget act, costs for the study will be covered by a specific state appropriation for this purpose. FCMAT will not charge the Client for any costs.

5. **RESPONSIBILITIES OF THE CLIENT**

A. Return current organizational chart(s) that show the Client's management and staffing

structure with the signed copy of this Agreement. Organizational charts should be relevant to the scope of this Agreement.

- B. Provide private office or conference room space for the Team's use during fieldwork.
- C. Provide for a Client employee to upload all requested documents and data to FCMAT's online SharePoint repository per FCMAT's instructions. Provide FCMAT with the name and email of the person who will be responsible for collecting and uploading documents requested by FCMAT with the signed copy of this Agreement.
- D. Provide documents and data requested on the Team's initial and supplementary document request list(s) by the date requested.

All documents and data provided shall be responsive to FCMAT's request, in quality condition, readable and in a usable form. With few exceptions, documents and data requested are public records and records maintained by LEAs in the routine course of doing business. Some data requested may require exporting LEA financial system reports to Microsoft Excel or another usable format agreed to by FCMAT.

All documents shall be provided to FCMAT in electronic format, labeled as instructed by FCMAT. Upon approval of this Agreement, access will be provided to FCMAT's online SharePoint repository, to which the Client will upload all requested documents and data.

- E. Ensure appropriate senior-level staff are available for the orientation and exit meetings.
- F. Facilitate access to requested board members, officers and staff for interviews.
- G. Facilitate access to requested information and facilities to include, but not be limited to, files, sites, classrooms and operational areas for observation.
- H. Review a draft of the report and return it to FCMAT by the date FCMAT requests with any comments regarding the accuracy of the report's data or the practicability of its recommendations. The Team will review this feedback in a timely manner and make any adjustments it deems necessary before issuing the final report.
- I. Return the requested evaluation survey to FCMAT as described below.

6. PROJECT SCHEDULE

Time is of the essence. The Parties acknowledge that the goal of the scope and objectives of the study under this Agreement is to produce a timely and thorough report that adds value for the Client. This goal is especially important given that the Client has experienced an event described under Basis of Agreement that may indicate fiscal distress. To accomplish this goal, the Parties agree to communicate and mutually agree to honor established time commitments. These commitments include the Client providing requested documents, setting and keeping interview appointments and returning comments on the draft report consistent with the established project schedule.

The following project schedule milestones will be established by FCMAT upon receipt of a signed Agreement from the Client:

ACTION	TIMELINE
FCMAT provides Client with a draft Agreement.	Draft Agreements are usually provided within 20 business days of the Client's triggered event.
Client returns partially executed Agreement to FCMAT along with the applicable organizational chart and the name and email of the of person who will be responsible for collecting and uploading documents requested by FCMAT.	Draft Agreements are valid for 30 business days.
FCMAT returns a fully executed Agreement to the Client and identifies the project schedule and the lead and other personnel assigned to the job.	Within five business days of the Client's return of the signed Agreement.
Client uploads initial requested documents and data to FCMAT's online SharePoint repository.	Within five business days of the Client's receipt of the FCMAT document and data request list.
Fieldwork	Mutually agreed upon; usually, to commence within five business days of FCMAT's receipt of requested documents and data.
Orientation meeting	First day of fieldwork
Exit meeting	Last day of fieldwork
Follow up fieldwork, if needed (e.g., rescheduled interview, additional interviews).	Mutually agreed upon; usually, within five business days of FCMAT's request.
Client uploads supplemental documents and data to FCMAT's online SharePoint repository.	Within two business days of the Client's receipt of FCMAT's supplemental document and data request(s).
Draft report submitted to the Client.	To be determined, usually, within four weeks of the conclusion of fieldwork and receipt of all documents and data requested.
Client comments on draft report	Within five business days of FCMAT providing a draft report to the Client.

The Client acknowledges that project schedule deadlines build upon and are contingent on each previous deadline. Missed deadline dates will affect future deadline dates and ultimately the timing of the final report. For example, if the Client does not provide requested documents and data by the specified date, the fieldwork may not be able to proceed as originally planned.

FCMAT acknowledges that the Client has an educational program to administer, is balancing many priorities, and in some cases may have records management difficulties, staffing

capacity issues, staff on various types of leave, or other circumstances, all of which will affect the project schedule.

The Parties commit to regular communication and updates about the study schedule and work progress. FCMAT may modify the usual timelines as needed.

7. COMMENCEMENT, TERMINATION AND COMPLETION OF WORK

FCMAT will commence work as soon as it has assembled an available and appropriate study team, taking into consideration other jobs FCMAT has previously undertaken, assignments from the state, and higher priority assignments due to fiscal distress. The Team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the Client and any other related parties from which, in the Team's judgment, it must obtain information. Once the Team has completed its fieldwork, it will proceed to prepare a report. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a final report once fieldwork has been completed.

FCMAT may terminate this Agreement at any time if the Client fails to cooperate with the requested project schedule, provide requested documents and data and/or make staff available for interviews as requested by FCMAT. If FCMAT terminates the Agreement, FCMAT will issue a management letter in lieu of the final report explaining the reasons why FCMAT terminated the Agreement and reporting on any FHRA elements for which data was collected and a conclusion could be reached.

8. INDEPENDENT CONTRACTOR

FCMAT is an independent contractor and is not an employee or engaged in any manner with the Client. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the Client in any manner without prior express written authorization from an officer of the Client.

9. RECORDS

The Client understands and agrees that FCMAT is a state agency and all FCMAT reports are public records and are published on the [FCMAT website](#). Supporting documents and data in FCMAT's possession may also be public records and will be made available in accordance with the provisions of the California Public Records Act.

FCMAT has a records retention policy and practice, and every effort will be made to maintain records related to this Agreement in accordance with this policy.

10. CONTACT WITH PUPILS

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

11. INSURANCE

During the term of this Agreement, FCMAT shall maintain liability insurance of not less than

\$1 million unless otherwise agreed upon in writing by the Client, automobile liability insurance in the amount required by California state law, and workers' compensation as required by California state law. Upon the request of the Client and receipt of the signed Agreement, FCMAT shall provide certificates of insurance indicating applicable insurance coverages.

12. HOLD HARMLESS

FCMAT shall hold the Client, its board, officers, agents, and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of FCMAT's board, officers, agents and employees undertaken under this Agreement. Conversely, the Client shall hold FCMAT, its board, officers, agents, and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of the Client's board, officers, agents and employees undertaken under this Agreement.

13. PUBLIC SAFETY CONSIDERATIONS

Whether due to public health considerations, extreme weather conditions, road closures, other travel restrictions or interruptions, shelter-at-home orders, LEA closures or other related considerations, at FCMAT's sole discretion, the Scope of Work, Project Costs, Responsibilities of the Client, and Project Schedule (Sections 2, 4, 5 and 6 herein) and other provisions herein may be revised. Examples of such revisions may include, but not be limited to, the following:

- A. Orientation and exit meetings, interviews and other information-gathering activities may be conducted remotely via telephone, videoconferencing, or other means. References to fieldwork shall be interpreted appropriately given the circumstances.
- B. Activities performed remotely that are normally performed in the field shall be billed hourly as if performed in the field (excluding out-of-pocket costs that can otherwise be avoided).
- C. The Client may be relieved of its duty to provide conference and other work area facilities for the Team.

14. FORCE MAJEURE

Neither party will be liable for any failure or delay in the performance of this Agreement due to causes beyond the reasonable control of the party, except for payment obligations by the Client.

15. EVALUATION

In the interest of continuous improvement, FCMAT will provide the Client with an evaluation survey at the conclusion of the services. FCMAT appreciates the Client's honest assessment of the Team's services and process. The Client shall return the evaluation survey within 10 business days of receipt.

16. CLIENT CONTACT PERSON

The Client’s contact person designated below shall be the primary contact person for FCMAT to use in communicating with the Client on matters related to this Agreement. At any time when this Agreement or FCMAT’s process requires that FCMAT send information, document request lists, draft report or final report, or when FCMAT makes other requests for the Client to act upon, this is the person whom FCMAT will contact. The Client may change the contact person upon written notice to FCMAT’s job lead assigned to the study.

Name: Kim Moses, Chief Business Officer

Telephone: (510) 231-1170

Email: kmoses@wccusd.net

17. SIGNATURES

Each individual executing this Agreement on behalf of a party hereto represents and warrants that he or she is duly authorized by all necessary and appropriate action to execute this Agreement on behalf of such party and does so with full legal authority.

For Client:



Kenneth Chris Hurst, Ed.D., Superintendent
West Contra Costa Unified School District

Date

For FCMAT:

Michael H. Fine

Digitally signed by Michael H. Fine
Date: 2024.03.08 13:45:48 -08'00'

Michael H. Fine,
Chief Executive Officer
Fiscal Crisis and Management Assistance Team

Date