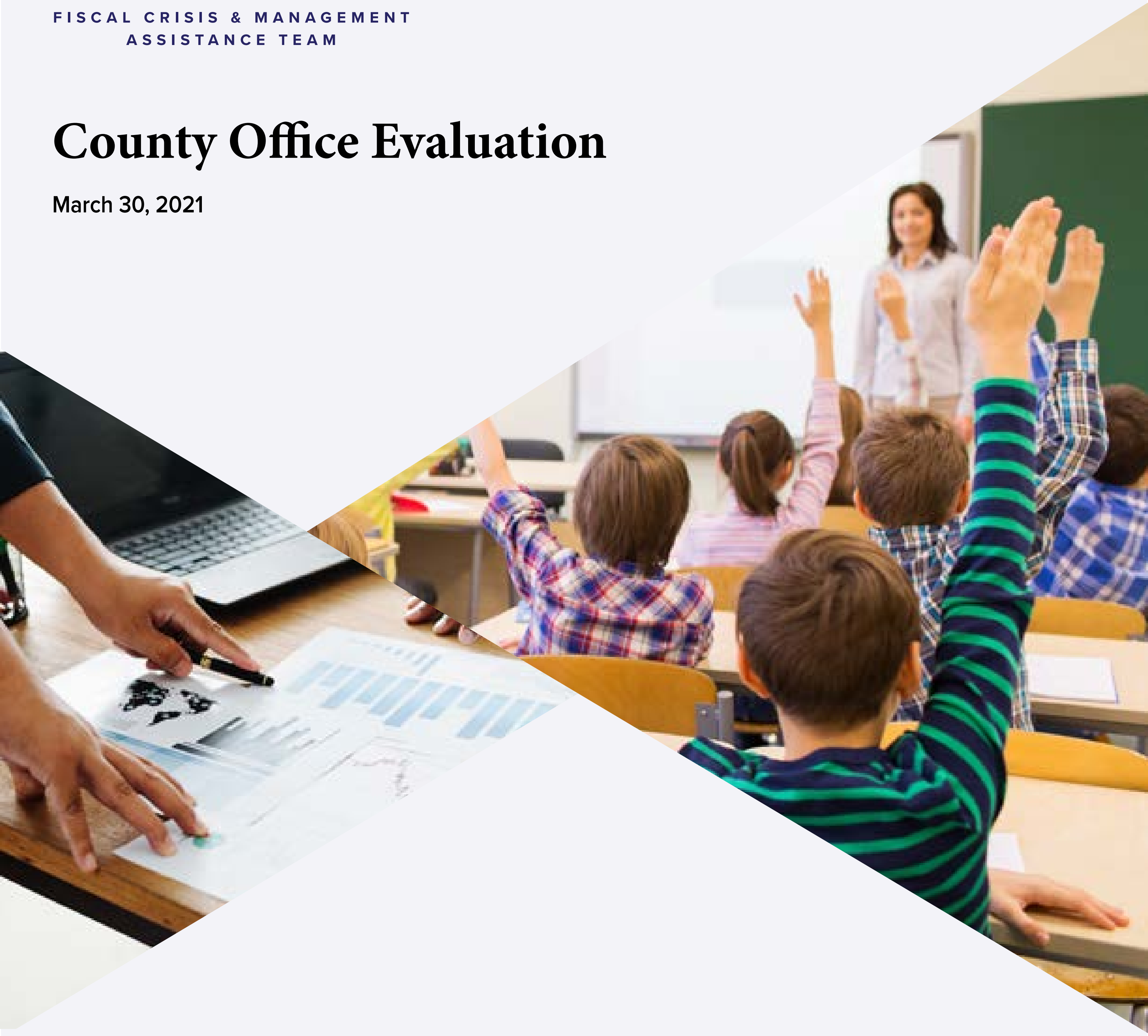
FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

County Office Evaluation

March 30, 2021



Alameda County Office of Education

Michael H. Fine
Chief Executive Officer

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

March 30, 2021

L. Karen Monroe, Superintendent
Alameda County Office of Education
313 Winton Avenue
Hayward, CA 94544

Dear Superintendent Monroe:

On July 21, 2020 the Alameda County Office of Education entered into an agreement with the Fiscal Crisis and Managment Assistance Team (FCMAT) for a study to perform the following:

> Prepare an initial analysis of the county office fiscal oversight provided to the Oakland Unified School District using FCMAT's County Office Evaluation Tool, and make recommendations for improvement, if any.

This report contains the study team's findings and recommendations.

FCMAT appreciates the opportunity to serve the Alameda County Office of Education and extends thanks to its staff for their cooperation and assistance during our review.

Sincerely,

Michael H. Fine

Chief Executive Officer

Michael H. Fine • Chief Executive Officer
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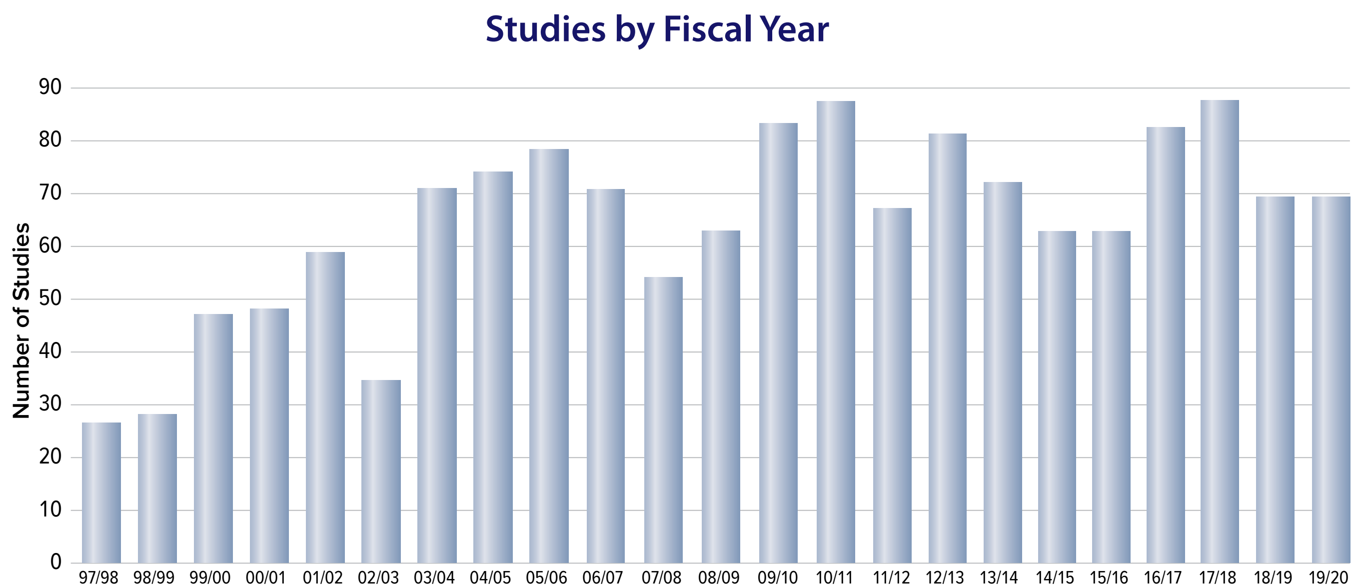
About FCMAT

FCMAT's primary mission is to assist California's local K-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.



FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of K-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 1992 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 1,000 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

In September 2018, Governor Brown signed Assembly Bill (AB) 1840, making a significant change in how insolvent school districts are administered after they receive a state emergency appropriation. As part of that legislation, Education Code Section 41326(l), the Fiscal Crisis and Management Assistance Team (FCMAT) was given the responsibility of reviewing the fiscal oversight performed by the county superintendent of schools for any district receiving an emergency apportionment. FCMAT is required to report its findings to the Legislature and provide a copy of that report to the Department of Finance, the superintendent of public instruction (SPI), and the president of the State Board of Education (SBE). This report is required to include findings regarding fiscal oversight actions that were or were not taken and may include recommendations for an appropriate legislative response to improve fiscal oversight.

In the years following the initial report of fiscal oversight performed by the county superintendent of schools, FCMAT will perform annual reviews of the county office's effectiveness in overseeing the district.

Although the Oakland Unified School District received an emergency appropriation in 2003 per Senate Bill (SB) 39 (Perata), this is the initial report for the Alameda County Office of Education under AB 1840. FCMAT's review is of the current fiscal oversight by the county superintendent of schools; there was no provision for such a review at the time of insolvency in 2003.

County Office Evaluation Guidelines

FCMAT entered into a study agreement with the Alameda County Office of Education on July 25, 2020, and a study team interviewed county office staff on August 20, 2020 after collecting data and reviewing documents. Following interviews, the 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:

Joel Montero
FCMAT Consultant

Misty Key
FCMAT Consultant

Leonel Martínez
FCMAT Technical Writer

Nicolas Schweizer
FCMAT Consultant

Sheldon Smith
FCMAT Consultant

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

County Office Evaluation Tool

The Fiscal Crisis and Management Assistance Team (FCMAT) has developed the County Office Evaluation Tool (COET) to help assess the effectiveness of county offices in fiscal oversight of school districts that have received an emergency apportionment.

The COET includes 36 questions and is intended to satisfy the requirements of AB 1840 for review and assessment of the oversight process a county superintendent of schools is using to assess the general fiscal health of school districts in his or her county, determine how well those districts are adhering to Education Code requirements, and communicate with those districts about these issues.

The tool identifies the key review elements performed by county office staff in their review of annual budgets, interim reports and unaudited actuals. Responses to each of the elements are confined to "yes" or "no." Any "no" response requires a written explanation of the remedial action taken by the county superintendent to address the issue. Oversight performance is assessed using a risk protocol based on the number of "no" responses related to the assessment of each element. The team gathers information through an initial document request and interviews of county office staff. The greater the number of "no" answers to the questions in the analysis, the higher the score, which points to a lack of sufficient oversight.

To help the county office understand the "no" responses, narratives are included that give the reason for the response and actions that may be needed to obtain a "yes" answer.

Identifying issues early with districts at risk of insolvency is key to restoring and maintaining their fiscal health. Diligent oversight will help a district better understand its financial objectives and strategies to sustain a high level of fiscal efficiency and overall solvency.

County Office Name: Alameda County Office of Education

Date of Fieldwork: August 20, 2020

Summary

In November 2002, the Oakland Unified School District governing board declared the district fiscally insolvent. On May 30, 2003, the governor signed Senate Bill 39 (Perata) into law. The bill required the superintendent of public instruction (SPI) to assume all the rights, duties, and powers of the district's governing board and to appoint, in consultation with the Alameda County Superintendent of Schools, an administrator to act on his or her behalf in the school district. The bill appropriated $100 million as an emergency appropriation to the district to be repaid over a 20-year period. This declaration occurred after a series of efforts, beginning in 1999, by the county office of education, the California Department of Education and the California Legislature to cure the district's fiscal issues. The issues that eventually led to the insolvency were systemic failures in communication and processes and procedures related to human resources, finance, facilities and governance. In 2000, a fiscal recovery plan was created that included the involvement of multiple state and local agencies to address the problems in the district. In fiscal year 2001-02, a multiyear collective bargaining agreement was approved by the governing board. As a part of the approval process, staff identified significant budget reductions that would be necessary for the district to afford the collective bargaining proposal. Most of those reductions were never realized, and cash insolvency inevitably followed.

The Alameda County Office of Education provides fiscal oversight to all of the county's school districts as a result of the original AB 1200 legislation signed into law in 1991 and expressed in California Education Code Section 42127 and related subsections. FCMAT assessed the county office's involvement with the district during its normal oversight responsibilities and specifically during the period that led to the district's declaration of insolvency and beyond, up to and including the date of this review. The team reviewed the county superintendent of schools' fiscal oversight of the district by using current and historical documents prepared by county office staff (see attached document request list) and conducting a series of online interviews with individuals key to the oversight process. The team asked a series of questions about the time leading up to the insolvency in addition to reviewing the county office's oversight practices. The team also interviewed district staff. The county office's response to the document request was marginal, and while much information was provided, it was not organized in any reasonable fashion. This made FCMAT's review of the external business team's work difficult to assess, and following the multitude of documents provided was burdensome because there was no structure, and the office did not use the naming convention structure supplied by FCMAT. Normally, in FCMAT's experience during these types of engagements in other county offices, staff have provided documents that were clear and easy to navigate based on what FCMAT requested.

It has been 17 years since the county office began its oversight of the district in 2003. Therefore, the organizational history of both the district and the county office has changed, and much of documentation is unavailable, and the staff members who were involved in the original insolvency have left. The county office's administration has changed, and the business office staff has gone through many iterations and changes in leadership. As a result, oversight processes and procedures have evolved, been updated and improved. The fiscal oversight actions taken by the county office during the time of the district's original insolvency were difficult, if not impossible, to assess. However, from the perspective of the contemporary environment and the county's role with respect to Oakland Unified and other districts, the application of fiscal oversight is mostly appropriate and adequate within the guidelines contained in the California Education Code. The county office oversight is also consistent with the best practices established in a variety of other documents including the County Office Fiscal Oversight Guide and the County Office Fiscal Procedural Manual. The COET notes when best practices were not followed because there was no Procedure Manual and Oversight Guide at those times. The team found that in its oversight of the district, the county office applies the indicators of fiscal distress during the certification process and appropriately assesses district functions related to fiscal health. Moreover, the county office applies the process of fiscal oversight consistently with all school districts and programs within its purview. Most of the review elements included in the COET were evidenced in the documentation and forms provided by the county office used to perform its AB 1200 oversight reviews. However, the county office often lacks the proper written documentation to support its analysis of certain components of the oversight process. Without documentation, FCMAT must rely on an oral record that may not be complete and/or may be misunderstood when trying to reconstruct the meaning, intent or direction given to the district. The formal and documented fiscal reviews conducted by the county office are not as extensive as some of the other counties reviewed, but seem sufficient to identify when a district is in risk of fiscal insolvency. The county office staff performs its own historical trend analysis, Local Control Funding Formula (LCFF) calculations, and multiyear projections to verify the district's numbers on an ad hoc basis. A significant amount of analysis was performed on the district's most recent collective bargaining agreements. This is likely, in part, because of the lack of confidence and trust that county office staff has in the data the district provides.

L. K. Monroe, Alameda County Superintendent of Schools, is committed to Oakland Unified's recovery and has created a process that facilitates communication and holds the district accountable for fiscal decisions. In addition, the county office has been extensively involved in improving the district's business processes, which has proved difficult since the district seems unable to maintain a consistent business staff. To help mitigate this issue, the county office had developed a team of partners and consultants to support the district's business office, but has since transitioned to using county office staff to improve the effectiveness of this intervention. The county office is also considering creating a position to oversee these interventions and act as a liaison between the district and the county superintendent. It is unclear what this position's role is relative to the trustee or how it might coordinate with that individual. Regardless, Superintendent Monroe seems determined to assist in the district's evolution and was considering a variety of additional options to continue to guide recovery at the time of the review.

The following section of this report focuses on FCMAT's review of Alameda County Office of Education's fiscal oversight actions based on the COET. The areas assessed are listed below. A notation of "yes" indicates that FCMAT found sufficient evidence to support that appropriate fiscal oversight actions were taken. If an area has an indication of "no," FCMAT found either insufficient documentation or a lack of focus with respect to that responsibility. For all of the items assessed, some narrative is included.

Evaluation Tool

		At Budget Period	At Interim Period	At Unaudited Actuals
1	Did the county office of education (COE) receive and retain certifications with original signatures? *The Technical Review Checklists all indicated (since 2017-18) that the county office confirmed certifications with signatures.*	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
2	Did the COE review the status of all import, export, general ledger and supplemental checks? *Interviews confirmed that the status was reviewed for all import, export, general ledger, and supplemental checks. The status was also listed on the checkoff sheets, although on some sheets "Column B: Compare G/L financial statements for reasonableness" was not checked, even though most of the other checklist areas capture the reasonability and issues positively.*	Yes	Yes	Yes
3	Did the COE verify whether allowable exceptions (also known as explanations) in the technical review process were reasonably explained? *It was confirmed during interviews that the Interim Technical Review Checklists, as well as the Technical Review letter, point out whether the explanations are not reasonable.*	Yes	Yes	Yes
4	Did the COE verify whether there were no fatal "F" exceptions in the technical review process? *The county office confirms that there are no fatal "F" exceptions on its Technical Review Checklist.*	Yes	Yes	Yes
5	Did the COE review transfers being made from restricted funds (e.g., building fund, bond interest and redemption fund, self-insurance fund, etc.)? *During interviews, FCMAT confirmed and clarified that the county office reviews transfers being made from restricted funds, as well as board resolutions. If there is a discrepancy in the criteria and standards, the district is called, and an explanation obtained.*	Yes	Yes	Yes
6	Did the COE review Form A and determine whether the prior year's P-2 and annual average daily attendance (ADA) agreed with the actual attendance report? *Both the interviews and a review of the Interim/Budget Review and Technical Review Checklist indicate prior year's P-2 and annual ADA are reviewed to ensure they agree with the actual attendance report.*	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
7	Did the COE investigate and determine the reason for any significant change in ADA since the prior reporting period? *Although interviews indicated that this was occurring, the documentation that FCMAT obtained did not fully explain the change in ADA and was not timely. The best practice is to clearly document the reasons for significant changes in ADA, indicate whether they are ongoing, and specify if the district is aware of and including these impacts in the current and subsequent budget analyses.*	No	No	No
8	Did the COE verify if the enrollment and ADA projections are reasonable for at least the past three years? *Other than what was discussed in interviews, the documentation that FCMAT obtained did not fully explain whether the COE verified that the enrollment and ADA projections were reasonable or whether the COE's questions ever got fully answered in a timely manner. The best practice is to document this analysis and demonstrate that the information has been provided to the district.*	No	No	N/A
9	Did the COE review the reasonableness of the explanations in the Criteria and Standards form? *The Technical Review Checklists for interims/budget all indicated (since 2017-18) that the Criteria and Standards was reviewed for reasonableness.*	Yes	Yes	N/A
10	Did the COE review the reasonableness of multiyear commitments listed in the Criteria and Standards by comparing them with the information in the most recent audit report? *The county office reviews the Criteria and Standards, but there is no evidence that the information is compared with the most recent audit. One exception is the 006 - 2018-19 Audit Finding Summary worksheet. Interviews indicated that county office staff makes the comparison, but FCMAT was not provided any documented evidence of this.*	No	No	N/A

		At Budget Period	At Interim Period	At Unaudited Actuals
11	Did the COE review retiree health and welfare benefits liabilities for reasonableness by comparing them with the information in the most recent audit report? *The county office does review the Criteria and Standards, but there is no evidence that the information is compared with the most recent audit. One exception is the 006 - 2018-19 Audit Finding Summary worksheet. The best practice is to document reviews such as this and file them appropriately.*	No	No	N/A
12	Did the COE check the accuracy of the status of any salary settlement or negotiations against current bargaining agreements as presented in the Criteria and Standards and the Public Disclosure of Collective Bargaining Agreement? *FCMAT verified that the county office checks the accuracy of any salary settlement or negotiations against current bargaining agreements as presented in the Criteria and Standards and the Public Disclosure of Collective Bargaining Agreement.*	Yes	Yes	N/A
13	If the district received a qualified or negative certification, did the COE review the AB 1200 disclosure documents and provide a written analysis regarding the viability and affordability of the collective bargaining agreement within the 10-day statutorily required period? *FCMAT verified through documentation provided by the county office that when the district received a qualified or negative certification, the county office reviewed the AB 1200 disclosure documents and provided a written analysis regarding the viability and affordability of the collective bargaining agreement within the 10-day statutorily required period.*	N/A	Yes	N/A
14	Did the COE compare budget to actuals for all revenues and expenditures while also considering historical trend data? *FCMAT verified through documentation that the county office compares budget to actuals for all revenues and expenditures while also considering historical trend data.*	Yes	Yes	Yes
15	Did the COE review the “% of difference” column for reasonability? *FCMAT verified through documentation that the county office reviewed the “% of difference” column for reasonability.*	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
16	Did the COE verify whether the district's reserve calculation meets the applicable percentage of reserve requirement in object 9789? *County office staff indicate the district's reserve calculation verification is performed, and the county office provides a written analysis to the district indicating when the district's reserve is below the required level. However, the forms and worksheets the county office uses to document its review of the district's interim reports and unaudited actuals only indicate that a check is performed to ensure the reserve is greater than zero, rather than above the reserve requirement. The best practice would include an analysis of all district reserves, including the reserve for economic uncertainty is maintained for the current and two subsequent years.*	Yes	Yes	Yes
17	Did the COE verify whether the Local Control Funding Formula revenue (object 8011) agrees with the LCFF Calculator for the current year and in the multiyear projection? *County office staff indicate that they completed a verification of object 8011 LCFF revenue against the LCFF Calculator for the current year (e.g., budget year) by running their own LCFF calculations. The forms and worksheets the county office uses to document its review of the district's interim reports and unaudited actuals indicate when there is a difference between the district's LCFF Calculator and the county office's calculations, but do not indicate that the district's current year and multiyear revenue projections agree with the LCFF Calculator.*	Yes	No	No
18	Did the COE verify whether local taxes agree with the most recent J-29B? *Based on documentation supplied by the county office, FCMAT confirmed that it verifies whether local taxes agree with the most recent J-29B.*	Yes	Yes	Yes
19	Did the COE verify whether the district's assumptions and budgeted revenues are reasonable based on the latest information on the state budget, School Services of California, Inc. Dartboard, and LCFF Calculator? *FCMAT verified, through documentation supplied by the county office, that the county office confirms the district's assumptions and budgeted revenues are reasonable based on the latest information.*	Yes	Yes	N/A

		At Budget Period	At Interim Period	At Unaudited Actuals
20	Did the COE determine whether salaries and benefits (including increases and/or decreases due to settlements of negotiations) are reasonable as budgeted in the current year and in the multiyear projection? Is the budget consistent with assumptions and Criteria and Standards information? *County office staff interviews indicated this verification is performed. However, the forms and worksheets the county office uses to document its review of the district's interim reports do not indicate that a reasonableness test is actually performed on salaries and benefits for the district's multiyear projection.*	Yes	No	N/A
21	Did the COE identify and determine the reasonableness of the increases and/or decreases in financing sources/uses? *Interviews with county office staff indicated that a verification of reasonableness of the increases and/or decreases in financing sources and uses is performed. However, the forms and worksheets the county office uses to document its review of the district's interim reports and unaudited actuals do not indicate this was actually performed.*	Yes	No	No
22	Did the COE verify whether the base year totals in the multiyear projection match the Form 01 totals? *FCMAT verified through supplied documentation that county office staff verify that base year totals in the multiyear projection match the Form 01 totals.*	Yes	Yes	N/A
23	If line B10 on the multiyear projection was used, did the COE verify whether detailed assumptions or information were included from the district to explain the adjustment? *FCMAT verified that when line B10 on the multiyear projection was used, the county office verifies that detailed assumptions or information were included from the district to explain the adjustment.*	N/A	Yes	N/A
24	Did the COE verify whether projections for supplies, services, capital outlay and other expenditures (e.g., energy costs, health and welfare, one-time expenses, etc.) appear reasonable? *FCMAT confirmed that the county office verified that projections appear reasonable for supplies, services, capital outlay and other expenditures during the multiyear projection review.*	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
25	Did the COE verify whether prior year ending balances were forwarded correctly as beginning balances? *The county office verified the prior year ending balances were posted correctly as beginning balances in the interim and actuals review processes. This verification is not applicable during the budget review.*	N/A	Yes	Yes
26	Did the COE verify whether the district projects maintaining the minimum reserve for economic uncertainty, consistent with the guidelines established in the Criteria and Standards, for the current plus two subsequent years? *The county office verified the district projects maintaining the minimum reserve. Some concerns were expressed about the district following through with the actual reductions necessary to maintain the projected reserve. However, at each budget and interim cycle the projections were verified.*	Yes	Yes	N/A
27	Did the COE verify whether the beginning cash balance for July 1 on the cash flow was reasonable and forwarded correctly from the prior year? *The cash flow projection is not required at budget adoption. There was adequate evidence the county office verifies the beginning cash balance postings at other points during the year.*	N/A	Yes	Yes
28	Does the COE monitor cash flow monthly at a minimum and communicate with the district regarding concerns about cash balance? *There was adequate evidence the county office monitors/reconciles cash flow monthly and communicates regularly with the district regarding cash balances. The county office also requires 18-24 months of cash flow projections at the reporting periods instead of the minimum required 12 months.*	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
29	Did the COE identify any tax revenue anticipation notes (TRANS) that were issued in the budget year, including a schedule for repayments, and, if so, did the COE verify whether the receipts and payments are included in the cash flow worksheet and booked in the general ledger in 9640 - Current Loans? *The county office's review checklist includes a specific prompt to identify any TRANS receipts or repayments. A specific position is responsible for cash reconciliation, which would include TRANS repayment follow-up as part of the interim review process. The districts in Alameda County can borrow cash from the county treasurer and no TRANS were issued in 2019-20.*	Yes	Yes	Yes
30	Did the COE monitor or identify any temporary borrowing between funds and use of appropriate object codes by the district? *The evidence from the review checklist and from the interviews demonstrated that any temporary borrowing between funds would be identified and monitored for appropriate use of object codes and repayment.*	Yes	Yes	Yes
31	Did the COE verify whether prior year accruals, suspense accounts, and general ledger/balance sheet transactions are reconciled by the district at each reporting period? *The checklist demonstrates the balance sheet accounts are reviewed.*	Yes	Yes	Yes
32	Did the COE review compliance with maintenance of effort and Current Expense of Education (CEA) for applicable reporting periods? *The CEA compliance is not applicable at the budget or interim reporting periods. There is adequate evidence the county office reviews compliance with the CEA during the review of unaudited actuals.*	N/A	N/A	Yes
33	If the district is deficit spending, did the COE note the levels of deficit spending and communicate the COE's concerns to the district in the budget and/or interim letters sent to the district's governing board? *The response/action letters to the district's governing board include details related to the county office's concerns about deficit spending.*	Yes	Yes	Yes
34	If the district has contingent liabilities, did the COE measure the district's ability to manage debt service or eliminate the liability and the effect on the ending fund balance? *There is adequate evidence to support the county office's review of debt service by including the payments in the budget and interim reporting periods.*	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
35	If the COE received disclosures of non-voter-approved debt from the district, did the COE respond within the statutory timeline? *Staff explained the process to review non-voter-approved debt pursuant to statute. There was no activity in this area during the sample period.*	Yes	Yes	Yes
36	Is the COE monitoring the training of administrators who have budget authority and financial management responsibilities? *A substantial number of trainings appear to have been offered for financial system users, and the county office has access to the many trainings provided by the vendor partners. Staff explained that cash flow has recently been emphasized, and even more trainings specific to Oakland Unified have been offered.*	Yes	Yes	Yes

Total, "No" Responses **14**

Scale:

0 – 20, favorable oversight performance

21 – 39, marginal oversight performance

40 – above, poor oversight performance

Conclusion

The Alameda County Office of Education provided favorable oversight performance based on the County Office Evaluation Tool developed by FCMAT. FCMAT will continue to perform an annual review of the effectiveness of the county office of education's oversight of the district. [E.C. 41326(l)(3)]

Appendices

A: Document Request List

B: Study Agreement

	Alameda County Office of Education **County Office Evaluation Review** **Documentation Request List** **Interviews: August 20, 2020** **Please upload all documents, using the item number below, to FCMAT's SharePoint document repository by May 30, 2020.**
	Document(s) needed that pertain to the fiscal oversight of Oakland Unified School District
001	COE organizational chart
002	Business services organizational chart
003	Completed checklists/files used to review each financial reporting period (adopted budget, first interim, second interim, unaudited actual) for the preceding two years
004	Communication to the district for interims and budget submission
005	Communication to the district regarding auditor selection and audit guidelines
006	Copy of district audit and resolution of findings including the COE correspondence regarding findings and follow-up of audit corrective actions
007	Communication to district regarding special education monitoring and forms
008	COE external business department organizational chart with responsibilities for performing district oversight tasks
009	Policies/procedures established for district oversight and financial review
010	COE procedure/process for tracking district ADA (historical and/or projections)
011	COE procedure/process for validating LCFF calculations

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FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

012	Budget approval (disapproval) letters to district, last two years
013	Interim certification letters to district, last two years
014	Lack of going concern letters to district, last two years
015	Unaudited actuals letters to district, last two years
016	Any communication from the COE to the CDE/SCO regarding the district fiscal solvency, last two years
017	Any relevant communication between COE and COE-assigned fiscal advisor to the district
018	Any relevant contracts or forms pertaining to employment of fiscal advisor
019	Communication to the districts of J29 property tax statements
020	COE review and correspondence with district regarding public disclosure of collective bargaining
021	Cash reconciliations and monitoring performed by the COE
022	COE review and correspondence with district regarding non-voter-approved debt

FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
February 7, 2020
AMENDED STUDY AGREEMENT
July 21, 2020

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Alameda County Office of Education, hereinafter referred to as the COE, mutually agree as follows:

1. BASIS OF AGREEMENT

The team provides a variety of services to local education agencies (LEAs). In accordance with Education Code Section 41326(1), the team has been assigned to review the fiscal oversight performed by the COE specific to the district receiving an emergency apportionment. The team may include staff from FCMAT, county offices of education, the California Department of Education, or private contractors. All work shall be performed in accordance with the terms, standards and conditions of this agreement.

FCMAT is required to report its findings to the Legislature and provide a copy of the report to the Department of Finance, the superintendent of public instruction, and the president of the State Board of Education. The county superintendent will receive a copy of the final report. The final report will also be published on the FCMAT website.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

Prepare an initial analysis of the county office fiscal oversight provided to the Oakland Unified School District using FCMAT's County Office Evaluation Tool, and make recommendations for improvement, if any.

B. Services and Products to be Provided

1. Orientation Meeting – The team will conduct an orientation session at the COE to brief COE management and supervisory personnel on the team's procedures and the purpose and schedule of the study.
2. On-site Review – The team will conduct an on-site review at the COE office and at the Oakland Unified School District if necessary.
3. Draft Report – Electronic copies of a draft report will be delivered to the county superintendent for review and comment.
4. Final Report – Electronic copies of the final report will be delivered to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.

3. **PROJECT PERSONNEL**

The FCMAT study team will include:

A. Joel Montero	***FCMAT Retired CEO***
B. Nick Schweizer	***FCMAT Consultant***
C. Misty Key	***FCMAT Consultant***

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

4. **PROJECT COSTS**

Pursuant to Education Code 41326(1), costs for the study shall be as follows:

A. All staff member and consultant daily rates and expenses will be covered by FCMAT's state apportionment.

B. **Based on the elements noted in section 2A, the total cost of the services is $0.**

5. **RESPONSIBILITIES OF THE COE**

A. The COE will provide office and conference room space during on-site reviews.

B. The COE will provide the following items:

1. Current or proposed detailed organizational charts.
2. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the COE and sent to FCMAT in electronic format.
3. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the COE will upload all requested documents.

C. The county superintendent will review a draft copy of the report resulting from the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report. All such comments should be provided to the team within five working days after receipt of the draft.

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

6. PROJECT SCHEDULE

Fieldwork will occur August 20, 2020.

7. COMMENCEMENT AND COMPLETION OF WORK

The FCMAT team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the COE and any other 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 draft report and a final report. The COE understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the COE shall not request that it do so.

8. INDEPENDENT CONTRACTOR

FCMAT is an independent contractor and is not an employee or engaged in any manner with the COE. 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 COE in any manner without prior express written authorization from an officer of the COE.

9. 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 COE, automobile liability insurance in the amount required under California state law, and workers' compensation as required under California state law. FCMAT shall provide certificates of insurance, with Alameda County Office of Education named as additional insured, indicating applicable insurance coverages upon request prior to the commencement of on-site work.

10. HOLD HARMLESS

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

11. CONTACT PERSON

Name: L. Karen Monroe
Telephone: (510) 887-0152
E-Mail: lkmonroe@acoe.org

SIGNED BY L. KAREN MONROE FEBRUARY 25, 2020
L. Karen Monroe, County Superintendent Date
Alameda County Office of Education

February 7, 2020
Michael H. Fine Date
Chief Executive Officer
Fiscal Crisis and Management Assistance Team

AMENDED STUDY AGREEMENT

7.25.2020
L. Karen Monroe, County Superintendent Date
Alameda County Office of Education

July 20, 2020
Michael H. Fine Date
Chief Executive Officer
Fiscal Crisis and Management Assistance Team