



FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Fiscal Health Risk Analysis

July 18, 2025



Amador County Office of Education

Michael H. Fine
Chief Executive Officer

July 18, 2025

Jared Critchfield, Superintendent
Amador County Office of Education
217 Rex Ave.
Jackson, CA 95642-2020

Dear Superintendent Critchfield:

In April 2025, the Amador County Office of Education and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a FCMAT Fiscal Health Risk Analysis of the county office.

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 report contains the fiscal health risk analysis report with the study team's findings. FCMAT appreciates the opportunity to assist the Amador County Office of Education 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.....	9
Areas of High Risk.....	9
Budget and Fiscal Status	9
Material Weakness Questions	9
Score Breakdown by Section.....	11
Fiscal Health Risk Analysis Questions.....	12
Annual Independent Audit Report.....	12
Budget Development and Adoption	12
Budget Monitoring and Updates.....	13
Cash Management.....	15
Charter Schools	16
Collective Bargaining Agreements.....	16
Contributions and Transfers	18
Deficit Spending (Unrestricted General Fund)	19
Employee Benefits.....	19
Enrollment and Attendance.....	20

Facilities	20
Fund Balance and Reserve for Economic Uncertainties	21
General Fund – Current Year	21
Information Systems and Data Management	22
Internal Controls and Fraud Prevention	22
Leadership and Stability	23
Multiyear Projections.....	24
Non-Voter-Approved Debt and Risk Management	25
Position Control	26
Special Education.....	26
Risk Score	27
County Office Fiscal Solvency Risk Level.....	27
Appendices.....	28
Appendix A – Comparison of 2019 and 2025 FHRA Results.....	29
Appendix B – Study Agreement	42

About FCMAT

Purpose and Services

FCMAT was created by the California Legislature to help California's transitional kindergarten through grade 14 (TK-14) local educational agencies (LEAs) avoid fiscal insolvency. Today, FCMAT helps LEAs identify, prevent and resolve financial, management, program, data, and oversight challenges; provides professional learning; produces and provides software, checklists, manuals and other tools; and offers other related school business and data services.

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

When FCMAT is asked for help with management assistance or a fiscal crisis, FCMAT management and staff work closely with the requesting LEA to meet their needs. Often this means conducting a formal study using a FCMAT study team that coordinates with the LEA for on-site fieldwork to evaluate specified operational areas and subsequently produces a written report with findings and recommendations for improvement.

For more immediate needs in a specific area, FCMAT offers short-term technical assistance from a FCMAT staff member with the required expertise.

To help meet the need for qualified chief business officials (CBOs) in LEAs, FCMAT offers four different CBO training and mentoring programs that consist of 11 or 12 diverse two-day training sessions over the course of a full year.

For agencies with professional learning needs, FCMAT offers workshops on specific topics. Popular topics include associated student body operations, use of FCMAT's Projection-Pro online financial forecasting software, use of FCMAT's Local Control Funding Formula (LCFF) Calculator, and data reporting for the California Longitudinal Pupil Achievement Data System (CALPADS). FCMAT staff and management also frequently make presentations at various professional conferences.

The California School Information Services (CSIS) service of FCMAT helps the California Department of Education (CDE) operate CALPADS; helps LEAs learn about CALPADS, resolve data issues and meet reporting requirements; and provides LEAs with training and leadership in data management. CSIS also developed and continues to host and improve the Standardized Account Code Structure (SACS) web-based financial reporting system for all California LEAs, and provides ed-data.org, which gives educators, policy-makers, the Legislature, parents and the public quick access to timely and comprehensive data about TK-12 education in California.

Since it was formed, FCMAT has provided LEAs with the types of help described above on more than 2,000 occasions.

FCMAT's administrative agent is the Kern County Superintendent of Schools. FCMAT is led by Michael H. Fine, Chief Executive Officer, and is funded by appropriations in the state budget and modest fees to requesting agencies.

Workshop schedules, manuals, presentation slide decks, Projection-Pro software, LCFF calculators, past reports, an online help desk, and many other resources are available for download or use at no charge on FCMAT's website.

History

FCMAT was created by Assembly Bill 1200 (Chapter 1213, Statutes of 1991) and Education Code 42127.8. Assembly Bill 107 (Chapter 282, Statutes of 1997) added Education Code 49080, which charged FCMAT with responsibility for CSIS and its statewide data management work, and Assembly Bill 1115 (Chapter 78, Statutes of 1999) codified CSIS' mission.

Assembly Bill 1200 created a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. Assembly Bill 2756 (Chapter 52, Statutes of 2004) gave FCMAT specific responsibilities for districts that have received emergency state loans.

In January 2006, Senate Bill 430 (Chapter 357, Statutes of 2005) amended Education Code 42127.8, and Assembly Bill 1366 (Chapter 360, Statutes of 2005) amended Education Codes 42127.8 and 84041. These new laws expanded FCMAT's services to include charter schools and community colleges, respectively.

Assembly Bill 1840 (Chapter 426, Statutes of 2018) changed how fiscally insolvent districts are administered once an emergency appropriation has been made, shifting oversight responsibilities from the state to the local county superintendent to be more consistent with the principles of local control, and giving FCMAT new responsibilities associated with the process.

Introduction

Background

The Amador County Office of Education and the Amador County Unified School District are located in the Sierra Nevada foothills, about 45 miles southeast of Sacramento. Amador County spans 593 square miles and includes the cities of Jackson, Lone, Sutter Creek, and several other small, rural communities.

The district and county office operate within a single-district county structure governed by a shared five-member board of trustees, with one superintendent serving both entities. This model, in which a school district and county office operate jointly, is rare in California; only seven such agencies exist statewide. Under this arrangement, the agencies share administrative services, including business operations, human resources, other support functions, and support staff. Oversight of the combined entity is the responsibility of the state superintendent of public instruction and is administered by the California Department of Education's (CDE'S) School Fiscal Services Division.

Together, the county office and district serve approximately 4,060 transitional kindergarten through grade 12 students at two comprehensive high schools, one alternative high school, two middle schools, six elementary schools, one continuation school, and one county community school ([California Department of Education](#)). They also offer state preschool, career technical education, independent study, adult education, and special education programs.

As of the 2024-25 second principal apportionment — [the most recent data available](#) — 43% of students in Amador County were identified as English learners, foster youth, or economically disadvantaged.

The county office's [2024-25 second interim financial report](#) projects unrestricted deficit spending of \$110,824 in 2024-25, \$112,474 in 2025-26, and \$177,875 in 2026-27. It also indicates that the county office will not meet the required 4% reserve for economic uncertainties in 2025-26 and 2026-27. The county office self-certified its 2024-25 second interim financial report as qualified, indicating that it may not be able to meet its financial obligations in the current or subsequent two fiscal years. This marks the third consecutive qualified certification, following the 2023-24 second interim and 2024-25 first interim reports.

Because of their three consecutive qualified interim report certifications, FCMAT automatically engaged with both the county office and district under provisions of the 2018-19 State Budget Act. As a result, the county office's overall risk is automatically designated as High. To assess the county office's risk of insolvency, FCMAT conducted a Fiscal Health Risk Analysis using financial data from the 2024-25 second interim report. The county office received a score of 40.6%, which aligns with its automatic High-risk designation.

Fiscal Health Risk Analysis Guidelines

FCMAT entered into a study agreement with the Amador County Office of Education on April 29, 2025, and a study team visited the county office on May 14-15, 2025, to conduct interviews, collect data and review documents. After the fieldwork, the study team continued to analyze the gathered documents and data. This report summarizes the team's findings and conclusions from 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 and its own short internal style guide, which emphasize plain language, capitalize relatively few terms, and strive for conciseness, clarity and simplicity.

The Fiscal Health Risk Analysis tool was originally designed to review school districts under the oversight of their county offices of education. In this study, however, the reviewed entity is the Amador County Office of Education and the oversight agency is the CDE. While the tool remains applicable and relevant, references to district activities in this report pertain to the county office of education, and references to oversight of the county office refer to the CDE.

Study Team

The team was composed of the following members:

Roslynne Manansala-Smith
FCMAT Intervention Specialist

Carolynne Beno
FCMAT Interim Chief Analyst

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 Local Educational Agencies

FCMAT**FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM**

Dates of fieldwork: May 14-15, 2025

County Office: Amador County Office of Education

Summary

The Amador County Office of Education's 2024-25 second interim budget projects a \$110,824 deficit in the unrestricted general fund, following two years without deficit spending. Key drivers include rising special education contractor costs due to unfilled positions, increased nonpublic school and agency expenses, and an estimated \$132,000 in excess claims liability under a new self-insured healthcare model for 2024-25. These costs have reduced the general fund balance and are expected to prevent the county office from meeting the state's minimum reserve for economic uncertainties requirement in 2025-26 and 2026-27.

In response to the county office's ongoing fiscal challenges and two consecutive qualified budget certifications, the California Department of Education (CDE) required the county office to submit a board-approved Fiscal Stabilization Plan with its 2024-25 second interim budget report. Submitted in March 2025, the plan outlines specific actions, timelines, and budget-balancing adjustments needed to restore financial solvency. It also addresses changes to the self-insured health insurance model and provides updates on staffing reductions. The plan must be fully implemented within the established timelines and updated with each subsequent budget reporting period.

FCMAT conducted a Fiscal Health Risk Analysis (FHRA) for the county office in 2019, identifying a high risk of fiscal insolvency with a score of 46.4%. The 2025 FHRA also indicates a high level of risk, with a score of 40.6%, reflecting persistent concerns in areas such as budget development and monitoring, collective bargaining, leadership stability, deficit spending, and erosion of the unrestricted general fund balance and reserves. A comparison of the results between the two FHRA studies is included in [Appendix A](#).

In fall 2023, the county office, in collaboration with its bargaining units, transitioned from a jointly managed trust model with California's Valued Trust — a self-funded public school trust — to a self-insured healthcare benefits model with NewFront. This shift has exposed the county office to unanticipated excess claims liabilities totaling over \$200,000 in both 2023-24 and 2024-25. Given the county office's low ending balances and reserves, this level of exposure is not sustainable. At the time of fieldwork, the county office was actively exploring options to transition out of it.

The county office's multiyear projections are often presented without the supporting assumptions needed for effective long-term planning. It does not adequately monitor its budget once adopted; FCMAT identified budget-to-actual discrepancies across several expenditure categories. The county office also lacks a formal budget development calendar, does not present its budgets with detailed written assumptions, and has no formal process to evaluate how accepting potential grants or restricted funds would affect its budget. Further, it has not consistently prioritized using grants or restricted funds before drawing on unrestricted funds. Establishing a more structured budget development process and prioritizing the use and oversight of restricted resources would significantly improve the county office's financial planning and monitoring.

As of this review, the county office has settled with its classified bargaining unit but has not finalized a 2024-25 agreement with its certificated unit. Although a presettlement analysis was conducted to calculate the cost of a 1% salary increase and quantify negotiation proposals, it did not include multiyear impacts or funding sources. The county office also failed to meet public disclosure requirements under Government Code 3540.2 and 3547.5 and Education Code 4214, preventing certification of affordability and a proper

CDE review before board approval. Access to accurate information on the fiscal impact of labor agreements is essential for sound financial planning.

Leadership turnover has also contributed to instability within the county office cabinet, with all five cabinet members appointed between August 2023 and October 2024. However, the current interim superintendent and interim chief business official (CBO), who assumed their roles in July 2024 following internal promotions, have provided some continuity. Prior to these appointments, the interim superintendent served as the CBO, and the interim CBO was the director of fiscal services. These internal transitions have helped the county office to maintain a degree of stability.

The governing board has a fiduciary responsibility to safeguard the county office's financial health, which includes ensuring a balanced budget and maintaining adequate reserves. County office administrators are responsible for presenting sound financial information based on current and accurate data so the board can make informed decisions that ensure long-term fiscal solvency. It is essential to consistently provide training on budget, governance, and financial management to both board members and county office administrators. Although interviews indicated that some training is provided, it is neither systematic nor regularly scheduled.

To restore fiscal stability, the county office must implement its stabilization plan with urgency while also addressing underlying issues through improved governance, long-term planning, and stronger internal systems.

County Office Fiscal Solvency Risk Level: High

About the Analysis

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

The FHRA consists of 20 sections, each including specific questions related to essential functions and processes. These sections and questions are based on FCMAT's extensive work since the inception of Assembly Bill 1200 in 1991 and represent common indicators of fiscal risk or potential insolvency observed in local educational agencies that have neared insolvency and required external assistance. Each analysis section affects fiscal stability, and neglecting any of these areas will ultimately lead to the county office's fiscal failure. The analysis aims to determine the county office's level of risk at the time of evaluation.

A higher number of "No" responses in the analysis indicates an increased risk of insolvency or other fiscal issues for the county office. Not all sections or questions carry equal weight; some areas pose a higher risk and thus have a greater impact on the county office's fiscal stability. To help the county office, narratives are provided for each "No" response, explaining the reasoning behind the response and outlining the actions needed to achieve a "Yes" in the future.

Identifying issues early is the key to maintaining fiscal health. Diligent planning allows county offices to better understand their financial objectives and implement strategies that sustain fiscal efficiency and long-term solvency. County offices should consider completing the FHRA annually to assess their fiscal health and track their progress.

Areas of High Risk

The following sections on this page and the next two pages repeat certain questions and answers found in the "Fiscal Health Risk Analysis Questions" section in this report. These sections identify conditions that create a significant risk of fiscal insolvency. A "No" response to any of these questions will supersede all other scoring and elevate the district's overall risk level.

Budget and Fiscal Status: Is district currently *without* the following?

	Yes	No
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.	✓	☐

Material Weakness Questions

	Yes	No	N/A
2.5 Has the district's budget been approved unconditionally by September 15 th by the county superintendent of schools in the current and two prior fiscal years	✓	☐	☐
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 EC 42142?	☐	✓	☐

3.6	Has the district addressed any deficiencies the county superintendent of schools has identified in its oversight letters to the district in the most recent and two prior fiscal years?	☐	✓	☐
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?	☐	✓	☐
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 meet its cash flow needs for the current and subsequent year?	☐	☐	✓
5.2	Has the district fulfilled, and does it have evidence showing fulfillment of, its oversight responsibilities in accordance with EC 47604.32?	☐	☐	✓
5.3	Are all charters authorized by the district going concerns and not in fiscal distress? . . .	☐	☐	✓
6.3	Does the district accurately quantify the effects of collective bargaining agreements and include complete disclosure documents that show the impact on its budget and multiyear projections?	☐	✓	☐
6.4	Based on the presettlement analysis, did the district identify related costs or savings, and did it identify ongoing revenue sources or expenditure reductions to support the agreement in the current and subsequent years?	☐	✓	☐
7.2	If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection sufficient transfers from the unrestricted general fund to cover any projected negative fund balance?	☐	☐	✓
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?	☐	✓	☐
10.5	Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable factors?	✓	☐	☐
11.2	Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects?	☐	☐	✓
12.1	Is the district able to maintain the minimum reserve for economic uncertainties in the current year (including Fund 01 and Fund 17) as defined by the <u>State Standards and Criteria for Fiscal Solvency</u> ?	✓	☐	☐
12.2	Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years?	☐	✓	☐
12.3	If the district is not able to maintain the minimum reserve for economic uncertainties, does the district's multiyear projection include a board-approved plan to restore the reserve?	✓	☐	☐
19.1	Does the district account for all positions and costs (including substitutes, overtime, stipends, and employer-paid benefits) in position control?	☐	✓	☐

Score Breakdown by Section

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

1.	Annual Independent Audit Report	0.2%
2.	Budget Development and Adoption	3.0%
3.	Budget Monitoring and Updates	5.0%
4.	Cash Management	2.0%
5.	Charter Schools	0.0%
6.	Collective Bargaining Agreements	6.2%
7.	Contributions and Transfers	2.0%
8.	Deficit Spending (Unrestricted General Fund)	3.6%
9.	Employee Benefits	0.6%
10.	Enrollment and Attendance	0.0%
11.	Facilities	0.1%
12.	Fund Balance and Reserve for Economic Uncertainty	3.0%
13.	General Fund - Current Year	0.2%
14.	Information Systems and Data Management	1.8%
15.	Internal Controls and Fraud Prevention	1.8%
16.	Leadership and Stability	4.4%
17.	Multiyear Projections	3.0%
18.	Non-Voter-Approved Debt and Risk Management	2.0%
19.	Position Control	1.0%
20.	Special Education	0.7%
Score		40.6%

Fiscal Health Risk Analysis Questions

1. Annual Independent Audit Report

		Yes	No	N/A
1.1	Has the district recorded findings from the most recent and prior two years' audits without negatively affecting its fiscal health?	✓	☐	☐
1.2	Has the audit report for the most recent fiscal year been completed and presented to the board within the statutory timeline per Education Code (EC) 41020?	☐	✓	☐
	The county office of education's 2023 and 2024 audit reports were not completed and presented to the board within the statutory timeline per EC 41020.			
1.3	Were the district's most recent and prior two audit reports free of findings of material weakness?	✓	☐	☐
1.4	Has the district corrected all audit findings from the most recent and prior two audits? . . .	✓	☐	☐

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 superintendent of schools' instructions, and have been clearly articulated?	☐	✓	☐
	The county office did not provide written budget assumptions to FCMAT, and detailed assumptions were not included in the 2024-25 budget and interim presentations to the board. Although the county office shared budget documents summarizing changes from the prior period, these did not reflect assumptions aligned with industry standards.			
	Key elements were missing, including assumptions for major revenues and expenditures; cost-of-living adjustments (COLAs); funding rates such as the Local Control Funding Formula and Lottery; projections for enrollment, average daily attendance (ADA) and unduplicated pupil count (UPC); staffing costs; trends in employee and retiree benefits; capital outlay plans; changes in operating costs; contribution details; and distinctions between ongoing and one-time funding.			
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 reviewing prior year estimated actuals by major object code and removing one-time revenues and expenses?	✓	☐	☐
2.3	Does the district use position control data for budget development?	✓	☐	☐
2.4	Does the district calculate its Local Control Funding Formula (LCFF) revenue correctly? . . .	✓	☐	☐
2.5	Has the district's budget been approved unconditionally by September 15th by the county superintendent of schools 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?** ☐ ☒ ☐
- Staff interviews indicate that although the county office's goal is to use restricted funds before unrestricted funds, this practice is not consistently followed. The increase in restricted program ending fund balances from 2021-22 to 2023-24 suggests that restricted funds are not being strategically spent before unrestricted funds.
- 2.8 Have the district's Local Control and Accountability Plan (LCAP) and budget been adopted within the statutory timelines established by EC 42103 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 prior fiscal year?** ☒ ☐ ☐
- 2.9 Has the district refrained from including carryover funds in its adopted budget?** ☐ ☒ ☐
- According to staff interviews, the county office will include estimated carryover funds from its June Estimated Actuals Budget in its adopted budget. Provided documents indicate that the county office adjusts these amounts in its first interim budget if actual carryover differs from the estimates in the adopted budget.
- 2.10 Other than objects in the 5700s and 7300s, does the district avoid using negative expense or contra expenditure accounts in its budget?** ☒ ☐ ☐
- 2.11 Does the district have and follow a documented standard procedure for evaluating both the proposed acceptance of grants and other restricted funds and the potential multiyear impact on the district's unrestricted general fund?** ☐ ☒ ☐
- Staff reported that there are no documented standard procedures for evaluating proposed grants or assessing their potential multiyear impact on the county office's unrestricted general fund. Although the development of such procedures is planned, they were not in place at the time of FCMAT's fieldwork in May.
- 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 and departments responsible for completing them?** ☐ ☒ ☐
- The county office does not formally follow an organizationwide budget calendar that includes the elements described above. According to staff interviews and supporting documents, the county office relies on a budget checklist to help the Business Services Department track its tasks and progress. Additionally, staff reported that budget development dates and deadlines are typically communicated by email to each department rather than maintained in a centralized budget calendar.

3. Budget Monitoring and Updates

- | | Yes | No | N/A |
|---|-------------------------------------|--------------------------|--------------------------|
| 3.1 Are actual revenues and expenses consistent with the most current budget? ☐ | ☒ | ☐ | ☐ |
| Several expenditure categories — including special education teacher salaries, classified support salaries, employee benefits, supplies, and special education contracts — were underbudgeted. In addition, local revenues were also underbudgeted. | | | |
| 3.2 Are budget revisions posted in the financial system at each interim reporting period, at a minimum? ☒ | ☐ | ☐ | ☐ |

- 3.3 Are clearly written and articulated budget assumptions that support budget revisions communicated to the board at each interim reporting period, at a minimum?** ☐ ☒ ☐

The county office did not provide written budget assumptions to FCMAT, and detailed assumptions were not included in its 2024-25 budget presentations to the board. While the county office shared budget documents summarizing changes from the prior period, these did not reflect assumptions aligned with industry standards.

Key elements were missing, including assumptions for major revenues and expenditures; COLAs; funding rates such as the LCFF and Lottery; projections for enrollment, ADA and UPC; staffing costs; trends in employee and retiree benefits; capital outlay plans; changes in operating costs; contribution details; and distinctions between ongoing and one-time funding.

- 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 EC 42142?** ☐ ☒ ☐

In 2023-24, the county office included tentative salary schedule increases for certificated and classified employees in its first interim budget in December 2023. Following a negotiated agreement with the Special Educators of Amador County (SEAC), the governing board approved a revised salary schedule reflecting a 3% ongoing increase in August 2024.

For 2024-25, the adopted budget included tentative salary schedule increases of approximately 3% for certificated and classified employees. After reaching an agreement that provided a 4.75% ongoing increase to the California School Employees Association (CSEA) salary schedule, the board approved the revised salary schedule at its November 13, 2024 meeting. At its December board meeting, the county office further revised the budget to include an additional 1.75% ongoing increase for salaries and benefits.

- 3.5 Do the district's responses fully explain the variances identified in the SACS Criteria and Standards Review form?** ☒ ☐ ☐

- 3.6 Has the district addressed any deficiencies the county superintendent of schools has identified in its oversight letters to the district in the most recent and two prior fiscal years?** ☐ ☒ ☐

For the past three years, the California Department of Education (CDE) has issued oversight letters to the county office regarding its adopted budget, first interim, and second interim reports — a total of nine letters covering fiscal years 2022-23 through 2024-25.

In seven of these letters, the CDE reminded the county office of its obligations related to collective bargaining agreements, specifically that:

- The county office must provide the CDE with an analysis of the cost of each settlement and its impact on the operating budget.
 - Public disclosure documents prepared in compliance with Government Code (GC) 3547.5 can be used to meet this requirement.
- Under GC 3547.5(b), the superintendent and chief business official (CBO) must certify in writing that the costs of the agreement can be met during the term of the agreement.

- Given the county office's qualified budget certification, any proposed collective bargaining agreement must be submitted to the CDE, along with the required financial documents, at least 10 days in advance for review and comment under GC 3540.2(e).

In its oversight letter dated February 27, 2025, concerning the county office's 2024-25 first interim report, the CDE found the county office out of compliance with GC 3547.5 and 3540.2(e). The letter stated:

After reviewing the First Interim Report from ACOE [Amador County Office of Education] and meeting with ACOE on February 14, 2025, it is evident that the collective bargaining agreements were settled before submitting the proposed agreement and the required financial documents to the CDE for review and commentary.

Additionally, the county office did not provide evidence that it publicly disclosed the collective bargaining agreements for its classified units for 2023-24 and 2024-25, as required by GC 3574.5. It also did not provide certification from the superintendent and CBO that the costs of these agreements could be met.

- | | | | | |
|------------|---|--------------------------|--------------------------|--------------------------|
| 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 funds for salaries and benefits and adjust those encumbrances as needed? | ✓ | ☐ | ☐ |
| 3.9 | For the most recent and two prior fiscal years, have the district's interim financial reports and unaudited actuals been adopted and filed with the county superintendent of schools within the timelines established in Education Code? | ☐ | ✓ | ☐ |

The county office did not submit its 2023-24 second interim financial report to the CDE within the timelines required by the Education Code. The report was initially presented to the county office's board on March 6, 2024, but it included personnel reductions that had not been approved by the board. As a result, the item was pulled from the agenda to revise the report and remove the unapproved reductions. The updated report was subsequently presented and approved at the March 27, 2024 board meeting.

Although the submission was late, the county office promptly notified the CDE, explaining that the report had been withdrawn, updated and resubmitted for board approval at the end of March.

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 (COE) reports monthly? | ✓ | ☐ | ☐ |
| 4.2 Does the district reconcile all bank (cash and cash equivalent) accounts with each statement in a timely manner? | ☐ | ✓ | ☐ |

The county office did not provide supporting documentation showing it reconciles all accounts.

- 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?** ☐ ☒ ☐
- The county office prepares and updates cash flow projections only for the current year, not for the subsequent year.
- Under best practices, local educational agencies should update cash flow projections monthly, rather than only at periodic reporting periods. At a minimum, projections should cover both the current and following fiscal year to provide a two-year outlook. During periods of economic distress or funding uncertainty, the frequency and depth of cash flow projections and analysis should be increased.
- 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 meet its cash flow needs for the current and subsequent year?** ☐ ☐ ☒
- 4.5 Does the district have sufficient cash resources in its other funds to support its current and projected obligations in those funds?** ☒ ☐ ☐
- 4.6 If the district uses interfund borrowing, is it complying with EC 42603?** ☒ ☐ ☐
- 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?** ☐ ☐ ☒

5. Charter Schools

- | | Yes | No | N/A |
|--|-------------------------------------|--------------------------|-------------------------------------|
| 5.1 Does the district have a board policy, memorandum of understanding (MOU), or other written document(s) regarding charter oversight? | ☒ | ☐ | ☐ |
| 5.2 Has the district fulfilled, and does it have evidence showing fulfillment of, its oversight responsibilities in accordance with EC 47604.32? | ☐ | ☐ | ☒ |
| 5.3 Are all charters authorized by the district going concerns and not in fiscal distress? . . . | ☐ | ☐ | ☒ |
| 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? | ☐ | ☐ | ☒ |
| 5.5 Does the district monitor charter school audits for timeliness, completeness, and exceptions? | ☐ | ☐ | ☒ |

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? | ☒ | ☐ | ☐ |
| 6.2 Has the district settled with all its bargaining units for the current year? | ☐ | ☒ | ☐ |
- As of FCMAT's fieldwork on May 14-15, 2025, the certificated bargaining unit, SEAC, had not yet reached a settlement for 2024-25.

- 6.3 Does the district accurately quantify the effects of collective bargaining agreements and include complete disclosure documents that show the impact on its budget and multiyear projections?** ☐ ☒ ☐

The county office provided spreadsheets calculating the cost of a 1% salary increase to quantify negotiation proposals for 2023-24 and 2024-25. However, interviews and a review of board meeting agendas indicate that the county office did not prepare disclosure documents showing the impact of collective bargaining agreements on its budget and multiyear projections.

- 6.4 Based on the presettlement analysis, did the district identify related costs or savings, and did it identify ongoing revenue sources or expenditure reductions to support the agreement in the current and subsequent years?** ☐ ☒ ☐

While the county office prepared presettlement analyses to calculate the cost of a 1% salary increase for negotiation proposals, it did not identify ongoing revenue sources or expenditure reductions to support the agreements in the current or subsequent years.

Under GC 3540.2 and 3547.5 and EC 42142, public disclosures of collective bargaining agreements are required and must include both the cost of the agreement and the identification of ongoing funding sources or expenditure reductions to sustain the agreement over time.

- 6.5 In the current and prior two fiscal years, has the total cost of the district's bargaining agreement settlements, including step-and-column increases, been at or under the funded cost-of-living adjustment (COLA)?** ☐ ☒ ☐

When reviewing each year individually in [Table 1](#), the county office's bargaining agreement settlements, including step-and-column increases, were below the funded COLAs for 2022-23 and 2023-24. However, the settlement for the classified bargaining unit, CSEA Chapter 239, exceeded the funded COLA in 2024-25.

Under the CSEA Chapter 239 agreement covering 2023-24 and 2024-25, the total ongoing salary increase is 4.75%, effective July 1, 2024, with no increase applied in 2023-24. As shown in the last column of [Table 1](#), when considering the two years together, the county office's increase remained below the combined COLA for both years.

At the time of fieldwork, the certificated bargaining unit, SEAC, had not yet settled for 2024-25.

Table 1. Funded COLA and Salary Increases, 2022-23 — 2024-25

Description	2022-23	2023-24	2024-25	2023-24 & 2024-25 Combined
Statutory COLA	13.26%	8.22%	1.07%	9.29%
SEAC Salary Increases	9.30%	4.50%	1.3%	5.8%
CSEA Chapter 239 Salary Increases	8.80%	1.50%	6.05%	7.55%

Sources: Adapted from the SACS General Fund School District Criteria and Standards Review for each budget and interim period shown, and from county office board agendas and items documenting approval of updated salary schedules.

Note: Salary increases include both settlements and step-and-column adjustments for certificated and classified bargaining units, with the exception of the 1.3% SEAC salary increase for 2024-25, which only reflects the cost of step-and-column adjustments.

- 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 Codes 3540.2 and 3547.5, and EC 42142? ☐ ✓ ☐
- As noted in item 6.3, the superintendent and CBO did not present the required public disclosures of collective bargaining agreements to the board or the public. Instead, the county office's board approved revised salary schedules that reflected the negotiated increases.
- 6.8** Did the superintendent and CBO certify the public disclosure of collective bargaining agreement before board approval? ☐ ✓ ☐
- The county office did not complete the required public disclosures of collective bargaining agreements, including the certifications by the superintendent and CBO affirming that the county office can afford the negotiated costs.
- 6.9** Is the governing board's action consistent with the superintendent's and CBO's certification? ☐ ✓ ☐
- The superintendent and CBO did not present the required public disclosures of collective bargaining agreements to the board or the public. Instead, the county office's board approved revised salary schedules that reflected the negotiated increases.

7. Contributions and Transfers

- | | Yes | No | N/A |
|--|--------------------------|--------------------------|--------------------------|
| 7.1 Does the district have an active, board-approved plan to eliminate, reduce or control any contributions/transfers from its unrestricted general fund to other restricted programs and funds? | ☐ | ✓ | ☐ |
| The county office makes contributions from its unrestricted general fund to restricted programs, including the routine restricted maintenance account (RRMA) and special education. According to the county office's second interim general fund School District Criteria and Standards Review, the projected contribution increased by \$84,384 due to high costs in both RRMA and special education. At both the first and second interim, the RRMA contribution exceeded the required 3% minimum. However, there is no board-approved plan in place to reduce or control these required RRMA and special education contributions and transfers. | | | |
| 7.2 If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection sufficient transfers from the unrestricted general fund to cover any projected negative fund balance? | ☐ | ☐ | ✓ |
| 7.3 If any contributions or 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? | ☐ | ✓ | ☐ |
| In the current year, the county office's contribution to its special education program exceeded the budgeted amount. According to its second interim general fund School District Criteria and Standards Review, vacancies in special education positions have led the county office to rely more heavily on contracted positions. Additionally, rising costs for students attending nonpublic schools have further increased contributions from unrestricted to restricted funds. | | | |

8. Deficit Spending (Unrestricted General Fund)

	Yes	No	N/A
8.1 Is the district avoiding deficit spending in the current fiscal year?	☐	☒	☐
The county office's 2024-25 second interim report projects a net decrease of \$110,824 in the unrestricted general fund balance for the current year.			
8.2 Is the district projected to avoid deficit spending in both of the two subsequent fiscal years?	☐	☒	☐
The county office's 2024-25 second interim multiyear projection report projects a net decrease in the unrestricted general fund balance of \$112,474 in 2025-26 and \$177,875 in 2026-27.			
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?	☐	☒	☐
In March 2025, the county office's board approved a fiscal stabilization plan to address its qualified budget status. Some Phase 1 actions, such as the reduction in force, have been completed, while others, like the health and welfare transition, are still in process or have not yet been implemented. Phases 2 and 3 are planned to be implemented in 2026 and 2027, respectively.			
8.4 Has the district decreased deficit spending over the past two fiscal years and is there evidence of this in its unaudited actuals reports?	☐	☒	☐
The county office's 2022-23 unaudited actuals financial report shows a net increase of \$113,370 in the unrestricted general fund balance, and its 2023-24 unaudited actuals financial report reflects a smaller net increase of \$30,360. However, in the current year, the 2024-25 second interim report projects a net decrease of \$110,824 in the unrestricted general fund balance, indicating increased deficit spending.			

9. Employee Benefits

	Yes	No	N/A
9.1 Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board requirements to determine its unfunded liability for other post-employment benefits (OPEB)?	☒	☐	☐
9.2 Does the district have a plan to fund its OPEB liabilities for the current and two subsequent years such that the total of annual required service payments (whether legally or contractually required, or locally defined such as pay-as-you-go premiums, trust agreement obligations or a board adopted commitment) are no greater than 2% of the district's unrestricted general fund revenues?	☒	☐	☐
9.3 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?	☒	☐	☐
9.4 Does the district track, reconcile and report employees' compensated leave balances?	☒	☐	☐
9.5 Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?	☐	☒	☐
Staff interviews indicate that some employees have accumulated vacation balances exceeding the limits set by their collective bargaining agreements or the county office's Administrative Regulation 4261.			

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?	✓	☐	☐
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 project future trends?	✓	☐	☐
10.4	Do schools maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the school and district levels?	✓	☐	☐
10.5	Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable factors?	✓	☐	☐
10.6	Has the district planned for enrollment losses to any charter schools?	☐	☐	✓
10.7	Do all applicable schools and departments review and verify their respective California Longitudinal Pupil Achievement Data System (CALPADS) data and correct it as needed before the report submission deadlines?	✓	☐	☐
10.8	Has the district certified its CALPADS data (most recent Fall 1, Fall 2, and end-of-year reports) by the required deadlines?	✓	☐	☐
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?	☐	☐	✓
10.10	Does the district adhere to the average TK-3 class enrollment limits at each school, the adult-to-student ratio for each TK class, and the credentialing requirements for teachers assigned to TK classes as defined in the Education Code?	☐	☐	✓

11. Facilities

		Yes	No	N/A
11.1	If the district participates in the state's School Facility Program, has it made the required contribution to its Routine Restricted Maintenance Account?	✓	☐	☐
11.2	Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects?	☐	☐	✓
11.3	Does the district properly track and account for facility-related projects?	☐	☐	✓
11.4	Does the district use its facilities fully (districtwide) in accordance with the Office of Public School Construction's loading standards?	☐	☐	✓
11.5	Does the district include facility needs (maintenance, repair, and operating requirements) when adopting a budget?	✓	☐	☐
11.6	Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues?	✓	☐	☐
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?	☐	☐	✓
11.8	Does the district have a board-approved long-range facilities master plan completed within the last five years that reflects its current and projected facility needs?	✓	☐	☐

12. Fund Balance and Reserve for Economic Uncertainties

	Yes	No	N/A
12.1 Is the district able to maintain the minimum reserve for economic uncertainties in the current year (including Fund 01 and Fund 17) as defined by the <u>State Standards and Criteria for Fiscal Solvency</u> ?	✓	☐	☐
12.2 Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years?	☐	✓	☐
According to the county office's 2024–25 second interim report multiyear projections, its minimum reserve for economic uncertainties will fall below the required 4% in the two subsequent years. Available reserves are projected to decline to \$469,122 (3.62%) in 2025-26 and \$291,247 (2.23%) in 2026-27.			
12.3 If the district is not able to maintain the minimum reserve for economic uncertainties, does the district's multiyear projection include a board-approved plan to restore the reserve?	✓	☐	☐
12.4 Is the district's projected unrestricted fund balance stable or increasing in the two subsequent fiscal years without unsubstantiated revenue increases or expenditure reductions?	☐	✓	☐
The county office's 2024-25 second interim report multiyear projection indicates a net decrease of \$110,824 in the unrestricted general fund balance for the current year, with projected net decreases of \$112,474 in 2025-26 and \$177,875 in 2026-27.			
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 to cover these costs?	☐	✓	☐
For 2024-25, the county office paid \$132,000 from its current-year unrestricted general fund reserves to cover excess claims liability costs. If the county office does not transition from its self-insured health insurance model in 2025-26, it risks incurring unfunded excess claims liability costs in future years. As noted in <u>item 12.2</u> , the county office also projects insufficient funds to meet its minimum reserve for economic uncertainties in 2025-26 and 2026-27.			

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?	✓	☐	☐
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 prior year statewide average?	✓	☐	☐
13.3 Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below that of the prior two years?	✓	☐	☐
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 prior two years, is the district addressing the complaint(s)?	☐	☐	✓
13.5 For positions supported with one-time or restricted funding, does the district either ensure that these funds are sufficient to pay for these staff or have a plan to pay for the positions with unrestricted funds?	✓	☐	☐

- | | | | | |
|------|---|--------------------------|--------------------------|--------------------------|
| 13.6 | Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time? | ✓ | ☐ | ☐ |
| 13.7 | Does the district account for all program costs, including the maximum allowable indirect costs, for each restricted resource and other funds? | ☐ | ✓ | ☐ |
| | <p>The county office's 2023-24 unaudited actuals report indicates that the maximum allowable indirect cost was not charged to resources 3385, 5035, 6123, 6127, 6500, 6546, and 7368. Similarly, the 2024-25 second interim budget indicates that indirect costs are not budgeted at the full allowable rate for restricted resources 3010, 3310, 3327, 6266, 6500, 6510, 6546, 6547, and 6770.</p> | | | |
| 13.8 | Are all balance sheet accounts in the general ledger reconciled at least at each interim reporting period and at year-end close? | ✓ | ☐ | ☐ |

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 COE? | ☐ | ✓ | ☐ |
| <p>In single-district-county models, the CDE's School Fiscal Services Division provides fiscal oversight of the combined entity. However, the county office's financial system operates separately from the CDE.</p> | | | |
| 14.5 If the district is using a separate financial system from its COE, is there an automated interface that allows data to be sent and received by both the district's and COE's financial systems? | ☐ | ✓ | ☐ |
| <p>In addition to the comments noted in item 14.4, there is no automated interface that allows data exchange between the financial systems of single-district-counties and the CDE.</p> | | | |
| 14.6 If the district is using a separate financial system from its COE, has the district provided the COE with direct access so the COE can provide oversight, review and assistance? | ☐ | ✓ | ☐ |
| <p>At the time of fieldwork, the county office had not provided CDE with direct access to its financial system.</p> | | | |

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?** ☐ ☒ ☐

The district and county office use ESCAPE as their financial system. According to staff interviews, the county office updates access and authorization controls in ESCAPE for employment actions such as new hires and promotions. However, it was unclear how frequently the county office reviews and updates access and authorization for terminations, resignations or demotions. Additionally, the county office does not have an established annual process to review and update access and authorization controls in ESCAPE.

- 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 related 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?** ☒ ☐ ☐

- 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 (books) within the time prescribed by the county superintendent of schools?** ☒ ☐ ☐

- 15.7 Does the district have processes and procedures to discourage and detect fraud?** ☒ ☐ ☐

- 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?** ☐ ☒ ☐

While leadership was able to describe the follow-up process once a report of possible fraud is submitted to cabinet members, other staff were unclear about how they should or could report suspected fraud. Most believed they should bring concerns to their supervisor, but this understanding was not consistent across all staff.

There is no formal or documented process for reporting suspected fraud, and the county office does not have an independent or anonymous reporting mechanism in place.

- 15.9 Does the district have an internal audit process?** ☐ ☒ ☐

While the district and county office maintain segregation of duties in AP, AR, purchasing and contracts, payroll, and human resources, neither has a formal, documented internal audit process.

16. Leadership and Stability

Yes No N/A

- 16.1 Does the district have a chief business official who has been in this position with the district for more than two years?** ☐ ☒ ☐

In 2024-25, the county office is operating with an interim CBO, who previously served as its director of fiscal services.

- 16.2 Does the district have a superintendent who has been in this position with the district for more than two years?** ☐ ☒ ☐
- In 2024-25, the county office is led by an interim superintendent who has been appointed by the board as the permanent superintendent starting in July 2025. Prior to assuming the interim role, this individual served as the county office's CBO.
- 16.3 Does the superintendent schedule and hold meetings regularly with all members of their administrative cabinet?** ☒ ☐ ☐
- 16.4 Is training on financial management and budget provided to school and department administrators who are responsible for budget management?** ☐ ☒ ☐
- Staff reported that when the county office adopted the ESCAPE financial system several years ago, training was provided for all employees responsible for budget management. However, they also indicated that ongoing training — including training for new staff on financial management and budgeting — is not provided systematically or on a regular basis.
- 16.5 Does the governing board adopt and revise policies and administrative regulations annually?** ☐ ☒ ☐
- Many of the county office's board policies and administrative regulations have not been updated in at least five years. In spring 2024, the county office contracted with the California School Boards Association (CSBA) to review and identify board policies and administrative regulations requiring updates. Staff reported that these updates are now being brought to the board for consideration.
- 16.6 Are newly adopted or revised policies and administrative regulations implemented, communicated, and available to staff?** ☒ ☐ ☐
- 16.7 Do all board members attend training on the budget and governance at least every two years?** ☐ ☒ ☐
- The last board governance training was held in February 2023. While some board members attended the CSBA conference this year and others have received one-on-one budget training from county office staff, the county office plans to provide several trainings on budget and governance for all board members in the upcoming fiscal year.
- 16.8 Is the superintendent's evaluation performed according to the terms of the contract?** . . . ☐ ☒ ☐
- The previous superintendent was not evaluated in accordance with the terms of their contract. Additionally, the current superintendent, who served in an interim capacity this year, has not been evaluated.
- 16.9 Is the district avoiding relying on consultants to prepare financial reports (e.g. SACS) or other primary fiscal activities?** ☒ ☐ ☐

17. Multiyear Projections

- | | Yes | No | N/A |
|---|--------------------------|-------------------------------------|--------------------------|
| 17.1 Has the district developed multiyear projections that include detailed assumptions aligned with industry standards? | ☐ | ☒ | ☐ |
| The county office did not provide written multiyear budget assumptions to FCMAT, and its 2024-25 multiyear projections at second interim did not include detailed assumptions. While the county office shared budget documents summarizing current-year changes from the prior period, these did not reflect assumptions aligned with industry standards. | | | |

Key elements were missing, including assumptions for major revenues and expenditures; COLAs; funding rates such as the LCFF and Lottery; projections for enrollment, ADA and UPC; staffing costs; trends in employee and retiree benefits; capital outlay plans; changes in operating costs; contribution details; and distinctions between ongoing and one-time funding.

- 17.2 To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation that includes multiyear considerations?** ☒ ☐ ☐

- 17.3 Does the district use its most current multiyear projection when making financial decisions?** ☐ ☒ ☐

Staff interviews indicate that county office administration relies on the most current multiyear projection when making financial decisions. However, there was no evidence that these projections were provided to administration or the board to illustrate the multiyear impact of the collective bargaining agreements before decisions were made.

- 17.4 If the district uses a broad adjustment category in its multiyear projection (such as line 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?** ☐ ☒ ☐

In reviewing the county office's multiyear projection from its 2024-25 second interim budget, FCMAT found that the county office entered reductions in the certificated and classified "other adjustments" categories on its SACS Form MYP (lines 1d and 2d) for 2025-26. These included projected reductions of \$14,876 for certificated salaries and \$4,170 for classified salaries. However, the "Assumption" section of the SACS Form MYP form did not provide any details, simply stating "Explained Later," and FCMAT could not locate any further explanation in the budget documents submitted with the 2024-25 second interim report.

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) and others) stable, predictable, and other than the unrestricted general fund?** ☐ ☒ ☐

According to the Criteria and Standards Review (SACS Form 01CS) submitted with the 2024-25 second interim report, the county office has a capital lease principal balance of \$166,511. Estimated annual payments of \$59,867 will be made through 2027, paid from the unrestricted 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 it completed an actuarial valuation as required and does it have a plan to pay for any unfunded liabilities?** ☐ ☒ ☐

In fall 2023, the district and the county office, in collaboration with their bargaining units, transitioned from a jointly managed trust model with California's Valued Trust — a self-funded public school trust — to a self-insured healthcare benefits model with NewFront.

Under Governmental Accounting Standards Board (GASB) Statement No. 75, full actuarial valuations are required every two years. Due to the timing of this transition, the district and county office have not yet completed an actuarial valuation for 2023-24.

During fieldwork in May, interviews indicated that the district and county office plan to exit the self-insured model, because the risk and exposure to excess claims liabilities is unsustainable. They intend to transition in the fall (October), aligning with the end of the old plan year and the start of a new one.

- 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?** ☒ ☐ ☐

19. Position Control

- | | Yes | No | N/A |
|--|-------------------------------------|-------------------------------------|--------------------------|
| 19.1 Does the district account for all positions and costs (including substitutes, overtime, stipends, and employer-paid benefits) in position control? | ☐ | ☒ | ☐ |
| The county office uses the position control module within its financial system to track salary and benefit costs for most positions; however, it does not include substitutes or extra duty stipends in this system. | | | |
| 19.2 Does the district analyze and adjust staffing based on staffing ratios and enrollment? . . . | ☒ | ☐ | ☐ |
| 19.3 Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim financial 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 at least monthly to discuss issues and improve processes? | ☒ | ☐ | ☐ |

20. Special Education

- | | Yes | No | N/A |
|--|-------------------------------------|-------------------------------------|--------------------------|
| 20.1 For special education classrooms and support services, does the district use staffing ratios that align with statutory requirements and industry standards, and are students' support needs also considered? If so, are those needs documented and evaluated at each budget cycle? | ☒ | ☐ | ☐ |
| 20.2 Does the district access all available funding sources for costs related to special education (e.g., state excess cost pool, legal fees, mental health)? | ☐ | ☒ | ☐ |
| Staff reported that they only recently became aware of the state's Extraordinary Cost Pool (ECP), which reimburses Special Education Local Plan Areas (SELPAs) for the extraordinary costs of single placements in nonpublic, nonsectarian schools (NPSs) and for special education and related services for students residing in licensed children's institutions (LCIs), as outlined in EC 56836.21. A three-year review of the <u>SELPA Special Education Funding Exhibit</u> confirms that the county office has not accessed the ECP. | | | |

- | | | | | |
|------|--|--------------------------|--------------------------|--------------------------|
| 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)? | ✓ | ☐ | ☐ |
| 20.5 | Does the district monitor contributions from the unrestricted general fund and adjust to trends in the special education program?. | ✓ | ☐ | ☐ |
| 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? | ☐ | ☐ | ✓ |
| 20.7 | Does the district analyze whether it will meet the maintenance of effort requirement at each interim financial reporting period? | ☐ | ✓ | ☐ |

Staff reported that the county office evaluates its compliance with the maintenance of effort requirement annually at the end of the school year but does not perform this analysis at each interim financial reporting period.

Risk Score, 20 numbered sections only:

40.6%

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

County Office 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 the score above because it elevates the district’s risk level.)

Appendices

Appendix A – Comparison of 2019 and 2025 FHRA Results

Appendix B –Study Agreement

Appendix A – Comparison of 2019 and 2025 FHRA Results

Appendix A presents a comparative analysis of the 2019 and 2025 Fiscal Health Risk Analysis (FHRA) results to identify changes in the county office's fiscal health indicators. This comparison highlights shifts in responses, focusing on areas of improvement and emerging risks.

Items present in the 2019 FHRA but absent from the 2025 FHRA are excluded from this analysis. For scoring purposes, "N/A" is treated as "Yes." Additionally, shading is used to indicate changes in the county office's "No" responses between the two assessment years, providing a clear visual reference for areas of fiscal concern or progress.

This appendix serves as a valuable tool for evaluating the county office's financial management practices and identifying key areas that require continued oversight and improvement.

1. Annual Independent Audit Report	2019	2025
1.1 Has the district recorded findings from the most recent and prior two years' audits without negatively affecting its fiscal health?	Yes	Yes
1.2 Has the audit report for the most recent fiscal year been completed and presented to the governing board within the statutory timeline per Education Code (EC) 41020?	Yes	No
1.3 Were the district's most recent and prior two audit reports free of findings of material weakness?	Yes	Yes
1.4 Has the district corrected all audit findings from the most recent and prior two audits?	No	Yes

1. Annual Independent Audit Report

Answer	2019	2025	Change in Number of "No" Responses
Yes	3	3	
No	1	1	No Change
N/A	0	0	

2. Budget Development and Adoption	2019	2025
2.1 Does the district develop and use written budget assumptions and multiyear projections that are reasonable, are aligned with the county superintendent of schools' instructions, and have been clearly articulated?	No	No
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 reviewing prior year estimated actuals by major object code and removing 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 its Local Control Funding Formula (LCFF) revenue correctly?	No	Yes
2.5 Has the district's budget been approved unconditionally by September 15th by the county superintendent of schools in the current and prior two fiscal years?	No	Yes

2.	Budget Development and Adoption	2019	2025
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?	No	No
2.8	Have the district's Local Control and Accountability Plan (LCAP) and budget been adopted within the statutory timelines established by EC 42103 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 prior fiscal year?	Yes	Yes
2.9	Has the district refrained from including carryover funds in its adopted budget?	Yes	No
2.10	Other than objects in the 5700s and 7300s, does the district avoid using negative expense or contra expenditure accounts in its budget?	Yes	Yes
2.11	Does the district have and follow a documented standard procedure for evaluating both the proposed acceptance of grants and other restricted funds and the 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 and departments responsible for completing them?	No	No

2. Budget Development and Adoption

Answer	2019	2025	Change in Number of "No" Responses
Yes	6	7	
No	6	5	Decreased by 1
N/A	0	0	

3.	Budget Monitoring and Updates	2019	2025
3.1	Are actual revenues and expenses consistent with the most current budget?	No	No
3.2	Are budget revisions posted in the financial system at each interim reporting period, at a minimum?	Yes	Yes
3.3	Are clearly written and articulated budget assumptions that support budget revisions communicated to the governing board at each interim reporting period, 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 EC 42142?	No	No
3.5	Do the district's responses fully explain the variances identified in the SACS Criteria and Standards Review form?	No	Yes
3.6	Has the district addressed any deficiencies the county superintendent of schools has identified in its oversight letters to the district in the most recent and prior two fiscal years?	No	No

3. Budget Monitoring and Updates	2019	2025
3.7 Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure?	No	Yes
3.8 Does the district encumber funds for salaries and benefits and adjust those encumbrances as needed?	No	Yes
3.9 For the most recent and prior two fiscal years, have the district's interim financial reports and 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

Answer	2019	2025	Change in Number of "No" Responses
Yes	2	4	
No	7	5	Decreased by 2
N/A	0	0	

4. Cash Management	2019	2025
4.1 Are accounts held by the county treasurer reconciled with the district's and county office of education's (COE) reports monthly?	Yes	Yes
4.2 Does the district reconcile all bank (cash and cash equivalent) accounts with each statement in a timely manner?	No	No
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?	No	No
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 meet its cash flow needs for the current and subsequent year?	Yes	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 the district uses interfund borrowing, is it complying with EC 42603?	Yes	Yes
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?	Yes	N/A

4. Cash Management

Answer	2019	2025	Change in Number of "No" Responses
Yes	5	3	
No	2	2	No Change
N/A	0	2	

5. Charter Schools	2019	2025
5.1 Does the district have a board policy, memorandum of understanding (MOU), 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 EC 47604.32?	No	N/A
5.3 Are all charters authorized by the district going concerns and not in fiscal distress?	Yes	N/A
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?	No	N/A
5.5 Does the district monitor charter school audits for timeliness, completeness, and exceptions?	N/A*	N/A

*Item 5.5 was not included in the 2019 FHRA.

5. Charter Schools

Answer	2019	2025	Change in Number of “No” Responses
Yes	1	1	
No	3	0	Decreased by 3
N/A	1	4	

6. Collective Bargaining Agreements	2019	2025
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?	No	No
6.3 Does the district accurately quantify the effects of collective bargaining agreements and include complete disclosure documents that show the impact on its budget and multiyear projections?	No	No
6.4 Based on the presettlement analysis, did the district identify related costs or savings, and did it identify ongoing revenue sources or expenditure reductions to support the agreement in the current and subsequent years?	No	No
6.5 In the current and prior two fiscal years, has the total cost of the district's bargaining agreement settlements, including step-and-column increases, been 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 EC 42142?	Yes	No
6.8 Did the superintendent and chief business official (CBO) certify the public disclosure of collective bargaining agreement before board approval?	Yes	No
6.9 Is the governing board's action consistent with the superintendent's and CBO's certification?	Yes	No

6. Collective Bargaining Agreements

Answer	2019	2025	Change in Number of “No” Responses
Yes	4	1	Increased by 3
No	4	7	
N/A	1	1	

7. Contributions and Transfers

		2019	2025
7.1	Does the district have an active, board-approved plan to eliminate, reduce or control any contributions/transfers from its 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 sufficient transfers from the unrestricted general fund to cover any projected negative fund balance?	No	N/A
7.3	If any contributions or transfers were required for restricted programs and/or other funds in either of the prior two 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

Answer	2019	2025	Change in Number of “No” Responses
Yes	1	0	No Change
No	2	2	
N/A	0	1	

8. Deficit Spending (Unrestricted General Fund)

		2019	2025
8.1	Is the district avoiding deficit spending in the current fiscal year?	No	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 and is there evidence of this in its unaudited actuals reports?	No	No

8. Deficit Spending (Unrestricted General Fund)

Answer	2019	2025	Change in Number of “No” Responses
Yes	0	0	No Change
No	4	4	
N/A	0	0	

9. Employee Benefits	2019	2025
9.1 Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board 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 OPEB liabilities for the current and two subsequent years such that the total of annual required service payments (whether legally or contractually required, or locally defined such as pay-as-you-go premiums, trust agreement obligations, or a board-adopted commitment) are no greater than 2% of the district's unrestricted general fund revenues?	Yes	Yes
9.3 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?	Yes	Yes
9.4 Does the district track, reconcile and report employees' compensated leave balances?	Yes	Yes
9.5 Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?	Yes	No

9. Employee Benefits

Answer	2019	2025	Change in Number of "No" Responses
Yes	5	4	
No	0	1	Increased by 1
N/A	0	0	

10. Enrollment and Attendance	2019	2025
10.1 Has the district's enrollment been increasing or remained stable for the current and prior two years?	Yes	Yes
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)?	Yes	Yes
10.3 Does the district track historical enrollment and ADA data to project future trends?	Yes	Yes
10.4 Do schools maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the school and district levels?	Yes	Yes
10.5 Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable factors?	Yes	Yes
10.6 Has the district planned for enrollment losses to any charter schools?	N/A	N/A
10.7 Do all applicable schools and departments review and verify their respective California Longitudinal Pupil Achievement Data System (CALPADS) data and correct it as needed before the report submission deadlines?	Yes	Yes
10.8 Has the district certified its CALPADS data (most recent Fall 1, Fall 2, and end-of-year reports) by the required deadlines?	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?	N/A	N/A

10. Enrollment and Attendance**2019****2025**

- 10.10** Does the district adhere to the average TK-3 class enrollment limits at each school, the adult-to-student ratio for each TK class, and the credentialing requirements for teachers assigned to TK classes as defined in the Education Code?

N/A

N/A

10. Enrollment and Attendance

Answer	2019	2025	Change in Number of “No” Responses
Yes	7	7	
No	0	0	No Change
N/A	3	3	

11. Facilities**2019****2025**

- 11.1** If the district participates in the state’s School Facility Program, has it made the required contribution to its Routine Restricted Maintenance Account?
- 11.2** Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects?
- 11.3** Does the district properly track and account for facility-related projects?
- 11.4** Does the district use its facilities fully (districtwide) in accordance with the Office of Public School Construction’s loading standards?
- 11.5** Does the district include facility needs (maintenance, repair, and operating requirements) when adopting a budget?
- 11.6** Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues?
- 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?
- 11.8** Does the district have a board-approved long-range facilities master plan completed within the last five years that reflects its current and projected facility needs?

Yes

Yes

Yes

N/A

Yes

N/A

N/A

N/A

Yes

Yes

No

Yes

N/A

N/A

No

Yes

11. Facilities

Answer	2019	2025	Change in Number of “No” Responses
Yes	4	4	
No	2	0	Decreased by 2
N/A	2	4	

12. Fund Balance and Reserve for Economic Uncertainties**2019****2025**

- 12.1** Is the district able to maintain the minimum reserve for economic uncertainties in the current year (including Fund 01 and Fund 17) as defined by the State Standards and Criteria for Fiscal Solvency?
- 12.2** Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years?

No

Yes

No

No

12.	Fund Balance and Reserve for Economic Uncertainties	2019	2025
12.3	If the district is not able to maintain the minimum reserve for economic uncertainties, does the district's multiyear projection include a board-approved plan to restore the reserve?	No	Yes
12.4	Is the district's projected unrestricted fund balance stable or increasing in the two subsequent fiscal years without unsubstantiated revenue increases or expenditure reductions?	No	No
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 to cover these costs?	N/A	No

12. Fund Balance and Reserve for Economic Uncertainties

Answer 2019 2025 Change in Number of "No" Responses

Yes	0	2	Decreased by 1
No	4	3	
N/A	1	0	

13.	General Fund – Current Year	2019	2025
13.1	Does the district ensure that one-time revenues do not pay for ongoing expenditures?	No	Yes
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 prior year statewide average?	N/A	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 that of the prior two years?	N/A	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 prior two years, is the district addressing the complaint(s)?	N/A	N/A
13.5	For positions supported with one-time or restricted dollars, does the district either ensure that these funds are sufficient to pay for these staff or have a plan to pay for the positions with unrestricted funds?	Yes	Yes
13.6	Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time?	Yes	Yes
13.7	Does the district account for all program costs, including the maximum allowable indirect costs, for each restricted resource and other funds?	No	No
13.8	Are all balance sheet accounts in the general ledger reconciled at least at each interim report and at year-end close?*	No	Yes

*Item 13.8 in the 2025 FHRA was previously identified as Item 3.9 in the 2019 FHRA.

13. General Fund - Current Year

Answer	2019	2025	Change in Number of “No” Responses
Yes	2	6	Decreased by 2
No	3	1	
N/A	3	1	

14.	Information Systems and Data Management	2019	2025
-----	---	------	------

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?	Yes	Yes
14.4	Is the district using the same financial system as its COE?	No	No
14.5	If the district is using a separate financial system from its COE, is there an automated interface that allows data to be sent and received by both the district's and COE's financial systems?	No	No
14.6	If the district is using a separate financial system from its COE, has the district provided the COE with direct access so the COE can provide oversight, review and assistance?	No	No

14. Information Systems and Data Management

Answer	2019	2025	Change in Number of “No” Responses
Yes	3	3	No Change
No	3	3	
N/A	0	0	

15.	Internal Controls and Fraud Prevention	2019	2025
-----	--	------	------

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?	Yes	No
15.3	Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?:		
	• Accounts payable (AP).	Yes	Yes
	• Accounts receivable (AR).	Yes	Yes
	• Purchasing and contracts.	Yes	Yes
	• Payroll.	Yes	Yes
	• Human resources (i.e., duties related to position control and payroll processes).	Yes	Yes

15. Internal Controls and Fraud Prevention	2019	2025
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	Yes
15.5 Does the district review and work to clear prior year accruals throughout the year?	No	Yes
15.6 Has the district reconciled and closed the general ledger (books) within the time prescribed by the county superintendent of schools?	Yes	Yes
15.7 Does the district have processes and procedures to discourage and detect fraud?	Yes	Yes
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?	No	No
15.9 Does the district have an internal audit process?	No	No

15. Internal Controls and Fraud Prevention

Answer 2019 2025 Change in Number of “No” Responses

Yes	10	10	
No	3	3	No Change
N/A	0	0	

Note: 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	2019	2025
16.1 Does the district have a CBO who has been in this position with the district for more than two years?	No	No
16.2 Does the district have a superintendent who has been in this position with the district for more than two years?	No	No
16.3 Does the superintendent schedule and hold meetings regularly with all members of their administrative cabinet?	No	Yes
16.4 Is training on financial management and budget provided to school and department administrators who are responsible for budget management?	Yes	No
16.5 Does the governing board adopt and revise policies and administrative regulations annually?	Yes	No
16.6 Are newly adopted or revised policies and administrative regulations implemented, communicated, and available to staff?	Yes	Yes
16.7 Do all board members attend training on the budget and governance at least every two years?	Yes	No
16.8 Is the superintendent’s evaluation performed according to the terms of the contract?	N/A	No
16.9 Is the district avoiding relying on consultants to prepare financial reports (e.g. SACS) or other primary fiscal activities?	N/A*	Yes

*Item 16.9 was not included in the 2019 FHRA.

16. Leadership and Stability

Answer	2019	2025	Change in Number of “No” Responses
Yes	4	3	Increased by 3
No	3	6	
N/A	2	0	

17. Multiyear Projections**2019 2025**

17.1 Has the district developed multiyear projections that include detailed assumptions aligned with industry standards?

No

No

17.2 To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation that includes multiyear considerations?

No

Yes

17.3 Does the district use its most current multiyear projection when making financial decisions?

No

No

17.4 If the district uses a broad adjustment category in its multiyear projection (such as line 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?

N/A

No

17. Multiyear Projections

Answer	2019	2025	Change in Number of “No” Responses
Yes	0	1	No Change
No	3	3	
N/A	1	0	

18. Non-Voter-Approved Debt and Risk Management**2019 2025**

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 the 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 prior two fiscal years?

Yes

Yes

18.3 If the district is self-insured, has it completed an actuarial valuation as required and does it have a plan to pay for any unfunded liabilities?

N/A

No

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

Answer	2019	2025	Change in Number of “No” Responses
Yes	2	2	Increased by 1
No	1	2	
N/A	1	0	

19. Position Control	2019	2025
19.1 Does the district account for all positions and costs (including substitutes, overtime, stipends, and employer-paid benefits) in position control?	No	No
19.2 Does the district analyze and adjust staffing based on staffing ratios and enrollment?	No	Yes
19.3 Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim financial 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?	No	Yes
19.5 Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted?	No	Yes
19.6 Do managers and staff responsible for the district's human resources, payroll and budget functions meet at least monthly to discuss issues and improve processes?	Yes	Yes

19. Position Control

Answer	2019	2025	Change in Number of "No" Responses
Yes	2	5	
No	4	1	Decreased by 3
N/A	0	0	

20. Special Education	2019	2025
20.1 For special education classrooms and support services, does the district use staffing ratios that align with statutory requirements and industry standards, and are students' support needs also considered? If so, are those needs documented and evaluated at each budget cycle?	No	Yes
20.2 Does the district access all available funding sources for costs related to special education (e.g., state excess cost pool, legal fees, mental health)?	Yes	No
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)?	Yes	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	Yes
20.5 Does the district monitor contributions from the unrestricted general fund and adjust to trends in the special education program?	N/A*	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?	N/A	N/A
20.7 Does the district analyze whether it will meet the maintenance of effort requirement at each interim financial reporting period?	Yes	No

*Item 20.5 was not included in the 2019 FHRA.

20. Special Education

Answer	2019	2025	Change in Number of “No” Responses
Yes	3	4	No Change
No	2	2	
N/A	2	1	

Appendix B – Study Agreement

FCMATFISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

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 Amador County Office of Education, 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 Client's 2024-2025 second interim financial report, certified under EC 42130 and 42131, marks its third consecutive qualified certification.

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 state superintendent of public instruction 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 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, with the Client named as additional insured, 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: Jared Critchfield, Superintendent

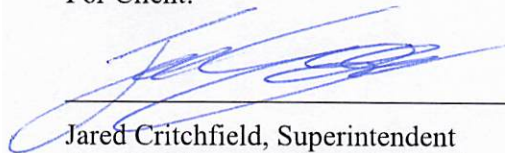
Telephone: (209) 257-5353

Email: jcritchfield@acusd.org

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:



Jared Critchfield, Superintendent
Amador County Office of Education

4/29/2025

Date

For FCMAT:

Michael H. Fine Digitally signed by Michael H. Fine
Date: 2025.04.29 18:19:03 -07'00'

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

Date