

Fiscal Health Risk Analysis

December 3, 2020



Bassett Unified School District

Michael H. Fine
Chief Executive Officer

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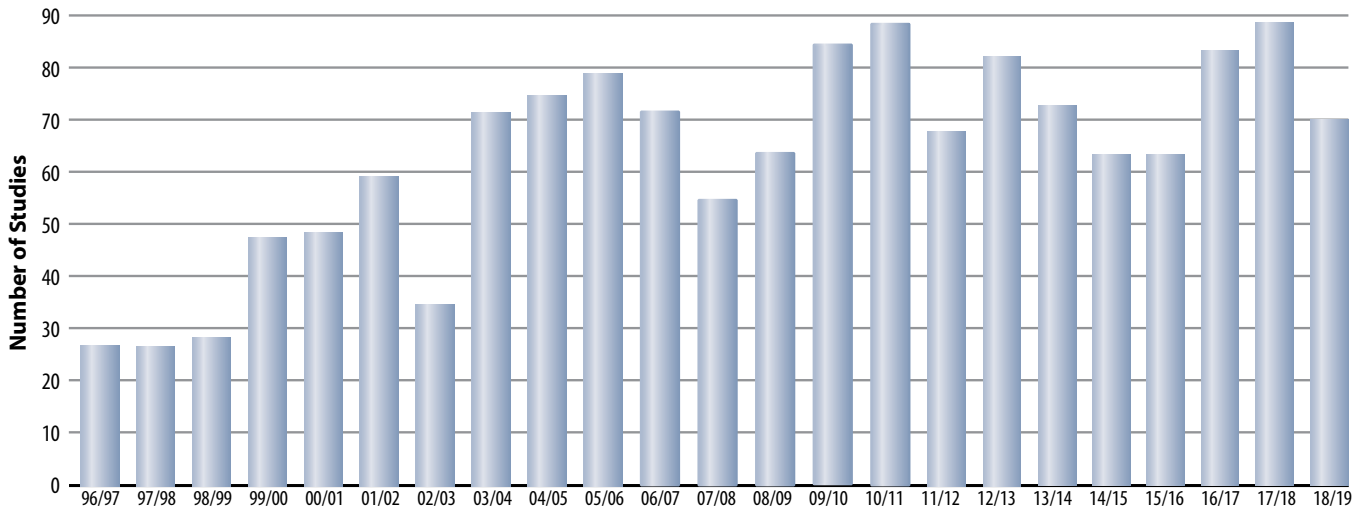
About FCMAT

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

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

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

Studies by Fiscal Year



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

FCMAT was created by Assembly Bill (AB) 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. AB 1115 in 1999 codified CSIS’ mission.

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

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

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

Since 1992, FCMAT has been engaged to perform more than 1,000 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

Background

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

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

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

This fiscal health risk analysis is being conducted because the district had the following condition(s), under which an analysis is required by the 2018-19 State Budget Act:

"Lack of going concern" designation

The Bassett Unified School District dates back to 1898 with the opening of Bassett Elementary in Bassett Township serving 20 students in grades one through nine and governed by three board members. As of 2020, the district has an enrollment of approximately 3,400 and is governed by five board members. Located in what is now known as the city of La Puente in Los Angeles County, California, the district operates on seven school sites: four elementary schools, one middle school, one comprehensive high school and a continuation school. The district's unduplicated pupil percentage, the percentage of students that are eligible for free or reduced-priced meals, English learners, or foster youth, is 92.86%.

The district has experienced declining enrollment for several years, straining funding. Bassett Unified certified as qualified for both the first and second interim reports in 2019-20, raising concerns of fiscal insolvency. With the turnover of key leadership positions in addition to the fiscal issues, the Los Angeles County Office of Education (LACOE) found further uncertainty regarding the district's fiscal health and declared Bassett Unified a lack of going concern in June 2020.

FCMAT performed a Fiscal Health Risk Analysis (FHRA) to determine the district's level of risk for insolvency.

Fiscal Health Risk Analysis Guidelines

FCMAT entered into a study agreement with the Bassett Unified School District on July 30, 2020, and a study team conducted virtual interviews on September 14-16, 2020, collected data and reviewed documents. Following fieldwork, the study team continued to review and analyze documents. This report is the result of those activities.

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

Study Team

The team was composed of the following members:

John Von Flue FCMAT Chief Analyst	Robbie Montalbano FCMAT Intervention Specialist
Marcus Wirowek FCMAT Intervention Specialist	Leonel Martínez 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 K-12 School Districts



FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Date(s) of fieldwork: September 14-16, 2020

District: Bassett Unified School District

Summary

The district has been officially identified as a fiscal concern since the 2019-20 fiscal year with concurrence from LACOE. The district self-certified as qualified for both the first and second interim reporting periods of 2019-20, meaning that it may not be able to meet its financial obligations for the current or two subsequent fiscal years. In April 2020, LACOE sent a letter to the district noting concerns with the district's ability to meet fiscal obligations.

Regarding Bassett Unified's fiscal status, the board of trustees is ultimately responsible for the budget and governing the district in maintaining fiscal solvency. The district's management team is responsible for presenting sound financial information and assumptions based on current and accurate data so the board can make informed decisions.

Soon after the April letter, the chief business official (CBO) and superintendent left the district. Lack of stability in these key management positions led LACOE to determine the district a "lack of going concern" in June 2020, identifying serious concern with its fiscal well-being. In addition, the county office assigned a fiscal advisor to assist with fiscal oversight and required the district to submit regular updates on the development and implementation of a fiscal stabilization plan.

This FHRA is reflective of the district at the time of the lack of going concern designation, shows the district at a high risk of insolvency, and identifies its areas of fiscal weaknesses.

The district's fiscal concerns began with the decline in enrollment experienced over several years and a lack of appropriate and timely adjustment in staffing and other expenses to offset the funding losses. The district's failure to adjust expenses is likely because of several contributing factors, including leadership turnover, inadequate budget development and monitoring, poor multiyear projections, and issues with collective bargaining agreements.

According to interviews, instability in the superintendent and CBO positions has been an issue for several years, and this turnover likely caused a lack of consistent direction and control of district finances. This analysis found several issues in historical budget development and monitoring including the absence of a structured budget development process, use of detailed assumptions, gaining input from various stakeholders, accuracy of calculations and projections, inadequate review and adjustments throughout the year, and lack of year-end reconciliation and accurate closing.

FCMAT could not determine whether the district historically analyzed and properly approved collective bargaining agreements. No presettlement analysis was located for implemented agreements. The public disclosure was conducted; however, failures were found in the certification and board approval action.

The analysis found issues with the district's multiyear projections (MYPs) as well. These MYPs lacked accurate funding calculations and detailed assumptions, but included large adjustments without detail and reason. The MYPs identified a deficit spending trend, but this was not acted on with expenditure reductions or a fiscal stability plan.

Without significant expenditure reductions and/or revenue increases, the district will continue to deficit spend into the foreseeable future and cannot maintain an adequate reserve for economic uncertainty.

The governing board is ultimately responsible for the district's budget. Management is responsible for providing accurate financial information based on current and accurate data so the board can make sound decisions. The failure of the board to act decisively on accurate information may result in fiscal insolvency and loss of local control.

District Fiscal Solvency Risk Level: High

About the Analysis

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

The FHRA includes 20 sections, each of which contains specific questions. Each section and specific question is included based on FCMAT's work since the inception of AB 1200; they are the common indicators of risk or potential insolvency for

districts that have neared insolvency and needed assistance from outside agencies. Each section of this analysis is critical, and lack of attention to these critical areas will eventually lead to a district’s failure. The analysis focuses on essential functions and processes to determine the level of risk at the time of assessment.

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

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

Areas of High Risk

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

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

Material Weakness Questions	Yes	No	N/A
2.5 Has the district’s budget been approved unconditionally by its county office of education in the current and two prior fiscal years?	<input type="checkbox"/>	✓	<input type="checkbox"/>
3.4 Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with Education Code Section 42142?	<input type="checkbox"/>	✓	<input type="checkbox"/>
3.6 Has the district addressed any deficiencies the county office of education has identified in its oversight letters in the most recent and two prior fiscal years?	<input type="checkbox"/>	✓	<input type="checkbox"/>
4.3 Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known?	✓	<input type="checkbox"/>	<input type="checkbox"/>
4.4 If the district’s cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to address its cash flow needs for the current and subsequent year?	✓	<input type="checkbox"/>	<input type="checkbox"/>
5.2 If the district has any charters in fiscal distress, has the district performed its statutory fiscal and operational oversight functions, including formal communication to the charter, such as notices of violation?	<input type="checkbox"/>	<input type="checkbox"/>	✓
5.3 Has the district fulfilled and does it have evidence showing fulfillment of its oversight responsibilities in accordance with Education Code Section 47604.32?	<input type="checkbox"/>	<input type="checkbox"/>	✓
6.3 Does the district accurately quantify the effects of collective bargaining agreements and include them in its budget and multiyear projections?	<input type="checkbox"/>	✓	<input type="checkbox"/>

6.4	Did the district conduct a presettlement analysis and identify related costs or savings, if any (e.g., statutory benefits, and step and column salary increase), for the current and subsequent years, and did it identify ongoing revenue sources or expenditure reductions to support the agreement?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.2	If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection any transfers from the unrestricted general fund to cover any projected negative fund balance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.3	If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10.6	Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable considerations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.2	Does the district have sufficient and available capital outlay and/or bond funds to cover all contracted obligations for capital facilities projects?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.1	Is the district able to maintain the minimum reserve for economic uncertainty in the current year (including Fund 01 and Fund 17) as defined by criteria and standards?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.2	Is the district able to maintain the minimum reserve for economic uncertainty in the two subsequent years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12.3	If the district is not able to maintain the minimum reserve for economic uncertainty, does the district's multiyear financial projection include a board-approved plan to restore the reserve?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19.1	Does the district account for all positions and costs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Score Breakdown by Section

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

1.	Annual Independent Audit Report	0.2%
2.	Budget Development and Adoption	6.5%
3.	Budget Monitoring and Updates	6.8%
4.	Cash Management	0.0%
5.	Charter Schools	0.0%
6.	Collective Bargaining Agreements	4.9%
7.	Contributions and Transfers	1.0%
8.	Deficit Spending (Unrestricted General Fund)	2.0%
9.	Employee Benefits	0.0%
10.	Enrollment and Attendance	1.2%
11.	Facilities	0.1%
12.	Fund Balance and Reserve for Economic Uncertainty	2.9%
13.	General Fund - Current Year	1.8%
14.	Information Systems and Data Management	0.0%
15.	Internal Controls and Fraud Prevention	0.6%
16.	Leadership and Stability	2.2%

17.	Multiyear Projections	3.9%
18.	Non-Voter-Approved Debt and Risk Management	0.0%
19.	Position Control	0.0%
20.	Special Education	0.7%
Score		34.6%

Fiscal Health Risk Analysis Questions

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

1. Annual Independent Audit Report	Yes	No	N/A
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1.1	Has the district corrected the most recent and prior two years’ audit findings without affecting its fiscal health?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.2	Has the audit report for the most recent fiscal year been completed and presented to the board within the statutory timeline? (Extensions of the timeline granted by the State Controller’s Office should be explained.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.3	Were the district’s most recent and prior two audit reports free of findings of material weaknesses?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The district’s 2016-17 audit report identified material findings in the following areas:

- *Internal controls – closing procedures – numerous errors were made that required reclassifying and adjusting entries*
- *Governmentwide conversion entries*
- *The district’s 2017-18 audit report identified material findings in the following areas:*
- *Internal controls – closing procedures. - numerous errors were made that required reclassifying and adjusting entries.*

1.4	Has the district corrected all reported audit findings from the most recent and prior two audits?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Some findings have been corrected; however, the following findings occur frequently over the last four fiscal years:

- *Attendance – procedures 2016, 2017, 2018*
- *Internal controls – closing procedures 2017, 2018, 2019*
- *State compliance – ratio of administrative employees to teachers 2016, 2017*
- *Miscellaneous – governmentwide conversion entries 2016, 2017*

Miscellaneous – classroom teachers’ salaries (current expense formula/minimum classroom compensation) 2016, 2018

- *The district’s 2019-20 unaudited actuals indicate that it may again have a finding in its 2020 audit for not meeting classroom teachers’ salaries (current expense formula/minimum classroom compensation)*

2. Budget Development and Adoption		Yes	No	N/A
2.1	Does the district develop and use written budget assumptions and multiyear projections that are reasonable, are aligned with the county office of education instructions, and have been clearly articulated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>For the 2019-20 budget and interim reporting periods, minimal budget assumptions were developed and/or shared with the board with the financial reports.</i>			
2.2	Does the district use a budget development method other than a prior-year rollover budget, and, if so, does that method include tasks such as review of prior year estimated actuals by major object code and removal of one-time revenues and expenses?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>According to interviews, the district's practice is to utilize the prior year's budget and make adjustments to either remove one-time expenditures or add new expenditures as information is learned.</i>			
2.3	Does the district use position control data for budget development?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.4	Does the district calculate the Local Control Funding Formula (LCFF) revenue correctly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>The district overestimated LCFF revenue in its 2019-20 budget resulting in a rejection of the original adopted budget.</i>			
2.5	Has the district's budget been approved unconditionally by its county office of education in the current and two prior fiscal years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>The county office conditionally approved the district's 2019-20 adopted budget citing concerns on the accuracy of enrollment projections, the absence of key financial data such as an audit adjustment, and underestimation of contributions to the special education program as well as a lack of a board-approved fiscal stabilization plan. The district submitted a revised budget that was unconditionally approved in November 2019.</i>			
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)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>The district had a budget advisory committee for development of the 2019-20 budget, but no information was provided concerning input from the governing board, the community or administrators outside of the committee. No evidence was provided concerning continuing the discussion with the advisory committee or the board throughout the year.</i>			
2.7	Does the district budget and expend restricted funds before unrestricted funds?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>The district's budget indicates that adopted textbooks, object 4100, are being paid for from the unrestricted general fund, leaving an estimated \$452,000 in restricted lottery unspent.</i>			
2.8	Have the Local Control and Accountability Plan (LCAP) and the budget been adopted within statutory timelines established by Education Code Sections 42103 and 52062 and filed with the county superintendent of schools no later than five days after adoption or by July 1, whichever occurs first, for the current and one prior fiscal year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.9	Has the district refrained from including carryover funds in its adopted budget?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 2.10 Other than objects in the 5700s and 7300s and appropriate abatements in accordance with the California School Accounting Manual, does the district avoid using negative or contra expenditure accounts?
- The district used contra expenditure accounts in the 2018-19 budget for unrestricted teachers' salaries (\$4,481,902).*
- The district used contra expenditure accounts in the 2019-20 second interim budget for unrestricted teachers' salaries (\$5,602,367), and for unrestricted general operating expenditures (\$350,000).*
- 2.11 Does the district have a documented policy and/or procedure for evaluating the proposed acceptance of grants and other types of restricted funds and the potential multiyear impact on the district's unrestricted general fund?
- The district has Board Policy 3290, which generally guides considerations in acceptance of gifts, grants and bequests; however, there is no documented process on how to evaluate the potential multiyear impact on the general fund.*
- 2.12 Does the district adhere to a budget calendar that includes statutory due dates, major budget development tasks and deadlines, and the staff members/departments responsible for completing them?
- The district follows a calendar for statutory due dates and due dates identified by LACOE. The district does not have a budget calendar or process that identifies local tasks to include staff involved, stakeholders included in the budget development process and timelines/deadlines for each.*

3. Budget Monitoring and Updates

Yes No N/A

- 3.1 Are actual revenues and expenses consistent with the most current budget?
- For the 2019-20 fiscal year, salaries appear to be underexpended at both first and second interims. Noncapitalized equipment is overexpended by \$181,665 in the second interim.*
- 3.2 Are budget revisions posted in the financial system at each interim report, at a minimum? . . .
- 3.3 Are clearly written and articulated budget assumptions that support budget revisions communicated to the board at each interim report, at a minimum?
- For the 2019-20 fiscal year, FCMAT did not find that detailed budget assumptions and support for budget revisions were developed and shared with the board with the financial reports.*
- 3.4 Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with Education Code Section 42142?
- The district provided reports for 2017-18 negotiations settled in 2018-19 but FCMAT was unable to determine if the appropriate budget adjustments were made timely. FCMAT also found reference to settlements in January 2020, but could not verify appropriate adjustments were made as no cost analyses were provided for the settlements.*

- 3.5 Do the district's responses fully explain the variances identified in the criteria and standards? .
The district did not complete some fields in the criteria and standards for 2019-20 second interim. Section S8C pertaining to salary and benefit negotiations with management/supervisor/confidential was incomplete. In section S7A 3b, OPEB amounts are not included for the two subsequent years.

In many areas of the criteria and standards, the explanations were not consistent between first and second interims for 2019-20 and/or were insufficient to explain the variance.
- 3.6 Has the district addressed any deficiencies the county office of education has identified in its oversight letters in the most recent and two prior fiscal years?
In oversight letters issued by LACOE for the 2018-19 and 2019-20 fiscal years, deficiencies were noted in the areas of deficit spending and insufficient reserves; in addition, a fiscal stabilization plan was requested repeatedly.
- 3.7 Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure?
A review of 2019-20 budget reports for all district funds indicates 562 account lines between object codes 4000-6999 with negative balances totaling \$12,184,864, indicating that purchase orders were processed beyond the approved budget. For the general fund, FCMAT found 337 account lines totaling \$5,270,186 overexpended. The district described its process and provided evidence that some budget transfers are made to adjust the budget prior to approval of expenditures. The district's process is reliant on staff practice to monitor the processing of requisitions and purchase orders and is not sufficient to prohibit and/or prevent the action beyond the authorized budget.
- 3.8 Does the district encumber and adjust encumbrances for salaries and benefits?
Based on a review of 2019-20 budget reports, FCMAT found that the district does not encumber and adjust encumbrances for salaries and benefits.
- 3.9 Are all balance sheet accounts in the general ledger reconciled at least at each interim report and at year end close?
- 3.10 Have the interim reports and the unaudited actuals been adopted and filed with the county superintendent of schools within the timelines established in Education Code?

4. Cash Management **Yes** **No** **N/A**

- 4.1 Are accounts held by the county treasurer reconciled with the district's and county office of education's reports monthly?
- 4.2 Does the district reconcile all bank (cash and investment) accounts with bank statements monthly?
- 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 address 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 interfund borrowing is occurring, does the district comply with Education Code Section 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 Are all charters authorized by the district going concerns? ✓
- 5.2 If the district has any charters in fiscal distress, has the district performed its statutory fiscal and operational oversight functions, including formal communication to the charter, such as notices of violation? ✓
- 5.3 Has the district fulfilled and does it have evidence showing fulfillment of its oversight responsibilities in accordance with Education Code Section 47604.32? ✓
- 5.4 Does the district have a board policy or other written document(s) regarding charter oversight? ✓
- 5.5 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? ✓

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? ✓
- 6.3 Does the district accurately quantify the effects of collective bargaining agreements and include them in its budget and multiyear projections? ✓

For the 2017-18, 2018-19 and 2019-20 fiscal years, FCMAT was not provided information about any work done on quantifying the costs of the district's bargaining agreements/ tentative agreements; therefore, it cannot be confirmed that the quantifications were made.

- 6.4 Did the district conduct a presettlement analysis and identify related costs or savings, if any (e.g., statutory benefits, and step and column salary increase), for the current and subsequent years, and did it identify ongoing revenue sources or expenditure reductions to support the agreement? ✓

No evidence was provided to FCMAT to suggest the district performed a presettlement analysis before entering into a bargaining agreement/tentative agreement.

- 6.5 In the current and prior two fiscal years, has the district settled the total cost of the bargaining agreements at or under the funded cost of living adjustment (COLA)? ✓
- 6.6 If settlements have not been reached in the past two years, has the district identified resources to cover the costs of the district's proposal(s)? ✓
- 6.7 Did the district comply with public disclosure requirements under Government Code Sections 3540.2 and 3547.5, and Education Code Section 42142? ✓

The district did not comply with the required Government and Education code sections related to public disclosure. Required presettlement disclosure documents, including the major provisions and cost of the agreements, were not found in the district's board minutes.

- 6.8 Did the superintendent and CBO certify the public disclosure of collective bargaining agreement prior to board approval?
- The superintendent and CBO certified the public disclosure documents for collective bargaining. However, a review of board agendas and minutes found that the certification was not submitted to the board for approval/denial.*
- 6.9 Is the governing board's action consistent with the superintendent's and CBO's certification? .
- The governing board did approve the bargaining agreements/tentative agreements as presented; however, the board did not act in support or in consideration of the superintendent and CBO certification as the certifications analyzing the cost impacts of the agreements were not presented to the board.*

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

- 7.1 Does the district have a board-approved plan to eliminate, reduce or control any contributions/transfers from the unrestricted general fund to other restricted programs and funds?
- The district lacks a board-approved process to eliminate, reduce or control any contributions/transfers from the unrestricted general fund to other restricted programs and funds should they occur.*
- 7.2 If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection any transfers from the unrestricted general fund to cover any projected negative fund balance?
- 7.3 If any contributions/transfers were required for restricted programs and/or other funds in either of the two prior fiscal years, and there is a need in the current year, did the district budget for them at reasonable levels?

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

- 8.1 Is the district avoiding deficit spending in the current fiscal year?
- 8.2 Is the district projected to avoid deficit spending in both of the two subsequent fiscal years? .
- Based on the district's 2019-20 second interim multiyear projections, the district is projected to deficit spend by \$1,984,262 in 2020-21 and \$874,787 in 2021-22*
- According to the district's 2019-20 third interim multiyear projections, the projected deficit increases to \$3,843,750 in 2020-21 and \$3,373,636 in 2021-22.*
- 8.3 If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency?
- At the time of FCMAT's review, the district lacked a board-approved plan to ensure fiscal solvency.*
- Resolutions #29-20 approved in May 2020 and #31-20 approved in June 2020 call for reductions in staff and furlough days for 2021-22. If implemented, these reductions will assist the district in correcting its current structural deficit spending.*
- 8.4 Has the district decreased deficit spending over the past two fiscal years?

9. Employee Benefits		Yes	No	N/A
9.1	Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board (GASB) requirements to determine its unfunded liability for other post-employment benefits (OPEB)?	✓	<input type="checkbox"/>	<input type="checkbox"/>
9.2	Does the district have a plan to fund its liabilities for retiree health and welfare benefits with the total of annual required service payments no greater than 2% of the district's unrestricted general fund revenues?	✓	<input type="checkbox"/>	<input type="checkbox"/>
9.3	Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?	✓	<input type="checkbox"/>	<input type="checkbox"/>
9.4	Within the last five years, has the district conducted a verification and determination of eligibility for benefits for all active and retired employees and dependents?	✓	<input type="checkbox"/>	<input type="checkbox"/>
9.5	Does the district track, reconcile and report employees' compensated leave balances?	✓	<input type="checkbox"/>	<input type="checkbox"/>

10. Enrollment and Attendance		Yes	No	N/A
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10.1 Has the district's enrollment been increasing or remained stable for the current and two prior years?

According to the 2019 Audit Management's Discussion and Analysis, the district has experienced declining enrollment since the 2001-02 school year. District and California Department of Education (Data Quest) records indicate enrollment was 4,213 in 2012-13 and declined consistently to 3,406 in 2019-20.

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Enrollment	4213	4146	3959	3789	3689	3611	3520	3406
Change		-67	-187	-170	-100	-78	-91	-114
%		-1.59%	-4.51%	-4.29%	-2.64%	-2.11%	-2.52%	-3.24%

10.2 Does the district monitor and analyze enrollment and average daily attendance (ADA) data at least monthly through the second attendance reporting period (P2)? ✓

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

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

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

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

10.7 Do all applicable sites and departments review and verify their respective CALPADS data and correct it as needed before the report submission deadlines? ✓

10.8 Has the district planned for enrollment losses to charter schools? ✓

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?

The interdistrict tracking document provided to FCMAT listed 542 students and indicated 523 requests were approved and 19 were disapproved.

The approval reasons align with board policy; however, according to Board Policy and Administrative Regulation 5117, the district may limit transfers out.

District Board Policy and Administrative Regulation 5117 and Education Code 48307 include the opportunity to limit the number of students transferring out to three percent of the district's current year average daily attendance (ADA) and limit the total number of student transfers to 10 percent of ADA.

With an ADA of 3,318 in 2018-19, the district may limit transfers out to 99 approved for the year and 331 approved in total.

10.10 Does the district meet the student-to-teacher ratio requirement of no more than 24-to-1 for each school in grades TK-3 classes, or, if not, does it have and adhere to an alternative collectively bargained agreement?

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

11.1 If the district participates in the state's School Facilities Program, has it met the required contribution for the Routine Restricted Maintenance Account?

11.2 Does the district have sufficient and available capital outlay and/or bond funds 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 in accordance with the Office of Public School Construction's loading standards?

Since the 2015-16 fiscal year, the district has experienced an average of 2.63% annual decline in enrollment. Because of this decline, the district's facilities are used at a capacity percentage that is in the low 60s with the exception of Edgewood Academy, where the district is transferring students.

**Facilities Loading comparison with OPSC standard
Student enrollment**

Site	k-6	7-8	9-12	SDC	SpEd sev	Classrooms available*	Classrooms needed**	Excess classrooms	Capacity
Bassett HS			888	52	0	59	37	22	62.52%
Van Wig ES	390			20	0	27	17	10	63.48%
Don Julian ES	533			12	0	35	22	13	63.55%
Sunkist ES	420				0	28	17	11	60.00%
Edgewood Academy	386	128		21	0	24	22	2	90.82%
Nueva Vista Continuation HS			36		0	11	1	10	12.12%
Torch MS	141	301		9	0	29	17	12	60.28%

* Sourced from district Facilities Master Plan, site maps, etc.

**OPSC loading standard

- 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 long-range facilities master plan that reflects its current and projected facility needs? ✓

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

- 12.1 Is the district able to maintain the minimum reserve for economic uncertainty in the current year (including Fund 01 and Fund 17) as defined by criteria and standards? ✓
- 12.2 Is the district able to maintain the minimum reserve for economic uncertainty in the two subsequent years? ✓

The district's 2019-20 second interim multiyear financial projection indicates that in 2021-22 the minimum reserve for economic uncertainty of 3% is calculated to be just over \$1.4 million, yet the district will have a total unrestricted reserve of approximately \$1.3 million or 2.06%.

Resolutions #29-20 approved in May 2020 and #31-20 approved in June 2020 call for reductions in staff and furlough days for 2021-22. At the time of review, these reductions had not been fully implemented. However, if fully implemented, these reductions will assist the district in correcting its current structural deficit spending identified at that time.

- 12.3 If the district is not able to maintain the minimum reserve for economic uncertainty, does the district's multiyear financial projection include a board-approved plan to restore the reserve? ✓

The district's 2019-20 second interim multiyear financial projection indicates that the district projects it will not maintain its reserve for economic uncertainty in the current and two subsequent fiscal years and may not meet its fiscal obligations, yet at that time, the district had not approved reductions to resolve this.

- 12.4 Is the district's projected unrestricted fund balance stable or increasing in the two subsequent fiscal years? ✓

The district's 2019-20 second and third interims report expected deficit spending in both the 2020-21 and 2021-22 fiscal years; therefore, the unrestricted fund balance is projected to decrease significantly.

Unrestricted Deficit Spending

	2020-21	2021-22
2nd interim	\$(1,984,262)	\$(874,787)
3rd interim	\$(3,843,750)	\$(3,373,636)

- 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? ✓

- 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? . . .
As the district’s expenditures exceed revenues, the district is forced to use one-time reserve funds to pay for its excessive 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 statewide average for the current year? . . .
- 13.3 Is the percentage of the district’s general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the statewide average for the two prior years? . .
The district’s unrestricted general fund salaries and benefits for 2018-19 spiked to 89% of the unrestricted budget, which was above the statewide average of 87%, due to a one-time adjustment in employee compensation and benefits. This adjustment originated in the 2015-16 fiscal year and was noted as finding 2016-002 in the year end June 30, 2016 audit as a salaries payable adjustment and was eventually cleared with an adjustment in 2018-19.
- 13.4 If the district has received any uniform complaints or legal challenges regarding local use of supplemental and concentration grant funding in the current or two prior years, is the district addressing the complaint(s)? . . .
- 13.5 Does the district either ensure that restricted dollars are sufficient to pay for staff assigned to restricted programs or have a plan to fund these positions with unrestricted funds? . . .
- 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 program costs, including the maximum allowable indirect costs, for each restricted resource and other funds? . . .

The district did not evenly charge indirect costs across all restricted programs and funds in 2017-18 and 2018-19. For 2019-20, the budgeted indirect charge to several programs either exceeds or is less than the allowable program rate and/or the approved LEA rate of 6.05%. The district states it expected to adjust the indirect charges at year-end close.

2019-20 second interim includes the following information:

Program Name (Resource)	Maximum Indirect	Indirect Rate Used
Title I, Part A	LEA Rate	5.71%
Special Education: IDEA Basic Local Assistance (3310)	LEA Rate	3.81%
Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611 (3327)	LEA Rate	3.81%
Carl D. Perkins Grant (3550)	5.00%	5.18%
Title II, Part A (4035)	LEA Rate	5.32%
Title IV, 21st Century grants (4124)	5.00%	5.32%
Title IV, Part A, Student Support and Academic Enrichment Grants (4127)	LEA Rate	5.26%
Special Education (6500)	LEA Rate	3.63%
Adult Education (6391)	5.00%	5.37%
Child Nutrition (5310)	5.12%	5.58%

14. Information Systems and Data Management		Yes	No	N/A
14.1	Does the district use an integrated financial and human resources system?	✓	<input type="checkbox"/>	<input type="checkbox"/>
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?	✓	<input type="checkbox"/>	<input type="checkbox"/>
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?	✓	<input type="checkbox"/>	<input type="checkbox"/>
14.4	Is the district using the same financial system as its county office of education?	✓	<input type="checkbox"/>	<input type="checkbox"/>
14.5	If the district is using a separate financial system from its county office of education and is not fiscally independent, is there an automated interface with the financial system used by the county office of education?	<input type="checkbox"/>	<input type="checkbox"/>	✓
14.6	If the district is using a separate financial system from its county office of education, has the district provided the county office with direct access so the county office can provide oversight, review and assistance?	<input type="checkbox"/>	<input type="checkbox"/>	✓

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?	✓	<input type="checkbox"/>	<input type="checkbox"/>
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?	✓	<input type="checkbox"/>	<input type="checkbox"/>
15.3	Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?:			
	• Accounts payable (AP)	✓	<input type="checkbox"/>	<input type="checkbox"/>
	• Accounts receivable (AR)	✓	<input type="checkbox"/>	<input type="checkbox"/>
	• Purchasing and contracts.	✓	<input type="checkbox"/>	<input type="checkbox"/>
	• Payroll	✓	<input type="checkbox"/>	<input type="checkbox"/>
	• Human resources (i.e., duties relative to position control and payroll processes)	✓	<input type="checkbox"/>	<input type="checkbox"/>
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?	✓	<input type="checkbox"/>	<input type="checkbox"/>
15.5	Does the district review and work to clear prior year accruals throughout the year?	✓	<input type="checkbox"/>	<input type="checkbox"/>
15.6	Has the district reconciled and closed the general ledger (books) within the time prescribed by the county office of education?	✓	<input type="checkbox"/>	<input type="checkbox"/>
15.7	Does the district have processes and procedures to discourage and detect fraud?	✓	<input type="checkbox"/>	<input type="checkbox"/>
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?	<input type="checkbox"/>	✓	<input type="checkbox"/>

While Board Policy (BP) 3400 requires that "...the Superintendent or designee shall establish a method for employees and outside persons to anonymously report any suspected instances of fraud..." and "The Superintendent or designee shall have primary responsibility for any necessary investigations of suspected fraud..." site interviews and documentation received by FCMAT did not provide evidence of a formal procedure for collecting reports, which would allow employees or outside persons to remain anonymous for fraud reporting purposes.

15.9 Does the district have an internal audit process? ✓

16. Leadership and Stability **Yes** **No** **N/A**

16.1 Does the district have a chief business official who has been with the district as chief business official for more than two years? ✓

The district has a vacancy in the CBO position. The CBO left the district in early 2020, and the director of fiscal services, who started with the district in September 2019, is serving as interim CBO. The director of fiscal services position has not been backfilled.

According to interviews with board members and staffs, there has been instability in the CBO position over the years, and the district hired a consultant last year to support the business office and assist with budget development. The 2018-19 audit finding 2019-001 indicates issues in inventory tracking, vacation monitoring, and accounts receivable accruals were due to staff turnover and resulted in adjustments to year-end balances.

16.2 Does the district have a superintendent who has been with the district as superintendent for more than two years? ✓

The district has had a vacancy in the superintendent position since June 2020. The district is in the process of recruiting a new superintendent with a hiring goal of November 2020. In the interim, a contract with LACOE has been established to provide a staff member to serve as superintendent.

According to interviews with board members and staffs, the district has suffered from frequent turnover in the superintendent position.

16.3 Does the superintendent meet on a scheduled and regular basis with all members of their administrative cabinet? ✓

16.4 Is training on financial management and budget provided to site and department administrators who are responsible for budget management? ✓

16.5 Does the governing board adopt and revise policies and administrative regulations annually? . ✓

16.6 Are newly adopted or revised policies and administrative regulations implemented, communicated and available to staff? ✓

16.7 Do all board members attend training on the budget and governance at least every two years? ✓

16.8 Is the superintendent’s evaluation performed according to the terms of the contract? ✓

FCMAT reviewed board agendas back through July 2016, and no evidence was found to support that a superintendent evaluation was performed from then to current.

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

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

The MYP prepared as part of the 2019-20 second interim report contained generic adjustments explained as “part of the fiscal stabilization plan.” Documents included with the MYP contain only vague references to the amounts changed since the last report, but no details. For example, LCFF changed from first interim to second interim by \$514,000, but the report does not include an explanation as to what caused the change.

- 17.2 To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation with multiyear considerations?
The district's LCFF calculations were overstated in its 2019-20 budget as evidenced in LACOE's budget review letter to the district dated August 9, 2019. LCFF calculations were not provided for the 2019-20 and two subsequent fiscal years for further verification.
- 17.3 Does the district use its most current multiyear projection in making financial decisions?
The MYPs for fiscal year 2019-20 indicate that the district projects it will not maintain its reserve for economic uncertainty in the current and two subsequent fiscal years and may not meet its fiscal obligations, yet the district has not made and implemented reductions to resolve this issue.
- 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?
The MYP prepared as part of the 2019-20 second interim report contained generic adjustments explained as "part of the fiscal stabilization plan." Documents included with the MYP contain only vague references to the amounts changed since the last report, but no details. For example, LCFF changed from first interim to second interim by \$514,000, but the documents do not indicate what caused the change.

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 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 the district completed an actuarial valuation as required and have a plan to pay for any unfunded liabilities?
- 18.4 If the district has non-voter-approved debt (such as COPs, bridge financing, BANS, RANS and others), is the total of annual debt service payments no greater than 2% of the district's unrestricted general fund revenues?

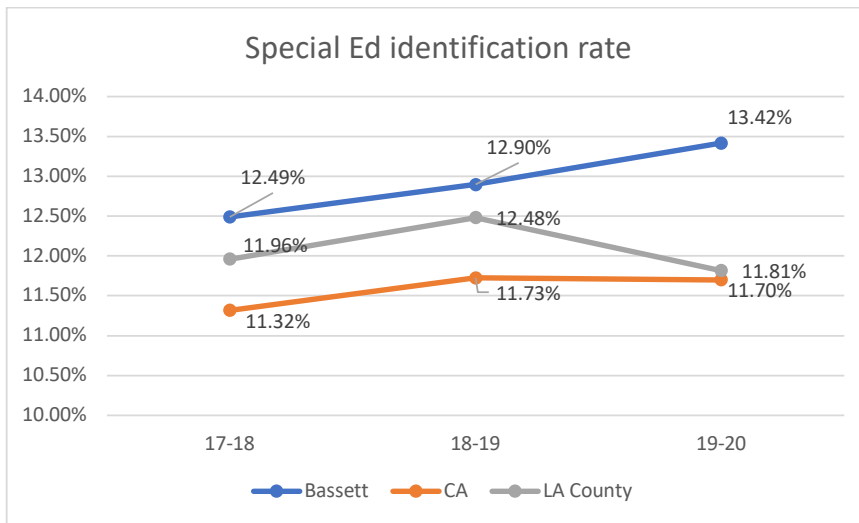
19. Position Control

Yes No N/A

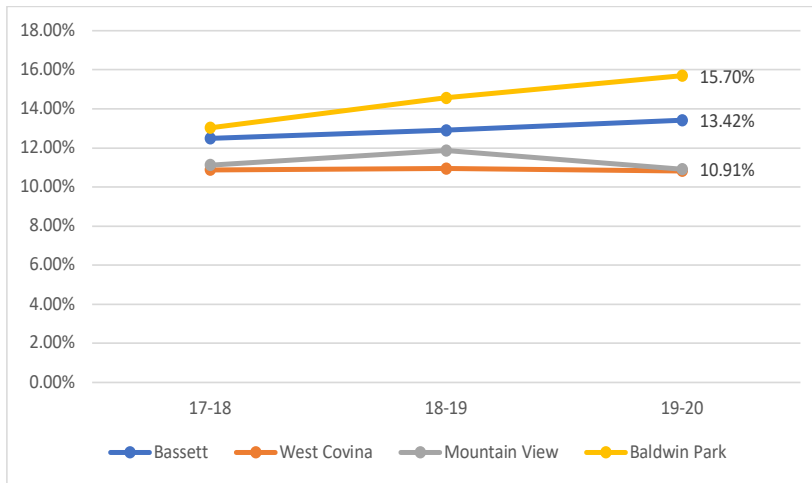
- 19.1 Does the district account for all positions and costs?
- 19.2 Does the district analyze and adjust staffing based on staffing ratios and enrollment?
- 19.3 Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim reporting periods?
- 19.4 Does the district identify a budget source for each new position before the position is authorized by the governing board?
- 19.5 Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted?
- 19.6 Do managers and staff responsible for the district's human resources, payroll and budget functions meet regularly to discuss issues and improve processes?

20. Special Education		Yes	No	N/A
20.1	Does the district monitor, analyze and adjust staffing ratios, class sizes and caseload sizes to align with statutory requirements and industry standards?	✓	<input type="checkbox"/>	<input type="checkbox"/>
20.2	Does the district access available funding sources for costs related to special education (e.g., excess cost pool, legal fees, mental health)?	✓	<input type="checkbox"/>	<input type="checkbox"/>
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)?	✓	<input type="checkbox"/>	<input type="checkbox"/>
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)?	<input type="checkbox"/>	✓	<input type="checkbox"/>
	<p><i>Costs appear to be direct-charged to special education; however, indirect charges are not consistently applied to the fullest extent. For example, according to the 2017-18 unaudited actuals Indirect Cost Report, special education resource 6500 was charged an indirect of 3.78%, well short of the approved rate of 9.66%. And in the second and third interim reports for 2019-20, the district budgeted for indirect charges of 3.63% and 4.46%, respectively, instead of the approved rate of 6.05%.</i></p>			
20.5	Is the district’s contribution rate to special education at or below the statewide average contribution rate?	✓	<input type="checkbox"/>	<input type="checkbox"/>
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?	<input type="checkbox"/>	✓	<input type="checkbox"/>

The district’s special education identification rate is higher than both the county and state average for years reviewed (2017-18, 2018-19 and 2019-20).



The district's identification rate was also higher than two of three bordering districts for the same period.



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

Risk Score, 20 numbered sections only: **34.6%**

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

District Fiscal Solvency Risk Level, all FHRA factors: **High**

(The existence of any condition from the Budget and Fiscal Status section, and/or a material weakness, will supersede the score above because it elevates the district's risk level.)