FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

AB 1200 Tools, Techniques and Tips

CCSESA CBO Conference

February 17-18, 2021

Presenters & Contributors

- Tom Cassida, San Bernardino County Superintendent of Schools
- Tami Ethier, FCMAT
- Michelle Giacomini, FCMAT

Art and Science of AB 1200

• Education Code 1240 grants county superintendents oversight authority. • AB 1200 (1992) and AB 2756 (2004) expanded the role. • LCFF adds approval of LCAP as a condition of budget approval. • AB 1840 (2018) made further changes.	**Art = Application and Implementation of AB 1200** • Relationships • Risk Management • Unique District Characteristics • Effective communication for early identification and resolution of concerns	**Science = Technical Analysis** • ADA • Trend Analysis • Criteria and Standards • Multiyear Projections • Budget Approvals • Interim Certifications • Unaudited Actuals • LCAP Review and Approval • Fiscal Health Risk Analysis

Interactions with Districts

- **Prerequisites for successful interactions with districts:**
  - Understanding Our **Purpose**
    - To support student achievement by helping districts maintain sound fiscal management.
  - **Knowing** Our Districts
    - It's more than knowing who is doing the financials!
  - **Communicating** Effectively
    - This is the most critical element for successful interactions with districts.

FCMAT

Understanding our Purpose and Responsibilities

Responsibilities of County Superintendents

The California County Superintendents Education Services Association (CCSESA) has identified these goals:

Provide enhanced services and resources to districts to support continuous improvement in student achievement with particular focus on closing the achievement gap.

Act in a preventive, proactive manner to ensure the academic and fiscal stability of school districts.

Advocate for effective policies and adequate resources for public education through involvement in federal and state legislative processes.

Oversight tasks (including but not limited to …)

- LCAP reviews and approval
- Budget approval
- Interim Report certification
- Resolution of audit findings
- Review public disclosures
- Commercial warrant audits
- Certify attendance and property tax
- Prepare revenue estimates
- Review enrollment and unduplicated count reports
- Provide professional development
- Train business staff/perform CBO duties if needed
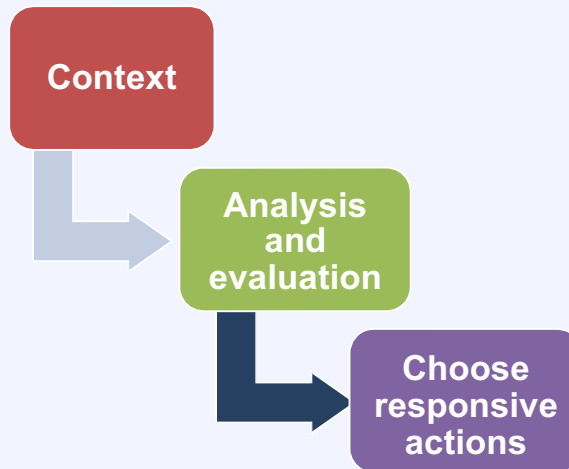- Coordinate with auditor-controller, CDE and other agencies

FCMAT

Success in Our Work Depends on Relationships!

Communication

Relationship building

Customer service

Critical elements for success!
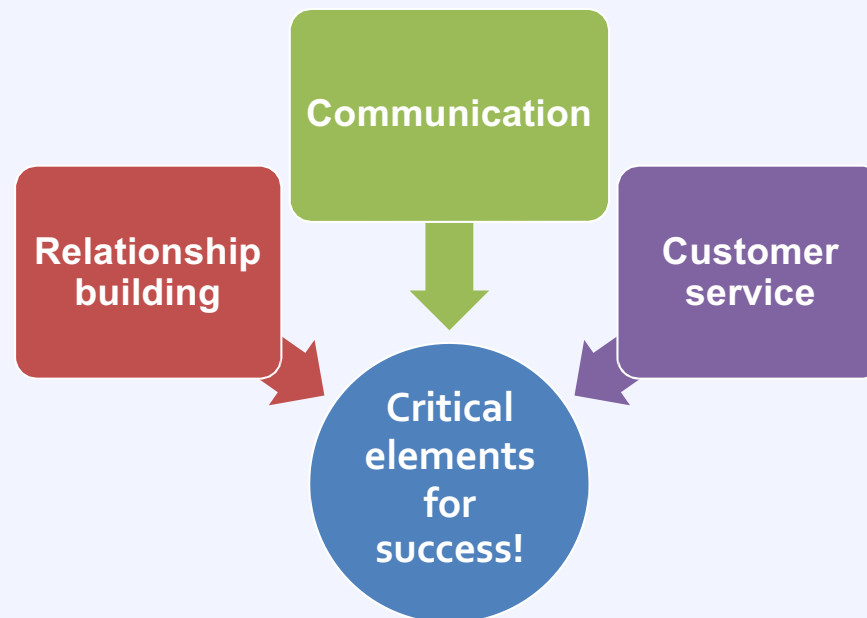
Knowing our Districts

Know the District Before Acting

Know the District Context

- **Before we begin a fiscal review, we need to understand the district context:**

  - **Board characteristics**
  - **Superintendent, CBO and maybe other top administrators**
  - **Budget philosophy and accuracy**
  - **Growing/declining enrollment**
  - **Facilities issues**
  - **Fiscal position**
  - **Trust level**

Analysis and Evaluation

Analysis and Evaluation: Tools
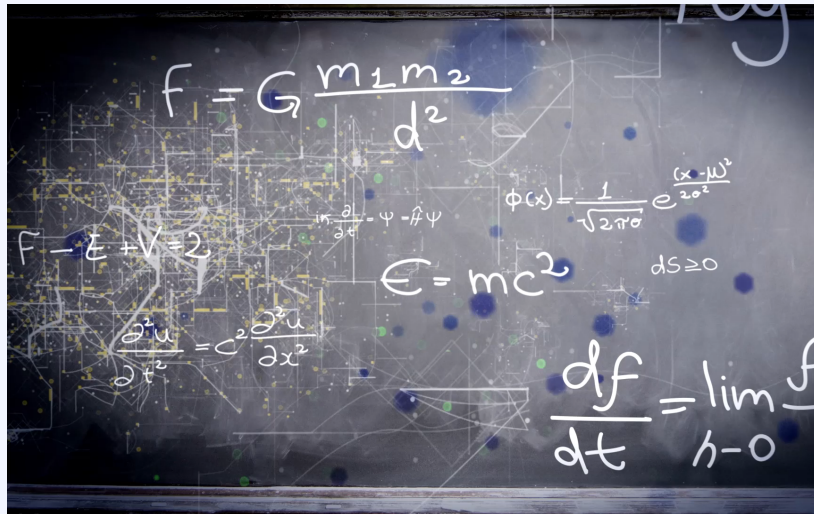
- We "build" our knowledge base using "tools." What tools do we have to assist with district interactions?
  - Data
  - Authority
  - Resources
  - Communication
  - Relationship Building

What Data Tools Do We Have?

- It is important to know what you are looking for so you know the appropriate data tool(s) to use to accomplish the task at hand. What is the best data tool(s) to use?

  - ❖ Data Management
  - ❖ Dashboards
  - ❖ Profiles
  - ❖ Checklists
  - ❖ Spreadsheets
  - ❖ Calendars

What Authority Tools Do We Have?

Do we have the authority?

- **Education Code 1240 grants oversight to the county superintendent**
- **AB 1200 (1992) expanded the oversight role**
- **AB 2756 (2004) expanded the authority**
- **AB 1840 (2018) made further changes to the authority**

What Resource Tools Do We Have?

Many resource tools are readily available.

A partial list includes:

- **FCMAT *Fiscal Oversight Guide***
- **FCMAT *COE Fiscal Procedural Manual***
- **BASC LCAP Approval Manual**
- **Listservs**
- **Projection-Pro**
- **ESSCO**
- **FCMAT LCFF Calculator**
- **Ed-data.org**
- **CDE – All things finance related, Dataquest**
- **Workshops and updates from professional organizations and consultants**

Analysis Tools

- **FCMAT Indicators and Fiscal Health Risk Analysis**
- **Local metrics – tailor to risks present in your county**
- **Concentrate oversight on highest risk districts**

FCMAT

What Communication Tools Do We Have?

Effective communication is knowing how much guidance, assistance or intervention is needed in any given situation to help a district prevent fiscal distress while nurturing the relationships at a governance and administrative level to allow the process to work.
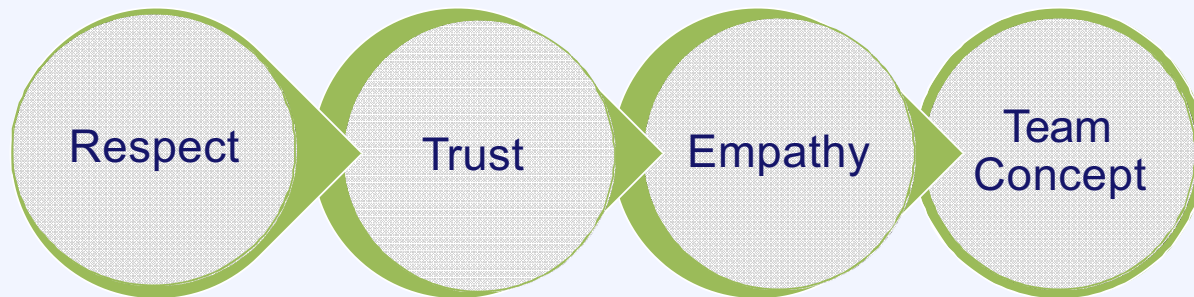
What is the best communication tool(s) for the task?

- **Phone/texts**
- **Email**
- **Meetings**
- **Letters**

The Most Effective Tool: Relationships

- Relationships can define how our interactions with a district will occur. Our prior experience has shown that relationships are more effective when you build them with:

Respect → Trust → Empathy → Team Concept

Relationship Building: LEAs as Customers

- **Understand that LEAs are your customers**
- **Develop rapport as early as possible**
  - **Meet and greet**
  - **Share contact information**
  - **Network**

Relationship Building: Customer Service

- **Customer Service**
  - ❖ **Active listening**
  - ❖ **Answering phone calls**
  - ❖ **Responding to emails**
  - ❖ **Empathy**
  - ❖ **Staying poised when confronted with challenges**
  - ❖ **Following through on requests**

Relationship Building:
District Interaction Tools

- Establish and maintain email distribution lists
- Constantly refresh your website
- Conduct budget/interim/LCAP reviews
- Monthly CBO and Director meetings
- Small workgroups/committees
- Send all correspondence electronically and via hard copy
- Utilize reference guides
- Host trainings and workshops

Techniques

Determining responsive actions

Technical Review Complete – Now What?

- Make decisions based on analysis and knowledge of the district

- Go through checklists, but step back from them to understand the big picture. Are we seeing:

  ❖ **Apparent Sound Fiscal Position**
  - ✓ Skilled financial management
  - ✓ Budget consistent with LCAP
  - ✓ Reserves meeting or exceeding state recommended standard and local board policies
  - ✓ Good cash management

  ❖ **Questionable Fiscal Position:**

    The opposite of above, or maybe an unexpected variance or technical error…or sometimes just a nagging intuition that a deeper look is needed.

Typical Methods/Responses

Phone calls, informal discussions

District visits

Written responses

Presentations

One-on-one support, training, mentoring

Approaches to Challenging Calls

- **Sometimes calls are challenging. Following are some strategies:**
  - ❖ **Recognize that you may have miscalculated or may not have all the information.**
    - ✓ "My LCFF revenue calculations came in lower than the amount budgeted, but I may be missing something. Can you help me understand how you arrived at your numbers?"
    - ✓ "I noticed that the salaries in the out-years appear to be relatively flat, although a 3% salary schedule increase was approved for your bargaining units. Are there some other factors affecting the calculation?"
    - ✓ "In reviewing your cash flow spreadsheet, I noticed the draw on the TRAN in August, but I don't see the scheduled repayment. Can you show me where it is?"
  - ❖ **At this point the problem often is identified, and a solution can begin.**
  - ❖ **Just clarifying understanding before making judgments often provides the opportunity for discussion without defensiveness.**

Tips

HELPFUL TIPS

- Bring workshops and training programs to your offices.
- Occasionally pay for a district employee to attend workshop/training if the district says it can't afford it.
- Sit with district staff and show them how to do the work.
- Give CBOs your cell phone number. They will often text you things they don't want in writing somewhere else.
- Use objective measures in a subjective way.
- Concentrate oversight on highest risk districts.
- Reinforce that the COE is a partner with the district – we are on the same team.
- When you don't know something, it's OK to tell the district you don't know and you'll look into it. Be honest.

FCMAT

Thank you!