



FISCAL CRISIS & MANAGEMENT  
ASSISTANCE TEAM

# Fiscal Health Risk Analysis

March 13, 2025



## Coachella Valley Unified School District

Michael H. Fine  
Chief Executive Officer

March 13, 2025

Frances Esparza, Ed.D., Superintendent  
Coachella Valley Unified School District  
87-225 Church St.  
Thermal, CA 92274

Dear Superintendent Esparza:

In January 2025, the Coachella Valley Unified School District 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 district.

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 FHRA with the study team's findings. FCMAT appreciates the opportunity to assist the Coachella Valley Unified School District and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,



Michael H. Fine  
Chief Executive Officer

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# 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 Coachella Unified School District is governed by a seven-member board of trustees and spans 1,250 square miles, serving the communities of Coachella, Thermal, Mecca, Oasis, Indio and the Salton Sea. The district educates 16,046 students<sup>1</sup> from transitional kindergarten through grade 12 across 14 elementary schools, three middle schools, one continuation high school, three comprehensive high schools and one adult school. Additionally, the district oversees one independent charter school with an enrollment of 230 students.

In 2023-24, the most recent year for which data is available, 92.4% of district students were socioeconomically disadvantaged, 42.4% were English learners, and the unduplicated pupil count — which includes students who are English learners, foster youth, and those eligible for free or reduced-price meals — was 94.4%.<sup>2</sup>

In November 2024, the Riverside County Superintendent of Schools designated the district as a lack of going concern under Education Code (EC) 42127.6(c). This designation was based on the district's multiyear financial projection, the lack of a detailed fiscal stabilization plan, and the limited time to implement one.

In January 2025, in accordance with EC 42131(a)(2), the county superintendent downgraded the governing board's certification of the district's 2024-25 first interim financial report from positive to qualified, indicating that the district may not meet its financial obligations for the current or two subsequent fiscal years.

Planned budget solutions, which are expected to be implemented in 2025-26, are already incorporated into the district's projected budget. Despite these measures, the district projects deficit spending of \$11.9 million in 2024-25, \$18.9 million in 2025-26, and \$29.3 million in 2026-27. Further, if the district fails to implement its board-approved fiscal stabilization plan within the specified timeline, it will not be able to maintain the state-mandated 3% minimum reserve requirement in 2026-27.

To assess the district's risk of insolvency, FCMAT conducted a fiscal health risk analysis using financial data from the 2024-25 first interim report as the basis for its analysis.

## Fiscal Health Risk Analysis Guidelines

FCMAT entered into a study agreement with the Coachella Valley Unified School District on January 22, 2025, and a study team visited the district on February 4-6, 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.

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<sup>1</sup>Ed-Data. (n.d.). Coachella Valley Unified [District profile]. Ed-Data. Retrieved March 4, 2025, from <https://www.ed-data.org/district/Riverside/Coachella-Valley-Unified>.

<sup>2</sup>Ed-Data. (n.d.). Coachella Valley Unified School District [Web page]. Ed-Data. Retrieved March 4, 2025, from <https://www.ed-data.org/district/Riverside/Coachella-Valley-Unified>.

## Study Team

The team was composed of the following members:

Jennifer Nerat, CFE  
FCMAT Intervention Specialist

Robbie Montalbano, CFE  
FCMAT 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 School Districts

**Dates of fieldwork:** February 4-6, 2025

**School District:** Coachella Valley Unified School District

# FCMAT

FISCAL CRISIS & MANAGEMENT  
ASSISTANCE TEAM

## Summary

In May 2019, FCMAT conducted a fiscal health risk analysis (FHRA) for Coachella Valley Unified School District, which identified a high risk of fiscal insolvency. Key areas of concern included declining enrollment, ongoing deficit spending, erosion of the unrestricted general fund balance, and inadequate reserves.

Since then, the COVID-19 pandemic led to a temporary infusion of funding into local educational agencies (LEAs) to address student needs. This funding masked the district's existing structural deficit, delaying necessary corrective actions. In the current fiscal year, the district continues to support ongoing expenditures with one-time pandemic funding. The areas of concern today remain largely unchanged from six years ago. A comparison of the 2019 and 2025 FHRA section answers can be found in [Appendix A](#) of this report.

Of the 20 functional areas reviewed in 2025, the following pose the highest risk to the district and should be the primary focus for improvement:

- Budget Monitoring.
- Collective Bargaining Agreements.
- Deficit Spending.
- Enrollment and Attendance.
- Fund Balance and Reserves for Economic Uncertainties.
- Leadership and Stability.

At the time of FCMAT's fieldwork, the 2023-24 independent financial audit report had not been completed or presented to the board by the January 31, 2025 statutory deadline, as required by Education Code (EC) 41020. This delay creates uncertainty regarding the district's 2024-25 beginning and ending fund balances. Any findings could have a material negative impact on the district's current budget.

The 2024-25 first interim report projects unrestricted general fund deficit spending of \$11.9 million in 2024-25, \$18.9 million in 2025-26, and \$29.3 million in 2026-27, reducing the unrestricted general fund balance to \$11.1 million in 2026-27 — equivalent to the state-mandated 3% minimum reserve requirement. Maintaining this reserve is contingent on implementing planned expenditure reductions outlined in the district's fiscal stabilization plan. Failure to implement these reductions will result in insolvency.

School district budgets evolve as new assumptions and financial data are known and incorporated. However, in reviewing the district's financial reports, FCMAT identified weaknesses in budget monitoring and revision practices. The 2024-25 first interim report includes budget solutions as part of a fiscal stabilization plan, with approximately \$42.1 million in expenditure reductions for 2025-26 and \$4.1 million for 2026-27. However, key details regarding these reductions and other budget solutions were not clearly presented to the board. Furthermore, including these reductions in the multiyear projection is unreasonable because some require collective bargaining, board approval, and implementation before they can be realized.

Additionally, FCMAT found that budget revisions for salary and benefit increases from collective bargaining agreements negotiated in 2024 were not entered into Galaxy, the financial system hosted by the county office of education. EC 42142 mandates that within 45 days of adopting a collective bargaining agreement,

the district superintendent must submit necessary budget revisions to the county superintendent to ensure the agreement's financial impact is accurately reflected in the current fiscal year.

The district has not complied with statutory requirements for public disclosure of tentative collective bargaining agreements. Government Code 3547.5 requires school districts to disclose at public meetings the major provisions of a tentative collective bargaining agreement — including, but not limited to, the costs incurred for the current and subsequent fiscal years — before entering into the agreement. Additionally, this law mandates that the district superintendent and the chief business official (CBO) certify in writing that the district can meet the costs throughout the agreement's term.

In early 2024, the governing board approved collective bargaining agreements with the district's classified and certificated bargaining units; however, the required public disclosure process was not followed. The disclosure of the classified bargaining unit agreement for 2023-24 was presented to the board on February 15, 2024 — two weeks after the board approved the tentative agreement on February 1, 2024. Similarly, the certificated bargaining unit's tentative agreement was approved on January 18, 2024, but the disclosure was not presented to the board until February 15, 2024.

The district's enrollment has declined by 1,839 students since 2019-20, resulting in a significant loss of revenue. While processes can be implemented to reduce interdistrict student transfers, the district did not provide documentation to FCMAT showing that it follows board policy to limit outgoing interdistrict transfers. Additionally, the district lacks a plan for addressing enrollment losses to charter schools.

Accurate student data collection and reporting is critical to ensure the district receives all funding it is entitled to. At the time of FCMAT's fieldwork, the California Longitudinal Pupil Achievement Data System (CALPADS) Fall 1 data submission had recently been certified. However, staff reported that necessary corrections were not made before submission, requiring the district to request the submission be reopened to correct the errors.

Each board has a fiduciary responsibility to protect the school district's financial health, which includes ensuring a balanced budget and maintaining adequate reserves. However, the district board lacks a cohesive approach to budget and governance training, which is essential for supporting the performance of its fiduciary duty. All board members should receive governance and budget training at least annually; however, attendance among the district's board members is inconsistent — some participate in training of their choice, while others do not attend at all.

Board policies and administrative regulations should be regularly reviewed and updated to align with legal requirements and the board's vision and goals for the district. The district has a policy committee composed of district staff and labor partners, responsible for reviewing, providing input, and approving proposed policies and updates before they are presented to the board for approval. While staff reported that this process is collaborative, they also stated that it is time-consuming, resulting in few policies being adopted or updated in recent years.

The district's superintendent has served since July 2024, and at the time of FCMAT's fieldwork, the CBO position was vacant, with an interim filling the role. The district's administration is responsible for maintaining the integrity of district systems, securing assets, and ensuring the board receives accurate and reliable information to support informed decision-making that protects the district's fiscal solvency.

However, this analysis identifies several critical areas related to data integrity and decision-making that require improvement, including position control, charter school oversight, student data reporting, information systems, and fraud reporting. Further details on these issues can be found in their respective sections in the report.

FCMAT's analysis for this FHRA determined that the district's score from the 20 numbered sections is 42.6.

## **District 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 school district'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 school districts 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 district's fiscal failure. The analysis aims to determine the district'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 district. Not all sections or questions carry equal weight; some areas pose a higher risk and thus have a greater impact on the district's fiscal stability. To help the district, 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 school districts to better understand their financial objectives and implement strategies that sustain fiscal efficiency and long-term solvency. School districts 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 later 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 . . . . .	✓	<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 September 15th by the county superintendent of schools 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 EC 42142? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
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? . . . . .	<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 meet its cash flow needs for the current and subsequent year? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	✓
5.2	Has the district fulfilled, and does it have evidence showing fulfillment of, its oversight responsibilities in accordance with EC 47604.32? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
5.3	Are all charters authorized by the district going concerns and not in fiscal distress? . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
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? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
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? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
7.2	If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection sufficient transfers from the unrestricted general fund to cover any projected negative fund balance? . . . . .	<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 type="checkbox"/>
10.5	Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable factors? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.2	Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
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> ? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
12.2	Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
12.3	If the district is not able to maintain the minimum reserve for economic uncertainties, does the district's multiyear projection include a board-approved plan to restore the reserve? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
19.1	Does the district account for all positions and costs (including substitutes, overtime, stipends, and employer-paid benefits) in position control? . . . . .	<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 and are provided for information only.

1.	Annual Independent Audit Report	0.4%
2.	Budget Development and Adoption	3.6%
3.	Budget Monitoring and Updates	5.0%
4.	Cash Management	1.0%
5.	Charter Schools	0.3%
6.	Collective Bargaining Agreements	4.2%
7.	Contributions and Transfers	1.0%
8.	Deficit Spending (Unrestricted General Fund)	3.0%
9.	Employee Benefits	0.0%
10.	Enrollment and Attendance	4.4%
11.	Facilities	0.3%
12.	Fund Balance and Reserve for Economic Uncertainty	2.0%
13.	General Fund - Current Year	3.4%
14.	Information Systems and Data Management	1.0%
15.	Internal Controls and Fraud Prevention	3.4%
16.	Leadership and Stability	3.8%
17.	Multiyear Projections	2.0%
18.	Non-Voter-Approved Debt and Risk Management	1.0%
19.	Position Control	2.0%
20.	Special Education	0.7%
<b>Score</b>		<b>42.6%</b>

# 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? . . . . .	✓	<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 per Education Code (EC) 41020? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
<p>The 2023-24 audit report was not presented to the governing board by the January 31, 2025 statutory deadline, as required by EC 41020. On December 13, 2024, the district requested that the State Controller's Office extend the deadline to March 6, 2025. The district also failed to meet the statutory deadline for presenting its 2022-23 and 2021-22 audit reports to the board.</p>			
1.3 Were the district's most recent and prior two audit reports free of findings of material weakness? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
<p>The district's <u>2021-22 audit report</u> identified a material weakness in internal control over financial reporting, primarily due to material overstatements of investment balances of cash in county treasury within the district's 2021-2022 unaudited actuals financial report. These misstatements occurred in the General Fund, Building Fund, Capital Facilities Fund, Bond Interest and Redemption Fund, Non-Major Governmental Funds, and the Internal Service Fund, because of the district's omission of Governmental Accounting Standards Board (GASB) Statement No. 72 fair value measurement accounting entries.</p> <p>Additionally, the audit report noted:</p> <ul style="list-style-type: none"> <li>• Accounts receivable in the General Fund was understated by \$1,409,296.</li> <li>• Cash in banks in Non-Major Governmental Funds was understated by \$92,194.</li> <li>• Claims liability in the Internal Service Fund was understated by \$387,743.</li> </ul>			
1.4 Has the district corrected all audit findings from the most recent and prior two audits? . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
<p>The 2022-23 audit report included a finding regarding the preapproval of capital expenditures using Elementary and Secondary School Emergency Relief (ESSER) II funds. Because the 2023-24 audit had not been completed at the time of FCMAT's fieldwork, it is unknown whether this issue has been corrected.</p>			

## 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? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
<p>The district's 2024-25 adopted budget did not include an assumption for step-and-column increases for certificated salaries in 2025-26, resulting in an understatement of salaries and benefits by approximately \$2 million in both 2025-26 and 2026-27.</p>			

- 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?** . . . . ☐ ☒ ☐
- The district does not consistently spend restricted funds before using unrestricted funds. Both the 2022-23 and 2023-24 unaudited actuals reports show a remaining balance in special education program funds (e.g., Assembly Bill [AB] 602 [Chapter 854, Statutes of 1997] funds, which are available for any special education expenditures), despite the district contributing unrestricted general funds to support the program.
- Additionally, the 2022-23 unaudited actuals report indicates that various resources have either grown or remained largely unspent. For example, the Learning Recovery Emergency Block Grant had an ending balance of \$28.01 million in 2022-23, increasing slightly to \$28.04 million in 2023-24.
- Overall, the district's unrestricted general fund balance increased from \$58.33 million in 2022-23 to \$71.11 million in 2023-24, while the restricted fund balance declined slightly from \$78.93 million to \$77.55 million during the same period.
- 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?** . . . . ☐ ☒ ☐
- The 2024-25 adopted budget includes materially higher revenue projections for certain title programs compared to 2023-24 allocations, indicating that the district incorporated carryover funds into its budget. For example, the 2024-25 adopted budget projects Title I revenues of \$10.53 million, while the district's 2023-24 allocation was \$9.23 million as of April 2024 — the most current data at the time of budget development. By December 2024, the district's 2024-25 Title I allocation totaled only \$8.68 million.
- 2.10 Other than objects in the 5700s and 7300s, does the district avoid using negative expense or contra expenditure accounts in its budget?** . . . . . ☐ ☒ ☐
- Negative amounts are budgeted in resource 0001, object 5500. According to district staff, this account is used to transfer expenditures to resource 1100.
- 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?** . . . . . ☐ ☒ ☐
- The district's Board Policy 3290 broadly addresses gifts, grants and bequests; however, it does not outline a clear procedure for staff to follow when evaluating the acceptance of grant funding.



- 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 district does not have a detailed budget calendar to effectively organize and guide its budget development process. The calendars provided to FCMAT lack clear tasks, the staff responsible for completing them, and corresponding deadlines.

### 3. Budget Monitoring and Updates

- 3.1 Are actual revenues and expenses consistent with the most current budget?** . . . . . ☐ ☒ ☐

FCMAT compared the district's 2024-25 adopted budget with the 2024-25 first interim financial report projected year totals and identified numerous accounts where projected totals differ from the adopted budget by more than 5%. Table 1 shows these accounts and variances.

**Table 1. Comparison of 2024-25 Adopted Budget and First Interim Projected Year Totals**

Unrestricted General Fund	2024-25 Adopted Budget	Projected Year Totals	Variance	% Change
Other State Revenue	\$47,531,706	\$53,773,839	\$6,242,133	13.1%
Certificated Salaries	\$56,410,552	\$50,313,981	-\$6,096,571	10.8%
Employee Benefits	\$53,449,590	\$49,089,257	-\$4,360,333	8.2%
Books and Supplies	\$16,593,402	\$11,936,809	-\$4,656,593	28.1%
Services & Other Operating	\$35,780,126	\$32,879,215	-\$2,900,911	8.1%

**Sources:** District's 2024-25 first interim report and 2024-25 adopted budget.

- 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 district's 2024-25 first interim report includes budget solutions totaling \$45.7 million for 2025-26 and \$3.5 million for 2026-27; however, the report does not provide details on these solutions, nor were they communicated during the first interim report presentation to the board.

Additionally, the district's projected funded average daily attendance (ADA) for 2024-25 was reported as 14,966.95 during the 2024-25 first interim presentation to the board, but this figure conflicts with Section 1A – Calculating the District's ADA Variances of the Standardized Account Code Structure (SACS) Criteria and Standards Review form, where the ADA is shown as 14,371.

- 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?** . . . . . ☐ ☒ ☐

Education Code 42142 requires that within 45 days of adopting a collective bargaining agreement, the district superintendent must submit necessary budget revisions to the county superintendent to ensure the agreement's financial impact is accurately reflected in the current fiscal year. However, following the board's approval of the collective bargaining agreements on January 18, 2024 and February 1, 2024, the district did not enter the budget revisions into Galaxy, the financial system hosted by the county office, within the mandated time frame.

As a result, the district materially understated salary and benefit costs in its 2023-24 estimated actuals. This omission negatively impacted the beginning and ending fund balances for 2024-25 and skewed multiyear projections for 2025-26 and 2026-27.

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

The 2024-25 adopted budget projects a current-year funded ADA of 13,953, as stated in Section 1A – Calculating the District's ADA Variances of the Criteria and Standards Review form. However, the 2024-25 first interim report increased this projection to 14,371. The district attributed this increase to declining enrollment, which is not a reasonable explanation.

Similarly, the 2024-25 adopted budget projects current-year enrollment of 15,647, as noted in Section 2A – Calculating the District's Enrollment Variances of the Criteria and Standards Review form. The 2024-25 first interim report increased this projection to 15,822, yet the district again attributed this increase to declining enrollment, which is not reasonable.

Additionally, the 2024-25 first interim report explanation in the Criteria and Standards Review form, Section 10C – Calculating the District's Available Reserve Amount does not adequately explain the decline in reserves. The district attributed the reduction solely to declining enrollment and ADA, without acknowledging its large structural deficit, which is a key factor contributing to the diminishing reserves.

- 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?** . . . . . ☐ ☒ ☐

The Riverside County Superintendent of Schools stated that:

Our oversight letters continue to raise concerns and highlight the following items in the most recent and two prior fiscal years:

- Unrestricted Deficit Spending
- Use of One-Time Resources for Ongoing Expenditures
- Failure to incorporate collective bargaining agreements into MYPs
- Disconnect with Position Control and Lack of Internal Controls
- Details on Incorporated Reductions
- Request for Board-Approved Stabilization Plan.

- 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? . . . . .  | ✓ | <input type="checkbox"/> | <input type="checkbox"/> |
| 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? . . . . . | ✓ | <input type="checkbox"/> | <input type="checkbox"/> |

## 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? . . . . .   | ✓                        | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.2 Does the district reconcile all bank (cash and cash equivalent) accounts with each statement in a timely manner? . . . . .   | <input type="checkbox"/> | ✓                        | <input type="checkbox"/> |
| Interviews with staff indicated that the district is several months behind in reconciling its bank accounts (cash and cash equivalents). Additionally, the documents provided by the district did not sufficiently show ongoing reconciliation activity.   |                          |                          |                          |
| 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 meet its cash flow needs for the current and subsequent year? . . . . . | <input type="checkbox"/> | <input type="checkbox"/> | ✓                        |
| 4.5 Does the district have sufficient cash resources in its other funds to support its current and projected obligations in those funds? . . . . .   | ✓                        | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.6 If the district uses interfund borrowing, is it complying with EC 42603? . . . . .   | <input type="checkbox"/> | <input type="checkbox"/> | ✓                        |
| 4.7 If the district is managing cash in any fund(s) through external borrowing, does the district's cash flow projection include repayment based on the terms of the loan agreement? . . . . .   | <input type="checkbox"/> | <input type="checkbox"/> | ✓                        |

## 5. Charter Schools

- |  | Yes                      | No                       | N/A                      |
|--|--------------------------|--------------------------|--------------------------|
| 5.1 Does the district have a board policy, memorandum of understanding (MOU), or other written document(s) regarding charter oversight? . . . . .          | ✓                        | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.2 Has the district fulfilled, and does it have evidence showing fulfillment of, its oversight responsibilities in accordance with EC 47604.32? . . . . . | <input type="checkbox"/> | ✓                        | <input type="checkbox"/> |

Education Code 47604.32 states, in part:

- (a) Each chartering authority, in addition to any other duties imposed by this part, shall do all of the following with respect to each charter school under its authority:

- (1) Identify at least one staff member as a contact person for the charter school.
- (2) Visit each charter school at least annually.

- (3) Ensure that each charter school under its authority complies with all reports required of charter schools by law, including the local control and accountability plan and annual update to the local control and accountability plan required pursuant to Section 47606.5.
- (4) Monitor the fiscal condition of each charter school under its authority.
- (5) Provide timely notification to the department if any of the following circumstances occur or will occur with regard to a charter school for which it is the chartering authority:
- (A) A renewal of the charter is granted or denied.
- (B) The charter is revoked.
- (C) The charter school will cease operation for any reason.

Interviews with staff, along with a lack of documentation, indicate that the district has not fulfilled its oversight responsibilities as required by 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?** . . . ☐ ✓ ☐

Interviews with staff indicate that the district has not designated specific employees within its departments to oversee all approved charter schools.

**5.5 Does the district monitor charter school audits for timeliness, completeness, and exceptions?** . . . ☐ ✓ ☐

The district provided FCMAT with charter school audit reports; however, it did not provide evidence of oversight monitoring activities or processes related to charter school audits.

## 6. Collective Bargaining Agreements

	Yes	No	N/A
<b>6.1 Has the district settled with all its bargaining units for the past two fiscal years?</b> . . . ✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>6.2 Has the district settled with all its bargaining units for the current year?</b> . . . <input type="checkbox"/>	✓	<input type="checkbox"/>	<input type="checkbox"/>
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The district has not settled with any of its bargaining units for the current year.

<b>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?</b> . . . <input type="checkbox"/>	✓	<input type="checkbox"/>	<input type="checkbox"/>
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The district completed public disclosure documents for its certificated and classified bargaining units, quantifying total compensation increases of \$10.44 million and \$5.27 million, respectively, in the 2023-24 fiscal year.

District staff also reported salary increases for confidential and management employees, including 9% plus a \$2,500 off-schedule payment in 2022-23 and a 7% increase in 2023-24. However, because no public disclosure was completed for these employee groups, the total cost of these increases was not calculated.

- 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?** . . . . . ☐ ☒ ☐

The district did not provide evidence of a presettlement analysis.

- 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)?** . . . . . ☐ ☒ ☐

While the 2023-24 settlements for certificated and classified employee groups were below the funded COLA, the settlements in 2022-23 exceeded it. Similarly, the 2023-24 salary adjustments for confidential/management staff were lower than the funded COLA, whereas the 2022-23 increase surpassed it.

Table 2 below compares the funded COLA with the settlement increases for certificated and classified bargaining units and salary adjustments for confidential/management staff.

**Table 2. Funded COLA and Settlement Percentages, 2022-23 – 2024-25**

Fiscal Year	Funded COLA	Certificated Settlement	Classified Settlement	Confidential/ Management
2022-23	6.56%	11.00%	15.00%	9.00%
2023-24	8.22%	7.44%	7.44%	7.00%
2024-25	1.07%			

**Sources:** District staff and the public disclosures for certificated and classified bargaining units.

**Note:** As of this report, the district had not settled with its certificated or classified bargaining units for 2024-25 or finalized salary adjustments for confidential/management staff.

- 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?** . . . . . ☒ ☐ ☐

- 6.8 Did the superintendent and CBO certify the public disclosure of collective bargaining agreement before board approval?** . . . . . ☐ ☒ ☐

Although the superintendent and CBO signed the public disclosure documents certifying that the district could afford the agreements with classified and certificated staff, the disclosures were not presented to the board before the board took action to approve the agreements. The public disclosure of collective bargaining for the classified bargaining unit for 2023-24 was presented to the board on February 15, 2024, after the board approved the tentative agreement on February 1, 2024. Similarly, the board approved the tentative agreement for the certificated bargaining unit on January 18, 2024, but its public disclosure was not presented until February 15, 2024.

- 6.9 Is the governing board's action consistent with the superintendent's and CBO's certification?** . . . . . ☒ ☐ ☐

## 7. Contributions and Transfers

	Yes	No	N/A
<b>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?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The district lacks a board-approved plan to eliminate, reduce or control contributions and transfers from its unrestricted general fund to restricted programs. According to the 2024-25 first interim report, the district has budgeted \$54,232,765 in contributions as follows: <ul style="list-style-type: none"> <li>Governor's Career Technical Education Initiative: \$647,269.</li> <li>Special education: \$40,913,811.</li> <li>California Partnership Academies Program: \$561,068.</li> <li>Routine restricted maintenance: \$12,110,617.</li> </ul>			
<b>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?</b> . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>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?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 8. Deficit Spending (Unrestricted General Fund)

	Yes	No	N/A
<b>8.1 Is the district avoiding deficit spending in the current fiscal year?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The 2024-25 first interim report projected deficit spending of \$11.91 million in the unrestricted general fund.			
<b>8.2 Is the district projected to avoid deficit spending in both of the two subsequent fiscal years?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The 2024-25 first interim multiyear financial projection shows an unrestricted general fund deficit of \$18.9 million in 2025-26 and \$29.3 million in 2026-27.			
<b>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?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
As of February 6, 2025, the board has approved a fiscal stabilization plan; however, the budget solutions totaling \$49.2 million outlined in the plan have not yet been implemented. These solutions are expected to take effect in the 2025-26 and 2026-27 fiscal years and are included in the district's multiyear projection.			
<b>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?</b> . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## 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)? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
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? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
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? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
9.4 Does the district track, reconcile and report employees' compensated leave balances? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
9.5 Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>

## 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? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>

The district's enrollment has declined in the current and two prior years, with a total decrease of 1,839 students since 2019-20, as shown in Figure 1 below.

### District's NonCharter School Enrollment, 2019-20 – 2024-25

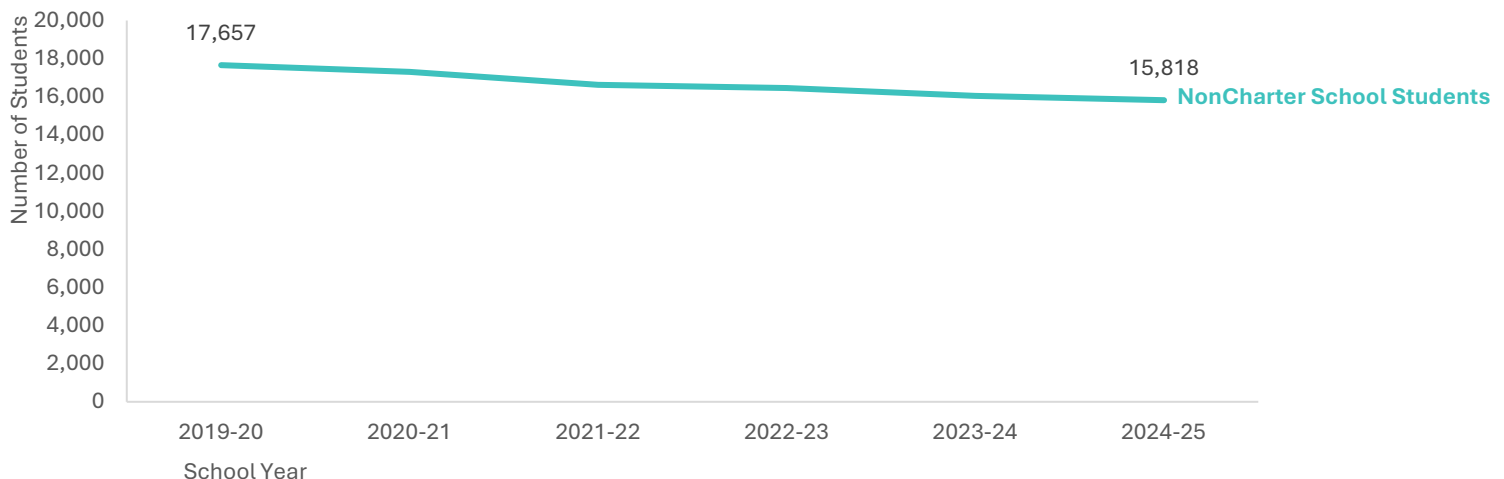


Figure 1. A line graph showing that the district's noncharter school enrollment has decreased by 1,839 students, from 17,657 in 2019-20 to an estimated 15,818 in 2024-25.

Sources: Adapted from EdData.

Note: 2024-25 enrollment is an estimate as of December 2024.



- 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?** . . . . . ☐ ✓ ☐
- The district does not plan for enrollment losses to 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?** . . . . . ☐ ✓ ☐
- Staff described processes in which schools and departments review and verify their respective CALPADS data before the submission deadline. However, despite these procedures, the district submitted the 2024-25 Fall 1 data and later requested to have it reopened for corrections.
- 10.8 Has the district certified its CALPADS data (most recent Fall 1, Fall 2, and end-of-year reports) by the required deadlines?** . . . . . ☐ ✓ ☐
- The district certified its CALPADS data by the required deadlines; however, it has requested to reopen its 2024-25 Fall 1 submission to make corrections.
- 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 district did not provide documentation showing that it follows 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?** . . . . . ☐ ✓ ☐
- While the district's most recent annual independent audits do not note any class size penalties, the district did not provide documentation confirming compliance with adult-to-student ratios for each TK class or the credentialing requirements for TK teachers, as defined in the Education Code.

## 11. Facilities

- |   |   | Yes                      | No                       | N/A |
|---|---|--------------------------|--------------------------|-----|
| <b>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?</b> . . . . . | ✓ | <input type="checkbox"/> | <input type="checkbox"/> |     |
| <b>11.2 Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects?</b> . . . . .                            | ✓ | <input type="checkbox"/> | <input type="checkbox"/> |     |
| <b>11.3 Does the district properly track and account for facility-related projects?</b> . . . . .   | ✓ | <input type="checkbox"/> | <input type="checkbox"/> |     |

- 11.4 Does the district use its facilities fully (districtwide) in accordance with the Office of Public School Construction's loading standards?** . . . . . ☐ ✓ ☐

The district's enrollment has declined over the past five years, and according to the school capacity analysis included in its 2019 facilities master plan, the average facility utilization rate is 64%.

- 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?** . . . . . ☐ ✓ ☐

Measure X, a Proposition 39 bond, was passed in 2012. When a bond measure is approved, the school district's board must "establish and appoint members to an independent citizens' oversight committee" per EC 15278(a). The composition of the committee is outlined in EC 15282, which states, in part:

- (a) The citizens' oversight committee shall consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms. ... The citizens' oversight committee shall be comprised, as follows:
- (1) One member shall be active in a business organization representing the business community located within the school district or community college district.
  - (2) One member shall be active in a senior citizens' organization.
  - (3) One member shall be active in a bona fide taxpayers' organization.
  - (4) For a school district, one member shall be the parent or guardian of a child enrolled in the school district. ...
  - (5) For a school district, one member shall be both a parent or guardian of a child enrolled in the school district and active in a parent-teacher organization, such as the Parent Teacher Association or schoolsite council. ...
- (b) An employee or official of the school district or community college district shall not be appointed to the citizens' oversight committee. A vendor, contractor, or consultant of the school district or community college district shall not be appointed to the citizens' oversight committee. ...

The district has a facilities committee; however, it does not meet the required makeup of members outlined in EC 15282 and appears to function as an advisory committee that includes employees and trustees rather than an independent oversight body.

Furthermore, the district has not conducted an independent financial and performance audit of the bond in at least the past three years.

- 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?** . . . . . ☐ ✓ ☐

While district staff indicated they are working to update the long-range facilities master plan, the current plan dates back to 2019, making it more than five years old.

## 12. Fund Balance and Reserve for Economic Uncertainties

	Yes	No	N/A
<b>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>?</b> . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
<b>12.2 Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years?</b> . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
The district's multiyear projection includes expenditure reductions from its fiscal stabilization plan to maintain the minimum reserve in the two subsequent years. However, these reductions have not been implemented, and there is no guarantee they will be enacted.			
<b>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?</b> . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
<b>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?</b> . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
In its annual report on district solvency, dated July 9, 2024, the Riverside County Superintendent of Schools stated that "the Third Interim multi-year projections indicated total unrestricted fund balances will decline by 63.95 percent over the next three years."			
<b>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?</b> . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	✓

## 13. General Fund – Current Year

	Yes	No	N/A
<b>13.1 Does the district ensure that one-time revenues do not pay for ongoing expenditures?</b> . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
The district is using one-time funding to support ongoing expenditures in the 2024-25 fiscal year.			
<b>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?</b> . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
As of the 2024-25 first interim report, 89.4% of the district's general fund unrestricted expenditure budget is allocated to salaries and benefits, exceeding the statewide average of 86.0% as of 2022-23 (the most recent data available).			
<b>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?</b> . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
As of the 2024-25 first interim report, 89.4% of the district's general fund unrestricted expenditure budget is allocated to salaries and benefits. In 2022-23 and 2023-24, the percentages were 88.1% and 94.1%, respectively.			

- 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? . . . . . ☐ ✓ ☐
- In 2021-22, the district received a \$200,000 California Community Schools Partnership Program planning grant. However, the funds were not spent within the required time frame, requiring the district to return \$197,532 to the state in 2023-24.
- 13.7** Does the district account for all program costs, including the maximum allowable indirect costs, for each restricted resource and other funds? . . . . . ☐ ✓ ☐
- The 2021-22, 2022-23, and 2023-24 unaudited actuals reports indicate that while the district charges the maximum allowable indirect cost rate to most restricted programs, it does not charge indirect costs to its special education program. Additionally, in 2023-24, indirect costs were not charged to Fund 11 (Adult Education).
- 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                      |
|---|--------------------------|--------------------------|--------------------------|
| <b>14.1</b> Does the district use an integrated financial and human resources system? . . . . .   | ✓                        | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>14.2</b> 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"/> |
| <b>14.3</b> 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"/> |
| The district has requested to reopen its 2024-25 CALPADS Fall 1 submission to correct student eligibility data for free or reduced-priced meals.  |                          |                          |                          |
| <b>14.4</b> Is the district using the same financial system as its COE? . . . . .   | ✓                        | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>14.5</b> 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? . . . . . | <input type="checkbox"/> | <input type="checkbox"/> | ✓                        |
| <b>14.6</b> 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? . . . . .                | <input type="checkbox"/> | <input type="checkbox"/> | ✓                        |

## 15. Internal Controls and Fraud Prevention

	Yes	No	N/A
<b>15.1 Does the district have controls that limit access to its financial system and include multiple levels of authorization?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
While the district limits access to its financial system, Galaxy, by job duties, the district has only set up one level of authorization.			
<b>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?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>15.3 Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?:</b>			
• Accounts payable (AP). . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Accounts receivable (AR).. . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Purchasing and contracts. . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Payroll.. . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Human resources (i.e., duties related to position control and payroll processes). . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The district's processes allow the Business Department to add new employees, create new positions, and attach positions to employees. Additionally, a single position — the budget analyst — has the authority to perform all three tasks, which is a serious weakness in the district's internal control system.			
<b>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?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>15.5 Does the district review and work to clear prior year accruals throughout the year?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>15.6 Has the district reconciled and closed the general ledger (books) within the time prescribed by the county superintendent of schools?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>15.7 Does the district have processes and procedures to discourage and detect fraud?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
While some employees provided detailed descriptions of internal audit activities, the district does not have specific processes and procedures to discourage or detect fraud.			
<b>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?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The district lacks a process for collecting reports of possible fraud and for following up on such reports.			
<b>15.9 Does the district have an internal audit process?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
While some employees provided detailed descriptions of internal audit activities, the district lacks a documented, comprehensive internal audit process.			

## 16. Leadership and Stability

	Yes	No	N/A
<b>16.1 Does the district have a chief business official who has been in this position with the district for more than two years?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
At the time of this report, the district had an interim chief business official and was actively recruiting to fill the position permanently.			
<b>16.2 Does the district have a superintendent who has been in this position with the district for more than two years?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The board hired the superintendent on July 2, 2024.			
<b>16.3 Does the superintendent schedule and hold meetings regularly with all members of their administrative cabinet?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>16.4 Is training on financial management and budget provided to school and department administrators who are responsible for budget management?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>16.5 Does the governing board adopt and revise policies and administrative regulations annually?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Interviews with staff and FCMAT's review of the board policy manual indicate that policies and administrative regulations are not regularly updated to reflect changes in law or align with the district's vision and goals.			
The district has a policy committee, consisting of district staff and labor partners, that reviews, provides input on, and approves proposed policy adoptions and updates before they are submitted to the board for approval. While staff described this process as collaborative, they also noted that it is time-consuming, resulting in few policies being adopted or updated in recent years.			
<b>16.6 Are newly adopted or revised policies and administrative regulations implemented, communicated, and available to staff?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The district lacks a formal process for communicating newly adopted or revised policies and administrative regulations to staff. As a result, staff reported that they must independently review the board agenda to determine whether policies or administrative regulations will be updated.			
<b>16.7 Do all board members attend training on the budget and governance at least every two years?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The board lacks a cohesive approach to training. Further, board members do not consistently attend the budget and governance trainings available to them.			
<b>16.8 Is the superintendent's evaluation performed according to the terms of the contract?</b> . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>16.9 Is the district avoiding relying on consultants to prepare financial reports (e.g. SACS) or other primary fiscal activities?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 17. Multiyear Projections

	Yes	No	N/A
<b>17.1</b> Has the district developed multiyear projections that include detailed assumptions aligned with industry standards? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
While the district's assumptions generally align with industry standards, as noted in <u>Item 2.1 of this report</u> , the district's 2024-25 adopted budget multiyear projection for 2025-26 does not include an assumption for step-and-column increases, resulting in a material understatement of projected salaries and benefits expenditures for the 2025-26 and 2026-27 fiscal years.			
<b>17.2</b> To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation that includes multiyear considerations? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>17.3</b> Does the district use its most current multiyear projection when making financial decisions? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>17.4</b> 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? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The district's 2024-25 first interim report includes planned, summarized budget solutions totaling \$45.7 million for 2025-26 and \$3.5 million for 2026-27. However, these solutions lack detail and clarity, are subject to collective bargaining negotiations, and had not been board-approved or implemented as of the time of this report.			

## 18. Non-Voter-Approved Debt and Risk Management

	Yes	No	N/A
<b>18.1</b> 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? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>18.2</b> 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? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>18.3</b> 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? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The district is self-insured for employee dental and vision benefits; however no evidence of an actuarial study was provided to FCMAT.			
<b>18.4</b> 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? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## 19. Position Control

	Yes	No	N/A
<b>19.1 Does the district account for all positions and costs (including substitutes, overtime, stipends, and employer-paid benefits) in position control?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The district uses the position control module in the Galaxy financial system to account for salaries and benefits. However, costs for items such as extra duty, stipends, substitutes and vacation payouts are tracked separately and entered into the budget manually.			
Additionally, the Human Resources and Fiscal Services departments use separate tracking methods for positions and lack a formal process to reconcile any discrepancies.			
<b>19.2 Does the district analyze and adjust staffing based on staffing ratios and enrollment?</b> . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The district uses staffing ratios to adjust certificated staffing in accordance with the certificated collective bargaining agreement but has not adopted staffing ratios for classified positions.			
<b>19.3 Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim financial reporting periods?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>19.4 Does the district identify a budget source for each new position before the position is authorized by the governing board?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>19.5 Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>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?</b> . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 20. Special Education

	Yes	No	N/A
<b>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?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>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)?</b> . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>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)?</b> . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Interviews with staff indicate that the district lacks specific tools to support informed decision-making when considering the addition of services.			

- 20.4 Does the district budget and account correctly for all costs related to special education (e.g., transportation, due process hearings, indirect costs, nonpublic schools and/or nonpublic agencies)?** . . . . . ☐ ✓ ☐
- The district does not charge indirect costs to all of its special education programs.  
This results in an understatement of the true cost of these programs.
- 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?** . . . . . ✓ ☐ ☐

**Risk Score, 20 numbered sections only: 42.6%**

**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.)

# **Appendix**

## **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 district'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 district'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 district's financial management practices and identifying key areas that require continued oversight and improvement.

<b>1. Annual Independent Audit Report</b>	<b>2019</b>	<b>2025</b>
<b>1.1</b> Has the district recorded findings from the most recent and prior two years' audits without negatively affecting its fiscal health?	No	Yes
<b>1.2</b> 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
<b>1.3</b> Were the district's most recent and prior two audit reports free of findings of material weakness?	No	No
<b>1.4</b> Has the district corrected all audit findings from the most recent and prior two audits?	Yes	No

### 1. Annual Independent Audit Report

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

<b>2. Budget Development and Adoption</b>	<b>2019</b>	<b>2025</b>
<b>2.1</b> 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
<b>2.2</b> 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
<b>2.3</b> Does the district use position control data for budget development?	Yes	Yes
<b>2.4</b> Does the district calculate its Local Control Funding Formula (LCFF) revenue correctly?	Yes	Yes
<b>2.5</b> 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

<b>2.</b>	<b>Budget Development and Adoption</b>	<b>2019</b>	<b>2025</b>
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?	No	No
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?	Yes	No

## 2. Budget Development and Adoption

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

<b>3.</b>	<b>Budget Monitoring and Updates</b>	<b>2019</b>	<b>2025</b>
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?	Yes	No
3.5	Do the district's responses fully explain the variances identified in the SACS Criteria and Standards Review form?	Yes	No
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

<b>3. Budget Monitoring and Updates</b>	<b>2019</b>	<b>2025</b>
<b>3.7</b> Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure?	No	Yes
<b>3.8</b> Does the district encumber funds for salaries and benefits and adjust those encumbrances as needed?	Yes	Yes
<b>3.9</b> 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	Yes

### 3. Budget Monitoring and Updates

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

<b>4. Cash Management</b>	<b>2019</b>	<b>2025</b>
<b>4.1</b> Are accounts held by the county treasurer reconciled with the district's and county office of education's (COE) reports monthly?	Yes	Yes
<b>4.2</b> Does the district reconcile all bank (cash and cash equivalent) accounts with each statement in a timely manner?	No	No
<b>4.3</b> 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	Yes
<b>4.4</b> 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
<b>4.5</b> Does the district have sufficient cash resources in its other funds to support its current and projected obligations in those funds?	No	Yes
<b>4.6</b> If the district uses interfund borrowing, is it complying with EC 42603?	Yes	N/A
<b>4.7</b> 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?	N/A	N/A

### 4. Cash Management

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

<b>5. Charter Schools</b>	<b>2019</b>	<b>2025</b>
<b>5.1</b> Does the district have a board policy, memorandum of understanding (MOU), or other written document(s) regarding charter oversight?	Yes	Yes

<b>5. Charter Schools</b>	<b>2019</b>	<b>2025</b>
<b>5.2</b> Has the district fulfilled, and does it have evidence showing fulfillment of, its oversight responsibilities in accordance with EC 47604.32?	Yes	No
<b>5.3</b> Are all charters authorized by the district going concerns and not in fiscal distress?	Yes	Yes
<b>5.4</b> Has the district identified specific employees in its various departments (e.g., human resources, business, instructional, and others) to be responsible for oversight of all approved charter schools?	Yes	No
<b>5.5</b> Does the district monitor charter school audits for timeliness, completeness, and exceptions?	N/A*	No

\*Item 5.5 was not included in the 2019 FHRA.

## 5. Charter Schools

Answer	2019	2025	Change in Number of “No” Responses
Yes	4	2	
No	0	3	Increased by 3
N/A	1	0	

<b>6. Collective Bargaining Agreements</b>	<b>2019</b>	<b>2025</b>
<b>6.1</b> Has the district settled with all its bargaining units for the past two fiscal years?	Yes	Yes
<b>6.2</b> Has the district settled with all its bargaining units for the current year?	Yes	No
<b>6.3</b> 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?	Yes	No
<b>6.4</b> 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?	Yes	No
<b>6.5</b> 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
<b>6.6</b> 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
<b>6.7</b> Did the district comply with public disclosure requirements under Government Code 3540.2 and 3547.5, and EC 42142?	No	Yes
<b>6.8</b> Did the superintendent and chief business official (CBO) certify the public disclosure of collective bargaining agreement before board approval?	Yes	No
<b>6.9</b> Is the governing board's action consistent with the superintendent's and CBO's certification?	Yes	Yes



## 6. Collective Bargaining Agreements

Answer	2019	2025	Change in Number of “No” Responses
Yes	6	3	Increased by 3
No	2	5	
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?	Yes	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?	No	Yes

## 7. Contributions and Transfers

Answer	2019	2025	Change in Number of “No” Responses
Yes	1	1	Decreased by 1
No	2	1	
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?	Yes	No
8.2	Is the district projected to avoid deficit spending in both of the two subsequent fiscal years?	No	No
8.3	If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency?	Yes	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?	Yes	N/A

## 8. Deficit Spending (Unrestricted General Fund)

Answer	2019	2025	Change in Number of “No” Responses
Yes	3	0	Increased by 2
No	1	3	
N/A	0	1	

<b>9. Employee Benefits</b>	<b>2019</b>	<b>2025</b>
<b>9.1</b> 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
<b>9.2</b> 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
<b>9.3</b> 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
<b>9.4</b> Does the district track, reconcile and report employees' compensated leave balances?	Yes	Yes
<b>9.5</b> Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?	No	Yes

## 9. Employee Benefits

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

<b>10. Enrollment and Attendance</b>	<b>2019</b>	<b>2025</b>
<b>10.1</b> Has the district's enrollment been increasing or remained stable for the current and prior two years?	No	No
<b>10.2</b> 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
<b>10.3</b> Does the district track historical enrollment and ADA data to project future trends?	Yes	Yes
<b>10.4</b> Do schools maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the school and district levels?	Yes	Yes
<b>10.5</b> Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable factors?	No	Yes
<b>10.6</b> Has the district planned for enrollment losses to any charter schools?	Yes	No
<b>10.7</b> 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?	No	No
<b>10.8</b> Has the district certified its CALPADS data (most recent Fall 1, Fall 2, and end-of-year reports) by the required deadlines?	Yes	No

<b>10. Enrollment and Attendance</b>	<b>2019</b>	<b>2025</b>
<b>10.9</b> Does the district follow established board policy to limit outgoing interdistrict transfers and ensure that only students who meet the required qualifications are approved?	No	No
<b>10.10</b> 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?	Yes	No

### 10. Enrollment and Attendance

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

<b>11. Facilities</b>	<b>2019</b>	<b>2025</b>
<b>11.1</b> If the district participates in the state’s School Facility Program, has it made the required contribution to its Routine Restricted Maintenance Account?	N/A	Yes
<b>11.2</b> Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects?	Yes	Yes
<b>11.3</b> Does the district properly track and account for facility-related projects?	Yes	Yes
<b>11.4</b> Does the district use its facilities fully (districtwide) in accordance with the Office of Public School Construction’s loading standards?	No	No
<b>11.5</b> Does the district include facility needs (maintenance, repair, and operating requirements) when adopting a budget?	Yes	Yes
<b>11.6</b> Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues?	Yes	Yes
<b>11.7</b> If the district passed a Proposition 39 general obligation bond, has it met the requirements for audit, reporting, and a citizens’ bond oversight committee?	Yes	No
<b>11.8</b> 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	No

### 11. Facilities

Answer	2019	2025	Change in Number of “No” Responses
Yes	6	5	
No	1	3	Increased by 2
N/A	1	0	

<b>12. Fund Balance and Reserve for Economic Uncertainties</b>	<b>2019</b>	<b>2025</b>
<b>12.1</b> 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?	Yes	Yes
<b>12.2</b> Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years?	No	No
<b>12.3</b> 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
<b>12.4</b> 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
<b>12.5</b> 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?	No	N/A

## 12. Fund Balance and Reserve for Economic Uncertainties

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

<b>13. General Fund – Current Year</b>	<b>2019</b>	<b>2025</b>
<b>13.1</b> Does the district ensure that one-time revenues do not pay for ongoing expenditures?	No	No
<b>13.2</b> 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?	No	No
<b>13.3</b> 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?	No	No
<b>13.4</b> 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
<b>13.5</b> 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
<b>13.6</b> Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time?	No	No
<b>13.7</b> Does the district account for all program costs, including the maximum allowable indirect costs, for each restricted resource and other funds?	No	No

**13. General Fund – Current Year****2019      2025**

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

Yes

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	2	
No	5	5	No change
N/A	1	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? No No
- 14.4** Is the district using the same financial system as its COE? Yes Yes
- 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? N/A N/A
- 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? N/A N/A

**14. Information Systems and Data Management**

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

**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 No
- 15.2** Are the district's financial system's access and authorization controls reviewed and updated upon employment actions (e.g., resignations, terminations, promotions, or demotions) and at least annually? No Yes
- 15.3** Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?:

- Accounts payable (AP).

No

Yes

15. Internal Controls and Fraud Prevention		2019	2025
	• Accounts receivable (AR).	Yes	Yes
	• Purchasing and contracts.	Yes	Yes
	• Payroll.	No	Yes
	• Human resources (i.e., duties related to position control and payroll processes).	Yes	No
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	No
15.8	Does the district have a process for collecting reports of possible fraud (such as an anonymous fraud reporting hotline) and for following up on such reports?	Yes	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            8            8

No             5            5            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?	Yes	Yes
16.4	Is training on financial management and budget provided to school and department administrators who are responsible for budget management?	Yes	Yes
16.5	Does the governing board adopt and revise policies and administrative regulations annually?	No	No
16.6	Are newly adopted or revised policies and administrative regulations implemented, communicated, and available to staff?	No	No
16.7	Do all board members attend training on the budget and governance at least every two years?	No	No
16.8	Is the superintendent’s evaluation performed according to the terms of the contract?	Yes	N/A

**16. Leadership and Stability****2019****2025**

- 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	3	3	
No	5	5	No change
N/A	1	1	

**17. Multiyear Projections****2019****2025**

- 17.1** Has the district developed multiyear projections that include detailed assumptions aligned with industry standards?
- 17.2** To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation that includes multiyear considerations?
- 17.3** Does the district use its most current multiyear projection when making financial decisions?
- 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?

No

No

Yes

Yes

Yes

Yes

No

No

**17. Multiyear Projections**

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

No

Yes

Yes

Yes

No

No

Yes

Yes

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

Answer	2019	2025	Change in Number of “No” Responses
Yes	2	3	
No	2	1	Decreased by 1
N/A	0	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	No
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?	Yes	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	3	4	
No	3	2	Decreased by 1
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?	Yes	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)?	No	Yes
20.3	Does the district use appropriate tools to help it make informed decisions about whether to add services (e.g., special circumstance instructional assistance process and form, transportation decision tree)?	No	No
20.4	Does the district budget and account correctly for all costs related to special education (e.g., transportation, due process hearings, indirect costs, nonpublic schools and/or nonpublic agencies)?	No	No
20.5	Does the district monitor contributions from the unrestricted general fund and adjust to trends in the special education program?	N/A*	Yes



<b>20. Special Education</b>		<b>2019</b>	<b>2025</b>
<b>20.6</b>	Is the district's rate of identification of students as eligible for special education at or below the countywide and statewide average rates?	Yes	Yes
<b>20.7</b>	Does the district analyze whether it will meet the maintenance of effort requirement at each interim financial reporting period?	No	Yes

\*This question was not included in the 2019 FHRA.

## 20. Special Education

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

## Appendix B – Study Agreement



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

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

#### 1. BASIS OF AGREEMENT

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

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

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

#### 2. SCOPE OF THE WORK

##### A. Scope and Objectives of the Study

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

##### B. Services and Products to be Provided

###### 1. Orientation Meeting

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

###### 2. Fieldwork

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

### 3. Exit Meeting

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

### 4. Exit Letter

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

### 5. Draft Report

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

### 6. Final Report

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

### 7. Board Presentation

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

## 3. **PROJECT PERSONNEL**

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

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

## 4. **PROJECT COSTS**

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

## **5. RESPONSIBILITIES OF THE CLIENT**

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

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

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

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

## **6. PROJECT SCHEDULE**

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

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

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

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



FCMAT acknowledges that the Client has an educational program to administer, is balancing many priorities, and in some cases may have records management difficulties, staffing capacity issues, staff on various types of leave, or other circumstances, all of which will affect the project schedule.

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

## **7. COMMENCEMENT, TERMINATION AND COMPLETION OF WORK**

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

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

## **8. INDEPENDENT CONTRACTOR**

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

## **9. RECORDS**

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

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

## **10. CONTACT WITH PUPILS**

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

## **11. INSURANCE**

During the term of this Agreement, FCMAT shall maintain liability insurance of not less than \$1 million unless otherwise agreed upon in writing by the Client, automobile liability insurance in the amount required by California state law, and workers' compensation as required by California state law. Upon the request of the Client and receipt of the signed Agreement, FCMAT shall provide certificates of insurance, 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: Dr. Frances Esparza, Superintendent

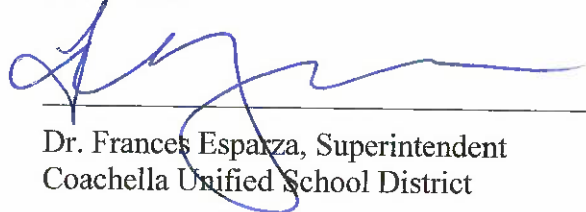
Telephone: (760) 399-0207

Email: [frances.esparza@cvusd.us](mailto:frances.esparza@cvusd.us)

**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:



Dr. Frances Esparza, Superintendent  
Coachella Unified School District

12/17/24  
Date

For FCMAT:

**Michael H. Fine** Digitally signed by Michael H. Fine  
Date: 2025.01.22 16:11:08 -08'00'

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

Date