

# FCMAT

FISCAL CRISIS & MANAGEMENT  
ASSISTANCE TEAM

## Fiscal Review

February 3, 2026

### Budget

Amount	Details	Month	Amount
4,500	Mid Year Bonus	June	2,000
2,500	Year End Bonus	December	3,000
		January	5,000

Costs	Expenditure	Month	Amount
2,300	November vacation	November	450
600	Home for the holidays	December	600
350	Gifts for family	July	300
60	Family vacation	January	880
		January	
		January	
		January	

Annual Budget by Month			
April	May	June	
9,915	13,220	16,000	
	7,000	7,000	
	0		

# Coachella Valley Unified School District

Michael H. Fine  
Chief Executive Officer

# FCMAT

February 3, 2026

Frances Esparza, Ed.D., Superintendent  
Coachella Valley Unified School District  
87225 Church St.  
Thermal, CA 92274

Dear Superintendent Esparza:

In August 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 review of the district's 2025-26 adopted general fund budget and multiyear financial projections. The agreement stated that FCMAT would perform the following:

1. Review the district's 2025-26 adopted general fund budget and use it as a baseline to develop an independent multiyear financial projection (MYFP) for the current and two subsequent fiscal years, including a cash flow analysis for the same period. The MYFP will be a snapshot in time of the district's financial status.
2. The team will present the final report to the district's board of trustees at a public meeting following the completion of the review.

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

FCMAT appreciates the opportunity to serve 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, policymakers, 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 Valley Unified School District is governed by a seven-member board of trustees and serves 15,817 students in grades TK-12 at 14 elementary schools, three middle schools, one continuation high school, three comprehensive high schools and one adult school. In addition, the district oversees one independent charter school with an enrollment of 235 students. The district is geographically vast, encompassing 1,250 square miles in Riverside and Imperial counties serving the communities of Coachella, Thermal, Mecca, Oasis, Indio, and the Salton Sea. According to 2024-25 data available through the California Department of Education (CDE), approximately 92.8% of the district's students are socioeconomically disadvantaged, 40.0% are English learners, and the district's unduplicated pupil percentage (UPP) is 94.3%.<sup>1</sup>

## Study and Report Guidelines

In August 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 review of the district's 2025-26 adopted general fund budget and to prepare an independent multiyear financial projection (MYFP) for the current and two subsequent fiscal years, including a cash flow analysis for the same period. The MYFP is a snapshot in time of the district's financial status.

FCMAT visited the district on September 23-25, 2025, to conduct interviews with district and school staff, collect data and review documents. Following fieldwork, FCMAT continued to review and analyze documents. This report is the result of those activities.

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

## Study Team

The study team was composed of the following members:

Jennifer Nerat, CFE

FCMAT Intervention Specialist

Alyssa Low

FCMAT Intervention Specialist

Leonel Martínez

FCMAT Technical Writer

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

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1. UPP refers to the percentage of students who are English learners, foster youth or eligible for free or reduced-price meals. Students are counted only once even if they are in more than one of these categories.

# Executive Summary

FCMAT's primary objective in this study was to review the district's 2025-26 adopted general fund budget and develop an independent multiyear financial projection (MYFP) and cash flow analysis. The team reviewed numerous documents and financial reports, including the district's 2025-26 adopted budget report; 2023-24 audit report, 2024-25 unaudited actuals report, enrollment and attendance data, and various other current and historical information relevant to the study. FCMAT developed its MYFP based on the district's 2025-26 adopted budget report, along with information from the district's financial system and staff.

Financial projections are based on certain assumptions and criteria, including enrollment and average daily attendance (ADA) trends, cost-of-living adjustments, economic conditions, and revenue and expenditure estimates. Therefore, any changes in these underlying assumptions will alter the results of the projection.

The district's 2025-26 adopted general fund budget and MYFP were based on the district's 2024-25 estimated actuals, the 2025-26 Governor's May Revision Budget proposal, and other assumptions available at the time of preparation. Due to the time that elapsed between the district's 2025-26 adopted budget report and FCMAT's review and preparation of an equivalent MYFP, FCMAT had access to more current information compared to the assumptions used by the district. Specifically, FCMAT's MYFP was based on the 2025-26 enacted State Budget, as well as updated information on economic factors, enrollment and ADA.

The district's 2025-26 adopted budget and MYFP projected that it would meet the state's minimum reserve requirements in each year, despite deficit spending in the unrestricted general fund of \$14,702,943 in 2025-26, \$26,583,726 in 2026-27, and \$17,065,793 in 2027-28. FCMAT's projection for the unrestricted general fund shows a deficit of \$14,865,265 in 2025-26, and continued deficit spending of \$25,625,430 in 2026-27 and \$29,292,414 in 2027-28. This structural deficit reduces the district's projected ending unrestricted fund balance to \$7,632,028 in 2027-28, which falls short of meeting the 3% minimum reserve requirement by \$3,644,879. It is imperative that the district continue to develop and update a detailed deficit reduction plan, including a timeline for completion, and implement it as soon as possible to eliminate deficit spending.

# Findings and Recommendations

## Multiyear Financial Projection

Assembly Bill (AB) 1200 and AB 2756 require multiyear financial projections (MYFPs) as part of the budget adoption and interim reporting process. AB 2756, signed into law in June 2004, made substantive changes to the financial accountability and oversight process for monitoring the fiscal health of school districts and county offices of education. This included granting greater authority and responsibility for the superintendent of public instruction (SPI) and county superintendents of schools to intervene during fiscal crises and request assistance from the Fiscal Crisis and Management Assistance Team.

At any time during the fiscal year, if a school district cannot meet its financial obligations for the current or two subsequent fiscal years, or if it receives a qualified or negative interim report certification, the county superintendent must notify the district's governing board and the SPI. The county office must adhere to Education Code (EC) 42127.6 when helping a school district in fiscal distress. EC 42127.6 allows for the development of "a multiyear financial recovery plan that will enable the school district to meet its future obligations." The MYFP is the primary tool used to develop this plan and restore the school district's required reserve for economic uncertainties.

Prudent financial planning is critical for all local educational agencies (LEAs), regardless of their size or structure. MYFPs enable school districts to make budget decisions that strategically align current and future resources with their goals, programs, and Local Control and Accountability Plans (LCAP). Recognizing financial trends is also essential for maintaining school districts' fiscal health. Monitoring and analyzing year-to-year trends in key budget areas helps school districts identify areas of concern and take action to mitigate their effects. The primary objective when developing an MYFP is to achieve and sustain a balanced budget that will allow the school district to maintain its fiscal solvency and avoid loss of local governance.

Multiyear financial projections forecast the future fiscal impact of current decisions. Any forecast of financial data has inherent limitations because calculations are based on certain economic assumptions and criteria, including enrollment trends, cost-of-living adjustments (COLAs), estimates of various one-time and ongoing costs, and changing economic conditions at federal, state and local levels. Therefore, any projection should be viewed as a point-in-time trend based on recent assumptions rather than a prediction of exact amounts.

Projections should be updated at least at each financial reporting period, when known economic forecasts change, and before any significant decisions are made that affect the budget, such as salary increases or other major financial commitments. Preparing multiple MYFPs for different funding scenarios can help identify a range of possibilities. Ongoing budget monitoring is important, particularly in times of fiscal uncertainty, when projections may be less reliable due to frequent changes in projected federal and state revenues.

## Developing Accurate Multiyear Financial Projections

School district management is responsible for preparing, monitoring, and reporting accurate budget and financial data to support the governing board in making informed decisions. As the ultimate stewards of the school district's financial health, governing board members must ensure fiscal stability while maximizing student services within available resources. The governing board holds a fiduciary duty to the school district — and, by extension, to students, parents, community, and staff — to safeguard its financial condition and ensure it can meet its obligations.

To fulfill these responsibilities, school districts must engage in proactive financial planning to anticipate future needs and ensure long-term fiscal stability. Effective financial planning requires a structured approach to tracking and projecting funds. Over the past five years, significant investments in one-time and ongoing restricted programs for transitional kindergarten through grade 12 (TK-12) have made it essential to develop MYFPs by resource. This level of detail ensures that projections accurately account for both one-time and restricted funds available for expenditure over multiple years.

California LEAs use various methods and tools to prepare MYFPs. Significant investments in one-time and ongoing restricted programs over the past five years make the development of MYFPs by resource essential to ensure projections accurately account for both one-time and restricted funds available for expenditure over multiple years. Developing MYFPs by resource also helps school districts prioritize spending restricted funds before using unrestricted funds, plan effectively plan for the best use of funds and accurately project general fund balances into subsequent years.

Tracking can be accomplished using FCMAT's Projection-Pro multiyear and cash flow projection software, a web-based forecasting tool that is available for free to all school districts, charter schools, and county offices.

## Adjustment Analysis

When developing its MYFP, FCMAT analyzed the district's revenue and expenditure trends for the prior two years (2023-24 and 2024-25) to gain a historical understanding of its finances. The team used the district's 2025-26 adopted budget as the basis for projecting the base year and the two subsequent fiscal years. FCMAT applied industry-standard assumptions from the Department of Finance (DOF), the California Department of Education (CDE) and the School Services of California Inc. (SSC) to ensure accuracy and consistency. Program revenues not expected to continue in future years were excluded from the projection.

The first step in FCMAT's MYFP development process was to establish base-year revenues and expenditures, with 2025-26 serving as the base year for analysis. Accurately estimating these amounts is crucial because these figures form the foundation for the financial projections in subsequent years. Inaccurate base figures can lead to flawed or unreliable projections, impacting long-term financial planning.

Table 1 below shows the differences between the district's 2025-26 adopted budget and FCMAT's analysis. Any adjustments included in the MYFP are noted in the "Adjustments" column. The district used estimated 2024-25 revenues and expenditures to determine its adjusted beginning fund balance, nonspendable amounts, and restricted ending balance. In contrast, FCMAT used the district's 2024-25 unaudited actuals, finalized in September 2025, to determine these amounts. As a result, the district's projected 2025-26 general fund beginning balance at budget adoption was \$10,417,515 lower than its actual 2025-26 general fund beginning balance.

**Table 1. FCMAT Multiyear Financial Projection Comparison Summary, Combined General Fund, 2025-26**

Description	Object Code	District 2025-26 Budget	Adjustment to Base Year	FCMAT 2025-26 Budget
<b>A. Revenues</b>				
LCFF Sources	8010-8099	245,207,223	653,937	245,861,160
Federal Revenue	8100-8299	16,730,740	(1,193,857)	15,536,883
Other State Revenues	8300-8599	53,783,333	8,834,082	62,617,415
Other Local Revenues	8600-8799	14,581,206	4,541,013	19,122,219
Other Financing Sources - Transfers In	8900-8929	13,000,000	-	13,000,000
<b>Total, Revenue</b>		<b>343,302,502</b>	<b>12,835,175</b>	<b>356,137,677</b>
<b>B. Expenditures</b>				
Certificated Salaries	1000-1999	131,073,157	1,473,732	132,546,889
Classified Salaries	2000-2999	56,243,761	600,990	56,844,751
Employee Benefits	3000-3999	107,352,599	2,837,207	110,189,806
Books and Supplies	4000-4999	21,243,988	1,214,942	22,458,930
Services and Other Operating Expenditures	5000-5999	44,251,820	1,386,077	45,637,897
Capital Outlay	6000-6999	2,283,900	652,927	2,936,827
Other Outgo (excluding Transfers of Indirect Costs)	7100-7299 7400-7499	1,420,658	926,780	2,347,438
Other Outgo - Transfers of Indirect Costs	7300-7399	(1,341,303)	47,609	(1,293,694)
Other Financing Uses - Transfers Out	7600-7629	400,000	-	400,000
<b>Total, Expenditures</b>		<b>362,928,580</b>	<b>9,140,264</b>	<b>372,068,844</b>
<b>C. Net Increase (Decrease) in Fund Balance</b>		<b>(19,626,078)</b>	<b>3,694,911</b>	<b>(15,931,167)</b>
<b>D. Fund Balance</b>				
Beginning Fund Balance, July 1	9791	119,717,696	10,417,515	130,135,211
Audit Adjustments	9793	-	-	-
Adjusted Beginning Balance		119,717,696	10,417,515	130,135,211
<b>Ending Fund Balance, June 30</b>		<b>100,091,618</b>	<b>14,112,426</b>	<b>114,204,044</b>
Components of Ending Fund Balance				
Nonspendable	9710-9719	-	-	-
Restricted	9740	45,214,868	6,439,304	51,654,172
Committed				-
Stabilization Arrangements	9750	43,472,604	5,300,393	48,772,997
Other Commitments	9760	-	-	-
Assigned				-
Other Assignments	9780	-	-	-
Unassigned/Unappropriated				-
Reserve for Economic Uncertainties	9789	10,887,857	241,433	11,129,290
Unassigned/Unappropriated	9790	516,283	2,123,851	2,640,134

Source: District's 2025-26 adopted budget report and 2024-25 Unaudited Actuals; and FCMAT's MYFP.

Note: Rounding used in calculations.

# Enrollment, Unduplicated Pupils, and Average Daily Attendance

## Enrollment and Average Daily Attendance Projections

The Local Control Funding Formula (LCFF) determines the largest total amount of unrestricted funding a school district receives. Accurate enrollment and ADA projections are essential elements of any MYFP because student enrollment, unduplicated pupil count (UPC), and ADA by grade level are all core components of the LCFF calculation.

Enrollment projections are critical for identifying changes that could significantly affect an LEA's estimated revenue in the current and subsequent years. Failure to anticipate ADA-related revenue declines and adjust staffing and expenditures accordingly can jeopardize an LEA's financial stability. Analyzing historical enrollment and attendance trends helps identify potential shifts in future enrollment.

Accurate and timely projections are also essential for determining instructional priorities, staffing ratios, grade-level configurations, and potential boundary changes. Enrollment projections should be detailed enough to monitor and project class sizes in future years. To maintain accurate and meaningful data, LEAs should regularly update and compare enrollment projections to actual enrollment. Ongoing monitoring of enrollment and attendance data helps LEAs anticipate staffing needs and potential layoffs.

Enrollment and ADA projections have inherent limitations because they are based on assumptions rather than exact calculations. Enrollment is influenced by various factors, such as the unpredictable timing of housing developments, unforeseen events affecting enrollment (e.g., the COVID-19 pandemic), shifts in local and regional demographics and birth rates, and fluctuating local, state, and national economic conditions. Other variables include historical ratios of enrollment progression between grade levels, changes in educational programs, and incoming and outgoing interdistrict transfers. Therefore, enrollment and ADA projections should be viewed as reasonable forecasts or trends rather than predictions of exact numbers.

To develop its MYFP, FCMAT reviewed the district's enrollment, UPC, and ADA trends from 2014-15 through 2024-25. The team then used Projection-Pro to prepare projections for the base year and the two subsequent years using a weighted cohort survival methodology. These projections were used to calculate LCFF and other federal and state revenue estimates.

## Enrollment

Between 2014-15 and 2024-25, the district's enrollment declined overall by 16.19% or 2,849 students. Most recently, from 2022-2025, the district's enrollment declined by an average of 1.65% each year from 16,455 students to 15,817 students. The district uses historical enrollment to prepare its enrollment projections. The district's 2025-26 adopted budget MYFP assumed a 1.75% decline in enrollment from 2024-25 to 2025-26 as the basis for 2025-26 enrollment, which is equivalent to a loss of 277 students from the prior year. The district assumed the same year-over-year enrollment loss of 277 students in each of the subsequent two years.

Local educational agencies commonly use the weighted cohort survival method to project enrollment, which is also the model used by FCMAT's Projection-Pro software. This method groups students by grade level upon entry and tracks them through each year they remain in school to evaluate the longitudinal relationship of the number of students advancing from one grade to the next, placing greater emphasis on more recent data. By doing so, the weighted cohort survival method more closely accounts for student

retention and new and departing students by grade. FCMAT's enrollment projections did not differ significantly from the district's projections in 2025-26; however, due to FCMAT's utilization of the weighted cohort survival methodology, differences arise in 2026-27 and 2027-28 (see Table 5 in the "Comparison of Enrollment, UPP, and ADA Projections" subsection of this report).

Cohort survival rates are calculated from historical enrollment data certified on the Fall 1 census day for the California Longitudinal Pupil Achievement Data System (CALPADS), which is always the first Wednesday in October. This data is used to determine the percentage increase or decrease in enrollment between any two grades. For example, if 100 students were certified as enrolled in first grade in 2023-24 and that number increased to 104 in second grade in 2024-25, the cohort survival rate would be 104%, or a ratio of 1.04. These ratios are calculated between each pair of grades over several years. Such ratios are key factors that contribute to the reliability of the projections and depend on the validity of the initial data. Each ratio collectively encompasses the variables that could account for an increase or decrease in the size of a grade cohort as it progresses over time.

The anomalies of 2020-21 and 2021-22 caused by the COVID-19 pandemic made using a five-year cohort survival method unreliable. For example, the district experienced an enrollment decrease of 0.73% in 2019-20, followed by a decline of 2.03% in 2020-21, and a decline of 3.90% in 2021-22. To account for these irregularities, FCMAT used a three-year weighted historical average to project enrollment.

Projecting TK and kindergarten (K) enrollment differs from other grades because they are the first years of enrollment in the district. Because there isn't a cohort to draw from, FCMAT projected 2025-26 enrollment for these initial grades based on the 2024-25 actual enrollment and then held the enrollment levels flat for 2026-27 and 2027-28.

**Table 2. Historical Data and FCMAT Enrollment Projections, 2020-21 – 2027-28**

Enrollment by Grade	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Grade TK	183	179	255	341	396	396	396	396
Grade K	1,147	1,155	1,043	1,019	993	993	993	993
Grade 1	1,245	1,174	1,212	1,078	1,063	1,033	1,033	1,033
Grade 2	1,274	1,206	1,208	1,216	1,127	1,096	1,065	1,065
Grade 3	1,296	1,253	1,221	1,217	1,217	1,130	1,099	1,068
<b>Subtotal TK-3</b>	<b>5,145</b>	<b>4,967</b>	<b>4,939</b>	<b>4,871</b>	<b>4,796</b>	<b>4,648</b>	<b>4,586</b>	<b>4,555</b>
Grade 4	1,324	1,259	1,268	1,240	1,232	1,233	1,145	1,114
Grade 5	1,408	1,277	1,259	1,279	1,269	1,255	1,256	1,166
Grade 6	1,325	1,317	1,297	1,237	1,283	1,264	1,250	1,251
<b>Subtotal 4-6</b>	<b>4,057</b>	<b>3,853</b>	<b>3,824</b>	<b>3,756</b>	<b>3,784</b>	<b>3,752</b>	<b>3,651</b>	<b>3,531</b>
Grade 7	1,340	1,224	1,290	1,246	1,233	1,263	1,245	1,231
Grade 8	1,422	1,300	1,231	1,272	1,250	1,230	1,260	1,242
<b>Subtotal 7-8</b>	<b>2,762</b>	<b>2,524</b>	<b>2,521</b>	<b>2,518</b>	<b>2,483</b>	<b>2,493</b>	<b>2,505</b>	<b>2,473</b>
Grade 9	1,411	1,297	1,225	1,144	1,191	1,167	1,149	1,177
Grade 10	1,367	1,391	1,273	1,186	1,152	1,184	1,160	1,142
Grade 11	1,258	1,334	1,372	1,236	1,175	1,134	1,165	1,142
Grade 12	1,299	1,259	1,301	1,335	1,236	1,164	1,124	1,155
<b>Subtotal 9-12</b>	<b>5,335</b>	<b>5,281</b>	<b>5,171</b>	<b>4,901</b>	<b>4,754</b>	<b>4,649</b>	<b>4,598</b>	<b>4,616</b>

Enrollment by Grade	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Total TK-12 Enrollment	17,299	16,625	16,455	16,046	15,817	15,542	15,340	15,175
Enrollment Increase or Decrease from Prior School Year	-	-674	-170	-409	-229	-275	-202	-165

Sources: DataQuest and FCMAT’s MYFP.

## Unduplicated Pupil Percentage

The district’s unduplicated pupil percentage (UPP) is used to determine a portion of its LCFF funding, specifically for supplemental and concentration grants. The UPP is the percentage of students identified as English learners, foster youth, or eligible for free or reduced-price meals. Each student is counted only once, even if they meet more than one of these criteria. The UPP for LCFF funding is calculated using a three-year rolling average of the ratio of unduplicated students to total enrollment.

The district’s UPP has remained around 94% since 2022-23. The district’s 2025-26 adopted budget MYFP projected the number of unduplicated pupils to decrease by 217 students in 2025-26 to a total of 14,771, and a UPP of 94.61%. Following this, the number is expected to decrease by 213 students in 2026-27 and by 211 students in 2027-28, resulting in a UPP of around 95% by the third year.

FCMAT used Projection-Pro to calculate an average ratio using a three-year historical ratio of the district’s unduplicated pupil count to total enrollment and applied this ratio to determine the UPP for the subsequent years, as shown in Table 3. FCMAT’s UPP projection is slightly lower than the district’s projection for 2025-26 and 2026-27, and slightly higher for 2027-28 but remains close to 94% each year.

**Table 3. Historical Data and FCMAT Projections of Enrollment and Unduplicated Pupil Count, 2020-21 – 2027-28**

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
UPC	16,329	15,258	15,420	15,151	14,931	14,655	14,464	14,309
Total Enrollment	17,299	16,625	16,455	16,046	15,817	15,542	15,340	15,175
UPC-to-Total Enrollment Ratio (UPP)	94.39%	91.78%	93.71%	94.42%	94.40%	94.29%	94.29%	94.29%

Sources: California Department of Education (CDE) through the California Longitudinal Pupil Achievement Data System (CALPADS) and FCMAT’s MYFP

Notes: Rounding used in all calculations

## Average Daily Attendance

Average daily attendance is calculated by dividing the total number of student attendance days in a school year by the total number of instructional days. Traditionally, LCFF apportionments have been based on the greater of current year or prior year second reporting period (P-2) ADA. However, the 2022-23 state budget introduced a provision allowing school districts to use the greater of current year, prior year, or the average

of the three most recent prior years’ ADA. P-2 ADA is calculated using student attendance from the first day of school through the last school month ending on or before April 15.

During the COVID-19 pandemic, the state made several changes to how ADA was reported and funded.

- For the 2019-20 school year, the second and annual attendance reporting periods were adjusted to include full school months from July 1, 2019, through the last month ending on or before February 29, 2020, inclusive.
- For 2020-21 funding, the state allowed LEAs to use 2019-20 ADA as a proxy for 2020-21 ADA, preventing funding reductions due to pandemic-related attendance declines.
- For the 2021-22 fiscal year, LCFF funding was based on the greater of 2021-22 ADA or the 2019-20 attendance-to-enrollment ratio applied to 2021-22 enrollment.

The district monitors and analyzes enrollment and ADA monthly and by reporting period (i.e., first, second and annual) for each school. In its 2025-26 adopted budget MYFP, the district projected a 90.78% overall TK-12 attendance ratio for its ADA projections.

FCMAT reviewed the district’s enrollment and ADA trends from 2020-21 through 2024-25, comparing the October CALPADS student enrollment counts to the P-2 ADA to determine the average ADA-to-enrollment ratios for grades TK-12.

FCMAT used a three-year historical average to exclude the use of 2020-21 and 2021-22 ADA held harmless from the effects of pandemic-related attendance declines. Based on these historical ratios, FCMAT’s Projection-Pro software calculated TK-12 grade span weighted average ratios ranging from 88.03% to 92.30% and used them to project ADA for 2025-26 and the two subsequent years.

Table 4 below shows historical data and FCMAT’s projections for the district’s ADA.

**Table 4. Historical Data and FCMAT Projections of Enrollment and ADA by Grade Group, 2020-21 — 2027-28**

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
<b>Grades TK-3</b>								
ADA	5,087.13	4,710.75	4,442.51	4,491.02	4,425.13	4,269.56	4,212.60	4,184.13
Enrollment	5,145	4,967	4,939	4,871	4,796	4,648	4,586	4,555
ADA-to-Enrollment Ratio	98.88%	94.84%	89.95%	92.20%	92.27%	91.86%	91.86%	91.86%
<b>Grades 4-6</b>								
ADA	3,935.56	3,684.67	3,476.43	3,474.30	3,504.82	3,462.95	3,369.73	3,258.98
Enrollment	4,057	3,853	3,824	3,756	3,784	3,752	3,651	3,531
ADA-to-Enrollment Ratio	97.01%	95.63%	90.91%	92.50%	92.62%	92.30%	92.30%	92.30%
<b>Grades 7-8</b>								
ADA	2,766.80	2,363.40	2,246.20	2,278.16	2,241.71	2,247.42	2,258.24	2,229.39
Enrollment	2,762	2,524	2,521	2,518	2,483	2,493	2,505	2,473
ADA-to-Enrollment Ratio	100.17%	93.64%	89.10%	90.48%	90.28%	90.15%	90.15%	90.15%

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
<b>Grades 9-12</b>								
ADA	4,897.51	4,913.18	4,507.85	4,331.34	4,187.20	4,092.37	4,047.48	4,063.32
Enrollment	5,335	5,281	5,171	4,901	4,754	4,649	4,598	4,616
ADA-to-Enrollment Ratio	91.80%	93.04%	87.18%	88.38%	88.08%	88.03%	88.03%	88.03%
<b>Grades TK-12</b>								
ADA	16,687.00	15,672.00	14,672.99	14,574.82	14,358.86	14,072.30	13,888.05	13,735.82
Enrollment	17,299	16,625	16,455	16,046	15,817	15,542	15,340	15,175
ADA-to-Enrollment Ratio	96.46%	94.27%	89.17%	90.83%	90.78%	90.54%	90.53%	90.52%

Sources: Dataquest, CDE Principal Apportionment Exhibits and FCMAT’s MYFP.

Note: Rounding used in calculations.

## Comparison of Enrollment, UPP, and ADA Projections

FCMAT’s enrollment projection for 2025-26 was two students higher than the district’s projected enrollment. Differences in the projections in the two subsequent fiscal years grew each year, with variances of 77 students in 2026-27 and 189 students in 2027-28. This is attributed to FCMAT using the cohort survival methodology whereas the district applied a 1.75% decline in enrollment from 2024-25 for 2025-26, and an overall reduction of 277 students in each of the two subsequent years as stated earlier.

There was no significant difference between FCMAT’s and the district’s UPC-to-total enrollment ratio projections. The district assumed a UPC ratio of 94.61% in 2025-26, and 94.92% and 95.27% for the two subsequent years respectively, while FCMAT’s historical analysis identified stability in the ratio. To reflect this, FCMAT used a three-year average of 94.29% for 2025-26, 2026-27, and 2027-28.

For ADA, FCMAT’s projection was 34.7 lower than the district’s in 2025-26 but higher in subsequent years, with differences of 32.05 in 2026-27 and 131.82 in 2026-28.

Table 5 below compares the district’s 2025-26 adopted budget projections for enrollment, UPC, and ADA with FCMAT’s projections.

**Table 5. Comparison of District and FCMAT MYFP Projections, 2025-26 — 2027-28**

Description	2025-26	2026-27	2027-28
<b>Enrollment</b>			
District	15,540	15,263	14,986
FCMAT	15,542	15,340	15,175
Difference	-2	-77	-189
<b>UPP</b>			
District	14,714	14,501	14,290
FCMAT	14,655	14,464	14,309

Description	2025-26	2026-27	2027-28
Difference	59	37	-19
<b>ADA</b>			
District	14,107.40	13,855.93	13,604.47
FCMAT	14,072.30	13,888.05	13,735.82
Difference	34.70	-32.12	-131.35

Sources: District's 2025-26 adopted budget report and FCMAT's MYFP.

# Multiyear Financial Projection Assumptions

## District Assumptions

As discussed earlier in this report, it is best practice for school districts to create their MYFPs by updating revenues and expenditures in each funding resource within both the unrestricted and restricted general fund. Coachella Valley USD developed the 2025-26 adopted budget using the following major assumptions:

- Unrestricted general fund revenues: LCFF revenues were updated using the LCFF calculator available at budget adoption. For other state and local revenues, COLA factors of 3.02% for 2026-27 and 3.42% for 2027-28 were applied to the 2025-26 base amounts to project subsequent years.
- Salaries: The district assumed a 2% step-and-column increase for certificated salaries and a 1% step increase for classified salaries in each of the subsequent fiscal years.
- Certificated statutory benefits: A total statutory benefit rate of 25.88% was applied to certificated salaries in each year.
- Classified statutory benefits: Statutory benefit rates were set at 39.79% for 2025-26, 39.38% for 2026-27, and 39.88% for 2027-28.
- Nonsalary expenditures: The district applied a COLA factor of 2.30% for 2025-26 base year expenditures, 3.02% for 2026-27, and 3.42% for 2027-28. The California Price Index (CPI) was additionally applied to the base year and two subsequent years: 3.09% on the base year, 2.82% in 2026-27 and 2.72% in year 2027-28.

## FCMAT Assumptions

FCMAT's MYFP used the district's 2024-25 unaudited actuals and 2025-26 adopted budget as the baseline for its projections and included the impact of the state's 2025-26 enacted budget. The study team reviewed district records, interviewed staff members, and examined various financial documents to gather the necessary information for the MYFP. Assumptions were based on conservative economic factors and estimates, described by major revenue and expenditures categories in line with the object code.

In developing its MYFP, FCMAT used Projection-Pro to update each separate funding resource for the base year and subsequent fiscal years. The key planning factors and budget assumptions used in FCMAT's MYFP were based on the latest information available at the time, as shown in Table 6 below and further described in the following paragraphs.

**Table 6. FCMAT MYFP Budget Assumptions, 2025-26 — 2027-28**

Description	2025-26	2026-27	2027-28
Statutory COLA (DOF)	2.30%	3.02%	3.42%
LCFF COLA	2.30%	3.02%	3.42%
State Categorical COLA	2.30%	3.02%	3.42%
California CPI	3.09%	2.82%	2.72%
California Lottery, Unrestricted per ADA	\$ 190.00	\$ 190.00	\$ 190.00

Description	2025-26	2026-27	2027-28
California Lottery, Restricted per ADA (Proposition 20)	\$ 82.00	\$ 82.00	\$ 82.00
Mandate Block Grant, District (K-8), per ADA	\$ 39.09	\$ 40.27	\$ 41.65
Mandate Block Grant, District (9-12), per ADA	\$ 76.48	\$ 78.79	\$ 81.48
Interest Rate Trend for 10-Year Treasuries	4.50%	4.36%	4.40%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	26.81%	26.40%	26.90%
Certificated Staff Step & Column	2.00%	2.00%	2.00%
Classified Staff Step	1.00%	1.00%	1.00%
Health & Welfare Percent Change	3.85%	3.85%	3.85%
State Unemployment Insurance Rate	0.05%	0.05%	0.05%
Workers' Compensation Insurance Rate	4.85%	4.85%	4.85%
District Indirect Cost Rate	6.19%	6.19%	6.19%

Sources: FCMAT, DOF, CDE, SSC and the district.

## Revenues

FCMAT validated the district's revenue using data from the CDE, the DOF, the SSC Dartboard, and grant letters. The team analyzed district estimates for sources that could not be independently verified and adjusted the MYFP to account for one-time funds and carryover from previous years.<sup>2</sup>

## Local Control Funding Formula Sources

The LCFF is the primary funding source for school districts and provides the following:

- A base grant per pupil that varies by grade level.
- A grade span adjustment of 10.4% of the TK-3 base grant and 2.6% of the 9-12 base grant.
- A TK add-on rate per current year ADA.
- A supplemental grant that provides an additional 20% of the base grant, multiplied by the school district's UPP.
- A concentration grant that provides an additional 65% of the base grant, multiplied by the school district's UPP exceeding 55% of total enrollment.

The 2021-22 enacted state budget increased the concentration grant from 50% to 65%. For districts that qualify for concentration grant funds, the additional 15% must be used to increase the number of credentialed and/or classified staff who provide direct services to students.

The LCFF requires school districts to increase or improve services for unduplicated pupils in proportion to the supplemental and concentration funds they receive relative to base funds. This requirement is known as the minimum proportionality percentage (MPP). Starting in 2021-22, if the increases and improvements in services do not meet the MPP requirement, any unused portion of the supplemental and concentration

<sup>2</sup> The term "carryover" refers to unspent funds from one year that are not spent and are thus retained to be spent in the next year. Typically, these are grant funds that are allowed to be carried over.

grant funds must be identified in the subsequent year's LCAP and used to provide increased or improved services to unduplicated pupils.

For most school districts, LCFF entitlement is funded through a combination of local property taxes and state aid. Property tax revenue is applied first toward the total LCFF entitlement, with the state covering any remaining balance. If a school district's local property tax revenue meets or exceeds its LCFF entitlement, it is classified as a basic aid or community-funded district.

Proposition 30, passed in 2012, temporarily added a quarter-cent sales tax and increased state income tax rates on high-income taxpayers. The sales tax increase expired in 2016, while the income tax increase was initially set to expire in 2018 but was extended through 2030 by Proposition 55. These revenues are deposited into the state's Education Protection Account (EPA) and are a component of state aid for the LCFF entitlement. EPA revenues are received by all LEAs, including basic aid school districts, which receive a minimum of \$200 per ADA in EPA revenues.

## LCFF Projections

School districts are encouraged to use the [FCMAT LCFF Calculator for School Districts and Charter Schools](#) to estimate LCFF funding. FCMAT prepared an independent calculation for the district using this tool. Although the district also used the FCMAT LCFF calculator, some assumptions – such as enrollment, ADA and property tax revenues – were updated by FCMAT based on more current information.

As a result, FCMAT's projections for enrollment, ADA, UPP and property tax projections led to LCFF revenue projections that differed slightly from those used by the district in its 2025-26 adopted budget. FCMAT's projections for LCFF revenues are approximately \$653,937 higher than the district's projection in 2025-26, \$76,591 higher in 2026-27, and \$240,464 lower in 2027-28. This is largely due to the change to the TK add-on rate in the 2025-26 enacted budget which added \$2,397 per TK ADA to support lowering the student-to-adult ratio from 12 to 1 to 10 to 1.

## Federal Revenue

FCMAT reviewed, verified, and adjusted federal funding amounts for the base year 2025-26 where possible and appropriate. These adjustments resulted in a total estimated federal revenue of \$15,536,883, a decrease of \$1,193,857 when compared to the district's projections.

Major budget adjustments include:

- Title I: -\$555,530.
- Title II: +\$113,988.
- Title III -\$147,571.
- Title IV: -\$606,283.

Minor increases were made to federal special education and career technical education programs for a total of \$1,539.

Caution should be exercised when budgeting federal revenues due to the uncertainty surrounding the federal budget. This is particularly important because the district has allocated federal funding to salaries and benefits in most of its federal programs. In the district's 2025-26 adopted budget MYFP, federal revenue projections for 2026-27 and 2027-28 remained unchanged from the 2025-26 base year.

After reviewing historical Every Student Succeeds Act (ESSA) funding revenues and information obtained from interviews with staff, the team maintained federal revenue projections in its MYFP for 2026-27 and 2027-28 at the same levels as FCMAT's 2025-26 revised budget for the district. Similarly, after updating special education funding for 2025-26, FCMAT assumed no changes to special education revenues for 2026-27 and 2027-28. FCMAT did not include carryover and unearned revenues in the district's 2025-26 adopted budget and in subsequent years of the projection.

The best practice is to regularly update the district's revenue estimates as entitlement allocations and grant amounts are finalized, ensuring that budgeted revenues align with the most recent funding allocation schedules. Carryover or unearned revenues from prior years should not be included in the current year budget until the prior year unaudited actuals are completed and should be eliminated from the MYFP's subsequent years. Including estimates of carryover or unearned revenues before those amounts are known may result in overbudgeting and overspending. The district's practice is in alignment with the best practice and indicated carryover and unearned revenues would be updated at the first interim reporting period.

## Other State Revenues

"Other state revenues" in a school district budget refers to state funding received outside the LCFF allocation, such as lottery revenues and grants. These funds often support specific programs and initiatives, including career and technical education and arts and music. Unlike LCFF funding, which provides unrestricted per-student allocations, other state revenues are typically restricted or categorical, meaning they must be used for designated purposes. Understanding and effectively managing these funds is essential for maximizing resources and ensuring compliance with state funding requirements.

Revenues fluctuate throughout the year, requiring school districts to continuously monitor allocations and adjust budgets accordingly. Failure to do so can result in overspending, underuse of grant funds, or expenditures exceeding available revenues.

In developing its MYFP, FCMAT verified the district's 2025-26 other state grant award amounts using CDE schedules and grant award letters. These amounts were incorporated into the 2025-26 base year and carried forward to 2026-27 and 2027-28, with COLA applied to select revenues. FCMAT increased the 2025-26 state revenues total by a net \$8,834,032. Specifically, FCMAT added \$6,061,450 in 2025-26 for new one-time funding sources including \$4,495,491 for the Student Support and Professional Development Discretionary Block Grant and \$1,565,959 for the Learning Recovery Emergency Block Grant.

In addition, other state revenues were increased by \$2,508,027 for the following grants:

- Literacy Coaches and Reading Specialists: \$1,605,392.
- Special Education Early Intervention Preschool Grant: \$802,635.
- Restorative Practices Grant: \$100,000.

Other increases include \$437,636 in Arts and Music in Schools funding, \$180,189 in Expanded Learning Opportunities Program funding, and \$17,780 in Mental Health-Related Service funding in alignment with the 2025-26 Advance Principal Apportionment exhibit published by CDE after the district's adoption of the 2025-26 adopted budget; and \$331,485 for projected LCFF Equity Multiplier funding.

FCMAT decreased the district's grant eligibility for career technical education grant funding by \$1,090,269, removed carryover and unearned revenue of \$798,880 in the base year, and reduced the home-to-school transportation reimbursement by \$54,227.

Where applicable, FCMAT carried forward state revenues for 2025-26 into the subsequent fiscal years and adjusted for COLA, enrollment, and ADA projections as appropriate.

## Mandate Funding

The state allocates mandate block grant funds using a per-ADA amount, adjusted by the COLA in subsequent years, based on the prior year's P-2 ADA by grade level. The mandate funding projections in the MYFP are based on FCMAT's P-2 ADA projections.

The Mandate Block Grant provides LEAs with funds to support the costs of various mandated programs and activities identified in Government Code (GC) 17581.6(f). School districts can choose to receive this funding or submit a reimbursement claim with the State Controller's Office. To receive Mandate Block Grant funding, school districts must file an application each year with the CDE.

The district's 2025-26 adopted budget did not include revenue from the Mandate Block Grant; however, the district subsequently opted into the Mandate Block Grant for 2025-26. FCMAT included \$717,847 in mandate funding in 2025-26 per the CDE exhibit.

## Lottery Funding

The state allocates lottery funds quarterly using prior-year annual ADA, adjusted by a statewide absence factor of 1.04446. These allocations are further adjusted in the subsequent year based on the district's final annual ADA.

FCMAT projected lottery revenues for 2025-26 and subsequent years based on its annual ADA projections, with a per-ADA rate of \$190 for unrestricted funds and \$82 for restricted lottery instructional materials per the SSC Dartboard. This resulted in increases of \$247,633 in unrestricted lottery revenues and \$275,311 in restricted lottery revenues.

## Other Local Revenue

The district receives local revenues from a variety of sources, including leases and rentals, interest earnings, donations, SELPA pass-through payments, and other miscellaneous sources. Because these revenues are not guaranteed, they should be budgeted and projected conservatively using historical trends.

FCMAT reviewed the district's budgeted amounts for local revenues for reasonableness using the prior two years' actual revenues. Based on this analysis, FCMAT increased other local revenue by a net \$4,541,013, as detailed below.

FCMAT increased the interest earnings by \$4,993,594 in 2025-26, based on the prior year's amount and projected cash balances. These revenues are considered ongoing and are adjusted in the subsequent years of the MYFP according to changes in the interest rate for 10-year treasuries.

FCMAT did not include any revenue projections for 2025-26 donations and miscellaneous income because these revenue sources are typically budgeted as the actual donations and miscellaneous income are received.

The team used the SELPA's most recent allocation schedules for 2024-25 and 2025-26 to determine the district's Special Education revenues, resulting in a reduction of \$452,581 for 2025-26.

FCMAT kept the 2025-26 leases and rentals budget unchanged after reviewing historical trends. The team assumed the base year's leases and rentals revenue would continue into the subsequent years of the MYFP.

## Expenditures

FCMAT reviewed the district's 2025-26 adopted budget general fund expenditures budget for reasonableness, comparing the base year projections to the prior years' actual expenditures, reviewing grant agreements, conducting staff interviews, and analyzing expenditure and encumbrance activity through June 2025.<sup>3</sup> Ongoing costs from the district's 2025-26 adopted budget are assumed to continue unless otherwise adjusted, as noted below.

## Salary Budgeting and Position Control

The district uses the Galaxy financial system for position control, which integrates with its financial system to manage salaries benefits, and extra pay such as stipends. Costs for extra duty, overtime and substitutes are monitored and changed through budget adjustments in Galaxy outside of position control. FCMAT's changes to the MYFP align financial data with position control, incorporate information from staff interviews, and reflect other changes not included in budget adoption. In addition, FCMAT analyzed expenditures of unrestricted and restricted salaries over the last four years to develop the final projection.

## Certificated Salaries

FCMAT increased certificated salaries in the MYFP for 2025-26 by \$1,473,732. This includes aligning the budget to what is reflected in position control and reviewing the prior year trends in certificated expenses resulting in increases to unrestricted salaries of \$823,353, and an increase in restricted salaries of \$650,379. Unrestricted salaries adjustments account for six transitional kindergarten teachers, one counselor hired after budget adoption as discussed in interviews with staff, and a high school assistant principal vacancy noted by FCMAT on EDJOIN, an educational job site, that was not included in position control or budget.

Restricted salary adjustments to salaries include unbudgeted learning recovery emergency block grant (LREBG) expenditures, additional extra duty costs, and a speech and language pathologist vacancy position posted on EDJOIN, which was not in position control or budget.

Salaries increase by 2% in 2026-27 and 2027-28 based on step-and-column data from the district that aligns with the district's budget adoption assumptions. According to interviews with staff, beginning in 2026-27, two coordinators and two induction teachers will move from Educator Effectiveness Block Grant program funding to the unrestricted general fund; and one literacy coach funded through the Literacy Coaches and Reading Specialist Grant program will move to the unrestricted general fund. These ongoing expenses shifted as both grants expire June 30, 2026. Lastly, additional extra duty expenditures were reduced in the A-G Success Grant starting in the 2026-27 fiscal year, as this grant also expires June 30, 2026, and is not ongoing.

## Classified Salaries

Classified salaries in the MYFP for 2025-26 increased by \$600,990. This includes a decrease of \$121,801 of unrestricted classified salaries to align position control with the budget while including expenses for substitute, overtime and vacancy costs based on prior year trends in expenses.

<sup>3</sup> The CSAM defines an encumbrance as "a commitment in the form of a purchase order or offer to buy goods or services." The encumbrance account in a general ledger tracks open purchase orders to prevent overspending of a budget account.

Restricted salaries adjustments reflect the addition of a bilingual speech and language pathology assistant vacancy, increasing substitute and overtime costs for paraprofessionals in special education based on prior year spending trends, added overtime and substitute costs for routine and restricted maintenance and adding a project manager funded with local restricted revenue that was not included in the budget, for a total increase of \$722,791.

Salaries then increase 1% annually in 2026-27 and 2027-28 based on data from the district that aligns with the district's budget adoption assumptions. Lastly, additional extra hourly expenditures in the A-G Success Grant were removed starting in the 2026-27 fiscal year as the grant expires June 30, 2026, and are not ongoing expenses.

## Employee Benefits

FCMAT increased employee benefit expenditures in the MYFP for 2025-26 by \$2,837,207, including \$2,130,770 in the unrestricted general fund and \$706,437 in the restricted general fund to align with position control and prior year actuals. Adjustments reflect statutory benefits proportional to the adjusted salaries, which include increases for CalSTRS and CalPERS costs and added health and welfare costs for the additional six TK teachers, one counselor, and positions that were not accounted for in the adopted budget yet were included in position control.

Health and welfare and statutory benefits proportionally adjust with salary changes in the subsequent years. For the 2026-27 and 2027-28 fiscal years, FCMAT applied a 3.85% increase to health and welfare benefits based on the prior year increase trends over four years.

Projections for CalSTRS remain flat in the current and subsequent years at 19.10% each year; however, the CalPERS projection rate changes. It is 26.81% in 2025-26, 26.40% in 2026-27 and 26.90% in 2027-28.

Benefits budgeted out of one-time funding sources – the A-G Success Grant and the Educator Effectiveness Block Grant – were reduced starting in 2026-27.

## Books and Supplies

After analyzing prior year expenditures and discussion of funding plans in school site interviews with staff, FCMAT increased unrestricted books and supplies by \$146,779 based on prior year trends and increased \$1,068,163 in restricted expenditures for the Indian Education Grant and Restorative Practices Grant, and for restricted resources subject to unearned revenue.

In fiscal years 2026-27 and 2027-28, CPI adjustments were applied to all books and supplies expenditures and the books and supplies funded out of one-time grants, A-G Success Grant and Educator Effectiveness Block Grant, were reduced starting in 2026-27 as they are not ongoing expenses.

## Services and Other Operating Expenditures

FCMAT increased total services and other operating expenditures in the MYFP for 2025-26 by a net amount of \$1,386,077, increasing \$512,718 in the unrestricted general fund and \$873,359 in the restricted general fund.

Adjustments to the 2025-26 unrestricted general fund include an increase in dues and memberships to reflect prior year trends in spending and an additional increase to liability insurance costs.

Key adjustments to the 2025-26 restricted general fund include increases in professional and consulting services in the following programs: Title I, Title II, After School Education and Safety (ASES), Educator Effectiveness Block Grant, special education and other state grants and a slight increase in direct costs.

FCMAT applied CPI to the two subsequent years to both the unrestricted and restricted general fund services and other operating expenses. Expenditures in the Educator Effectiveness Block Grant and the A-G Success Grant were reduced starting in 2026-27 as the grants are due to expire June 30, 2026. Additionally, FCMAT increased expenditures in restricted resources subject to unearned revenue to align and balance with adjusted revenues.

## Capital Outlay

Capital outlay expenditures include land, land improvements, buildings, equipment purchases and replacements exceeding a cost threshold established by the LEA. FCMAT increased total capital outlay expenditures in the MYFP for 2025-26 by \$652,927. This includes an additional \$100,000 budgeted for buildings and improvements of buildings and \$360,000 for equipment based on prior year trends in spending and a one-time capital expense for transportation that was not included in the budget but discussed in interviews.

In restricted capital outlay, FCMAT increased the equipment budget in the one-time funding source, Kitchen Infrastructure and Training Funds, by \$192,927 to cover the cost of one-time equipment purchased.

FCMAT reduced capital outlay expenditures from the two subsequent years in the unrestricted general fund based on interviews with staff and the district's current MYFP, but carried forward the capital outlay budget in the restricted general fund in line with equipment and replacement plans and prior year trend spending in the following restricted resources: Routine Restricted Maintenance Account (RRMA), special education, LCFF Equity Multiplier, Perkins Grant, California Technical Education Incentive Grant (CTIEG) and other local restricted grants.

## Other Outgo/Indirect Costs

All programs incur general management costs, commonly known as indirect costs. These costs typically include administrative functions such as accounting, budgeting, payroll, personnel, and purchasing. The CDE establishes the allowable maximum indirect cost rates that school districts can charge for each program. A school district may charge its approved indirect cost rate unless a specific authority, such as legislation, sets a lower limit. Applying the full rate ensures equity, supports management costs and reflects true program expenses. FCMAT applied the district's CDE-approved rate of 6.19% for 2025-26 resulting in an increase of \$4,584,450 to restricted programs. The largest increases occurred in special education, other restricted local and the Routine Restricted Maintenance Account, as indirect costs were not included in the adopted budget. The same indirect rate is applied to the MYFP in 2026-27 and 2027-28.

FCMAT increased other outgo expenditures (excluding indirect cost transfers) by \$926,780 in the unrestricted general fund for 2025-26. This reflects prior year trends of expenditures in payments to the county office of education for tuition and excess costs that were not accounted for in the adopted budget and a slight increase in payments to debt services for increased principal payments on leases. The expenditure adjustment for the adopted budget then carried forward into the two subsequent years.

## Other Financing Sources/Uses

### Interfund – Transfers In

Because the district participates in the state’s facilities funding program, it must contribute unrestricted general funds to the restricted maintenance account. The minimum required contribution is 3% of total general fund expenditures and other financing uses, excluding certain programs. The district transferred \$13 million from the Special Reserve for Capital Projects (Fund 40) to the unrestricted general fund in 2025-26 to offset the cost of the 3% required contribution to RRMA. According to district staff, this was a one-time transfer to support the unrestricted general fund. In the subsequent years, the unrestricted general fund will contribute the required 3% contribution to the RRMA without support from Fund 40.

### Interfund – Transfers Out

The district transferred \$400,000 from the restricted general fund to the Deferred Maintenance Fund (Fund 14) in 2025-26, a recurring transfer the district has historically made, which FCMAT carried forward in the subsequent years of the projection.

### Contributions

Restricted programs should be financially self-sustaining except for the Routine Restricted Maintenance Account, special education, and other programs the district chooses to support with unrestricted general funds. When revenues in restricted programs do not fully cover program expenditures, the shortfall must be offset by a contribution from the unrestricted general fund to balance the budget.

The district’s 2025-26 adopted budget estimates a contribution of \$59,231,010 from the unrestricted general fund to the restricted general fund for various restricted programs. FCMAT adjusted the contribution to balance restricted resources, increasing the contribution by \$6,379,348 to a revised total of \$65,610,358 for 2025-26 rather than making expenditure reductions. The district should evaluate restricted program expenditures, and where appropriate and feasible, reduce expenditures so that a contribution from the unrestricted general fund is not necessary.

As noted earlier in this report, developing MYFPs by resource more accurately projects general fund balances into subsequent years. In the subsequent fiscal years, the district did not increase its contribution; rather, it remained the same as the 2025-26 adopted budget. FCMAT analyzed restricted programs using Projection-Pro and included contributions to restricted program resources of \$70,735,989 in 2026-27 and \$74,262,933 in 2027-28 when expenditures exceeded revenues.

Table 7 summarizes FCMAT’s projected contributions from the unrestricted general fund to restricted resources in 2026-27 and 2027-28.

**Table 7. Contributions from Unrestricted General Fund to Restricted Resources**

Resource	Description	2026-27 Contribution	2027-28 Contribution
3010	ESSA: Title I, Part, A, Basic Frants Low-Income and Neglected	888,770	1,072,544
3060	ESSA: Title I, Part C, Migrant Ed (Regular and Summer Program)	17,278	36,352
3061	ESSA: Title I, Migrant Ed Summer Program	5,199	9,789
3182	ESSA: School Improvement Funding for LEAs	363,750	373,353
3310	Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	56,345	122,202
3315	Special Ed: IDEA Preschool Grants, Part B, Sec 619	831	1,882
3345	Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	14	29
3550	Strengthening Career and Technical Education for the 21st Century (Perkins V): S	20,134	22,894
4035	ESSA: Title II, Part A, Supporting Effective Instruction	14,588	29,635
4124	ESSA: Title IV, Part B, 21st Century Community Learning Centers Program	22,463	43,820
4127	ESSA: Title IV, Part A, Student Support and Academic Enrichment Grants	639,346	672,255
4201	ESSA: Title III, Immigrant Student Program	57,284	60,264
4203	ESSA: Title III, English Learner Student Program	199,546	221,573
4510	Indian Education	16,618	17,070
5810	Other Restricted Federal	704	1,335
6010	After School Education and Safety (ASES)	188,495	266,987
6211	Literacy Coaches and Reading Specialists Grant Program	-	773,186
6271	National Board for Professional Teaching Standards Certification Incentive Program	10,831	11,047
6385	Governor's CTE Initiative: California Partnership Academies	1,124,648	1,147,944
6387	Career Technical Education Incentive Grant Program	1,117,061	1,153,849
6500	Special Education	51,381,234	52,738,179
6546	Mental Health-Related Services	542,770	535,646
7010	Agricultural Career Technical Education Incentive	210	418
7220	California Partnership Academies Program	840,955	863,478
7435	Learning Recovery Emergency Block Grant	-	10,847
7810	Other Restricted State	196,003	200,172
8150	Ongoing & Major Maintenance Account	13,030,912	13,876,186
	<b>Total</b>	<b>70,735,989</b>	<b>74,262,933</b>

Source: FCMAT's MYFP.

# Multiyear Financial Projection Analysis

The primary purpose of an MYFP is to evaluate a school district's long-term financial stability. When developing an MYFP, a school district uses current budget assumptions to project revenues and expenditures over several years to determine whether it can maintain a balanced budget and meet the state-required minimum reserve for economic uncertainties in the current year and the two subsequent fiscal years.

## Unrestricted General Fund

Unrestricted general funds may be used for any educational purpose, providing school districts with the flexibility to support operations and priorities. FCMAT analyzed the district's unrestricted general fund revenues and expenditure categories by resource for 2025-26 and the two subsequent fiscal years, as summarized in Table 8 below.

In 2025-26, deficit spending in the unrestricted general fund of \$14,865,265 is projected. A structural deficit continues into the two subsequent years with deficits of \$25,625,430 and \$29,292,414 in 2026-27 and 2027-28 respectively. An ongoing structural deficit in the unrestricted general fund threatens the district's long-term fiscal health. Ongoing deficit spending depletes reserves, limits financial flexibility, and increases the risk of insolvency if corrective actions are not taken promptly.

The district is projected to meet the minimum reserve requirement for economic uncertainties in 2025-26 and 2026-27 but will fall short of meeting the minimum reserve requirement in 2027-28 by \$3,644,879.

**Table 8. FCMAT Unrestricted General Fund Summary, 2025-26 – 2027-28**

Description	Object Code	Adjusted Base Year 2025-26	Year 2 2026-27	Year 3 2027-28
<b>A. Revenues</b>				
LCFF Sources	8010-8099	245,861,160	249,383,460	253,725,181
Federal Revenue	8100-8299	-	-	-
Other State Revenues	8300-8599	10,200,762	10,369,748	10,586,596
Other Local Revenues	8600-8799	5,623,594	5,449,883	5,499,513
Other Financing Sources - Transfers In	8900-8929	13,000,000	-	-
Contributions	8980-8999	(65,610,358)	(70,735,989)	(74,262,933)
<b>Total, Revenue</b>		<b>209,075,158</b>	<b>194,467,102</b>	<b>195,548,357</b>
<b>B. Expenditures</b>				
Certificated Salaries	1000-1999	95,591,277	98,229,917	100,194,515
Classified Salaries	2000-2999	36,622,422	36,988,646	37,358,533
Employee Benefits	3000-3999	66,979,105	64,322,376	66,108,065
Books and Supplies	4000-4999	9,090,084	9,346,424	9,600,647
Services and Other Operating Expenditures	5000-5999	21,692,257	18,285,408	18,827,775
Capital Outlay	6000-6999	936,162	-	-
Other Outgo (excluding Transfers of Indirect Costs)	7100-7299 7400-7499	1,847,438	1,820,658	1,820,658
Other Outgo - Transfers of Indirect Costs	7300-7399	(8,818,321)	(8,900,897)	(9,069,423)
Other Financing Uses - Transfers Out	7600-7629			

Description	Object Code	Adjusted Base Year 2025-26	Year 2 2026-27	Year 3 2027-28
<b>Total, Expenditures</b>		<b>223,940,424</b>	<b>220,092,533</b>	<b>224,840,770</b>
C. Net Increase (Decrease) in Fund Balance		(14,865,266)	(25,625,430)	(29,292,413)
D. Fund Balance				
Beginning Fund Balance, July 1	9791	77,415,137	62,549,872	36,924,441
Audit Adjustments	9793	-	-	-
Adjusted Beginning Balance		77,415,137	62,549,872	36,924,441
<b>Ending Fund Balance, June 30</b>		<b>62,549,872</b>	<b>36,924,441</b>	<b>7,632,028</b>
Components of Ending Fund Balance				
Nonspendable	9710-9719	-	-	-
Restricted	9740	-	-	-
Committed				
Stabilization Arrangements	9750	48,772,997	-	-
Other Commitments	9760	-	-	-
Assigned	9780	-	-	-
Unassigned/Unappropriated				
Reserve for Economic Uncertainties	9789	11,162,065	11,045,238	11,276,907
Unassigned/Unappropriated	9790	2,614,809	25,879,203	(3,644,879)

Source: FCMAT's MYFP.

## Restricted General Fund

Restricted funds are dollars designated for specific purposes, as mandated by law, external funding sources, or grant requirements. These funds must be spent only on the programs or activities for which they were allocated and cannot be used for general operating expenses unless allowable.

FCMAT analyzed all general fund restricted sources and expenditure categories by resource for 2025-26 and the two subsequent fiscal years. Based on current assumptions, the district is projected to end 2025-26 with a restricted fund balance of \$51,654,172. FCMAT's MYFP forecasts this balance will decline to \$47,031,152 in 2026-27 and \$42,816,774 in 2027-28.

FCMAT moved one literacy coach out of the Literacy Coaches and Reading Specialist Grant program to the unrestricted general fund starting in 2026-27. Expenditures for this program were carried forward in the two subsequent years to spend down the remaining grant balance. The Educator Effectiveness Block Grant program ends in 2025-26; two induction teachers and two coordinators will shift to the unrestricted general fund in 2026-27 as per the district's plan discussed with staff in fieldwork interviews. The A-G Success Grant, expiring in June 2026, funds one-time expenses in 2025-26 which do not carry forward into subsequent years. As of the date of fieldwork, the district did not have budgeted expenditures in the Arts, Music and Instructional Materials Discretionary Block Grant in 2025-26. However, as discussed with staff in interviews, the district plans to fully expend the grant prior to its expiration on June 30, 2026. FCMAT budgeted the remaining balance in materials and supplies in the 2025-26 fiscal year to account for this.

The district received two new one-time funding sources: Student Support and Professional Development Discretionary Block Grant and additional Learning Recovery Emergency Block Grant funds. FCMAT

included both restricted revenues and designated remaining balances in the restricted ending fund balance for future planning.

Adjustments to the 2025-26 adopted budget and subsequent years’ restricted programs caused expenditures to exceed projected revenues in certain programs. Because restricted programs must follow specific spending guidelines, instead of reducing nonsalary accounts such as materials, services, and capital outlay, FCMAT increased the unrestricted contribution to balance the programs. In cases where FCMAT adjusted restricted federal grant revenue in alignment with the most recent entitlement information from CDE for resources subject to unearned revenue, FCMAT increased expenditures to balance revenue and expenditures in those resources. FCMAT recommends that the district evaluate each program and reduce expenditures to remain within the resources of the program.

Table 9 summarizes FCMAT’s analysis of the district’s restricted general fund resources for 2025-26 and the two subsequent fiscal years.

**Table 9. FCMAT Restricted General Fund Summary, 2025-26 – 2027-28**

Description	Object Code	Adjusted Base Year 2025-26	Year 2 2026-27	Year 3 2027-28
<b>A. Revenues</b>				
LCFF Sources	8010-8099	-	-	-
Federal Revenue	8100-8299	15,536,883	15,168,389	15,168,389
Other State Revenues	8300-8599	52,416,653	44,385,552	44,570,802
Other Local Revenues	8600-8799	13,498,625	13,169,120	12,839,615
Other Financing Sources - Transfers In	8900-8929	-	-	-
Contributions	8980-8999	65,610,358	70,735,989	74,262,933
<b>Total, Revenue</b>		<b>147,062,519</b>	<b>143,459,050</b>	<b>146,841,739</b>
<b>B. Expenditures</b>				
Certificated Salaries	1000-1999	36,955,612	36,901,995	37,640,035
Classified Salaries	2000-2999	20,222,329	20,422,532	20,626,758
Employee Benefits	3000-3999	43,210,701	43,611,598	44,504,773
Books and Supplies	4000-4999	13,368,846	12,597,122	12,940,945
Services and Other Operating Expenditures	5000-5999	23,945,640	24,268,598	24,883,036
Capital Outlay	6000-6999	2,000,665	1,820,146	1,832,452
Other Outgo (excluding Transfers of Indirect Costs)	7100-7299 7400-7499	500,000	500,000	500,000
Other Outgo - Transfers of Indirect Costs	7300-7399	7,524,628	7,560,079	7,728,120
Other Financing Uses - Transfers Out	7600-7629	400,000	400,000	400,000
<b>Total, Expenditures</b>		<b>148,128,421</b>	<b>148,082,070</b>	<b>151,056,118</b>
<b>C. Net Increase (Decrease) in Fund Balance</b>		<b>(1,065,902)</b>	<b>(4,623,020)</b>	<b>(4,214,379)</b>
<b>D. Fund Balance</b>				
Beginning Fund Balance, July 1	9791	52,720,074	51,654,172	47,031,152
Audit Adjustments	9793	-	-	-
Adjusted Beginning Balance		52,720,074	51,654,172	47,031,152
<b>Ending Fund Balance, June 30</b>		<b>51,654,172</b>	<b>47,031,152</b>	<b>42,816,774</b>
Components of Ending Fund Balance				

Description	Object Code	Adjusted Base Year 2025-26	Year 2 2026-27	Year 3 2027-28
Nonspendable	9710-9719	-	-	-
Restricted	9740	51,654,172	47,031,152	42,816,774
Expanded Learning Opportunities Program		18,390,247	18,161,639	17,493,079
Student Support and Professional Development Discretionary Block Grant		4,495,491	4,495,491	4,495,491
Literacy Coaches and Reading Specialists Grant Program		3,267,474	1,269,810	-
Lottery Instructional Materials		733,864	963,503	1,150,658
CA Community Schools Partnership Act		1,113,248	899,456	682,591
Golden State Pathways Program		3,881,400	2,474,406	1,036,814
Special Education Early Intervention Preschool Grant		2,244,771	1,736,124	1,250,055
Arts and Music in Schools (Prop 28)		5,758,596	7,515,691	9,348,603
Classified School Employee Professional Development Block Grant		16,535	16,535	16,535
LCFF Equity Multiplier		718,881	972,116	1,236,758
Learning Recovery Emergency Block Grant		1,056,876	530,861	-
Ongoing & Major Maintenance Account (RRMA)		541,316	19,817	40,310
Other Local		9,435,472	7,975,703	6,065,879

Source: FCMAT’s MYFP.

## Combined General Fund

Table 10 summarizes FCMAT’s analysis of the district’s combined general fund resources for 2025-26 and the two subsequent fiscal years.

**Table 10. FCMAT Combined General Fund Summary, 2025-26 – 2027-28**

Description	Object Code	Adjusted Base Year 2025-26	Year 2 2026-27	Year 3 2027-28
A. Revenues				
LCFF Sources	8010-8099	245,861,160	249,383,460	253,725,181
Federal Revenue	8100-8299	15,536,883	15,168,389	15,168,389
Other State Revenues	8300-8599	62,617,415	54,755,301	55,157,398
Other Local Revenues	8600-8799	19,122,219	18,619,003	18,339,128
Other Financing Sources - Transfers In	8900-8929	13,000,000	-	-
Contributions	8980-8999	-	-	-
<b>Total, Revenue</b>		<b>356,137,677</b>	<b>337,926,153</b>	<b>342,390,096</b>
B. Expenditures				
Certificated Salaries	1000-1999	132,546,889	135,131,912	137,834,550
Classified Salaries	2000-2999	56,844,751	57,411,179	57,985,290
Employee Benefits	3000-3999	110,189,806	107,933,974	110,612,838

Description	Object Code	Adjusted Base Year 2025-26	Year 2 2026-27	Year 3 2027-28
Books and Supplies	4000-4999	22,458,930	21,943,546	22,541,592
Services and Other Operating Expenditures	5000-5999	45,637,897	42,554,007	43,710,811
Capital Outlay	6000-6999	2,936,827	1,820,146	1,832,452
Other Outgo (excluding Transfers of Indirect Costs)	7100-7299 7400-7499	2,347,438	2,320,658	2,320,658
Other Outgo - Transfers of Indirect Costs	7300-7399	(1,293,694)	(1,340,818)	(1,341,303)
Other Financing Uses - Transfers Out	7600-7629	400,000	400,000	400,000
<b>Total, Expenditures</b>		<b>372,068,844</b>	<b>368,174,603</b>	<b>375,896,888</b>
C. Net Increase (Decrease) in Fund Balance		(15,931,167)	(30,248,450)	(33,506,792)
D. Fund Balance				
Beginning Fund Balance, July 1	9791	130,135,211	114,204,044	83,955,593
Audit Adjustments	9793	-	-	-
Adjusted Beginning Balance		130,135,211	114,204,044	83,955,593
<b>Ending Fund Balance, June 30</b>		<b>114,204,044</b>	<b>83,955,594</b>	<b>50,448,801</b>
Components of Ending Fund Balance				
Nonspendable	9710-9719	-	-	-
Restricted	9740	51,654,172	47,031,152	42,816,774
Committed				
Stabilization Arrangements	9750	48,772,997	-	-
Other Commitments	9760	-	-	-
Assigned	9780	-	-	-
Unassigned/Unappropriated				
Reserve for Economic Uncertainties	9789	11,162,065	11,045,238	11,276,907
Unassigned/Unappropriated	9790	2,614,809	25,879,203	(3,644,879)
Total Available Reserves		62,549,872	36,924,441	7,632,028
Total Available Reserves as Percentage of Total Expenditures and Uses		16.81%	10.03%	2.03%

Source: FCMAT's MYFP.

## Reserve for Economic Uncertainties

All California school districts are required to maintain a minimum reserve for economic uncertainties. This reserve is determined on a sliding scale based on school district size. For Coachella Valley USD, the minimum required reserve is 3% of total expenditures and other financing uses, or \$11,162,065 in 2025-26, \$11,045,238 in 2026-27, and \$11,276,907 in 2027-28. The district meets the minimum reserve requirement in 2025-26 and 2026-27; however, the district's available reserves in 2027-28 of \$7,632,028 does not meet the minimum reserve requirement with a shortfall of \$3,644,879.

Table 11 shows the district's total reserve calculations, inclusive of the minimum reserve requirement.

**Table 11. District Reserve Calculations, 2025-26 – 2027-28**

Description	2025-26	2026-27	2027-28
Available Reserves, by Amount	62,549,872	36,924,441	7,632,028
Available Reserves, by Percent	16.81%	10.03%	2.03%
Reserve Standard			
Reserve Standard Percentage Level	3.00%	3.00%	3.00%
Available Reserves Meet Reserves Standard	Met	Met	Not Met
Difference or Shortfall	-	-	\$ (3,644,879)

Source: FCMAT's MYFP.

# Cash Flow

The purpose of performing a cash flow projection is to identify whether a district has a temporary cash flow shortage to develop local solutions or identify if there are unresolvable cash flow shortages. Insolvency occurs when a school district has exhausted both its cash and borrowing capacity and can no longer meet its financial obligations, primarily employee payroll.

FCMAT used the Projection-Pro cash flow projection component to develop its projection. Projection-Pro incorporates the best practice of linking the cash flow to the multiyear projection to ensure all activities are included. It also projects using differing levels of detail. For example, the best practice is to project revenues at the resource-object level because the source of the revenue generally determines cash inflows. In contrast, best practice projects expenditures at the major object category because the district processes and payment schedules determine cash outflows. The tool also allows customization for special schedules that do not align with the account code structure. For example, the state’s on-behalf pension expenses are not identifiable by its own resource-object combination and could negatively affect cash flow projections if an appropriate schedule is not applied.

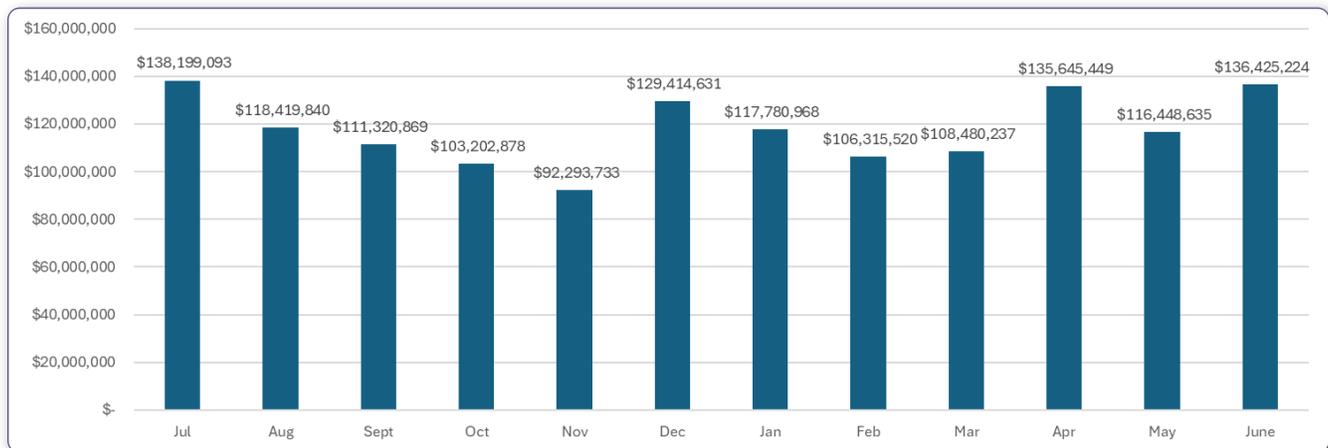
FCMAT’s cash flow projection is based on the best practices as described above, including FCMAT’s updated multiyear projection, to develop a reasonable cash flow and identify any temporary cash flow issues.

The district estimated a beginning cash balance of \$138,488,282 in the 2025-26 adopted budget. FCMAT’s cash flow projection for 2025-26 estimates a beginning cash balance of \$159,279,570 on July 1, 2025, per the district’s 2024-25 unaudited actuals, the most current information available.

By July 2026, FCMAT projects the district’s cash balance will decline to \$136,425,224. The lowest projected cash balance occurs in November 2026, with a \$92,293,733 balance. Overall, the district maintains stable cash balances. These projections are based on the best information available at the time of this report.

Table 12 below shows the district’s projected monthly ending cash balances for the 2025-26 fiscal year.

**Table 12**



# Appendix

## A: Study Agreement

# Appendix A – Study Agreement



## FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT FOR MANAGEMENT ASSISTANCE

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 Valley 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). FCMAT has been requested to assign professionals to study specific aspects of the Client's operations. 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

1. Review the district's 2025-26 adopted general fund budget and use it as a baseline to develop an independent multiyear financial projection (MYFP) for the current and two subsequent fiscal years, including a cash flow analysis for the same period. The MYFP will be a snapshot in time of the district's financial status.
2. The Team will present the final report to the district's board of trustees at a public meeting following the completion of the review.

#### 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 10 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

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**

The cost for studies requested pursuant to EC 42127.8(d)(1) and 84041 shall be as follows:

- A. \$1,200 per day for each FCMAT staff member while on site conducting fieldwork. The cost of independent FCMAT consultants will be billed at their daily rate for all work performed. On-site is defined as either 1) physically at the Client's office or school site(s), or 2) in a scheduled virtual meeting with the Client's personnel, representatives or others associated with the scope of work pursuant to Section 13 below.

- B. All out-of-pocket expenses, including travel and its associated costs, and miscellaneous items necessary to complete the scope and objectives of the study.
- C. The applicable indirect rate at the time work is performed on the study will be added to all costs billed.
- D. Costs for the study will be covered by a specific state appropriation. FCMAT will not charge the Client for any costs.

**Based on the scope and objectives of the study, the total not-to-exceed cost of the study will be \$22,000.**

- E. Any change to the scope of work will affect the total cost. Changes may include, but are not limited to, delays, revisions to the scope of services, and substitution or addition of personnel. The need for changes shall be communicated by FCMAT to the Client in advance in the form of a revised study agreement.

Payments for FCMAT's services are payable to Kern County Superintendent of Schools, Administrative Agent, 1300 17th Street, City Centre, Bakersfield, CA 93301.

## **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. 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 the Client with a draft Agreement.	Draft Agreements are usually provided within 20 business days of the Client’s initial request for services.
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 10 business days of the Client’s receipt of the FCMAT document and data request list.
Fieldwork	Mutually agreed upon; usually, to commence within 10 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	Mutually agreed upon; usually, within five business days of FCMAT’s request.

ACTION	TIMELINE
interviews).	
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 eight weeks of the conclusion of fieldwork and receipt of all documents and data requested.
Client comments on draft report	Within 10 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 MYFP and cash flow analysis 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

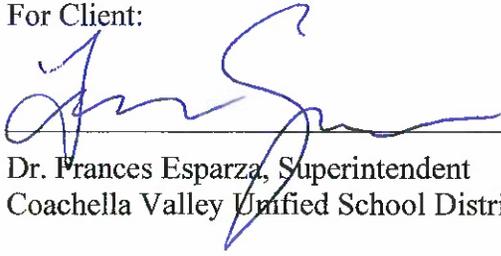
Telephone: (760) 399-0207

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 Valley Unified School District

7/31/25

Date

For FCMAT:

**Michael H. Fine**

Digitally signed by Michael H. Fine  
Date: 2025.08.06 08:36:57 -07'00'

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

Date