FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Fiscal Health Risk Analysis

May 22, 2023

Junction Elementary School District

Michael H. Fine
Chief Executive Officer

May 22, 2023

Linda Cornwell, Chief Administrative Officer
Junction Elementary School District
98821 Highway 96
Somes Bar, CA 95568

Dear Chief Administrative Officer Cornwell,

In March 2022, the Junction Elementary 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 fiscal health. The agreement stated that FCMAT would perform the following:

1. Prepare an analysis using the 20 factors in FCMAT's Fiscal Health Risk Analysis and identify the district's specific risk rating for fiscal insolvency.

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

FCMAT appreciates the opportunity to serve the Junction Elementary School District and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

Michael H. Fine
Chief Executive Officer

Michael H. Fine • Chief Executive Officer
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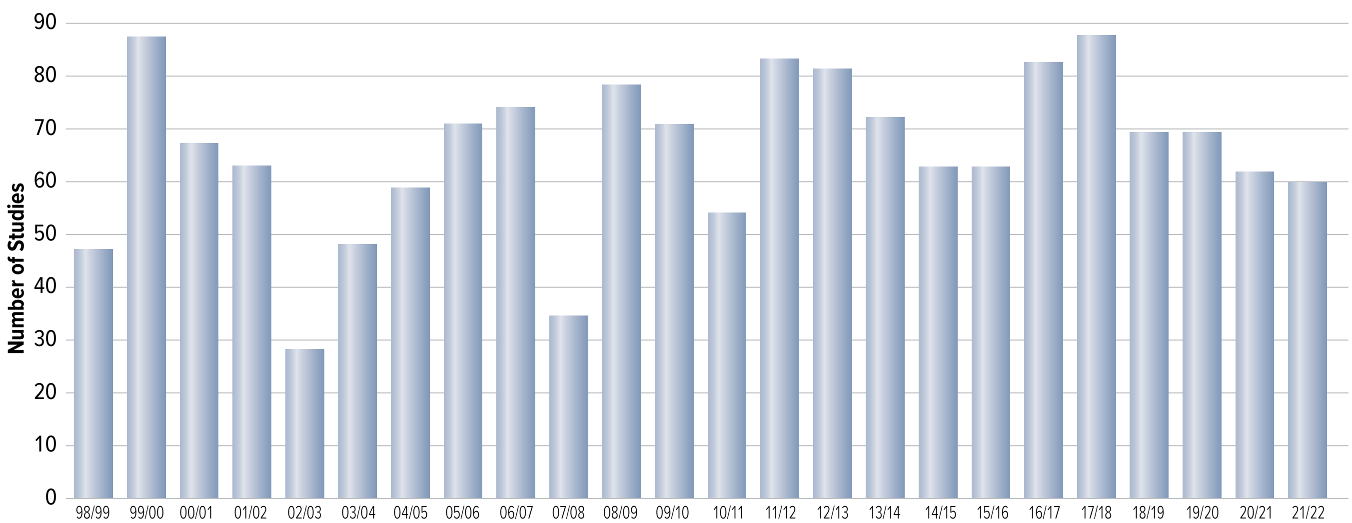
About FCMAT

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

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

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

Studies by Fiscal Year



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

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

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

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

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

Since 1992, FCMAT has been engaged to perform more than 1,400 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

Background

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

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

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

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

- Negative interim report certification

The Junction Elementary School District, located in Siskiyou County's rural northern region, has only one school that serves approximately 18 students in transitional kindergarten through eighth grade (TK-8). The school is located near Katimîin, a village built where the Salmon River meets the Klamath River. To the Karuk Tribe, this area is the center of the world.

Because of the district's size, the county office of education provides the district with direct administrative services in the areas of attendance accounting, accounts payable, accounts receivable, payroll, and budget development.

The district's 2022-23 first interim report projects unrestricted general fund deficit spending of $369,550, $306,570 and $318,589 in 2022-23, 2023-24 and 2024-25, respectively. It also projects that the district will not meet the 5% minimum reserve requirement in the two subsequent fiscal years.

FCMAT performed a fiscal health risk analysis to determine the district's level of risk for insolvency.

Fiscal Health Risk Analysis Guidelines

FCMAT entered into a study agreement with the Junction Elementary School District on March 24, 2023. The FCMAT study team conducted virtual interviews on March 31 and April 3, 2023, and collected data and reviewed documents. Following fieldwork, the study team continued to receive, review and analyze documents. This report is the result of those activities.

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

Study Team

The team was composed of the following members:

Jennifer Noga, CFE
FCMAT Intervention Specialist

Tami Montero, CFE
FCMAT Intervention Specialist

Cassady Clifton
FCMAT Technical Writer

Each team member reviewed the draft report to confirm its accuracy and to achieve consensus on the analysis.

Fiscal Health Risk Analysis

For K-12 School Districts

Dates of fieldwork: March 31 and April 3, 2023

District: Junction Elementary School District

Summary

The Junction Elementary School District is governed by a three-member board. FCMAT's review of the district's board meeting agendas and minutes found that meetings are often cancelled or rescheduled because of weather, calendar conflicts or the lack of a quorum. Consequently, the board has approved various financial reports outside of the statutory timelines established by education code. Management is responsible for maintaining the integrity of the district's systems, securing the district's assets, and presenting sound financial information based on current and accurate data so the board can make informed decisions, manage the budget and maintain the district's fiscal solvency.

The district consists of one school that serves a small number of students with a small, unrepresented staff. Given its size, any turnover in staff may lead to a disruption in the continuity of the district's plans and actions. Small districts commonly fail to cross-train staff, which often results in a steep learning curve for new employees. In the district's case, its new administrator was hired during the COVID-19 pandemic. She received no training, and despite her best efforts, struggles to fulfill the statutory requirements of her position.

This fiscal health risk analysis shows the district is at high risk of insolvency and identifies weaknesses and areas of concern that have contributed to the district's fiscal distress. Significant risk factors include, but are not limited to, the district's internal controls, budget development and monitoring, cash management, deficit spending, enrollment and attendance analysis, processes and procedures, unrestricted fund balance, and reserves.

Because of its small size and staff, the district lacks the systems and procedures necessary to ensure the segregation of duties and oversight of business functions in areas such as accounts payable, accounts receivable and purchasing. This could lead to inaccuracies, inefficiencies and possible fraud due to a lack of prevention and detection measures. The district's 2019-20 and 2020-21 audit reports included findings of material weaknesses in the areas of timely reporting, cash disbursements, and personnel activity reports.

Of significant concern is the district's loss of enrollment and its lack of attendance monitoring. Although the district contracts with the county office to assist with its financial reports, its administrator is responsible for maintaining and monitoring school funding data, including enrollment, attendance, and unduplicated pupil counts (i.e., students identified as English learners, socioeconomically disadvantaged and/or foster youth). The district's most recent audit reports include repeated attendance findings in the areas of instructional time and distance learning that resulted in apportionment penalties of $166,467 and $385,924 and in fiscal years 2019-20 and 2020-21, respectively. Beginning in 2022-23, the district's multiyear projections (MYPs) show the repayment of these penalties over eight years, at approximately $69,000 annually. Adding to the district's fiscal distress in 2022-23 is its loss of eligibility for necessary small school funding, which has further decreased its budget by approximately $50,000 annually.

The district's 2022-23 first interim report projects the penalty repayment and reduction in revenues will cause general fund deficit spending of $369,550, $306,570 and $318,589 in 2022-23, 2023-24 and 2024-25, respectively. This combined effect will reduce the district's unrestricted ending fund balance by approximately $994,709, resulting in a projected negative fund balance of $497,950 on June 30, 2025. The district's reserve for economic uncertainty is projected to be negative $169,754 and negative $501,125 in 2023-24 and 2024-25, respectively, which means the district will not meet the minimum reserve level of $75,000 in the two subsequent fiscal years. The district could lose local control unless it puts measures in place to reduce or eliminate its deficit spending.

Although the district's 2022-23 first interim report does not include a board-approved plan to reduce and/or eliminate deficit spending, interviews indicated that the board approved staffing reductions at its March 9, 2023 meeting to maintain the district's fiscal solvency. Additionally, because of concerns regarding the district's declining fiscal health, the county office indicated it is providing additional support to ensure the district remains fiscally solvent.

District Fiscal Solvency Risk Level: High

About the Analysis

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

The FHRA includes 20 sections, each of which contains specific questions. Each section and specific question is included based on FCMAT's work since the inception of AB 1200; they are the common indicators of risk or potential insolvency for districts that have neared insolvency and needed assistance from outside agencies. Each section of this analysis is critical, and lack of attention to these critical areas will eventually lead to a district's failure. The analysis focuses on essential functions and processes to determine the level of risk at the time of assessment.

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

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

Areas of High Risk

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

Budget and Fiscal Status: Is district currently *without* the following?:	**Yes**	**No**
Disapproved budget	✓	☐
Negative interim report certification	☐	✓
Three consecutive qualified interim report certifications	✓	☐
Downgrade of an interim certification by the county superintendent	✓	☐
"Lack of going concern" designation	✓	☐

	Material Weakness Questions	**Yes**	**No**	**N/A**
2.5	Has the district's budget been approved unconditionally by its county office of education in the current and two prior fiscal years?	✓	☐	☐
3.4	Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with Education Code Section 42142?	☐	☐	✓
3.6	Has the district addressed any deficiencies the county office of education has identified in its oversight letters in the most recent and two prior fiscal years?	✓	☐	☐
4.3	Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known?	☐	✓	☐
4.4	If the district's cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to address its cash flow needs for the current and subsequent year?	☐	☐	✓
5.2	Has the district fulfilled and does it have evidence showing fulfillment of its oversight responsibilities in accordance with Education Code Section 47604.32?	☐	☐	✓

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

Score Breakdown by Section

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

1.	Annual Independent Audit Report	0.5%
2.	Budget Development and Adoption	3.5%
3.	Budget Monitoring and Updates	2.5%
4.	Cash Management	2.5%
5.	Charter Schools	0.0%
6.	Collective Bargaining Agreements	0.0%
7.	Contributions and Transfers	1.0%
8.	Deficit Spending (Unrestricted General Fund)	3.5%
9.	Employee Benefits	0.2%
10.	Enrollment and Attendance	5.1%
11.	Facilities	0.1%
12.	Fund Balance and Reserve for Economic Uncertainty	2.9%
13.	General Fund - Current Year	0.2%
14.	Information Systems and Data Management	2.9%
15.	Internal Controls and Fraud Prevention	4.1%
16.	Leadership and Stability	2.9%
17.	Multiyear Projections	1.0%
18.	Non-Voter-Approved Debt and Risk Management	0.0%
19.	Position Control	0.0%
20.	Special Education	0.4%
Score		**33.4%**

Fiscal Health Risk Analysis Questions

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

	Yes	No
Disapproved budget	✓	☐
Negative interim report certification	☐	✓
Three consecutive qualified interim report certifications	✓	☐
Downgrade of an interim certification by the county superintendent	✓	☐
"Lack of going concern" designation	✓	☐

1. Annual Independent Audit Report

		Yes	No	N/A
1.1	Has the district corrected the most recent and prior two years' audit findings without affecting its fiscal health?	☐	✓	☐

The district's 2021-22 audit report has not been completed, so its fiscal impact to the district (if any) is unknown. The prior two years' audit reports include repeated findings that have not been corrected, and the financial penalties associated with these findings total approximately $552,39.

		Yes	No	N/A
1.2	Has the audit report for the most recent fiscal year been completed and presented to the board within the statutory timeline? (Extensions of the timeline granted by the State Controller's Office should be explained.)	☐	✓	☐

Education Code (EC) 41020.3(a) requires the board to review the district's annual audit report by January 31 of each year. The district's 2021-22 audit report was due to the county office, State Controller's Office and California Department of Education by December 15, 2022; however, it was not complete as of FCMAT's fieldwork in April 2023. Interviews indicated that the audit reports are not presented to the board for approval.

		Yes	No	N/A
1.3	Were the district's most recent and prior two audit reports free of findings of material weaknesses?	☐	✓	☐

The district's 2019-20 and 2020-21 audit reports both contained three repeated findings of material weakness.

The first repeated finding indicated that the district did not file its audit reports within the statutory timelines for each of the two prior fiscal years. Senate Bill 98 granted a one-time filing deadline extension from December 15, 2020 to March 31, 2021 because of the COVID-19 pandemic; however, the district did not file its 2019-20 audit report until November 30, 2021. It did not file its 2020-21 audit report until January 31, 2023.

The second repeated finding indicated that the district lacks the internal controls required to ensure accurate budgeting, payment processing, supporting documentation for expenditures, and recordkeeping of cash disbursements.

The third repeated finding indicated that the district did not properly document salaries and wages charged to federal and state categorical programs using annual, semiannual or monthly certifications in accordance with the policies and procedures established by the Office of Management and Budget Circular A-87 and the California School Accounting Manual.

Additionally, both audit reports included instructional time and distance learning findings that resulted in apportionment penalties of $166,467 and $385,924 in 2019-20 and 2020-21, respectively.

		Yes	No	N/A
1.4	Has the district corrected all reported audit findings from the most recent and prior two audits?	☐	✓	☐

The district's 2020-21 and prior two audits were not completed within the statutory timelines. Additionally, interviews indicated that the county office has ongoing concerns about the district's processes and procedures regarding all the findings discussed in question 1.3 and the potential findings from the district's outstanding 2021-22 audit report. Due to the district's negative certification, the county office and district have entered into an agreement for the county office to take a more active role in assisting with the district's overall operations.

2. Budget Development and Adoption

		Yes	No	N/A
2.1	Does the district develop and use written budget assumptions and multiyear projections that are reasonable, are aligned with the county office of education instructions, and have been clearly articulated?	✓	☐	☐
2.2	Does the district use a budget development method other than a prior-year rollover budget, and, if so, does that method include tasks such as review of prior year estimated actuals by major object code and removal of one-time revenues and expenses?	✓	☐	☐
2.3	Does the district use position control data for budget development?	☐	✓	☐

The district records its positions, pay rates, contract amounts, etc. on a payroll spreadsheet, which it uses to inform the county office staff member who prepares its financial statements. The district lacks a formal position control document other than this spreadsheet.

		Yes	No	N/A
2.4	Does the district calculate the Local Control Funding Formula (LCFF) revenue correctly?	✓	☐	☐
2.5	Has the district's budget been approved unconditionally by its county office of education in the current and two prior fiscal years?	✓	☐	☐

		Yes	No	N/A
2.6	Does the budget development process include input from staff, administrators, the governing board, the community, and the budget advisory committee (if there is one)?	☐	✓	☐
	The district's budget development process generally consists of the district administrator working with the county office staff member assigned to the district for direct services. The district does not collect input from the community, board or staff.			
2.7	Does the district budget and expend restricted funds before unrestricted funds?	☐	✓	☐
	The district indicated that budgeting and using restricted funds before unrestricted funds is a best practice; however, it does not always do this. The district has previously returned unspent federal funds.			
2.8	Have the Local Control and Accountability Plan (LCAP) and the budget been adopted within statutory timelines established by Education Code Sections 42103 and 52062 and filed with the county superintendent of schools no later than five days after adoption or by July 1, whichever occurs first, for the current and one prior fiscal year?	☐	✓	☐
	Per EC 42127, the board must adopt a budget by July 1. A district cannot adopt a budget before adopting an LCAP, nor can it adopt a budget and an LCAP at the same meeting as the public hearing on them. The budget must include expenditures necessary to implement the LCAP. FCMAT's review of the district' June board agendas and minutes shows that the district is adopting its budget before its LCAP.			
2.9	Has the district refrained from including carryover funds in its adopted budget?	✓	☐	☐
2.10	Other than objects in the 5700s and 7300s and appropriate abatements in accordance with the California School Accounting Manual, does the district avoid using negative or contra expenditure accounts?	✓	☐	☐
2.11	Does the district have a documented policy and/or procedure for evaluating the proposed acceptance of grants and other types of restricted funds and the potential multiyear impact on the district's unrestricted general fund?	☐	✓	☐
	The district lacks a documented policy or procedure for evaluating the proposed acceptance and potential multiyear impact of grants and other types of restricted funds.			
2.12	Does the district adhere to a budget calendar that includes statutory due dates, major budget development tasks and deadlines, and the staff members/departments responsible for completing them?	☐	✓	☐
	The district lacks a budget calendar.			

3. Budget Monitoring and Updates

		Yes	No	N/A
3.1	Are actual revenues and expenses consistent with the most current budget?	✓	☐	☐
3.2	Are budget revisions posted in the financial system at each interim report, at a minimum?	✓	☐	☐
3.3	Are clearly written and articulated budget assumptions that support budget revisions communicated to the board at each interim report, at a minimum?	✓	☐	☐
3.4	Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with Education Code Section 42142?	☐	☐	✓
3.5	Do the district's responses fully explain the variances identified in the criteria and standards?	☐	✓	☐
	Some of the district's responses to the criteria and standards are not relevant and/or do not address the variances stipulated in the questions.			

3.6 Has the district addressed any deficiencies the county office of education has identified in its oversight letters in the most recent and two prior fiscal years? ✓ ☐ ☐

3.7 Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure? ☐ ✓ ☐

The district has paid many bills and expenditures using an employee's personal credit card, which has bypassed the use of purchase orders and requisitions and prevented the district from validating that the budget is sufficient for these expenditures. These expenditures are not recorded in the district's financial system until the employee seeks reimbursement.

3.8 Does the district encumber and adjust encumbrances for salaries and benefits? ✓ ☐ ☐

3.9 Are all balance sheet accounts in the general ledger reconciled at least at each interim report and at year end close? ✓ ☐ ☐

3.10 For the most recent and two prior fiscal years, have the interim reports and the unaudited actuals been adopted and filed with the county superintendent of schools within the timelines established in Education Code?. ☐ ✓ ☐

The district has adopted unaudited actuals and interim reports outside of the timelines established in the education code for the following reporting periods:

Financial Report	Statutory Due Date	Board Approval Date
2020-21 First Interim Report	December 15, 2020	January 21, 2021
2020-21 Second Interim Report	March 15, 2021	March 25, 2021
2020-21 Unaudited Actuals	September 15, 2021	December 16, 2021
2021-22 Second Interim Report	March 15, 2022	May 19, 2022

4. Cash Management — Yes No N/A

4.1 Are accounts held by the county treasurer reconciled with the district's and county office of education's reports monthly? ☐ ✓ ☐

Interviews indicated that the county office is responsible for reconciling the accounts held by the county treasurer, but the county office is currently behind a few months on the reconciliations.

4.2 Does the district reconcile all bank (cash and investment) accounts with bank statements monthly? ☐ ☐ ✓

4.3 Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known? ☐ ✓ ☐

The district contracted with the county office to assist with its financial reports for each reporting period. The district forecasts only a one-year cash flow projection that it updates at each mandatory reporting period.

4.4 If the district's cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to address its cash flow needs for the current and subsequent year? ☐ ☐ ✓

		Yes	No	N/A
4.5	Does the district have sufficient cash resources in its other funds to support its current and projected obligations in those funds?	☐	✓	☐

The district's cafeteria program (Fund 13) requires a contribution from the general fund to meet all its financial obligations. Additionally, FCMAT's review of the district's general ledger found that the cafeteria program has not received any deposits, which indicates that it will incur a negative cash balance at various points throughout the year.

		Yes	No	N/A
4.6	If interfund borrowing is occurring, does the district comply with Education Code Section 42603?.	☐	☐	✓
4.7	If the district is managing cash in any fund(s) through external borrowing, does the district's cash flow projection include repayment based on the terms of the loan agreement?.	☐	☐	✓

5. Charter Schools

		Yes	No	N/A
5.1	Does the district have a board policy or other written document(s) regarding charter oversight?.	☐	☐	✓
5.2	Has the district fulfilled and does it have evidence showing fulfillment of its oversight responsibilities in accordance with Education Code Section 47604.32?	☐	☐	✓
5.3	Are all charters authorized by the district going concerns and not in fiscal distress?	☐	☐	✓
5.4	Has the district identified specific employees in its various departments (e.g., human resources, business, instructional, and others) to be responsible for oversight of all approved charter schools?	☐	☐	✓

6. Collective Bargaining Agreements

		Yes	No	N/A
6.1	Has the district settled with all its bargaining units for the past two fiscal years?	☐	☐	✓
6.2	Has the district settled with all its bargaining units for the current year?	☐	☐	✓
6.3	Does the district accurately quantify the effects of collective bargaining agreements and include them in its budget and multiyear projections?	☐	☐	✓
6.4	Did the district conduct a presettlement analysis and identify related costs or savings, if any (e.g., statutory benefits, and step and column salary increase), for the current and subsequent years, and did it identify ongoing revenue sources or expenditure reductions to support the agreement?	☐	☐	✓
6.5	In the current and prior two fiscal years, has the district settled the total cost of the bargaining agreements including step and column increases at or under the funded cost of living adjustment (COLA)?	☐	☐	✓
6.6	If settlements have not been reached in the past two years, has the district identified resources to cover the costs of the district's proposal(s)?	☐	☐	✓
6.7	Did the district comply with public disclosure requirements under Government Code Sections 3540.2 and 3547.5, and Education Code Section 42142?	☐	☐	✓
6.8	Did the superintendent and CBO certify the public disclosure of collective bargaining agreement prior to board approval?.	☐	☐	✓
6.9	Is the governing board's action consistent with the superintendent's and CBO's certification?	☐	☐	✓

7. Contributions and Transfers

		Yes	No	N/A
7.1	Does the district have a board-approved plan to eliminate, reduce or control any contributions/transfers from the unrestricted general fund to other restricted programs and funds?	☐	✓	☐
	The district lacks a plan to reduce contributions/transfers from the unrestricted general fund to restricted programs and/or funds.			
7.2	If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection any transfers from the unrestricted general fund to cover any projected negative fund balance?	✓	☐	☐
7.3	If any contributions/transfers were required for restricted programs and/or other funds in either of the two prior fiscal years, and there is a need in the current year, did the district budget for them at reasonable levels?	✓	☐	☐

8. Deficit Spending (Unrestricted General Fund)

		Yes	No	N/A
8.1	Is the district avoiding deficit spending in the current fiscal year?	☐	✓	☐
	The district's 2022-23 first interim report includes unrestricted general fund deficit spending of $369,550.			
8.2	Is the district projected to avoid deficit spending in both of the two subsequent fiscal years?	☐	✓	☐
	The district's 2022-23 first interim MYP includes unrestricted general fund deficit spending of $306,570 and $318,589 in 2023-24 and 2024-25, respectively.			
8.3	If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency?	☐	✓	☐
	The district's 2022-23 first interim report lacks a board-approved plan to reduce and/or eliminate deficit spending. However, interviews indicated that the board approved staffing reductions at its March 9, 2023 meeting to maintain the district's fiscal solvency.			
8.4	Has the district decreased deficit spending over the past two fiscal years?	☐	✓	☐
	Prior to 2022-23, the district was not deficit spending. As discussed earlier in this analysis, the district's audit reports for fiscal years 2019-20 and 2020-21 included instructional time and distance learning penalty findings totaling approximately $552,391. Beginning in 2022-23, the district's MYP shows the repayment of these penalties over eight years at approximately $69,000 annually. Moreover, the district's loss of eligibility for necessary small school funding has further decreased its budget by approximately $50,000 annually beginning in 2022-23.			

9. Employee Benefits

		Yes	No	N/A
9.1	Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board (GASB) requirements to determine its unfunded liability for other post-employment benefits (OPEB)?	☐	☐	✓
9.2	Does the district have a plan to fund its liabilities for retiree health and welfare benefits with the total of annual required service payments no greater than 2% of the district's unrestricted general fund revenues?	☐	☐	✓

		Yes	No	N/A
9.3	Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?	✓	☐	☐
9.4	Within the last five years, has the district conducted a verification and determination of eligibility for benefits for all active and retired employees and dependents?	✓	☐	☐
9.5	Does the district track, reconcile and report employees' compensated leave balances?	☐	✓	☐

Interviews indicated that the district administrator tracks leave balances, but the district did not provide evidence of such tracking.

10. Enrollment and Attendance

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

District enrollment has been declining for many years. In 2017-18, the district had 28 students, compared to 18 in 2022-23.

		Yes	No	N/A
10.2	Does the district monitor and analyze enrollment and average daily attendance (ADA) data at least monthly through the second attendance reporting period (P2)?	☐	✓	☐

District staff lack the training required to effectively monitor and analyze enrollment and attendance data.

		Yes	No	N/A
10.3	Does the district track historical enrollment and ADA data to establish future trends?	✓	☐	☐
10.4	Do school sites maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the site and district levels?	☐	✓	☐

District staff lack the training required to maintain accurate records of daily enrollment and attendance. The district did not provide evidence of performing monthly reconciliations.

		Yes	No	N/A
10.5	Has the district certified its California Longitudinal Pupil Achievement Data System (CALPADS) data by the required deadlines (Fall 1, Fall 2, EOY) for the current and two prior years?.	☐	✓	☐

The district has not met CALPADS' data certification deadlines.

		Yes	No	N/A
10.6	Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable considerations?	✓	☐	☐
10.7	Do all applicable sites and departments review and verify their respective CALPADS data and correct it as needed before the report submission deadlines?	☐	✓	☐

Training is needed to ensure CALPADS data is accurately reported.

		Yes	No	N/A
10.8	Has the district planned for enrollment losses to charter schools?	☐	☐	✓
10.9	Does the district follow established board policy to limit outgoing interdistrict transfers and ensure that only students who meet the required qualifications are approved?.	☐	✓	☐

The district indicated that it has a policy regarding inter- and intradistrict transfers, but it was unable to provide a copy of this policy.

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

11. Facilities

		Yes	No	N/A
11.1	If the district participates in the state's School Facilities Program, has it met the required contribution for the Routine Restricted Maintenance Account?	☐	☐	✓
11.2	Does the district have sufficient and available capital outlay and/or bond funds to cover all contracted obligations for capital facilities projects?	☐	☐	✓
11.3	Does the district properly track and account for facility-related projects?	☐	☐	✓
11.4	Does the district use its facilities fully in accordance with the Office of Public School Construction's loading standards?	✓	☐	☐
11.5	Does the district include facility needs (maintenance, repair and operating requirements) when adopting a budget?	✓	☐	☐
11.6	Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues?	☐	✓	☐

Interviews indicated that the district is not meeting the Williams Act's inspection requirements.

		Yes	No	N/A
11.7	If the district passed a Proposition 39 general obligation bond, has it met the requirements for audit, reporting, and a citizens' bond oversight committee?	☐	☐	✓
11.8	Does the district have a long-range facilities master plan that reflects its current and projected facility needs?.	☐	✓	☐

The district lacks a long-range facilities master plan.

12. Fund Balance and Reserve for Economic Uncertainty

		Yes	No	N/A
12.1	Is the district able to maintain the minimum reserve for economic uncertainty in the current year (including Fund 01 and Fund 17) as defined by criteria and standards?	✓	☐	☐
12.2	Is the district able to maintain the minimum reserve for economic uncertainty in the two subsequent years?	☐	✓	☐

Per the district's 2022-23 first interim MYP, the district projects it will not meet the minimum reserve for economic uncertainty in the two subsequent fiscal years. The district is projecting an unrestricted general fund balance of negative $169,361 and negative $487,950 in 2023-24 and 2024-25, respectively.

		Yes	No	N/A
12.3	If the district is not able to maintain the minimum reserve for economic uncertainty, does the district's multiyear financial projection include a board-approved plan to restore the reserve?	☐	✓	☐

The district's 2022-23 first interim MYP lacks a board-approved plan to restore its minimum reserve for economic uncertainty. However, interviews indicated that the board approved staffing reductions at its March 9, 2023 meeting to maintain the district's fiscal solvency.

		Yes	No	N/A
12.4	Is the district's projected unrestricted fund balance stable or increasing in the two subsequent fiscal years?	☐	✓	☐

The district's first interim MYP projects its unrestricted general fund year-end balance will decrease from $137,210 in 2022-23 to negative $169,361 and negative $487,950 in 2023-24 and 2024-25, respectively.

		Yes	No	N/A
12.5	If the district has unfunded or contingent liabilities or one-time costs other than post-employment benefits, does the unrestricted general fund balance include sufficient assigned or committed reserves above the recommended reserve level?	☐	☐	✓

13. General Fund – Current Year

		Yes	No	N/A
13.1	Does the district ensure that one-time revenues do not pay for ongoing expenditures?	✓	☐	☐
13.2	Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the statewide average for the current year?	✓	☐	☐
13.3	Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the statewide average for the two prior years?	✓	☐	☐
13.4	If the district has received any uniform complaints or legal challenges regarding local use of supplemental and concentration grant funding in the current or two prior years, is the district addressing the complaint(s)?	☐	☐	✓
13.5	Does the district either ensure that restricted dollars are sufficient to pay for staff assigned to restricted programs or have a plan to fund these positions with unrestricted funds?	✓	☐	☐
13.6	Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time?	✓	☐	☐
13.7	Does the district account for program costs, including the maximum allowable indirect costs, for each restricted resource and other funds?	☐	✓	☐
	The district does not charge the maximum allowable indirect costs for each restricted resource and other funds.			

14. Information Systems and Data Management

		Yes	No	N/A
14.1	Does the district use an integrated financial and human resources system?	☐	✓	☐
	The district lacks a human resources system, so it cannot be integrated with the district's financial system.			
14.2	Does the district use the system(s) to provide key financial and related data, including personnel information, to help the district make informed decisions?	☐	✓	☐
	The district lacks a human resources system to help it make informed decisions. It is not using its financial system to help it make informed decisions.			
14.3	Has the district accurately identified students who are eligible for free or reduced-price meals, English learners, and foster youth, in accordance with the LCFF and its LCAP?	☐	✓	☐
	The district has struggled to ensure that families are completing applications for free or reduced-price meals, and therefore may be underidentifying students for the program.			
14.4	Is the district using the same financial system as its county office of education?	✓	☐	☐
14.5	If the district is using a separate financial system from its county office of education, is there an automated interface with the financial system used by the county office of education?	☐	☐	✓
14.6	If the district is using a separate financial system from its county office of education, has the district provided the county office with direct access so the county office can provide oversight, review and assistance?	☐	☐	✓

15.	Internal Controls and Fraud Prevention	Yes	No	N/A
15.1	Does the district have controls that limit access to its financial system and include multiple levels of authorization?	✓	☐	☐
15.2	Are the district's financial system's access and authorization controls reviewed and updated upon employment actions (e.g., resignations, terminations, promotions or demotions) and at least annually?	✓	☐	☐
15.3	Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?:			
	• Accounts payable (AP)	☐	✓	☐
	District personnel are responsible for submitting all invoices to the county office for payment. Interviews indicated that the district does not use purchase orders or requisitions that would require authorization or supporting documents. Additionally, most purchases are made before obtaining board approval, as noted in finding 2021-002 of the district's 2020-21 audit report.			
	• Accounts receivable (AR)	☐	✓	☐
	In 2023, the county office found a number of stale-dated checks (checks that are 180 days [six months] and have not been cashed) for the district's cafeteria fund that the district had failed to deposit timely.			
	• Purchasing and contracts.	☐	✓	☐
	The district has paid many bills and expenditures using an employee's personal credit card, which has bypassed the use of purchase orders and requisitions. These expenditures are not recorded in the district's financial system until the employee seeks reimbursement.			
	• Payroll	✓	☐	☐
	• Human resources (i.e., duties relative to position control and payroll processes)	☐	☐	✓
15.4	Are beginning balances for the new fiscal year posted and reconciled with the ending balances for each fund from the prior fiscal year?	✓	☐	☐
15.5	Does the district review and work to clear prior year accruals throughout the year?	✓	☐	☐
15.6	Has the district reconciled and closed the general ledger (books) within the time prescribed by the county office of education?	☐	✓	☐
	According to the county office's due dates and timelines calendar, the district's 2021-22 unaudited actuals data was due by September 15, 2022. However, the district's 2021-22 unaudited actuals report shows a printed date of October 14, 2022, and the school district certification page lacks an original signature and board meeting date of approval.			
15.7	Does the district have processes and procedures to discourage and detect fraud?	☐	✓	☐
	The district did not provide supporting documents, such as board policies or administrative regulations, that outlines a formal process to discourage and detect fraud.			
15.8	Does the district have a process for collecting reports of possible fraud (such as an anonymous fraud reporting hotline) and for following up on such reports?	☐	✓	☐
	The district lacks a process for collecting reports of possible fraud and for following up on such reports.			

		Yes	No	N/A
15.9	Does the district have an internal audit process?	☐	✓	☐
	The district lacks an internal audit process.			

16. Leadership and Stability

		Yes	No	N/A
16.1	Does the district have a chief business official who has been with the district as chief business official for more than two years?.	☐	✓	☐
	The county office provides business services to the district, but the staff responsible for those services have changed over the past two years.			
16.2	Does the district have a superintendent who has been with the district as superintendent for more than two years?	✓	☐	☐
16.3	Does the superintendent meet on a scheduled and regular basis with all members of their administrative cabinet?	☐	☐	✓
16.4	Is training on financial management and budget provided to site and department administrators who are responsible for budget management?	☐	☐	✓
16.5	Does the governing board adopt and revise policies and administrative regulations annually?	☐	✓	☐
	The district provided copies of a few board-approved policies and administrative regulations, none of which have been updated in recent years.			
16.6	Are newly adopted or revised policies and administrative regulations implemented, communicated and available to staff?	☐	✓	☐
	The district does not update its policies or administrative regulations often, nor does it have a process or procedure to communicate any changes to staff.			
16.7	Do all board members attend training on the budget and governance at least every two years?	☐	✓	☐
	The district does not train board members on budget and governance.			
16.8	Is the superintendent's evaluation performed according to the terms of the contract?	☐	✓	☐
	The district administrator has not been evaluated since she was hired in 2020.			

17. Multiyear Projections

		Yes	No	N/A
17.1	Has the district developed multiyear projections that include detailed assumptions aligned with industry standards?	☐	✓	☐
	The 2022-23 first interim report's assumptions were not consistent with the most recent information outlined in the School Services of California's Dartboard or the California County Superintendents' Common Message.			
17.2	To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation with multiyear considerations?	✓	☐	☐
17.3	Does the district use its most current multiyear projection in making financial decisions?	✓	☐	☐
17.4	If the district uses a broad adjustment category in its multiyear projection (such as line B10, B1d, B2d Other Adjustments, in the SACS Form MYP/MYPI), is there a detailed list of what is included in the adjustment amount and are the adjustments reasonable?	☐	☐	✓

18. Non-Voter-Approved Debt and Risk Management

		Yes	No	N/A
18.1	Are the sources of repayment for non-voter-approved debt {such as certificates of participation (COPs), bridge financing, bond anticipation notes (BANS), revenue anticipation notes (RANS) and others} stable, predictable, and other than unrestricted general fund?	☐	☐	✓
18.2	If the district has issued non-voter-approved debt, has its credit rating remained stable or improved during the current and two prior fiscal years?	☐	☐	✓
18.3	If the district is self-insured, has the district completed an actuarial valuation as required and have a plan to pay for any unfunded liabilities?	☐	☐	✓
18.4	If the district has non-voter-approved debt (such as COPs, bridge financing, BANS, RANS and others), is the total of annual debt service payments no greater than 2% of the district's unrestricted general fund revenues?	☐	☐	✓

19. Position Control

		Yes	No	N/A
19.1	Does the district account for all positions and costs?	✓	☐	☐
19.2	Does the district analyze and adjust staffing based on staffing ratios and enrollment?	✓	☐	☐
19.3	Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim reporting periods?	✓	☐	☐
19.4	Does the district identify a budget source for each new position before the position is authorized by the governing board?	✓	☐	☐
19.5	Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted?	✓	☐	☐
19.6	Do managers and staff responsible for the district's human resources, payroll and budget functions meet regularly to discuss issues and improve processes?.	☐	☐	✓

20. Special Education

		Yes	No	N/A
20.1	Does the district monitor, analyze and adjust staffing ratios, class sizes and caseload sizes to align with statutory requirements and industry standards?	✓	☐	☐
20.2	Does the district access available funding sources for costs related to special education (e.g., excess cost pool, legal fees, mental health)?	☐	☐	✓
20.3	Does the district use appropriate tools to help it make informed decisions about whether to add services (e.g., special circumstance instructional assistance process and form, transportation decision tree)?	☐	☐	✓
20.4	Does the district budget and account correctly for all costs related to special education (e.g., transportation, due process hearings, indirect costs, nonpublic schools and/or nonpublic agencies)?	✓	☐	☐
20.5	Is the district's contribution rate to special education at or below the statewide average contribution rate?	✓	☐	☐
20.6	Is the district's rate of identification of students as eligible for special education at or below the countywide and statewide average rates?	✓	☐	☐

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

The district has not completed maintenance of effort forms for the last three interim reporting periods.

Risk Score, 20 numbered sections only: **33.4%**

Key to Risk Score from 20 numbered sections only:

High Risk: 40% or more

Moderate Risk: 25-39.9%

Low Risk: 24.9% and lower

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

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

Appendix

Appendix A — Study Agreement

Appendix A — Study Agreement

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT February 7, 2023

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Junction Elementary School District, hereinafter referred to as the district, mutually agree as follows:

1. **BASIS OF AGREEMENT**

The team provides a variety of services to local education agencies (LEAs). In accordance with the 2018-19 Budget Act, the team has been assigned to study the district's fiscal health because the county superintendent agreed with the district's negative certification of its 2022-23 first interim report per Education Code 42131. The team may include staff from FCMAT, county offices of education, the California Department of Education, other school districts, or private contractors. All work shall be performed in accordance with the terms, standards and conditions of this agreement.

The county superintendent will be notified of this agreement between the district and FCMAT and will receive a copy of the final report. The final report will also be published on the FCMAT website.

2. **SCOPE OF THE WORK**

A. Scope and Objectives of the Study

Prepare an analysis using the 20 factors in FCMAT's Fiscal Health Risk Analysis and identify the district's specific risk rating for fiscal insolvency.

B. Services and Products to be Provided

1. Orientation Meeting – If on-site review is needed, the team will conduct an orientation session at the district to brief district management and supervisory personnel on the team's procedures and the purpose and schedule of the study.

2. On-site Review – The team will conduct an on-site review at the district office and at school sites if necessary.

3. Draft Report – Electronic copies of a preliminary draft report will be delivered to the district's administration for review and comment.

4. Final Report – Electronic copies of the final report will be delivered to the district's administration and to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.

5. Board Presentation – The team will make a presentation regarding the final report at a district board meeting.

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3. PROJECT PERSONNEL

The FCMAT study team may include:

A. Tami Montero	***FCMAT Staff***
B. Jennifer Noga	***FCMAT Staff***

4. PROJECT COSTS

Pursuant to the 2018-19 Budget Act, costs for the study shall be as follows:

A. All staff member and consultant daily rates and expenses will be covered by a specific state apportionment for this purpose.

B. Based on the elements noted in section 2A, the total cost of the services is $0.

5. RESPONSIBILITIES OF THE DISTRICT

A. The district will provide office and conference room space during on-site reviews.

B. The district will provide the following items:

1. Current or proposed detailed organizational charts.
2. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the district and sent to FCMAT in electronic format.
3. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the district will upload all requested documents.

C. The district's administration will review a draft copy of the report resulting from the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report. All such comments should be provided to the team within five working days after receipt of the draft.

Pursuant to Education Code (EC) 45125.1(c), representatives of FCMAT will have limited contact with pupils. The district shall take appropriate steps to comply with EC 45125.1(c).

6. PROJECT SCHEDULE

The schedule of services will be determined jointly by FCMAT and the district.

7. COMMENCEMENT AND COMPLETION OF WORK

FCMAT will begin work as soon as it has assembled an available and appropriate study team consisting of FCMAT staff and independent consultants, taking into consideration other jobs FCMAT has previously undertaken and assignments from the state. The team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the district and any other 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 draft report and a final report. The district understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the district shall not request that it do so.

8. INDEPENDENT CONTRACTOR

FCMAT is an independent contractor and is not an employee or engaged in any manner with the district. 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 district in any manner without prior express written authorization from an officer of the district.

9. 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 district, automobile liability insurance in the amount required under California state law, and workers' compensation as required under California state law. Upon the request of the district and the receipt of the signed study agreement, FCMAT shall provide certificates of insurance, with Junction Elementary School District named as additional insured, indicating applicable insurance coverages.

10. HOLD HARMLESS

FCMAT shall hold the district, 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 district shall hold FCMAT, its board, officers, agents, and employees harmless from all suits, claims and liabilities resulting solely from negligent acts or omissions of the district's board, officers, agents and employees undertaken under this agreement.

11. COVID-19 PANDEMIC

Because of the existence of COVID-19 and the resulting shelter-in-place orders, local educational agency closures and other related considerations, at FCMAT's sole discretion, the Scope of Work, Project Costs, Responsibilities of the District (Sections 2, 4 and 5 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, etc. References to on-site work or fieldwork shall be interpreted appropriately given the circumstances.

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B. Activities performed remotely that are normally performed in the field shall be billed hourly as provided as if performed in the field (excluding out-of-pocket costs).

C. The district may be relieved of its duty to provide conference and other work area facilities for the team.

12. FORCE MAJEURE

Neither party will be liable for any failure of or delay in the performance of this study agreement due to causes beyond the reasonable control of the party, except for payment obligations by the district.

13. CONTACT PERSON

Name: Linda Cornwell
Telephone: (530) 469-3373
E-Mail: lcornwell@junction.k12.ca.us

LINDA CORNWELL 3/21/23

Linda Cornwell, Superintendent Date
Junction Elementary School District

Michael T. Fine 3/24/23

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

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