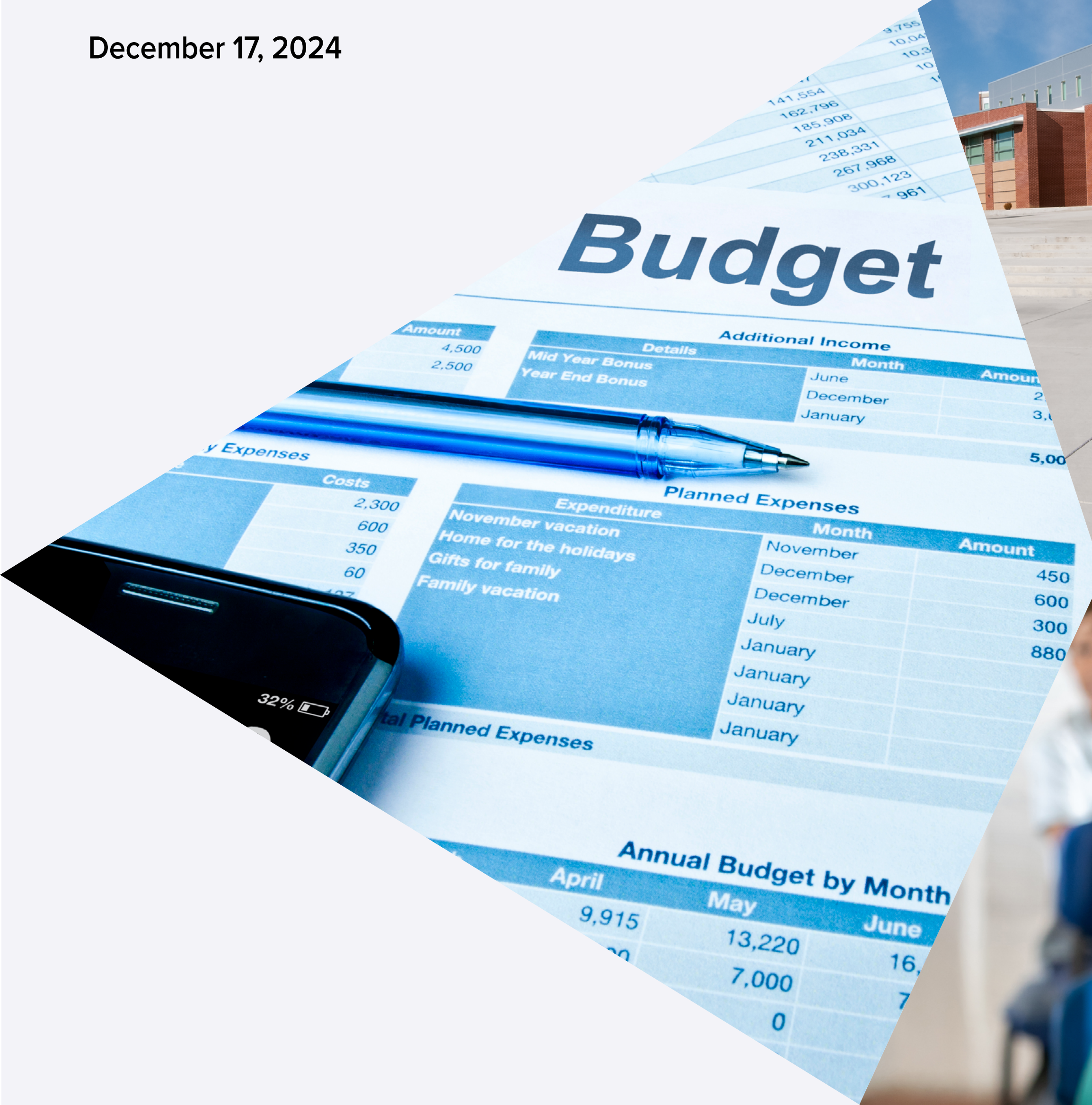
FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Annual Review

December 17, 2024



Los Angeles County Office of Education

Michael H. Fine
Chief Executive Officer

December 17, 2024

Debra Duardo, Superintendent
Los Angeles County Office of Education
9300 Imperial Highway
Downey, CA 90242

Dear Superintendent Duardo:

In June 2020, the Los Angeles County Superintendent of Schools entered into an agreement with the Fiscal Crisis and Management Assistance Team (FCMAT) for FCMAT to perform the following:

> Prepare an initial analysis of the county office fiscal oversight provided to the Inglewood Unified School District using FCMAT's County Office Evaluation Tool [County Superintendent of Schools Oversight Evaluation Tool], and make recommendations for improvement, if any.

The June 2020 study agreement also covers annual follow-up evaluations.

This report contains the FCMAT study team's findings and recommendations from the third annual evaluation of the Los Angeles County Superintendent of Schools' oversight of the Inglewood Unified School District.

FCMAT appreciates the opportunity to serve the Los Angeles County Office of Education and extends thanks to its staff for their cooperation and assistance during this review.

Sincerely,

Michael H. Fine
Chief Executive Officer

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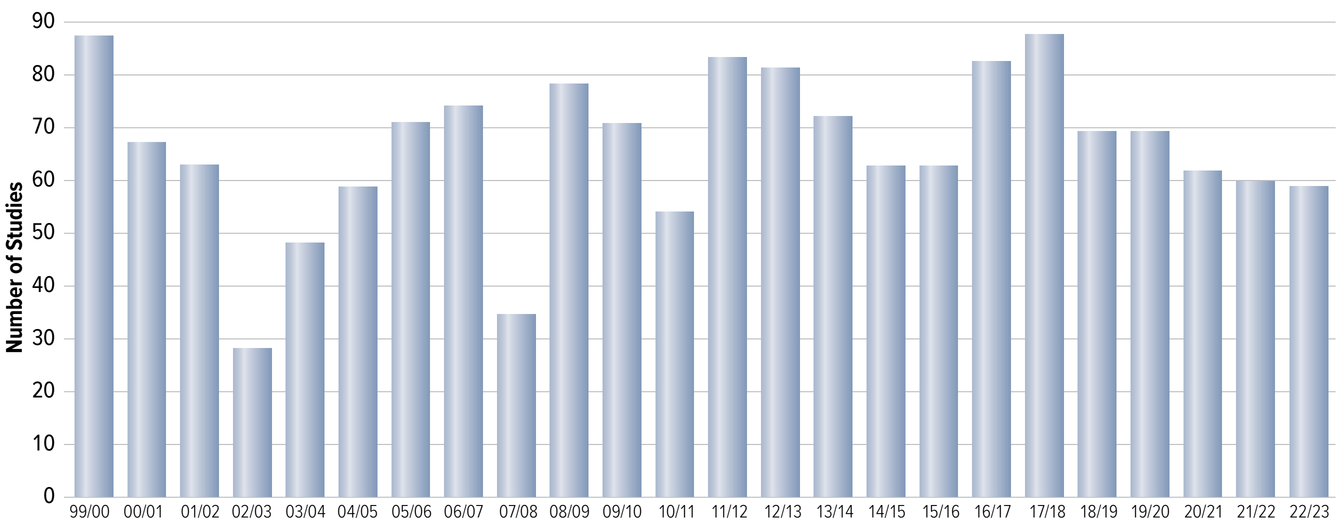
About FCMAT

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

In September 2018, Governor Brown signed Assembly Bill (AB) 1840 (Chapter 426, Statutes of 2018), introducing a significant change in the administration of insolvent school districts that receive state emergency appropriations. Under this legislation, codified in Education Code (EC) 41326(l), the Fiscal Crisis and Management Assistance Team (FCMAT) is tasked with reviewing the fiscal oversight performed by the county superintendent of schools for any school district receiving an emergency apportionment. FCMAT must report its findings to the Legislature and provide a copy of the oversight evaluation report to the Department of Finance, the superintendent of public instruction, and the State Board of Education president or their designee. Each report must include findings regarding the fiscal oversight actions that were or were not taken and may contain recommendations for legislative measures to improve fiscal oversight of school districts.

In the years following the initial FCMAT report on the fiscal oversight performed by the county superintendent, FCMAT will conduct annual reviews until the school district exits receivership. These reviews will assess the effectiveness of the county superintendent's oversight and their involvement with the school district, including during the period that led to the district's declaration of insolvency.

In February 2012, the Inglewood Unified School District governing board declared the district fiscally insolvent. On September 14, 2012, the governor approved Senate Bill 533 (Chapter 325, Statutes of 2012), bringing the district under state receivership with a state-approved emergency appropriation of $55 million. This declaration occurred after several years of financial struggles and intense monitoring by the Los Angeles County Superintendent of Schools. The issues that eventually led to the district's insolvency were many but included consistently overstating average daily attendance (ADA), understating California State Teachers' Retirement System payments, understating certificated salary expenses, continued deficit spending, and declining enrollment. In addition, the district experienced mismanagement, frequent and ongoing turnover in senior staff, and flawed facilities management. The district's administration and governing board tried to avoid the takeover with last-minute expenditure reductions, but after years of deficit spending, the structural budget imbalance was too large, and the district projected a negative cash balance would occur on March 31, 2013.

County Superintendent of Schools Oversight Evaluation Guidelines

FCMAT entered into a study agreement with the Los Angeles County Superintendent of Schools on February 4, 2020 for both the initial and annual evaluations required by EC 41326(l). A study team visited the county superintendent's office on October 28, 2020 for the initial evaluation, on March 10, 2022 for the first annual evaluation, on September 13, 2023 for the second annual evaluation, and on October 2, 2024 for the current evaluation, to conduct interviews, collect data and review documents. Following the fieldwork, the study team continued to review and analyze the documents and data. This report is the result of those activities and actions related to the current evaluation.

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. In writing its reports, FCMAT uses the Associated Press Stylebook and its own short internal style guide, which emphasize plain language, capitalize relatively few terms, and strive for conciseness, clarity and simplicity.

Study Team

The team was composed of the following members:

Debbie Riedmiller
FCMAT Chief Analyst

Leonel Martinez
FCMAT Technical Writer

Nicolas Schweizer
FCMAT Consultant

Misty Key
FCMAT Consultant

Sheldon Smith
FCMAT Consultant

Those members of this study team who are otherwise employed by a local educational agency were not representing their respective employers but were working solely as independent contractors for FCMAT.

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

County Superintendent of Schools Oversight Evaluation Tool

FCMAT has developed the County Superintendent of Schools Oversight Evaluation Tool for both initial and annual evaluations. This tool is designed to help assess the effectiveness of a county superintendent of schools' fiscal oversight and support of school districts that have received emergency apportionments.

The annual oversight evaluation tool comprises 23 questions and is intended to satisfy the requirements of EC 41326(l) for reviewing and assessing the county superintendent's fiscal oversight and support related to a school district's recovery from insolvency. This tool focuses on the status of the district's recovery, the ongoing implementation of its long-range recovery plan (LRRP), its multiyear financial projection, the role of the administrator or trustee, and how the county superintendent is addressing elements that received an answer of "No" in the initial evaluation. FCMAT used the annual oversight evaluation tool during interviews with multiple staff members from both the district and the county superintendent's office, as well as the administrator.

The oversight evaluation tool identifies the key oversight responsibilities of the county superintendent in their fiscal oversight and support of the district, as well as their ability to communicate effectively with the administrator, district staff, and advisory board. FCMAT also gathered information through an initial document request before the on-site interviews. The team's conclusions are compiled in the report as a narrative, with recommendations included where appropriate. In addition, the team addressed questions related to the overall implementation of EC 41326(l) and made recommendations to support that process, including a restatement of the administrator's specific roles and responsibilities.

The county superintendent's objective, supported by the administrator and other components of an insolvency recovery team (including FCMAT, the California Collaborative for Educational Excellence, the California Department of Education, and the Los Angeles County Superintendent of Schools staff), is to facilitate the full recovery of the Inglewood Unified School District. This involves addressing the major elements of the LRRP to ensure the district can govern independently, maintain solvency, and effectively support the education of its students.

County Office Name: Los Angeles County Office of Education

Date(s) of Fieldwork: October 2, 2024

Summary

The Los Angeles County Superintendent of Schools provides fiscal oversight to all the county's school districts pursuant to Assembly Bill 1200 (Chapter 1213, Statutes of 1991), which was signed into law in 1991. This responsibility is outlined in Article 2, Chapter 6 of Part 24 of the Education Code, beginning with Section 42120 and/or Section 1240(b).

During the initial evaluation under EC 41326(l), FCMAT assessed the county superintendent's involvement with the district throughout the course of their normal oversight responsibilities, up to and including the date of evaluation, and specifically during the period leading up to the district's declaration of insolvency. The assessment involved analyzing historical and current documents prepared by county office staff, as well as asking a series of questions related to the time leading up to the insolvency. FCMAT also reviewed the county superintendent's oversight practices and conducted interviews with district staff and other key individuals involved in the oversight process.

The annual evaluation focuses on the status of the district's recovery, assessing the progress made since the last review and evaluating the effectiveness of the county superintendent in supporting the district's staff, advisory board, and administrator in their efforts to help the district return to fiscal solvency. In addition, the annual evaluation examines any areas that were marked as "No" on the initial evaluation to determine if those issues are being addressed.

FCMAT's findings indicate that the fiscal oversight actions taken by the county superintendent during the study period complied with the Education Code. The county superintendent's process for reviewing budget and interim reports is thorough and well-documented and complies with the State Standards and Criteria for Fiscal Solvency.

The full recovery of the Inglewood Unified School District is clearly a top priority for the county superintendent. When oversight shifted from the state superintendent to the county superintendent, the county superintendent implemented a comprehensive support model for the district that included providing a county office support team to the district to work closely with district staff focused on building district staff capacity. As district staff gained capacity, full-time county office staff members were withdrawn. At the time of fieldwork, no full-time county office staff members were based in the district; however, various county office staff members visit the district at least twice a month to provide support and build capacity. County office and district staff meet regularly to review FCMAT reports and develop action plans. In addition, county office business services staff have separate regular meetings with the district CBO to monitor and support the district's fiscal department's implementation of actions to address issues identified in the FCMAT reports, audit reports, and other fiscal issues.

The current administrator, appointed in January 2023, has been particularly successful in making contentious but necessary decisions while still building positive relationships with the advisory board and community. The administrator continues to build trust within the district and the community and has cultivated partnerships with various community service and governmental organizations to benefit the district. Over the last year, the county superintendent has been supportive and communicates often with the county administrator. The county superintendent and administrator meet frequently to discuss the actions and plans needed to accomplish the goals of the comprehensive review with the primary objective of improving student outcomes, restoring fiscal solvency, and returning the district to local control.

The district made progress toward implementing the recommendations of the comprehensive review over the last year in each of the four operational areas reviewed. However, additional progress is needed before the restoration of governing authority to the board and appointment of a trustee. Progress toward recovery is hindered by a variety of factors including staff turnover, declining enrollment, low attendance rates, and increasing special education costs.

The district's 2024-25 adopted budget and multiyear projection (MYP) reports show deficit spending in the current and two subsequent years, with the unrestricted general fund ending balance projecting a decline from $69.8 million at the beginning of 2024-25 to $11.4 million by the end of 2026-27. The projected deficit spending is partly due to the spend down of supplemental and concentration grant carryover funds (unspent funds received in a prior year) and expiring one-time COVID relief funds, but is also caused by overstaffing, underutilized facilities, and overbudgeted expenditures. The expenditure reductions included in the district's fiscal stabilization plan (FSP) submitted with its 2024-25 adopted budget do not appear to be reasonable and attainable. The county superintendent directed the district to revise the FSP and submit it with the 2024-25 first interim report. The failure to implement components of the FSP is an ongoing concern.

Findings

This section focuses on FCMAT's review of the Los Angeles County Superintendent of Schools' fiscal oversight actions. Each assessed area is listed below along with an associated narrative, and where applicable, recommendations for improvement. Any material deficits identified in these areas are noted within the narrative.

1) Did the administrator develop the long-range recovery plan (LRRP) within the statutory timelines? Alternatively, did the county superintendent of schools adopt the FCMAT Comprehensive Review in lieu of the LRRP?

The county superintendent and the county administrator use the FCMAT Comprehensive Review in lieu of the LRRP. The last comprehensive review is dated July 2024 and indicates that the district has made progress in all four operational areas reviewed (personnel management, pupil achievement, financial management, and facilities management). The operational area of community relations and governance is no longer reviewed since the district reached the minimum milestone score of six, with no individual standard scoring less than four for two consecutive years. In July 2024, the district reached the minimum score of six with no individual standard scoring less than four in the operational areas of personnel management and pupil achievement. If the district maintains its scores for the next comprehensive review, those operational areas will exit review. Progress was made in the areas of financial management and facilities management, but each area still has several standards scoring below four.

2) What role has the county superintendent played in supporting the district with the LRRP or comprehensive review? What process has the county superintendent used to monitor the progress of implementing the recommendations from the LRRP or comprehensive review?

The county superintendent appointed a very competent, experienced, and driven school administrator to the county administrator role in January 2023 to lead the district. Further, the county superintendent has made it explicitly clear that the district's recovery is a top priority. The county administrator established a positive, productive working relationship with county office staff and is recognized as a consistent, reputable, and effective intermediary between the county office and the district.

Since AB 1840 was enacted, transferring oversight of the district from the state to the county, the county superintendent has provided numerous staff to support the district, at one time having five county office staff members assigned full-time in the district. Over the last year, several county office staff have been assigned to the district to provide training in the areas of business and facilities. As district staff gained capacity, the county superintendent withdrew the full-time staff. County office legal services staff continue to advise the district regarding lawsuits and contracts. At the time of fieldwork, no full-time county office staff were stationed in the district; however, county office staff visit the district frequently to provide support.

The county office business services director and business services consultant meet with the school district at least two times a month. Agenda topics at the standing meeting include issues related to multiyear projection (MYP) assumptions, fiscal stabilization plan, school closure and consolidation plan, cash flow monitoring, audit findings, facilities, and other day-to-day business services functions. Other county office staff are available as needed.

Interviews indicated that the county superintendent does not use a formal documentation or tracking document to monitor the district's progress of implementing the recommendations from the comprehensive review; however, county office technology services staff created a dashboard that provides a snapshot view of the district's annual progress since 2013. The snapshot shows the average rating for all standards combined for each year and the average rating each year for each individual operational area. At the time of fieldwork, the dashboard had not yet been updated to include the 2024 scores. The dashboard replicates and summarizes the comprehensive review results but does not report on monthly changes or progress leading to the next comprehensive review evaluation.

The county superintendent monitors the district's progress in implementing the recommendations of the comprehensive review via ongoing updates from the county administrator. The county superintendent and administrator have regular, biweekly meetings and also communicate frequently as issues arise.

The district does not use a formal tracking tool, but the new district CBO plans to develop and deploy a Google tracking document tied to each position in the business office to measure progress against the comprehensive review's findings. The district's tracking document should also include audit findings and monitor implementation of the auditor's recommendations.

3) Does the county superintendent have a plan for restoring governance authority to the district's advisory board?

The district's five-member advisory board will continue to serve in an advisory capacity until the following two events occur:

- The district shows adequate progress in implementing the comprehensive review recommendations in the five operational areas of community relations and governance, personnel management, pupil achievement, financial management, and facilities management.
- The county superintendent, with concurrence from the state superintendent of instruction and president of the State Board of Education, determines that the district has built sufficient capacity to self-govern.

The district has not shown adequate progress in implementing the comprehensive review recommendations in all five operational areas. At this time, there is inadequate progress for the return of governance authority to the district's advisory board.

4) Has the administrator developed a multiyear financial recovery plan for the district in collaboration with the county superintendent? Has this plan been implemented?

The county administrator meets with district cabinet members to develop the Fiscal Stabilization Plan (FSP). The district submits an updated FSP to the county superintendent at each financial reporting period. The FSP submitted with the district's 2024-25 budget included expenditure reductions of $14.2 million for 2024-25, $8.5 million for 2025-26 and $1.7 million for 2026-27. The FSP was developed by the district's former CBO, and no detail was provided to support the expenditure reductions. County office staff and the new district CBO are not confident that the reductions listed in the plan are realistic and attainable. The county office business services director and the county office chief financial officer worked with the district's new CBO over the summer to develop a more reasonable plan. A revised FSP will be submitted with the district's 2024-25 first interim report. The district has not fully implemented previous FSPs.

The district continues to make expenditure reductions. Pandemic funding received in recent years has allowed the district to minimize reductions because some unrestricted expenditures were temporarily moved to restricted funding sources. Moving forward, without the one-time pandemic funding, the district will need to implement the reductions outlined in its FSP. The district formed the school closure/consolidation committee to evaluate recommendations regarding school closures and consolidations. The committee met six times between October 2022 and January 2023. The district closed one school in January 2024, and in March 2024, the county administrator announced the closure or consolidation of five schools at the end of the 2024-25 school year. In June 2024, the administrator approved a resolution establishing the equity impact analysis metrics for the consideration of school closures and consolidations pursuant to EC 41329. The district's asset management advisory committee continues to meet to provide the district with recommendations about the use or disposition of district property.

5) **What is the status of the district's budget concerning deficit spending, fund balance, and reserve for economic uncertainties?**

   The district's 2024-25 adopted budget and MYP show deficit spending in the unrestricted general fund of $26.5 million in 2024-25, $13.5 million in 2025-26 and $18.4 million in 2026-27. The district projects the unrestricted general fund balance to decline from $69.8 million at the beginning of 2024-25 to $11.4 million by the end of 2026-27. The district's required reserve amount in 2024-25 is $5.9 million. The district projects a reserve percentage of 3% in the current and two subsequent fiscal years. The projected deficit spending is partly due to the spend down of prior year supplemental and concentration grant carryover funds (unspent funds received in a prior year) and expiring one-time COVID relief funds, but is also caused by overstaffing, underutilized facilities, and overbudgeting for expenditures. The district's 2024-25 adopted budget showed estimated unrestricted expenditures of $92.2 million for 2023-24; the 2023-24 unaudited actuals report showed $78.0 million. Instead of a projected surplus of $2.9 million, the district ended fiscal year 2023-24 with a surplus of $17.2 million (unaudited). This is a pattern that FCMAT has observed over the past several years and calls into question the district's approach to budgeting, monitoring and financial projections. The district's unrestricted ending fund balance has grown over the last several years because of the influx of one-time pandemic relief funds; however, those resources are nearly depleted, and the district must make significant reductions to its ongoing expenditures to maintain long-term fiscal solvency.

6) **What process does the county superintendent use to assess the district's cash flow, and how frequently do they perform this assessment?**

   County office staff review the district's cash flow projections for reasonability at each financial reporting period. In addition, the county office requires the district to submit an updated, board-approved general fund cash flow projection monthly. County office staff review cash balances in the financial system weekly. The oversight review checklist indicates that county office business services staff verify that no cash shortfalls are projected in any month, and the projection reflects sufficient cash balances to meet its financial obligations in the current fiscal year. The checklist notes the amount of cash in other funds available for borrowing. The district routinely adopts an annual resolution to authorize temporary interfund borrowing. The district has not needed to use interfund borrowing in the last year.

7) In the prior year, did the county superintendent, in coordination with other state agencies, authorize additional draws against the district's emergency appropriation? If so, how were the draws used?

No draws against the emergency appropriation have been made since 2013.

8) If the district authorized additional draws against the emergency appropriation, is the receipt of the additional cash aligned with the cash flow projections?

Not applicable.

9) Has the county superintendent performed a thorough examination of the district's adopted budget and interim reports for compliance with the State Standards and Criteria for Fiscal Solvency, as evidenced by fiscal oversight review checklists or other documentation? Does the county superintendent identify and communicate to the district any necessary technical corrections?

County office staff thoroughly review the district's adopted budget and interim reports for compliance with the State Standards and Criteria for Fiscal Solvency and the process is well documented. The budget and interim review process includes checking if the district included requested action items. The budget and interim review letters to the district note concerns such as deficit spending, declining unrestricted general fund ending balance, declining enrollment and attendance and the resulting decline in state funding and increasing contributions to the special education program. The letters remind the district to assess staffing and facilities needs and adjust them based on the decline in enrollment.

Technical corrections are not communicated to the district in writing, but instead are communicated verbally. It is a common practice for county superintendents to communicate technical corrections to districts in a separate technical corrections letter. The county superintendent should communicate technical corrections in writing to the district CBO.

10) Does the county superintendent evaluate whether the district's budget aligns with its financial recovery plan and will enable the district to meet its financial obligations? This includes ensuring the budget will allow the district to satisfy its multiyear financial commitments and maintain a combined assigned and unassigned ending fund balance that meets or exceeds the minimum recommended reserve for economic uncertainties.

The county superintendent performs this evaluation and communicates concerns to the district through budget and interim report letters. Documentation shows that the financial review by county office staff includes an evaluation of the reasonableness of the district's budget and MYP assumptions, budgeted revenue and expenditure estimates, and whether the minimum reserve for economic uncertainties is met for the current and two subsequent fiscal years.

The district is projecting deficit spending in each of the three years of its MYP, and it projects a decline of $58.4 million in its unrestricted general fund ending balance over three years. However, the district has a beginning fund balance of $69.8 million (35% of its total expenditures and other financing uses). The deficit partly reflects the spend down of carryover supplemental and concentration grant funds and expiring COVID relief funds but can also be attributed to declining revenues due to declining enrollment and attendance. While the district's 2024-25 budget MYP shows a reserve percentage of 3% in each of the three years of the projection, the calculated reserve including Fund 17 and assigned and committed amounts is 27.31% in 2024-25, 23.07% in 2025-26 and 12.62% in 2026-27. The county superintendent's budget and interim review letters continue to remind the district to implement the reductions outlined in the FSP and require the district to submit an updated FSP with each reporting period.

11) If the district is deficit spending, does the county superintendent note the levels of deficit spending and communicate their concerns to the district advisory board through the budget and/or interim report letters?

The county superintendent identifies the projected deficit amounts for the current and two subsequent years and communicates this to the county administrator through budget and interim review letters. The advisory board president is copied on this communication. These letters also outline any additional concerns, such as a declining general fund ending balance, declining enrollment and average daily attendance and the related reduction in state funding, and escalating special education program costs. In her letters to the district, the county superintendent reminds the district to follow through with the implementation of expenditure reductions outlined in the FSP and to evaluate and align staffing and facilities with declining enrollment.

FCMAT recommends that the county superintendent address the budget and interim review letters to both the county administrator and the advisory board president.

The district's historical failures to implement all the components of past FSPs is an ongoing concern that requires attention. The county superintendent has the authority to implement the components of the FSP through direction to the county administrator.

12) Does the county superintendent verify whether the district's budgeted expenditures are sufficient to implement its Local Control Accountability Plan (LCAP)?

The county superintendent's budget review process includes verifying whether the district's budgeted expenditures are sufficient to implement the planned actions and services identified in its LCAP. The county superintendent encourages the district to submit a draft LCAP to the county office for review prior to placing it on the board agenda for public review so that any needed adjustments may be made. A county office cabinet member is assigned to assist the district with the implementation of the plans and actions included in its LCAP and visits the district once or twice a month.

13) Does the county superintendent verify whether the district identified the amount of carryover of prior year supplemental and concentration grant funds in its LCAP? If these funds are being carried over, does the county superintendent verify whether the district has either included their expenditure in the LCAP for the subsequent year and in its budget and multiyear projection, or reserved the funds in its fund balance?

The district has a large carryover of supplemental and concentration grant funds because over the past several years, it has used one-time pandemic relief funds to serve students. The county superintendent and staff work closely with the county administrator and district staff to ensure that the budget includes these carryover funds. The county superintendent's letter to the district indicates that the budget includes sufficient expenditures to implement the LCAP and the calculation and implementation of carryover is included. The letter reminds the district that supplemental and concentration grant funding, including carryover, should be fully expended in each fiscal year to increase and improve services to targeted student groups.

14) Does the county superintendent review the accuracy of the district's public disclosure of collective bargaining agreements, provide comments on the viability and affordability of these agreements, and verify whether the district has adopted all necessary budget revisions in the current fiscal year to meet the costs of the agreements?

On May 22, 2024 the county administrator approved the public disclosure of collective bargaining agreements and tentative agreements with its classified, certificated, and classified management employee groups. The settlement was for a 5% off-schedule retention bonus for those employed as of March 1, 2024. The county superintendent reviewed the public disclosure of collective bargaining agreements, and the letter to the district dated May 3, 2024 stated that the bonus is funded with Elementary and Secondary School Emergency Relief (ESSER) III funds, and the district is able to maintain the reserve for economic uncertainty. The letter reminded the district to adopt budget revisions within 45 days.

On August 7, 2024, the county superintendent provided a letter regarding the district's tentative collective bargaining agreements with its certificated, classified, and management employees for a 2% increase to the salary schedule, and noted that projections show the district would meet its required reserves during the term of the agreement. The letter reminded the district that it needed to send to the county superintendent any revisions to the district's current budget to fulfill the agreement within 45 days of adoption. Budget adjustments were included in the district's 45-day budget revision.

15) Does the county superintendent review information provided by the district regarding the issuance of non-voter-approved debt and provide comment to the district advisory board on the district's ability to repay its obligations within 15 days of receiving the information?

The district has not issued any non-voter-approved debt since the last review.

16) Has the county superintendent performed timely evaluations of the administrator?

The county superintendent signed the county administrator's annual evaluation on May 30, 2024. The county superintendent expressed "complete confidence and trust" in the county administrator's ability to lead the district out of receivership. The county superintendent set specific goals for the county administrator with a timeline for implementation. The evaluation reflects the progress toward those goals.

17) Has the administrator, in collaboration with the county superintendent, created a plan to develop the governing capacity of the district advisory board? Is this plan being implemented?

No evidence was provided of a written plan developed by the administrator and county superintendent to develop the district advisory board's governing capacity. However, the county administrator indicated that the district's advisory board is developing the skills needed to assume governance of the district. Each advisory board member has completed the California School Boards Association's Masters in Governance program, which has increased their knowledge and skills related to governance standards. The advisory board also participates in board retreats led by the county administrator. The district advisory board president indicated that each advisory board member serves on a district committee related to audit, budget, LCAP and other committees.

The county administrator indicated that he treats the advisory board members much like governing board members to prepare them to resume governance. The county administrator offers regular one-on-one meetings with advisory board members to review agenda items before meetings. The county administrator often includes them in the closed session of board meetings to talk through decisions regarding property negotiations and student expulsions, and they are included in the final round of interviews for cabinet-level positions. The county administrator is working to help the advisory board members understand their role and function so when governance is returned to the board, the practices and capacity remain.

18) Has the county superintendent submitted the district's adopted budget and interim reports to the State Superintendent of Public Instruction (SPI), the State Board of Education president or their designee, the Legislature, and the Director of Finance in accordance with Education Code (EC) 41327.2? Has the county superintendent documented the district's fiscal and administrative status, particularly regarding the implementation of the LRRP or comprehensive review?

After reviewing the district's budget and interim reports, the county superintendent is required to submit reports to the appropriate agencies. In compliance with the Education Code, the reports:

> … shall document the fiscal and administrative status of the qualifying school district, particularly in regard to the implementation of fiscal and management recovery plans. Each report shall also include a determination of whether the revenue streams to the school district appear to be consistent with its expenditure plan, according to the most recent data available at the time of the report.

During fieldwork, no evidence was provided that the county superintendent submits these reports to each of the appropriate agencies after reviewing the district's budget and interim reports. However, the SPI and state controller are copied on all budget and interim review letters.

FCMAT recommends that the county superintendent submit the required reports to the named agencies in accordance with EC 41327.2 and copy the SBE, the Legislature, and the director of finance on the county superintendent's budget and interim review letters. A cover letter summarizing the fiscal and administrative status of the district regarding the implementation of recovery plans and whether district revenues appear to be consistent with its expenditures would be helpful.

The county superintendent submitted an update on the district's progress of implementing the recommendations of the comprehensive review to the appropriate agencies on August 21, 2024.

On November 15, 2024, the county superintendent forwarded a copy of the county administrator's annual report required by EC 41327(a)(3) to the SBE, the Legislature, and the director of finance.

19) Has the administrator prepared or obtained a multiyear financial recovery plan for the district by July 1, including a plan to repay any state loans owed by the district, and secured the county superintendent's approval for the plan in accordance with EC 41327(a)(2)?

On June 26, 2024, the county administrator approved an updated FSP and the 2024-25 adopted budget. The FSP was developed in collaboration with district cabinet members. It includes reductions and cost-saving measures to be implemented over the next three years. The FSP shows expenditure reductions to certificated and classified salaries and benefits, supplies, and services of $14.2 million in 2024-25, $8.5 million in 2025-26, and $1.7 million in 2026-27. The district's 2024-25 adopted budget narrative indicates that the reductions have been included in the budget and

MYP. The district's MYP still shows deficit spending, and the district has not fully implemented previous FSPs. The county superintendent's budget and interim review letters remind the district that it is required to submit a revised FSP with each reporting period with updates on implementation.

The annual debt service payment on the state emergency loan is included in each budget and MYP.

20) Has the administrator prepared an annual report on the district's financial condition that includes all the elements required by EC 41327(a)(3)?

The annual report on the district's financial condition was prepared by the administrator and sent to the county superintendent on September 18, 2024. The report listed and included the documents requested by FCMAT for its annual county superintendent oversight evaluation. This technically complied with the requirements of the Education Code but could be more succinctly presented given the recipients.

The report is required to include the following:

A. Specific actions taken to reduce school district expenditures or increase income to the school district, and the amount of the resulting cost savings and increases in income.

B. A copy of the adopted school district budget for the current fiscal year.

C. The amount of the school district budgetary reserve.

D. The status of employee contracts.

E. Any obstacles to the implementation of the recovery plans.

The county superintendent sent the annual report to the superintendent of public instruction on September 20, 2024.

21) Has the administrator, with the county superintendent's approval, entered into agreements and contractual obligations for the district, and/or changed existing district rules, regulations, policies or practices, to implement the district's recovery plan in accordance with EC 41327(c)?

The administrator continues to work on elements of the comprehensive review and implement policies and practices recommended in the review. The district contracted with School Services of California to conduct an organizational structure and staffing review of its educational services, special education, student support services, human resources and business services (including fiscal, food services, and facilities, maintenance and transportation) departments. The review was completed on August 26, 2024. The administrator has begun to implement some of the recommendations from the review.

In March 2024, the administrator announced plans to close or consolidate five schools at the end of the 2024-25 school year. In June 2024, the county administrator approved a resolution establishing the equity impact analysis metrics for the consideration of school closures and consolidations. Various options for the use of unused sites and properties are being discussed.

The Core Knowledge Language Arts (CKLA) program was implemented at four schools in 2023-24 and will be expanded to all TK-8 schools in 2024-25. All teachers received training over this past summer. The three Comprehensive School Improvement (CSI) schools that implemented the CKLA program successfully exited CSI. The Professional Learning Community model was implemented at all school sites.

22) What is the status of the district's recovery?

The district made progress in all four remaining operational areas of the comprehensive review. However, 19 standards remain at a score of four or below. The areas of personnel management and pupil achievement met the criteria of an average score of six or above with no standard less than four in July 2024. The district needs to maintain or increase the scores in those two operational areas in the 2025 comprehensive review, and then they will no longer be reviewed. The average score for the area of facilities management increased from 5.06 with seven standards under four in 2023 to 5.81 with five standards below four in 2024. The average score for the area of financial management increased from 4.00 with 19 standards below four in 2023 to 4.49 with 14 standards scoring below four in 2024. Each chief cabinet member holds “FCMAT Friday” meetings to track the progress toward implementation of the recommendations in the last comprehensive review, concentrating on standards scoring less than four.

The district continues to experience turnover of business office staff, which hinders progress toward implementing sustainable improvements in operational processes and procedures. The district continues to over rely on consultants in this area for support.

The district’s 2024-25 adopted budget FSP included ongoing expenditure reductions of $14.2 million in 2024-25, $8.5 million in 2025-26 and $1.7 million in 2026-27. Despite these planned reductions, the 2024-25 MYP projects deficit spending of $26.5 million in 2024-25, $13.5 million in 2025-26, and $18.4 million in 2026-27. Interviews indicated that the FSP would be revised for the first interim reporting period. It is imperative that the district implement the expenditure reductions to maintain fiscal solvency. The district has not fully implemented prior FSPs.

One-time funds received as a result of AB 1840 and pandemic relief have allowed the district to shift ongoing expenditures from the unrestricted general fund to these one-time funding sources, and the district’s unrestricted general fund balance has grown over the past several years. Therefore, it will be able to withstand some deficit spending in the short term, but it must reduce expenditures and facilities in alignment with the reduction in enrollment and revenues to maintain long-term fiscal stability.

The county administrator indicated that he plans to stay with the district until local governance has been restored.

23) How has the county superintendent addressed the fiscal oversight actions that were designated as "No" on the initial evaluation?

County office staff have continued to ensure that the areas identified as deficiencies in the initial review continue to be addressed in the fiscal review checklists and oversight documents.

FCMAT verified that all the review elements identified in the initial evaluation as a “No” have been appropriately addressed and mitigated, as evidenced in the documents provided by the county superintendent of schools, which the county superintendent used to perform the AB 1200 oversight reviews.

Conclusions and Recommendations

The Inglewood Unified School District has been under a combination of state and county administration since 2012. The district has had nine state or county administrators in 12 years, creating instability in organizational development and inconsistency in developing and implementing long-range recovery plans. Changes in cabinet-level positions have occurred frequently and have created instability throughout the district. The current county administrator, appointed in January 2023, is committed to serving in the district until local control has been restored and believes that current cabinet members are committed as well. The administrator and county office staff are confident the new district CBO (who returned to the role after a two-year absence) will bring stability to the business office, successfully implement industry standard practices, and ensure progress toward implementation of the recommendations of the comprehensive review.

The district's 2024-25 adopted budget shows an ongoing structural deficit that, if not corrected, will deplete its cash and threaten its fiscal recovery. The expenditure reductions included in the FSP submitted by the district with the 2024-25 adopted budget lacked specificity and do not seem feasible. Previous FSPs have not been fully implemented.

Deficit spending, declining enrollment, low attendance and high special education costs continue to challenge the district. The county superintendent and administrator are addressing many of the issues that have burdened the district for years. They have a clear understanding of the actions and procedural changes required to move the district to self-governance with county trusteeship (which is the next step toward exiting state receivership) and are motivated to do so. The county administrator's goals include continuous improvement in implementing the recommendations of the comprehensive review, consolidation or closure of schools to align facility use with declining enrollment, identifying opportunities for using surplus property to generate ongoing revenue, improving student attendance, and increasing student achievement.

Since the last county superintendent oversight review, the county superintendent and administrator have continued to focus on implementing the recommendations of the comprehensive review, with specific attention on the standards with a score below four. Progress was made over the last year. The county superintendent should continue to work with the administrator to:

1. Implement the recommendations of the comprehensive review, with the goal of exiting the operational areas of pupil achievement and personnel management in 2025 by maintaining or increasing the average scores with no standard scoring below four. Increase the scores in the operational areas of facilities and financial management and significantly reduce the number of standards scoring below four.

2. Address the district's ongoing deficit by adjusting expenditures to align with current and projected revenues and executing the school closure/consolidation plans to adjust facility size to match enrollment. Ensure that the district's FSP is realistic and achievable and that it is implemented.

3. Use the recommendations of the California Collaborative for Educational Excellence and the comprehensive review to increase pupil achievement and improve pupil attendance.

4. Create a plan and timeline to develop the governance capacity of the district's advisory board, allowing the board to practice proper governance in preparation for the return of local control.

The next annual review, which will occur approximately one year from the publication of this report, will assess the district's progress toward these goals.

Appendices

Appendix A — Administrator Roles and Responsibilities

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Administrator

Roles and Responsibilities

When a school district becomes insolvent and requires an emergency state apportionment 200% or greater of the recommended reserve amount based on the standards and criteria, the county superintendent of schools, under the supervision of the state Superintendent of Public Instruction (SPI), assumes control of the district to ensure its return to fiscal solvency.

The county superintendent of schools, with concurrence from both the SPI and the president of the State Board of Education, will appoint an administrator in accordance with relevant Education Code sections, including 41325, 41326, and 41327. The administrator serves under the direction and supervision of the county superintendent of schools, with concurrence from both the SPI and the president of the state board, until terminated by the county superintendent of schools, with concurrence from both the SPI and the president of the state board.

On behalf of the county superintendent of schools, the administrator shall perform the following functions:

1. Assume all legal rights, duties, and powers of the district's governing board, superintendent, and personnel commission, if applicable.

2. Assume control and oversight of all district fiscal, educational, programmatic and operational functions, with the primary objective of restoring fiscal solvency and returning the district to local control and governance.

3. Implement substantial changes in the district's fiscal policies and practices, including, if necessary, the filing of a bankruptcy petition (Chapter 9) to restructure the district's indebtedness.

4. Revise the educational program of the district to reflect realistic income projections and to improve pupil performance relative to state standards.

5. Represent the district in consultation with the governing board, the exclusive representatives of the employees, parents, other citizens, the community, and governmental agencies.

6. Encourage all members of the school community to accept a fair share of the burden of the district's fiscal recovery.

7. Consult with, and seek recommendations from, the county superintendent of schools, the SPI, and the Fiscal Crisis and Management Assistance Team (FCMAT) in ensuring the fiscal recovery and solvency of the district.

5/18/2023

8. Request the advice and assistance, as needed, of the California Collaborative for Educational Excellence.

9. Upon approval by the county superintendent of schools, enter into agreements on behalf of the district and, subject to any contractual obligations of the district, change existing district rules, regulations, policies, or practices as necessary for the effective implementation of fiscal recovery plans.

10. Certify that all necessary collective bargaining agreements have been negotiated and ratified, and that the agreements are consistent with the terms of the fiscal recovery plan.

11. Ensure that the district has completed all reports required by the county superintendent of schools and the administrator.

12. Determine, with concurrence from the county superintendent of schools and SPI, that future compliance by the district with the approved fiscal recovery plan is probable.

13. Discuss options for resolving the fiscal problems of the district with all the following groups within 30 days of assuming authority, and consider, monthly or more frequently, information from one or more of the following groups:

    a) The governing board of the school district
    b) Any advisory council of the school district
    c) Any parent-teacher organization of the school district
    d) Representatives from the community in which the school district is located
    e) The district administrative team
    f) The Fiscal Crisis and Management Assistance Team
    g) Representatives of employee bargaining units
    h) The county superintendent of schools

14. Prepare or obtain the following reports and plans for approval by the county superintendent of schools and the SPI:

    a) A management review and fiscal recovery plan.

    b) A multiyear financial recovery plan, including a plan, to be submitted annually on or before July 1, to repay to the state any and all loans owed by the district.

    c) An annual report on the financial condition of the district, including, but not necessarily limited to, all the following information:

        i. Specific actions taken to reduce district expenditures or increase income, and the amount of the resulting cost savings and increases in income.
        ii. A copy of the adopted district budget for the current fiscal year.
        iii. The amount of the district's budgetary reserve.
        iv. The status of employee contracts.
        v. Any obstacles to the implementation of the fiscal recovery plan.

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15. Conduct, in consultation with FCMAT, comprehensive assessments in the following areas:

    i. Financial management
    ii. Pupil achievement
    iii. Personnel management
    iv. Facilities management
    v. Community relations

16. Evaluate employees who report directly to the administrator and oversee the evaluation of other employees as defined by California law and district policy.

17. Review all district policies and procedures and make appropriate decisions for addition, deletion, or modification.

18. Provide leadership and direction in planning and financing school site additions or improvements, as needed, to meet growth needs, or in strategically identifying and coordinating school site consolidations and/or closures.

19. Identify and assess all potential and actual lawsuits against the district and determine potential settlement options or other resolutions.

20. Assist in related matters, as needed, regarding the district's fiscal recovery and solvency, with the intent to return the district to local control and governance.

21. Perform any additional duties or address additional goals as may be outlined in the emergency appropriation legislation.

Related Education Code Sections: 41325, 41326, 41326.1, 41327

5/18/2023

Appendix B — Study Agreement

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

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 Los Angeles County Office of Education, 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). The Client has requested that the FCMAT 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.

2. **SCOPE OF THE WORK**

   A. Scope and Objectives of the Study

   Prepare an annual follow-up evaluation of the county superintendent of school's fiscal oversight provided to the Inglewood Unified School District using FCMAT's County Office Evaluation Tool, and make recommendations for improvement, if any.

   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 following completion of the study. FCMAT's work products are public and all final reports are published on the FCMAT website.

7. Board Presentation
   Presentations to the Client's board are optional and are made at the request of the Client. If a board presentation is requested, it will be noted in the scope and objectives of the study or can be added as a change in scope at a later date.

3. <u>PROJECT PERSONNEL</u>

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. <u>PROJECT COSTS</u>

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

A. $1,100 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. The Client will be invoiced for 50% of the not-to-exceed cost shown below following completion of fieldwork (progress payment) and the remaining amount shall be due upon the issuance of the final report or presentation to the Client's board, whichever is later (final payment). The Parties agree that changes documented in a revised study agreement may change the original not-to-exceed amount shown below. If changes are made before or during fieldwork, the new not-to-exceed amount documented in such a revised study agreement will constitute the basis for the progress payment. If changes are made after fieldwork, 100% of the total changed value documented in a revised study agreement, less progress payments made, will constitute the final payment due. All payments shall be due immediately based on the terms of the invoice.

Based on the scope and objectives of the study, the total not-to-exceed cost of the study will be $0.00.

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. **<u>RESPONSIBILITIES OF THE CLIENT</u>**

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 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.

ACTION	TIMELINE
Exit meeting	Last day of fieldwork.
Follow up fieldwork, if needed (e.g., rescheduled interview, additional interviews).	Mutually agreed upon; usually, within five business days of FCMAT's request.
Client uploads supplemental documents and data to FCMAT's online SharePoint repository.	Within two business days of the Client's receipt of FCMAT's supplemental document and data request(s).
Draft report submitted to the Client.	To be determined, usually, within 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.

Prior to completion of fieldwork and upon written notice to FCMAT, the Client may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the Client does not provide written notice of termination prior to completion of fieldwork, the Team will complete its work and deliver its final report and the Client will be responsible for the full costs.

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.

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: Daisy Esqueda

Telephone: (562) 922-6492

Email: Esqueda_Daisy@lacoe.edu

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:

Debra Duardo Jan 27, 2024

Debra Duardo, Ed.D., Superintendent Date
Los Angeles County Office of Education

For FCMAT:

Michael H. Fine Digitally signed by Michael H. Fine
Date: 2024.02.06 16:07:10 -08'00'

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