FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

County Office Evaluation

April 22, 2021

Los Angeles County Office of Education

Michael H. Fine
Chief Executive Officer

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

April 22, 2021

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

Dear Superintendent Duardo:

On February 4, 2020 the Los Angeles County Office of Education entered into an agreement with the Fiscal Crisis and Managment Assistance Team (FCMAT) for a study 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, and make recommendations for improvement, if any.

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

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 our review.

Sincerely,

Michael H. Fine

Chief Executive Officer

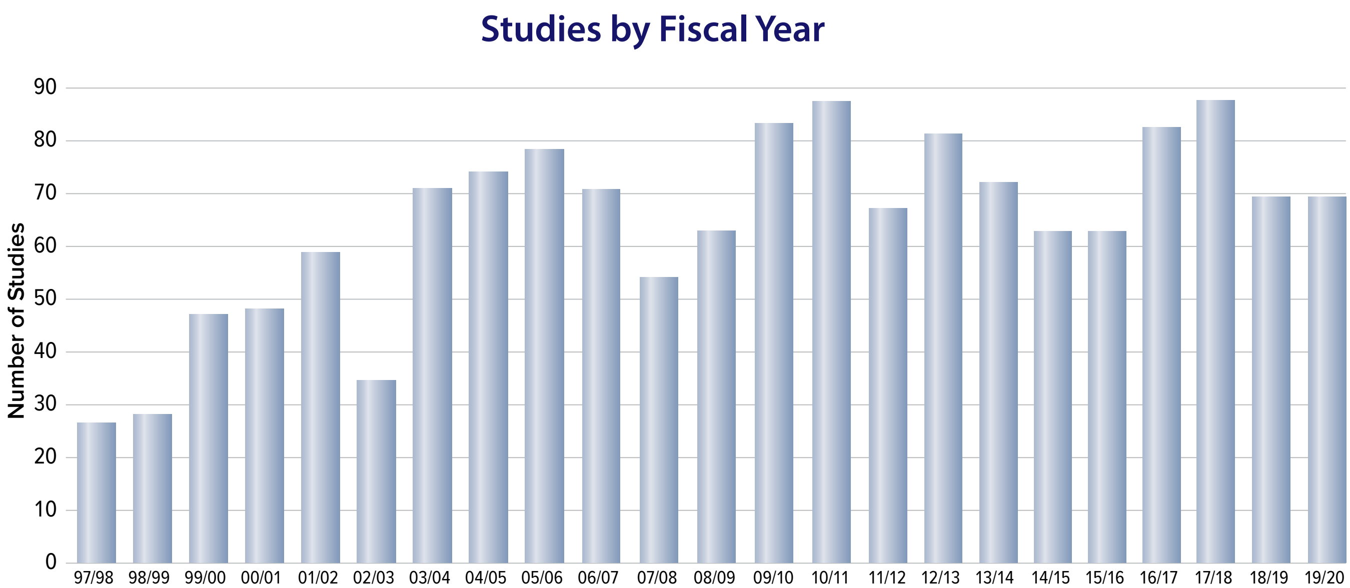
Table of Contents

About FCMAT

FCMAT's primary mission is to assist California's local K-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.



FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of K-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 1,000 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, making a significant change in how insolvent school districts are administered after they receive a state emergency appropriation. As part of that legislation, Education Code Section 41326(l), the Fiscal Crisis and Management Assistance Team (FCMAT) was given the responsibility of reviewing the fiscal oversight performed by the county superintendent of schools for any district receiving an emergency apportionment. FCMAT is required to report its findings to the Legislature and provide a copy of that report to the Department of Finance, the superintendent of public instruction (SPI), and the president of the State Board of Education (SBE). This report is required to include findings regarding fiscal oversight actions that were or were not taken and may include recommendations for an appropriate legislative response to improve fiscal oversight.

In the years following the initial report of fiscal oversight performed by the county superintendent of schools, FCMAT will perform annual reviews of the county office's effectiveness in overseeing the district.

Although the Inglewood Unified School District received an emergency appropriation on September 14, 2012, per Senate Bill (SB) 533, Chapter 325, bringing the district under state receivership with a state-approved emergency appropriation for $55 million, this is the initial report for the Los Angeles County Office of Education (LACOE) under AB 1840. FCMAT is reviewing the current fiscal oversight of the county superintendent of schools, as there was no provision for such a review when SB 533 was signed.

County Office Evaluation Guidelines

FCMAT entered into a study agreement with LACOE on February 4, 2020, and a study team interviewed county office staff on October 28, 2020 after collecting data and reviewing documents. Following fieldwork, the study team continued to review and analyze documents. This report is the result of those activities.

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

Study Team

The team was composed of the following members:

Joel Montero
FCMAT Consultant

Misty Key
FCMAT Consultant

Leonel Martínez
FCMAT Technical Writer

Nicolas Schweizer
FCMAT Consultant

Sheldon Smith
FCMAT Consultant

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

County Office Evaluation Tool

The Fiscal Crisis and Management Assistance Team (FCMAT) has developed the County Office Evaluation Tool (COET) to help assess the effectiveness of county offices in fiscal oversight of school districts that have received an emergency apportionment.

The COET includes 36 questions and is intended to satisfy the requirements of AB 1840 for review and assessment of the oversight process a county superintendent of schools is using to assess the general fiscal health of school districts in his or her county, determine how well those districts are adhering to Education Code requirements, and communicate with those districts about these issues.

The tool identifies the key review elements performed by county office staff in their review of annual budgets, interim reports and unaudited actuals. Responses to each of the elements are confined to "yes" or "no." Oversight performance is assessed using a risk protocol based on the number of "no" responses related to the assessment of each element. The team gathers information through an initial document request and interviews of county office staff. Once all documents are reviewed and interviews are assessed, elements can be assigned yes or no answers. The greater the number of "no" answers to the questions in the analysis, the higher the score, which points to a lack of sufficient oversight.

To help the county office understand the "no" responses, narratives are included that give the reason for the response and actions that may be needed to obtain a "yes" answer.

Identifying issues early with districts at risk of insolvency is key to restoring and maintaining their fiscal health. Diligent oversight will help a district better understand its financial objectives and strategies to sustain a high level of fiscal efficiency and overall solvency.

County Office Name: Los Angeles County Office of Education

Date of Fieldwork: October 28, 2020

Summary

In February 2012, the governing board of the Inglewood Unified School District declared the district fiscally insolvent. On September 14, 2012, the governor approved SB 533, Chapter 325, bringing the district under state receivership with a state-approved emergency appropriation for $55 million. This declaration occurred after several years of financial struggles and intense monitoring by LACOE. The issues that eventually led to the insolvency at the district were many but were punctuated by 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 was plagued with mismanagement, rapid and ongoing turnover in senior staff and flawed facilities management. The district's administration and board made efforts to avoid the takeover with last minute expenditure reductions, but after years of deficit spending, the district's structural budget imbalance was too large, and the district projected a negative cash balance would occur on March 31, 2013.

The Los Angeles County Office of Education provides fiscal oversight to all of the school districts in the county as a result of the original AB 1200 legislation signed into law in 1991 and expressed in the California Education Code Section 42127 and related subsections. FCMAT assessed the county office's involvement with the district during the course of its normal oversight responsibilities and specifically during the period that led to the district's declaration of insolvency and beyond, up to and including the date of this review. FCMAT reviewed the fiscal oversight of the qualifying district by the county superintendent of schools utilizing documents prepared by county office staff (see attached document request list), both historical and current, as well as conducting a series of online interviews with individuals who are key to the oversight process. FCMAT asked a series of questions relating to the time leading up to the insolvency, in addition to reviewing oversight practices currently employed by the county office, and also interviewed district staff. Some of the county office's external business staff worked at the county office at the time of the district's insolvency, which added to the completeness of the historical record.

FCMAT's findings indicate that the fiscal oversight actions taken by the county office during the study period in question were appropriate and adequate within the guidelines contained in the California Education Code and were consistent with the best practices established in a variety of other documents including the County Office Fiscal Oversight Guide and the County Office Fiscal Procedural Manual. FCMAT found that in its oversight of the district, the county office applied the indicators of fiscal distress during the certification process and appropriately qualified the district in a timely fashion. Moreover, the county office applies the process of fiscal oversight consistently with all school districts and programs within its purview. The majority of the review elements included in the COET were evidenced in the documentation and forms provided by the county office used to perform its AB 1200 oversight reviews. Where information was not available in the documentation, staff described a robust review process that included all of the elements. The formal and documented fiscal reviews conducted by the county office seem capable of identifying when a district is in risk of fiscal insolvency. Though not fully documented, the county office also performs historical trend analysis and does its own Local Control Funding Formula (LCFF) calculations to verify the district's numbers.

The district's recovery has been hampered by high turnover in state administrators and changes in both county and district administrations. Each of these transitions in leadership have come with different approaches to solving the district's issues. Further hampering the district's recovery was the simultaneous declining enrollment. Interviews with County Superintendent Debra Duardo indicated she has utilized a team approach to support the district in its recovery, which is a different tactic than had been used in the past. She chose County Administrator Erika Torres, who spends a significant amount of time building the Inglewood Unified School District's school board capacity. Torres has created a comprehensive plan and timeline to eventually return governance authority to the Inglewood community. FCMAT found that communication between the county superintendent, county office staff and county administrator in the current model of oversight was timely and consistent, with a focus on district recovery. FCMAT found that the county office staff and superintendent rely heavily on the feedback from the county administrator when making determinations about current and future solvency of the district and strategic decisions related to collective bargaining and resource allocation.

The change from state to county oversight of the district, pursuant to AB 1840, motivated the county office to increase its engagement and support of the district. As a result, the county office developed a comprehensive support model for districts in need including:

- A team of county office and district staff meet regularly to review FCMAT reports and develop action plans, identifying and prioritizing concrete areas and actions.
- A county office support team works closely with district staff, focusing on building capacity in the areas that have been prioritized. The focus of the county office staff is to build knowledge and skills with existing district staff and to build systems.
- There is a focus on building governing board capacity, including establishing regular governance committees with board members.

The county superintendent indicates that the county office's experience with the district has motivated it to be more aggressive in the oversight and support of districts than in the past.

The support model being implemented by the county office shows early indicators of success and could be considered for replication elsewhere. The county administrator believes that local control could be restored in the district in two to three years. However, this is an extremely aggressive timeline for a district that has had deep structural issues for decades and experienced many setbacks. Furthermore, the model is resource- and time-intensive, and it is not clear if a county office lacking the capacity and resources of LACOE could achieve the same level of success.

The following section of this report focuses on FCMAT's review of LACOE's fiscal oversight actions based on the COET. All of the areas assessed are listed below. A notation of "yes" indicates that FCMAT found sufficient evidence to support that appropriate fiscal oversight actions were taken. If an area has an indication of "no," FCMAT found either insufficient documentation or a lack of focus with respect to that particular responsibility. If the exclusion in the area is material, it is noted in the narrative. Narrative is included for all of the items assessed.

		At Budget Period	At Interim Period	At Unaudited Actuals
1	Did the county office of education (COE) receive and retain certifications with original signatures? *Verified in document review for 2019-20 adopted budget and First Interim Review Work Program and for 2018-19 unaudited actuals.*	Yes	Yes	Yes
2	Did the COE review the status of all import, export, general ledger and supplemental checks? *Documented as a standing item in the Interim Review Work Program process; these items were checked during the document review and were supported during interviews.*	Yes	Yes	Yes
3	Did the COE verify whether allowable exceptions (also known as explanations) in the technical review process were reasonably explained? *Verified in interviews and notes made by county office staff in the Interim Review Work Program process.*	Yes	Yes	Yes
4	Did the COE verify whether there were no fatal "F" exceptions in the technical review process? *Verified in interviews and notes made by staff in the Interim Review Work Program process.*	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
5	Did the COE review transfers being made from restricted funds (e.g., building fund, bond interest and redemption fund, self-insurance fund, etc.)? *Verified in interviews and Form SIAA and SIA review in the Interim Review Work Program form.*	Yes	Yes	Yes
6	Did the COE review Form A and determine whether the prior year's P-2 and annual ADA agreed with the actual attendance report? *LACOE utilizes a sophisticated ADA trend analysis and compares budget/interim and multiyear ADA projections with prior year(s) unaudited actuals. LACOE monitors Inglewood's ADA projections, and the county office has frequent calibration discussions with the district chief business official (CBO) and staff.*	Yes	Yes	Yes
7	Did the COE investigate and determine the reason for any significant change in ADA since the prior reporting period? *LACOE and Inglewood have frequent dialogue regarding ADA changes, pressures, and corresponding revenue adjustments. Additionally, the COE comments and records in the interim/budget Review Work Program any ADA adjustments and documents the underlying reasons for them.*	Yes	Yes	Yes
8	Did the COE verify if the enrollment and ADA projections are reasonable for at least the past three years? *LACOE compares current year ADA with prior year ADA reported at unaudited actuals as a baseline variable when examining ADA for reasonability.*	Yes	Yes	N/A
9	Did the COE review the reasonableness of the explanations in the Criteria and Standards form? *Documented in the interim/budget Review Work Program, the comment review is documented during this process, and re-examined during the subsequent work-paper review prior to the district's letter being written. Per interviews with staff, LACOE will call the district if there are any vague explanations or comments that do not make sense based on what is actually occurring in the district.*	Yes	Yes	N/A
10	Did the COE review the reasonableness of multiyear commitments listed in the Criteria and Standards by comparing them with the information in the most recent audit report? *LACOE's Audit Review Work Program (#11) has a standing item for comparing the audit with the interim report, and asks for written confirmation by the local educational agency (LEA) when the adjustments are made to the district's budget/interim reports.*	Yes	Yes	N/A
11	Did the COE review retiree health and welfare benefits liabilities for reasonableness by comparing them with the information in the most recent audit report? *Nothing is specifically called out in LACOE's review process on this particular element other than the Interim Review Work Program under Audit Adjustment/Findings section. However, various interviews indicated that some attention was paid to this issue. FCMAT recommends a review of the processes and procedures that would support this element of the COE review.*	Yes	Yes	N/A
12	Did the COE check the accuracy of the status of any salary settlement or negotiations against current bargaining agreements as presented in the Criteria and Standards and the Public Disclosure of Collective Bargaining Agreement? *FCMAT verified this through documentation supplied by the COE for the 2018-19 fiscal year. However, FCMAT could not verify that these checks were completed in 2017-18 because insufficient documentation was provided for that year.*	Yes	Yes	N/A

		At Budget Period	At Interim Period	At Unaudited Actuals
13	If the district received a qualified or negative certification, did the COE review the AB 1200 disclosure documents and provide a written analysis regarding the viability and affordability of the collective bargaining agreement within the 10-day statutorily required period? *The district submitted the AB 1200 disclosure documents for its 2018 collective bargaining agreements late, so the county office included its analysis of the agreements in its response to the district's 2018-19 first interim report.*	N/A	Yes	N/A
14	Did the COE compare budget to actuals for all revenues and expenditures while also considering historical trend data? *The county office indicated these comparisons were completed for budget, interim, and unaudited actuals, and provided examples of the documents used to complete them. However, the forms the county office uses to document its review of interim reports and unaudited actuals do not indicate these comparisons were made. In addition, FCMAT could not verify that these comparisons were completed in 2017-18 because insufficient documentation was provided for that year.*	Yes	No	No
15	Did the COE review the "% of difference" column for reasonability? *The county office indicated this review was completed at budget, interim, and unaudited actuals. However, the forms the county office uses to document its review of unaudited actuals do not indicate this check for reasonability was completed. In addition, FCMAT could not verify that these checks were completed in 2017-18 because insufficient documentation was provided for that year.*	Yes	Yes	No
16	Did the COE verify whether the district's reserve calculation meets the applicable percentage of reserve requirement in object 9789? *FCMAT verified this through documentation supplied by the county office for the 2018-19 fiscal year. However, FCMAT could not verify that these checks were completed in 2017-18 because insufficient documentation was provided for that year.*	Yes	Yes	Yes
17	Did the COE verify whether the Local Control Funding Formula revenue (object 8011) agrees with the LCFF Calculator for the current year and in the multiyear projection? *The county office indicated these verifications were completed for budget, interim, and unaudited actuals by running its own LCFF calculations. However, the forms the county office uses to document its review of interim reports and unaudited actuals do not indicate these verifications were completed at all reporting periods. In addition, FCMAT could not verify that these checks were completed in 2017-18 because insufficient documentation was provided for that year.*	Yes	No	No
18	Did the COE verify whether local taxes agree with the most recent J-29B? *The county office indicated these verifications were completed for budget, interim, and unaudited actuals, and provided the documents used to complete them. However, the forms the county office uses to document its review of the budget, interim reports, and unaudited actuals do not indicate these verifications were completed. In addition, FCMAT could not verify that these checks were completed in 2017-18 because insufficient documentation was provided for that year.*	No	No	No
19	Did the COE verify whether the district's assumptions and budgeted revenues are reasonable based on the latest information on the state budget, School Services of California, Inc. dartboard, and LCFF Calculator? *FCMAT verified this through documentation supplied by the county office for the 2018-19 fiscal year. However, FCMAT could not verify that these checks for reasonableness were completed in 2017-18 because insufficient documentation was provided for that year.*	Yes	Yes	N/A

		At Budget Period	At Interim Period	At Unaudited Actuals
20	Did the COE determine whether salaries and benefits (including increases and/or decreases due to settlements of negotiations) are reasonable as budgeted in the current year and in the multiyear projection? Is the budget consistent with assumptions and Criteria and Standards information? *FCMAT verified this through documentation supplied by the county office for the 2018-19 fiscal year. However, FCMAT could not verify that these checks for reasonableness were completed in 2017-18 because insufficient documentation was provided for that year.*	Yes	Yes	N/A
21	Did the COE identify and determine the reasonableness of the increases and/or decreases in financing sources/uses? *The county office indicated these checks for reasonableness were completed for budget, interim, and unaudited actuals. However, the forms the county office uses to document its review of unaudited actuals does not indicate this check was completed. In addition, FCMAT could not verify that these checks were completed in 2017-18 because insufficient documentation was provided for that year.*	Yes	Yes	No
22	Did the COE verify whether the base year totals in the multiyear projection match the Form 01 totals? *The county office indicated these verifications were completed for budget and interim. However, the forms the county office uses to document its review of the budget and interim reports does not indicate these verifications were completed. In addition, FCMAT could not verify that these checks were completed in 2017-18 because insufficient documentation was provided for that year.*	No	No	N/A
23	If line B10 on the multiyear projection was used, did the COE verify whether detailed assumptions or information was included from the district to explain the adjustment? *FCMAT verified this through documentation supplied by the county office for the 2018-19 fiscal year. However, FCMAT could not verify that these checks were completed in 2017-18 because insufficient documentation was provided for that year.*	Yes	Yes	N/A
24	Did the COE verify whether projections for supplies, services, capital outlay and other expenditures (e.g., energy costs, health and welfare, one-time expenses, etc.) appear reasonable? *The county office's process to verify projections for these details as reasonable is listed within the review checklist.*	Yes	Yes	Yes
25	Did the COE verify whether prior year ending balances were forwarded correctly as beginning balances? *The county office verified the prior year ending balances were posted correctly as beginning balances in the interim and actuals review processes. This verification is not applicable during the budget review.*	N/A	Yes	Yes
26	Did the COE verify whether the district projects maintaining the minimum reserve for economic uncertainty, consistent with the guidelines established in the Criteria and Standards, for the current plus two subsequent years? *The county office verified the district projects maintaining the minimum reserve at each budget and interim cycle.*	Yes	Yes	N/A
27	Did the COE verify whether the beginning cash balance for July 1 on the cash flow was reasonable and forwarded correctly from the prior year? *The cash flow projection is not required at budget adoption. Adequate evidence indicated the county office verifies the beginning cash balance postings at other review cycles during the year.*	N/A	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
28	Does the COE monitor cash flow monthly at a minimum and communicate with the district regarding concerns about cash balance? *Adequate evidence indicated the county office monitors/reconciles the cash flow monthly and communicates regularly with the district regarding cash balances. The county office posts the beginning balances on behalf of the LEAs.*	Yes	Yes	Yes
29	Did the COE identify any tax revenue anticipation notes (TRANS) that were issued in the budget year, including a schedule for repayments, and, if so, did the COE verify whether the receipts and payments are included in the cash flow worksheet and booked in the general ledger in 9640 - Current Loans? *The county office's review checklist includes a specific prompt to identify any TRANs receipts or repayments.*	Yes	Yes	Yes
30	Did the COE monitor or identify any temporary borrowing between funds and use of appropriate object codes by the district? *The evidence from the review checklist and from the interviews demonstrated any temporary borrowing between funds would be identified and monitored for appropriate use of object codes and repayment.*	Yes	Yes	Yes
31	Did the COE verify whether prior year accruals, suspense accounts, and general ledger/balance sheet transactions are reconciled by the district at each reporting period? *The checklist demonstrates the balance sheet accounts are reviewed. Interviews also indicated the process and procedures related to this review take place.*	Yes	Yes	Yes
32	Did the COE review compliance with maintenance of effort and Current Expense of Education (CEA) for applicable reporting periods? *The CEA compliance is not applicable at the budget or interim reporting periods. Adequate evidence indicates the county office reviews compliance with the CEA during the review of unaudited actuals.*	N/A	N/A	Yes
33	If the district is deficit spending, did the COE note the levels of deficit spending and communicate the COE's concerns to the district in the budget and/or interim letters sent to the district's governing board? *The response/action letters to the district's governing board include details related to the county office's concerns about deficit spending and is well documented in writing in review notes.*	Yes	Yes	Yes
34	If the district has contingent liabilities, did the COE measure the district's ability to manage debt service or eliminate the liability and the effect on the ending fund balance? *There is adequate evidence to support the county office's review of debt service by including the payments in all reporting periods.*	Yes	Yes	Yes
35	If the COE received disclosures of non-voter-approved debt from the district, did the COE respond within the statutory timeline? *There was no activity in this area during the time period reviewed. However, staff explained the process to review non-voter-approved debt pursuant to statute and demonstrated the topic is communicated regularly for awareness of code requirements to all districts.*	Yes	Yes	Yes
36	Is the COE monitoring the training of administrators who have budget authority and financial management responsibilities? *Staff described the county office is doing more targeted support and trainings with the district in the areas identified that can be improved. There has been a recent focus on internal controls, processes for contracting out for work, and completing purchase order encumbrances once expenses are committed or obligated.*	Yes	Yes	Yes

Total "No" Responses **11**

Scale:

0 – 20, favorable oversight performance

21 – 39, marginal oversight performance

40 – above, poor oversight performance

Appendices

Appendix A - Document Request List

Appendix B - Study Agreement

	Los Angeles County **Office of Education** **County Office Evaluation** **Review Documentation** **Request List** **Interviews: October 28, 2020** **Please upload all documents, using the item number below, to FCMAT's SharePoint document repository by June 30, 2020.**
	Document(s) needed that pertain to the fiscal oversight of Inglewood Unified School District
001	COE organizational chart
002	Business services organizational chart
003	Completed checklists/files used to review each financial reporting period (adopted budget, first interim, second interim, unaudited actual) for the preceding two years
004	Communication to the district for interims and budget submission
005	Communication to the district regarding auditor selection and audit guidelines
006	Copy of district audit and resolution of findings including the COE correspondence regarding findings and follow-up of audit corrective actions
007	Communication to district regarding special education monitoring and forms
008	COE external business department organizational chart with responsibilities for performing district oversight tasks
009	Policies/procedures established for district oversight and financial review
010	COE procedure/process for tracking district ADA (historical and/or projections)
011	COE procedure/process for validating LCFF calculations

of Education provided favorable oversight performance based on the County Office
CMAT. FCMAT will continue to perform an annual review of the effectiveness of the
rsight of the district. [E.C. 41326(l)(3)]

012	Budget approval (disapproval) letters to district, last two years
013	Interim certification letters to district, last two years
014	Lack of going concern letters to district, last two years
015	Unaudited actuals letters to district, last two years
016	Any communication from the COE to the CDE/SCO regarding the district fiscal solvency, last two years
017	Any relevant communication between COE and COE-assigned fiscal advisor to the district
018	Any relevant contracts or forms pertaining to employment of fiscal advisor
019	Communication to the districts of J29 property tax statements
020	COE review and correspondence with district regarding public disclosure of collective bargaining
021	Cash reconciliations and monitoring performed by the COE
022	COE review and correspondence with district regarding non-voter-approved debt

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
February 4, 2020

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Los Angeles County Office of Education, hereinafter referred to as the COE, mutually agree as follows:

1. BASIS OF AGREEMENT

The team provides a variety of services to local education agencies (LEAs). In accordance with Education Code Section 41326(1), the team has been assigned to review the fiscal oversight performed by the COE specific to the district receiving an emergency apportionment. The team may include staff from FCMAT, county offices of education, the California Department of Education, or private contractors. All work shall be performed in accordance with the terms, standards and conditions of this agreement.

FCMAT is required to report its findings to the Legislature and provide a copy of the report to the Department of Finance, the superintendent of public instruction, and the president of the State Board of Education. The county superintendent 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 initial analysis of the county office 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 COE to brief COE 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 COE office and at the Inglewood Unified School District if necessary.
3. Draft Report – Electronic copies of a draft report will be delivered to the county superintendent for review and comment.
4. Final Report – Electronic copies of the final report will be delivered to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.

3. **PROJECT PERSONNEL**

The FCMAT study team will include:

A. Joel Montero	*FCMAT Retired CEO*
B. Nick Schweizer	*FCMAT Consultant*
C. Sheldon Smith	*FCMAT Consultant*
D. Misty Key	*FCMAT Consultant*

Other equally qualified staff or consultants will be substituted in the event one of the above individuals is unable to participate in the study.

4. **PROJECT COSTS**

Pursuant to Education Code 41326(1), costs for the study shall be as follows:

A. All staff member and consultant daily rates and expenses will be covered by FCMAT's state apportionment.

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

5. **RESPONSIBILITIES OF THE COE**

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

B. The COE 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 COE 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 COE will upload all requested documents.

C. The county superintendent 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 COE shall take appropriate steps to comply with EC 45125.1(c).

6. **PROJECT SCHEDULE**

Fieldwork will occur March 19, 2020.

7. **COMMENCEMENT AND COMPLETION OF WORK**

The FCMAT team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the COE 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 COE 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 COE 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 COE. 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 COE in any manner without prior express written authorization from an officer of the COE.

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 COE, automobile liability insurance in the amount required under California state law, and workers' compensation as required under California state law. FCMAT shall provide certificates of insurance, with Los Angeles County Office of Education named as additional insured, indicating applicable insurance coverages upon request prior to the commencement of on-site work.

10. **HOLD HARMLESS**

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

11. CONTACT PERSON

Name: Debra Duardo, Ed.D.
Telephone: (562) 922-6111
E-Mail: Duardo_Debra@lacoe.edu

Debra Duardo 2/5/2020
Debra Duardo, Ed.D., County Superintendent Date
Los Angeles COE

Michael H. Fine February 4, 2020
Michael H. Fine Date
Chief Executive Officer
Fiscal Crisis and Management Assistance Team

4