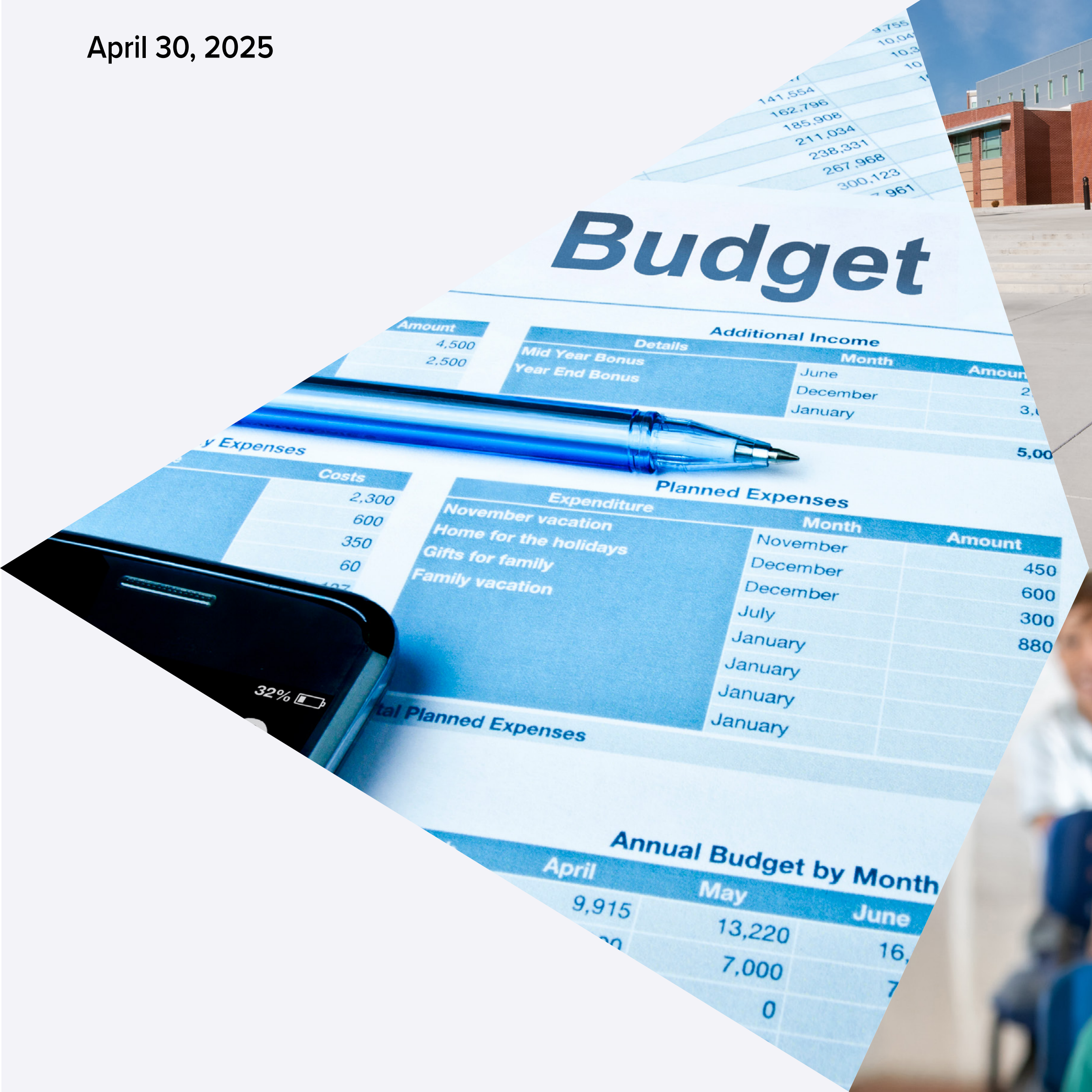
FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Annual Review

April 30, 2025



Monterey County Office of Education

Michael H. Fine
Chief Executive Officer

April 30, 2025

Deneen Guss, Ed.D., Superintendent
Monterey County Office of Education
901 Blanco Circle
Salinas, CA 93901

Dear Superintendent Guss:

In May 2024, the Monterey County Superintendent of Schools entered into an agreement with the Fiscal Crisis and Management Assistance Team (FCMAT) to perform the following:

> Prepare an annual follow-up evaluation of the county superintendent of school's fiscal oversight provided to the South Monterey County Joint Union High School District using FCMAT's County Office Evaluation Tool [County Superintendent of Schools Oversight Evaluation Tool], and make recommendations for improvement, if any.

This report contains FCMAT's findings and recommendations from the fourth annual evaluation of the Monterey County Superintendent of School's oversight of the South Monterey County Joint Union High School District. FCMAT appreciates the opportunity to serve the Monterey County Superintendent of Schools and extends thanks to all the staff for their cooperation and assistance during this review.

Sincerely,

Michael H. Fine
Chief Executive Officer

Table of Contents

About FCMAT

Purpose and Services

FCMAT was created by the California Legislature to help California's transitional kindergarten through grade 14 local educational agencies (LEAs) avoid fiscal insolvency. Today, FCMAT helps LEAs identify, prevent and resolve financial, management, program, data, and oversight challenges; provides professional learning; produces and provides software, checklists, manuals and other tools; and offers other related school business and data services.

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

When FCMAT is asked for help with management assistance or a fiscal crisis, FCMAT management and staff work closely with the requesting LEA to meet their needs. Often this means conducting a formal study using a FCMAT study team that coordinates with the LEA for on-site fieldwork to evaluate specified operational areas and subsequently produces a written report with findings and recommendations for improvement.

For more immediate needs in a specific area, FCMAT offers short-term technical assistance from a FCMAT staff member with the required expertise.

To help meet the need for qualified chief business officials (CBOs) in LEAs, FCMAT offers four different CBO training and mentoring programs that consist of 11 or 12 diverse two-day training sessions over the course of a full year.

For agencies with professional learning needs, FCMAT offers workshops on specific topics. Popular topics include associated student body operations, use of FCMAT's Projection-Pro online financial forecasting software, use of FCMAT's Local Control Funding Formula (LCFF) calculators, and data reporting for the California Longitudinal Pupil Achievement Data System (CALPADS). FCMAT staff and management also frequently make presentations at various professional conferences.

The California School Information Services (CSIS) service of FCMAT helps the California Department of Education (CDE) operate CALPADS; helps LEAs learn about CALPADS, resolve data issues and meet reporting requirements; and provides LEAs with training and leadership in data management. CSIS also developed and continues to host and improve the Standardized Account Code Structure (SACS) web-based financial reporting system for all California LEAs, and provides ed-data.org, which gives educators, policy-makers, the Legislature, parents and the public quick access to timely and comprehensive data about TK-12 education in California.

Since it was formed, FCMAT has provided LEAs with the types of help described above on more than 2,000 occasions.

FCMAT's administrative agent is the Kern County Superintendent of Schools. FCMAT is led by Michael H. Fine, Chief Executive Officer, and is funded by appropriations in the state budget and modest fees to requesting agencies.

Workshop schedules, manuals, presentation slide decks, Projection-Pro software, LCFF calculators, past reports, an online help desk, and many other resources are available for download or use at no charge on FCMAT's website.

History

FCMAT was created by Assembly Bill 1200 (Chapter 1213, Statutes of 1991) and Education Code 42127.8. Assembly Bill 107 (Chapter 282, Statutes of 1997) added Education Code 49080, which charged FCMAT with responsibility for CSIS and its statewide data management work, and Assembly Bill 1115 (Chapter 78, Statutes of 1999) codified CSIS' mission.

Assembly Bill 1200 created a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. Assembly Bill 2756 (Chapter 52, Statutes of 2004) gave FCMAT specific responsibilities for districts that have received emergency state loans.

In January 2006, Senate Bill 430 (Chapter 357, Statutes of 2005) amended Education Code 42128.7, and Assembly Bill 1366 (Chapter 360, Statutes of 2005) amended Education Codes 42128.7 and 84041. These new laws expanded FCMAT's services to include charter schools and community colleges, respectively.

Assembly Bill 1840 (Chapter 426, Statutes of 2018) changed how fiscally insolvent districts are administered once an emergency appropriation has been made, shifting oversight responsibilities from the state to the local county superintendent to be more consistent with the principles of local control, and giving FCMAT new responsibilities associated with the process.

Introduction

Background

In September 2018, Governor Brown signed Assembly Bill (AB) 1840 (Chapter 426, Statutes of 2018), which introduced a significant change in the administration of insolvent school districts receiving state emergency appropriations. As codified in Education Code (EC) 41326(l), this legislation assigns the Fiscal Crisis and Management Assistance Team (FCMAT) responsibility of reviewing the fiscal oversight performed by the county superintendent of schools for any school district receiving an emergency apportionment.

FCMAT must report its findings on the county superintendent's oversight 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 taken or not taken and may also include recommendations for legislative measures to improve the 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.

On July 22, 2009, the governor signed Senate Bill (SB) 130 (Chapter 20, Statutes of 2009), placing the King City Joint Union High School District — later renamed the South Monterey County Joint Union High School District — under state receivership and approving a $13 million emergency appropriation. The district's insolvency followed years of financial struggles, primarily driven by collective bargaining disputes.

At the heart of the district's challenges was a disagreement over the interpretation of a collective bargaining agreement negotiated in 2007. After multiple unsuccessful attempts at resolution, the dispute was escalated to the Public Employee Relations Board (PERB) for adjudication. PERB's final decision exacerbated the district's financial distress, ultimately leading to insolvency. Although the county superintendent had previously raised concerns about the district's total compensation costs, the district's financial outlook might have differed had the dispute been resolved before escalating to PERB, whose decision ultimately overturned the district's bargaining position.

County Superintendent of Schools Oversight Evaluation Guidelines

FCMAT entered into a study agreement with the Monterey County Superintendent of Schools on May 30, 2024 for the fourth annual evaluation required by EC 41326(l). A study team visited the county superintendent's office on February 19, 2025 to conduct interviews, collect data, and review documents. After the fieldwork, the study team continued to analyze the gathered documents and data. This report summarizes the team's 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
Chief Analyst

Misty Key
FCMAT Consultant

Nicolas Schweizer
FCMAT Consultant

Sheldon Smith
FCMAT Consultant

Cassady Clifton
FCMAT Technical Writer

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

The Fiscal Crisis and Management Assistance Team (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 17 questions and is intended to satisfy the requirements of Education Code (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 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 trustee.

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 trustee, district staff and governing 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 trustee's specific roles and responsibilities.

The county superintendent's objective, supported by the trustee and other components of an insolvency recovery team (including FCMAT, the California Department of Education, and the State Board of Education), is to facilitate the full recovery of the South Monterey County Joint Union High 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: Monterey County Office of Education

Date of Fieldwork: February 19, 2025

Summary

The Monterey County Superintendent of Schools provides fiscal oversight to all the county's school districts pursuant to Assembly Bill 1200, which was signed into law in 1991. This responsibility is outlined in Article 2, Chapter 6 of Part 24 of the California Education Code (EC), beginning with Section 42120, and in Article 2, Chapter 2 of Part 2, beginning with 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. This 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, governing board, and trustee in their efforts to help the district return to fiscal solvency. In addition, the annual review 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 were appropriate and effective in supporting the district's full recovery. The county superintendent provided evidence of a thorough oversight process for reviewing budget and interim reports.

The district, county superintendent, and trustee monitor the district's status using FCMAT's 2019 Standards for Comprehensive Reviews, which are reviewed annually and independently scored by the district, county superintendent, and trustee. To track progress on identified deficiencies, the county superintendent and chief business official (CBO) meet monthly with district staff, while the trustee meets separately each month with the county superintendent and CBO to monitor progress, address emerging issues, and coordinate support. Additionally, the county superintendent continues to assign county office staff to work alongside their district counterparts to provide targeted support aligned with the five operational areas in the comprehensive review.

Although the district's 2024-25 first interim report projects deficit spending in each of the three years of the multiyear projection, its reserves remain above the required minimum level required for economic uncertainties. The district also carries a sizable balance of prior-year supplemental and concentration grant funds and needs to collaborate with the county superintendent to allocate these funds for eligible actions and services aimed at improving student academic achievement.

A new district CBO began in January 2025 and will require training and support from county office staff and the trustee. Further, the district anticipates compensation increase requests from bargaining units because the certificated and classified bargaining agreements expire at the end of the 2024-25 fiscal year.

With the district superintendent nearing the end of her second year and all cabinet members returning for a second consecutive year in 2024-25, leadership stability has allowed the district to assess its educational program and begin implementing best practices to improve student outcomes. The county superintendent should continue ensuring that the district remains focused on improving its educational program and effectively using supplemental and concentration funds to support student achievement.

A significant area of uncertainty involves a pending petition for district reorganization and transfer of territory. In 2015, a petition to reorganize the Greenfield Union Elementary School District was submitted to the State Board of Education (SBE). The petition and accompanying staff recommendation were scheduled for consideration at the SBE's November 13-14, 2024 meeting. However, the petitioners — Greenfield Union Elementary School District, the South Monterey County Joint Union High School District, and the Monterey County Committee on School District Organization — requested a continuance of the hearing to January 2025. The SBE has since indicated that it anticipates hearing the matter in July 2025.

The petition proposes transferring territory from the district to a reorganized Greenfield Unified School District. This transfer would violate the Non-Impairment Provision of the emergency apportionment financing agreement between the district and the IBank. An uncured violation would constitute a default under the agreement and could trigger the immediate defeasance of the outstanding bonds, posing a significant financial risk to the district. The parties to the reorganization are currently engaged in productive discussions to reach a resolution.

Findings

This section focuses on FCMAT's review of the Monterey County Superintendent of School's 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 district 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 an LRRP? Has the trustee and/or county superintendent been consistently updating the LRRP or comprehensive review?

The district adopted and uses the FCMAT Comprehensive Review in lieu of an LRRP.

Before last year's FCMAT review, the county superintendent, trustee and district staff collaborated to transition from the standards originally used during the district's February 2010 comprehensive review to the updated standards adopted by the SBE in March 2019. These standards are used to evaluate insolvent school districts and are reviewed annually, with progress independently scored by the district, county superintendent, and trustee.

To document progress toward meeting a standard, district staff must upload supporting evidence to a shared Google Drive. The county superintendent and staff, district superintendent and staff, and trustee meet to review scores and address any discrepancies. Significant deviations prompt further discussion. Each district cabinet member regularly presents updates to the district board on their assigned standards, and the trustee provides an annual report on the status of implementation of the standards.

Using the revised 2019 standards for comprehensive reviews in 2023-24 has proven effective, allowing the county superintendent and district to maintain their momentum into 2024-25. With all parties aligned under a single set of standards and a unified recovery plan, the district has moved beyond the immediate fiscal solvency issues that led to receivership. It now focuses on meeting FCMAT standards, improving student outcomes, implementing industry-standard operational practices, and strengthening governance.

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 remains actively engaged in supporting the district, as documented in the previous annual report. Over the past three years, the county superintendent's efforts to integrate district monitoring, assistance, and oversight into county office operations have produced positive results. Each county office department that interacts with the district understands the county superintendent's expectations for support, with the goal of helping the district meet or exceed each standard.

To formalize district monitoring and progress review, the county superintendent holds an annual in-person meeting with district and county office counterparts to assess progress and align expectations. Additionally, the county superintendent and staff, district superintendent and staff, and trustee conduct annual evaluations, scoring the district's progress on comprehensive review standards. The district board reviews progress on these standards at each meeting. Implementation status is tracked in a spreadsheet that outlines each standard across the five operational areas of the comprehensive review.

The county superintendent and CBO meet monthly with district staff to track progress in addressing deficiencies identified in the comprehensive review. The county superintendent and CBO also meet monthly with the trustee to discuss emerging issues and coordinate support. County office staff also meet monthly with their district counterparts. The comprehensive review standards guide each discussion, ensuring a consistent focus on district progress and accountability.

Interviews indicate that the district views the county superintendent as highly supportive and collaborative. District staff noted that the county office team is always available to answer questions and provide assistance. Staff also praised the professional development opportunities offered by the county office.

3) What role has the trustee played in maintaining the financial recovery plan in collaboration with the county superintendent?

The county trustee continues to assess the district's progress across all five operational areas of the comprehensive review, monitor district operations, and support its long-term recovery efforts.

To ensure a structured evaluation process, the trustee develops an annual review calendar that outlines deadlines for key tasks, including those for uploading supporting documents for each standard, scoring deadlines for the county superintendent, district, and trustee, and the presentation of findings to the district's board. Once scoring is complete, the county superintendent, district superintendent and trustee meet to review the results, after which the trustee prepares and delivers a report to the district board.

The trustee remains actively involved in the district's collaboration with the county superintendent, meeting monthly to track progress on the comprehensive review standards. Additionally, the trustee meets with the county superintendent and CBO each month and provides an annual report summarizing actions taken, current issues, and upcoming matters requiring district action.

To support district governance, the trustee meets with the district superintendent monthly — or more frequently if needed — and before each board meeting to review the agenda and discuss concerns. The trustee also advises the governing board on governance issues and provides guidance as necessary during board meetings.

The trustee maintains frequent communication with the district CBO, particularly on matters related to district solvency, collective bargaining, and financial reporting to the district board and county superintendent. A new district CBO was hired a month before FCMAT's fieldwork, and the trustee plans to work closely with them, providing additional support and expertise, specifically in contracting and budgeting practices. The trustee also intends to collaborate closely with the new maintenance and operations director, who was hired in January 2025.

The district's collective bargaining agreements with certificated and classified employees expire at the end of the 2024-25 fiscal year. To ensure a smooth negotiation process and avoid agreements that could lead to fiscal distress, the trustee will work with the county superintendent, district superintendent, and district board to ensure continued fiscal solvency.

Since the last annual report, the trustee has completed FCMAT's Fiscal Health Risk Analysis (FHRA) and continues to use the tool to assess the district's fiscal health. As recommended in the previous report, the county superintendent and district also conducted an FHRA, with all three assessments rating the district at low risk for insolvency.

During interviews, the trustee discussed plans to develop a historical timeline outlining the events and conditions that led to state receivership. The goal is to provide the community with a clearer understanding of the factors that contributed to receivership and help prevent future occurrences.

The trustee's role and responsibilities are outlined in Appendix A of this report.

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

The district's first interim budget and multiyear projection indicate deficit spending of $7.7 million in 2024-25, $334,731 in 2025-26, and $1.5 million in 2026-27. The unrestricted general fund ending fund balance is projected to decline from $14.99 million at the beginning of 2025-26 to $5.46 million by the end of 2026-27. The district also maintains $4.67 million in Fund 17, the Special Reserve Fund for Noncapital Outlay. Including Fund 17, projected available reserves are 16.99% in 2024-25 and 17.00% in both 2025-26 and 2026-27, above the required 3.00% reserve.

According to district and county office staff, the projected deficit spending in the current year stems from carryover of prior-year unspent funds. The district acknowledges the need to reduce expenditures in response to declining revenues due to stagnant or declining enrollment and average daily attendance. Per the district's first interim report, enrollment is projected to decrease by 2.3% from 2023-24 to 2024-25, with a slight 0.3% decline in 2025-26. In interviews, district staff indicated that they will consider reducing certificated and classified positions for the 2025-26 fiscal year. Expenditure reductions will be necessary if salary schedule increases are to be considered. Minutes from the February 26, 2025 board meeting indicate that the board approved a resolution to reduce certificated staffing by 6.5 full-time equivalent (FTE) positions and classified staffing by 5.0 FTE, effective June 30, 2025.

5) 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 cash flow projections at each reporting period. This includes verifying beginning cash balances against those in the financial system, confirming that projected ending balances for months with actuals align with financial system data, and ensuring that ending balances for each month are positive through the end of the fiscal year. These reviews are documented on oversight checklists and demonstrate that cash monitoring is a standard, prioritized component of the county superintendent's oversight responsibilities for all districts.

The county office CBO indicated that she reviews district cash flow projections and monitors cash balances monthly. Given the district's fund balance level, cash flow is not a current issue.

6) 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?

The county superintendent provided evidence of a thorough oversight process for reviewing district budgets and interim reports. This process includes evaluating each criterion and providing narrative explanations when concerns are identified. County office staff have developed and consistently use a detailed budget and interim report review tool that documents findings and corrections, with links to the original documents for reference. Review checklists indicate that county office staff verify budgeted and actual amounts against financial system data and assess the reasonableness of revenue and expenditure assumptions.

Following the budget and interim report review, county office staff communicate any necessary technical corrections to the district CBO via email and require a formal response. County office staff then confirm that corrections are implemented by the next reporting period.

This review process is standard practice for every school district in the county. The county office also applies a similarly structured process to its reviews of annual district audits and unaudited actuals for all school districts.

7) 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 conducts formal evaluations of the district's financial condition and communicates any concerns through budget and interim report review letters. Documentation shows that the county office's financial reviews include an assessment of the reasonableness of the district's assumptions, budgeted revenues and expenditures, and whether the minimum reserve for economic uncertainties is met for the current and two subsequent years. In the first interim review letter, the county superintendent cautioned the district that continued deficit spending could deplete its reserves and jeopardize its long-term financial stability.

The county superintendent closely monitors the district's fiscal solvency through regular meetings with the district superintendent and trustee, as well as ongoing communication between county office staff and their district counterparts. All parties involved — including the district and county superintendents, district board, and trustee — are working collaboratively toward the district's exit from receivership.

With fiscal solvency concerns being addressed, the district has begun shifting its focus to improving student achievement and implementing industry-standard practices in human resources, purchasing, and maintenance and operations — areas that had previously been neglected due to the focus on financial recovery.

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

The county superintendent identifies projected deficit amounts for the current and two subsequent years and communicates this information to the district board through formal review letters. These letters also highlight additional concerns and advise the district to monitor deficit spending to ensure it remains manageable. In the county superintendent's 2024-25 first interim review letter, the superintendent cautions:

> Failure to minimize deficit spending could jeopardize the future financial standing of the District. It is critical that the District have a plan to eliminate structural deficit spending before educational programs are threatened.

The county superintendent uses a standardized form letter for all districts in the county following the review of budget and interim reports. These letters typically include basic budget information — such as a summary, Local Control Funding Formula (LCFF) revenues, projected average daily attendance — but offer only brief comments.

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

Oversight checklists provided by the county office indicate that staff verify whether the district's budgeted expenditures are sufficient to implement its LCAP. In the county superintendent's 2024-25 LCAP review letter, it is noted that the district's LCAP meets the criteria for approval and that the budget includes sufficient expenditures to support its implementation.

The county superintendent performs a thorough review of the district's LCAP using a detailed worksheet that includes a checklist for each section of the plan, along with space for notes and comments intended for the district. The checklist was developed in conjunction with the California County Superintendent's LCAP Approval Manual. This review process ensures that the district's submitted budget aligns with and adequately supports and funds the goals and actions outlined in the LCAP.

Although no documentation was provided showing communication between the county superintendent and the district regarding any omitted components or missing details in the LCAP, the county superintendent communicates that the plan meets state requirements through a standard, pro forma approval letter issued by the county office.

10) 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 county superintendent has verified the carryover of prior-year supplemental and concentration grant funds totaling $6 million, as documented in the county office's LCAP review worksheet. During interviews, both the district superintendent and the county superintendent acknowledged the growing LCAP carryover balance and emphasized the need to implement the actions and services included in their LCAP.

Despite the significant carryover balance, the county superintendent has not addressed the issue in either the LCAP or budget approval letters. District staff indicated that the inability to fill positions funded through the LCAP contributed to the carryover; however, these unfilled positions were not documented in the LCAP Annual Update. The county superintendent's LCAP review worksheet noted the need for a clearer explanation of the variance between budgeted and actual expenditures. If staffing challenges contributed to the carryover, the district should explicitly state this in the LCAP Annual Update and consider adjusting its actions accordingly.

A substantial carryover balance is a key indicator of potential implementation issues in both LCAP development and county superintendent review. To strengthen alignment between the Business Services and Instructional Services departments, the district's carryover balance should be closely monitored throughout the year and the county superintendent should provide guidance on how to reallocate unspent funds to deliver services to students and fulfill LCAP goals when staffing limitations prevent full implementation.

11) Does the county superintendent review the accuracy of the district's public disclosures 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?

The county superintendent reviews the accuracy of the district's public disclosures of collective bargaining agreements and provides feedback regarding their affordability.

The most recent certificated and classified agreements, approved in 2022 and covering the period from July 1, 2022 through June 30, 2025, were reviewed by the county superintendent, who issued a letter stating that the agreements were affordable and that the district should be able to meet its financial obligations for the current and two subsequent fiscal years. The letter also directed the district to submit the board minutes reflecting approval of the agreements, along with board-approved budget revisions. County office staff confirmed that the district adopted the required budget revisions.

County office documents from a prior review period show that the county office conducts a thorough review of public disclosure documents, similar to its review of district budget and interim reports. The county office uses a detailed worksheet that includes a checklist of required items and a separate tab for content to be included in the county superintendent's letter to the district. Additionally, a cover sheet is used to document correspondence with the district and confirm any required changes or clarifications.

County office staff also provide annual training on public disclosure of collective bargaining agreement requirements for all school districts and request that disclosure documents be provided at least 10 days before school district board approval.

12) Does the county superintendent review the information provided by the district regarding the issuance of non-voter-approved debt and provide comment to the district governing 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.

13) Has the county superintendent performed timely evaluations of the trustee?

The county superintendent completed the trustee's annual evaluation on January 30, 2025. The evaluation included an assessment of the trustee's accomplishments over the past year and outlined goals for the year ahead. Interviews indicated that the trustee has maintained positive working relationships with the county superintendent, district superintendent, the district board, and county office departments — an observation that was also reflected in the evaluation.

14) Is the trustee present at district governing board meetings and closed sessions? Has the trustee used stay or rescind authority and, if so, on what issue?

The county trustee attends all district governing board meetings and closed sessions, either in person or via Zoom. Before each meeting, the trustee meets with the district superintendent to review the agenda and offer recommendations or suggestions. During the meetings, the trustee takes notes and subsequently provides updates to the county superintendent. Although the trustee occasionally attends meetings virtually, interviewees indicated that this has not hindered the district's recovery efforts. The trustee has not exercised stay or rescind authority in the last 12 months.

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

The district continues to make progress in its recovery under the leadership of the district superintendent, who is nearing the end of their second year in the role. Every cabinet member returned for the 2024-25 school year, and only one new board member was seated, providing much-needed stability. However, the district's CBO resigned in January and was replaced by a former county office employee, who will receive support from both the county office and the trustee. The combined expertise of the superintendent and the assistant superintendent of educational services, along with the board's commitment to governance development — including training and clarity around its role and function — positions the district to become a well-functioning entity that improves student achievement.

The district board is cohesive and works collaboratively with the superintendent. The recent update to the Governance Handbook has contributed to improved governance practices and a shift from adult-centered to student-centered decision-making. The board president expressed confidence in the district's progress, highlighting the impact of clear, direct communication and a shared commitment to sustaining positive momentum.

The county superintendent and staff, district superintendent and staff, and the trustee continue to collaborate on implementing the recommendations from the comprehensive review. Cabinet members provide regular progress updates to the board. Each year, the district, county superintendent, and trustee independently evaluate the district using FCMAT's revised 2019 Standards for Comprehensive Reviews, with results reported to the board. In the trustee's July 2024 report, four of the five operational areas received average scores of seven or higher. However, the Pupil Achievement area received an average score of 6.21 — based on the combined ratings of the district, county superintendent, and trustee — indicating a continued area for growth.

In addition, district staff, county office staff, and the trustee each completed FCMAT's Fiscal Health Risk Analysis, all rated the district at low risk for fiscal insolvency.

Although the district's 2024-25 first interim report shows projected deficit spending in the current and two subsequent fiscal years, it also shows the district will maintain available fund balances above the minimum required reserve for economic uncertainties. Nonetheless, fiscal challenges remain. The district hired a new CBO in January 2025, and both the county office CBO and the trustee will provide necessary support. This leadership change presents an opportunity to strengthen fiscal practices.

One ongoing issue is the significant increase in the district's carryover of supplemental and concentration grant funds, largely resulting from unfilled LCAP-funded positions. The district's difficulty in filling these positions, in addition to restrictive language in the certificated collective bargaining agreement, has limited its ability to implement improvements aimed at increasing student achievement. Further, the district is overstaffed in certain areas and at the time of fieldwork, was considering staffing reductions for 2025-26 to help address projected budget deficits. At its February 26, 2025 board meeting, the board approved resolutions to reduce certificated staffing by 6.5 FTE and classified staffing by 5.0 FTE, effective June 30, 2025. It also anticipates compensation increase requests during upcoming negotiations.

A major barrier to overcoming the conditions that led to receivership is the district's persistent low student achievement, driven in part by longstanding curricular and instructional shortcomings. The recent hiring of an experienced assistant superintendent of educational services brings hope, as this leader has a clear understanding of effective practices in high-performing school districts and can identify nonstandard approaches that have hindered progress.

In previous years, the Educational Services Department's instructional initiatives were frequently hindered by budget reductions in response to declining revenue and concerns about solvency. Instructional efforts and staff training were often undermined by low attendance, misapplication, and incomplete implementation, stemming from a lack of staff engagement. Leadership turnover in the department was common, largely due to the pressure placed on inexperienced district leaders. The district did not effectively implement instructional practices that support teacher development and academic outcomes, despite the potential impact that well-trained and academically supported teachers can have on student achievement.

The district is now positioned to address the longstanding barriers to instructional improvement. The planned adoption of state-approved math and English language arts curriculums is a strong starting point. However, the greater challenge will be operationalizing and effectively implementing those materials. Sustained student progress will require the consistent and continuous implementation of effective teaching practices across classrooms and schools.

Addressing instructional inconsistencies resulting from leadership turnover and the use of unapproved curriculums remains a key challenge for the Educational Services Department. Moving forward, the department must create opportunities for staff to build a shared understanding of the district's approved curriculums, academic standards, and expectations for implementation. Achieving these goals will require sustained effort, persistence and strong leadership.

Through the Local Control Funding Formula, the district receives additional funding to support low-achieving students. As it enters the 2025-26 fiscal year, the district holds a significant carryover balance that must be strategically allocated to improve student outcomes. To ensure effective use of these funds, the county superintendent and trustee should strengthen year-round LCAP monitoring, enabling midyear adjustments and proactive planning. Minimizing carryover will require treating the LCAP as a multi-year, continuous improvement tool rather than a one-time, annual compliance document.

The district's final payment on the I-Bank loan is due in October 2028. The county superintendent is developing an evaluation tool to assess the district's readiness to exit receivership. The district should also begin preparations for the required fiscal systems audit, which should be completed before the final loan payment.

16) On or before October 31, has the district governing board prepared a report on the district's financial condition in accordance with Education Code 41321? Does the trustee review and approve this report? Has the district provided this report to the county superintendent?

The district prepared a report on its financial condition in accordance with Education Code 41321 on October 11, 2024, and submitted it to the trustee. The trustee approved the report on October 16, 2024, and forwarded it to the county superintendent on October 24, 2024. The report is included as Appendix B of this report.

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

County office staff continue to ensure that the areas identified as deficiencies in the initial review are actively addressed through fiscal review checklists and oversight documentation.

Conclusions and Recommendations

The Monterey County Superintendent of Schools is leading a focused and collaborative effort to support the district in achieving long-term financial solvency. The superintendent has cultivated the relationships and trust necessary to influence change, overseen the district's approval and implementation of key policy and procedural reforms, and brought an optimistic and solutions-oriented approach to the oversight process.

The county superintendent and office staff effectively fulfill their fiscal oversight duties through well-documented and thorough processes. The system used to monitor and document the district's progress in implementing recommendations from the comprehensive review is structured and effective.

Interviews revealed strong support and collaboration among the county superintendent's team, the trustee, and the district. Evidence shows that both the county superintendent and the trustee have made significant efforts to guide the district in improving governance, hiring practices, leadership capacity, and services to students.

The district remains financially strong, maintaining reserves above the minimum required level. However, it must continue to monitor and control deficit spending. With a foundation of sound fiscal management, skilled leadership, and effective governance, the district is making steady progress toward full recovery.

To ensure continued progress, the county superintendent should:

1. Continue to support and monitor the district's implementation of the comprehensive review recommendations and request that the trustee continue to provide an annual progress report to both the county superintendent and district board.
2. Continue to focus the district on improving instructional practices to support student achievement.
3. Continue to request that both the district and trustee complete the FHRA annually and compare the results to ensure alignment in assessing the district's financial risk.
4. Focus support on ensuring the district's long-term fiscal stability, including by providing assistance as needed as the district adjusts staffing and by helping explore strategies to increase enrollment and attendance.
5. Closely monitor the district's LCAP expenditures and carryover throughout the year and provide guidance on alternative uses of funds to meet LCAP goals when planned positions remain unfilled.
6. Collaborate with the trustee to support the new district CBO in building their skill set, strengthening fiscal processes, and preparing for the district's exit from receivership.
7. Work with the trustee to monitor the district's collective bargaining process to ensure future agreements are fiscally sustainable and do not contain language that limits the district's ability to take actions necessary to improve student achievement.
8. Continue efforts to develop an evaluation tool to assess the district's readiness to exit receivership and prepare for the district's required fiscal systems audit to be completed prior to the final loan payment.
9. Within the next 12 months, the district should initiate an audit of its fiscal systems pursuant to EC 41320.1(a)(4). This audit is a precursor to exiting receivership, because the district must demonstrate the adequacy of its internal control systems. Initiating the audit well before the final repayment of the emergency apportionment is essential to ensure sufficient time to identify and correct any deficiencies.

The next annual review will assess the district's progress toward these goals.

The transition from state to county administration as a result of Assembly Bill 1840 (Chapter 426, Statutes of 2018) continues to evolve. The purpose of these annual reviews, in part, is to clarify the roles and responsibilities of all involved education partners so they can assist and support the district's recovery. This report attempts to assess the district's recovery status and the essential support and oversight provided by the county superintendent of schools, and to establish a baseline for the next annual review, which will occur approximately one year from the publication of this report.

Appendices

Appendix A – Trustee Roles and Responsibilities

Appendix B – Annual Report on the Financial Condition of the School District

Appendix C – Study Agreement

Appendix A – Trustee Roles and Responsibilities

Acceptance by a school district of an emergency state apportionment (i.e., loan) made pursuant to Education Code (EC) 41320 constitutes an agreement by the district that a trustee will be appointed to ensure its fiscal recovery and solvency per EC 41320.1. The trustee shall be appointed by the county superintendent of schools, superintendent of public instruction (SPI), and State Board of Education (SBE) president or their designee, by majority vote. They shall report directly to the county superintendent and act as an advisor to the school district's governing board and superintendent, guiding them through the recovery process. The trustee holds the authority to stay and rescind any actions of the school district governing board that are inconsistent with the school district's fiscal recovery plan. They shall serve in this capacity until the school district establishes adequate fiscal systems and controls, and the SPI assesses that the district is likely to comply with the fiscal plan approved pursuant to EC 41320.

This trustee shall have recognized expertise in management and finance and shall be selected from a pool of candidates identified and vetted by the Fiscal Crisis and Management Assistance Team (FCMAT). When selecting a candidate pool for the trustee position, FCMAT shall consider candidates' expertise in management and finance, experience in mitigating fiscal distress in districts, and ability to engage meaningfully with the school district's local community.

Note: With approval from the county superintendent, SPI, and SBE president or their designee, a trustee may be appointed with the authority and responsibilities of an administrator, as set forth in EC 41325.

The trustee shall monitor and review the school district's operations, and shall perform the following functions:

1. Serve in a fiscal oversight capacity until the school district establishes adequate fiscal systems and future compliance with its approved recovery plan is likely.
2. Provide advice and make recommendations to school district staff and governing board members regarding budgetary, fiscal, or other issues that may affect the district's financial condition.
3. Attend all school district governing board meetings and review all materials before each meeting to determine if any items or intended actions will have a negative fiscal impact on the district's financial condition.
4. Stay or rescind an action of the school district governing board or personnel commission when the action may adversely affect the district's financial condition or conflict with its approved recovery plan.
5. Notify the county superintendent after staying or rescinding a decision by the school district governing board. The county superintendent shall then notify the SPI and the SBE president or their designee of this action within five business days.
6. Monitor the financial projections and cash balances of all school district funds for the current and two subsequent fiscal years, and assist district staff in preparing these projections if necessary.

7. Monitor all collective bargaining activity and review all proposals being considered, including their resulting fiscal impact.

8. Meet regularly with the school district superintendent and the chief business official to obtain updates on the district's efforts to reduce expenditures or increase revenues.

9. Help the county superintendent establish timelines and prescribe formats for reports and other materials to be used to monitor and review the school district's operations.

10. Maintain open and ongoing communication with the county superintendent and the school district's staff, governing board and community, and promptly inform the county superintendent of any critical issues or incidents.

11. Review and approve the school district's required annual report on its financial condition, including the following information:

    I. Specific actions taken to reduce expenditures or increase income, and the cost savings and increased revenue resulting from those actions, to ensure they are aligned with the school district's needs and recovery plan.

    II. The adopted budget for the current fiscal year.

    III. Reserves for economic uncertainties.

    IV. Status of employee contracts.

    V. Obstacles to implementing the adopted recovery plan.

12. Use FCMAT's Fiscal Health Risk Analysis tool to annually evaluate the school district's risk of insolvency in the current and two subsequent fiscal years, and communicate any findings to the county superintendent.

13. Determine, with concurrence from the county superintendent and SPI, whether the school district is likely to comply with its approved recovery plan.

14. Provide regular updates to the county superintendent regarding the school district's progress toward fiscal stability.

15. Consult with and seek recommendations from the county superintendent, SPI and FCMAT about ensuring the school district's fiscal recovery and solvency.

16. Assist, as needed and pursuant to EC 41320.1, 41321 and 41322, in matters pertaining to the school district's fiscal recovery and solvency.

17. Review the school district's financial and budgetary conditions, including an analysis of internal controls, to determine if the district may be unable to meet its financial obligations for the current or two subsequent fiscal years, or if it should receive a qualified[1] or negative[2] interim financial certification.

18. Meet with appropriate school district staff, as needed, to assess the district's fiscal health, organizational structure and staffing, effectiveness of internal controls, and other related matters.

[1]A qualified certification is assigned when a district may not meet its financial obligations for either the current fiscal year or the two subsequent fiscal years.
[2]A negative certification is issued when a district cannot meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year.

19. Consult with the school district governing board on fiscal and budgetary matters, facilities projects, debt obligations and other operational areas as needed.

20. Provide recommendations for improvements in school district processes related to the budget, such as position control, opportunities for cost containment, and reducing contributions from the general fund to restricted programs.

21. Ensure the school district conducts its business operations in accordance with statutory requirements and adheres to acceptable legal and professional standards.

22. Advise the county superintendent regarding potential actions to improve or protect the school district's fiscal solvency.

23. Provide additional support, technical assistance, professional learning, and advice in the Long Range Recovery Plan (LRRP) for the five operational areas defined by EC 41327.1 (financial management, facilities management, personnel management, community relations and governance, and pupil achievement). Focus on helping the school district address the recommendations identified in the LRRP to support its recovery, organizational effectiveness and future solvency. Report annually to the county superintendent regarding the school district's progress in implementing its LRRP.

Appendix B – Annual Report on the Financial Condition of the School District

DATE: October 16, 2024

TO: Sherrie Castellanos, Chief Business Official
Dr. Caroline Cota, District Superintendent
David Gaboni, Board President
South Monterey County Joint Union High School District

FROM: Kenneth Duane Wolgamott, Trustee

SUBJECT: **Approval of South Monterey County Annual Report per E.C. 41321 (a) &**

In accordance with California Code, Education Code - EDC § 41321 (a) & (b), as the trustee appointed to monitor and review the operation of the school district, I am approving the annual report (attached) which was provided by Sherrie Castellanos, Chief Business Official within the required deadlines.

The report clearly and accurately reflects the district's fiscal stability and also that the district leadership team is now complete which allows for more consistent work on the FCMAT approved recovery plan.

The hard work by the district is appreciated and should be used as an example for district's that may be struggling with fiscal and operational challenges.

As Trustee, I want to add my concern of unification in Greenfield as I see it as a risk to the district's recovery plan implementation.

Duane Wolgamott

cc:

Board of Education members, South Monterey County JUHSD

Superintendent, Monterey County Office of Education

Chief Business Official, Monterey County Office of Education

Page 1

South Monterey County
HIGH SCHOOL DISTRICT
Students. Service. Success.

October 11, 2024

Duane Wolgamott, Trustee
Monterey County Office of Education
901 Blanco Circle
Salinas, CA 93912

Dear Trustee Wolgamott,

Based on Education Code (EC) section 41321 (a) and (b), the governing board of the school district must prepare a report on the financial condition of the school district.

(a) By October 31, following the receipt of an emergency apportionment and annually thereafter until repayment, the board must provide a report that includes:

1. Actions taken to reduce costs or increase income.
2. The adopted budget for the fiscal year.
3. Reserves for economic uncertainties.
4. Status of employee contracts.
5. Obstacles to implementing the recovery plan.

(b) The report must be submitted to the trustee for review and approval, then transmitted to the county superintendent, the State Superintendent, the president of the state board (or designee), and the Controller.

The comprehensive Annual Report for South Monterey County Joint Union High School District for the fiscal year ending June 30, 2024, is presented, representing the financial plan for the 2023-24 school year.

800 Broadway St., King City, CA 93930 Phone: 831.385.0606 Fax: 831.385.0695

South Monterey County
HIGH SCHOOL DISTRICT
Students. Service. Success.

2023/24 Adopted Budget

In accordance with Education Code Section 42127, the Monterey County Office of Education (MCOE) conducted an in-depth analysis of the 2023-24 adopted budget for South Monterey County Joint Union High School District (Letter from MCOE – Attachment 1). MCOE must ensure the budget complies with the standards and criteria set by the State Board of Education under Education Code Section 33127. On September 15, 2023, the District received a letter from MCOE confirming the budget's approval, including the District's LCAP.

General Fund Components

The majority of the District's revenue comes from the Local Control Funding Formula (LCFF), which is based on Average Daily Attendance. Projections are calculated using the FCMAT LCFF Calculator. For the 2023-24 fiscal year, LCFF revenue was increased by 8.22% cost-of-living adjustment (COLA), adding $2,370,092. Overall revenue decreased over 2022/23 by ($44,412) due to the reduction of one-time federal and state funds (Actual v Actual Comparison – Attachment 5).

General Fund Revenue Components based on Adopted Budget 2023/24

Description	Unrestricted	Restricted	Combined
1) LCFF Sources	43,444,439.00	0.00	43,444,439.00
2) Federal Revenue	0.00	2,157,399.10	2,157,399.10
3) Other State Revenue	972,347.00	2,626,498.24	3,598,845.24
4) Other Local Revenue	612,265.73	2,091,579,73	2,703,845.46
5) TOTAL, REVENUES	45,029,051.73	6,875,477.07	51,904,528.80

Enrollment/Attendance

The District has consistently seen annual growth in enrollment since 2018-19. However, in 2023-24, enrollment declined by 31 students, bringing the total to 2,731. The District is using the prior year ADA of 2,531.31 for funding, with an attendance rate of 92%. Efforts to improve student attendance are ongoing. We anticipate continued enrollment decline in 2024-25, which will impact funding, but we are maintaining a balanced budget. The 2023-24 Adopted Budget is available on our website. Attached is MCOE's approval letter for the District's 2024-25 budget (Attachment 2).

800 Broadway St., King City, CA 93930 Phone: 831.385.0606 Fax: 831.385.0695

South Monterey County
HIGH SCHOOL DISTRICT
Students. Service. Success.

Expenditures

Unrestricted general fund expenditures decreased by $70,726 compared to 2022-23, primarily due to the spend-down of one-time funds. Salaries and benefits for both certificated and classified staff increased by 4%, with salaries rising by a negotiated 4.4%. Administrator FTEs increased by 1.0 due to the addition of a Director of Student Services (Actual v Actual Comparison – Attachment 5).

Operating Expenditure Components

Description	Unrestricted	Restricted	Combined
1) Certificated Salaries	14,750,671.67	2,877,427.72	17,628,099.39
2) Classified Salaries	4,131,420.80	1,935,870.52	6,067,291.42
3) Employee Benefits	7,855,170.18	3,825,558.92	11,680,729.10
4) Books and Supplies	2,997,715.07	879,362.60	3,877,077.67
5) Services and Other Operating Expenditures	4,731,381.29	1,357,269.89	6,088,651.18
6) Capital Outlay	56,054.00	771,795.10	827,849.10
7) Other Outgo (excluding Transfers of Indirect Costs)	1,413,748.76	376,055.09	1,789,803.85
8) Other Outgo - Transfers of Indirect Costs)	(251,059.00)	179,588.00	(71,471.00)
9) TOTAL, EXPENDITURES	35,685,102.77	12,202,927.94	47,888,030.71

Deficit Spending

The Adopted Budget Multiyear Projections for unrestricted funds indicate that the 2023-24 budget, along with the following two years, shows a net increase.

Reserves

At the close of 2023-24, the District had $4,593,463.22 in Fund 17, the Special Reserve Fund, set aside for Reserve for Economic Uncertainties, representing 10% of General Fund expenditures. For the next two years, the District projects reserves of 11.16% and 11.85% of General Fund expenditures. Attached is the 2023-24 2nd Interim Financial Report (Attachment 3), which includes the calculation of the District's available reserve amount.

In addition to reserves, the Governing Board has committed $7,045,552.54 for academic achievement, capital projects, major maintenance, and technology infrastructure. In Fund 01, all ending fund balance components are either committed or assigned.

Status of Employee Contracts

The district has negotiated increases for CTA and CSEA bargaining units and Administrative/Classified Management through 2024/25. These increases are included in our multi-year projections.

800 Broadway St., King City, CA 93930 Phone: 831.385.0606 Fax: 831.385.0695

South Monterey County
HIGH SCHOOL DISTRICT
Students. Service. Success.

Specific actions taken to reduce expenditures or increase income, and the cost savings and increased income resulting from those actions

For the 2023-24 budget, the District did not take specific actions to reduce expenditures. We collaborated with our elementary feeder districts to share speech and occupational therapy services, which increased revenues by 5.21% (indirect cost rate) of billed expenditures.

We have maintained a strong financial reserve for economic uncertainties and ensured funds are available for the Local Control Accountability Plan. The District has avoided deficits for several years, and multi-year projections reflect a balanced outlook. Attached are the projections from the 2023-24 2nd Interim Report (Attachment 4).

To maintain a balanced budget, we consistently review revenues and expenditures and adjust as needed. We also monitor one-time funds to ensure they are not carried into future budgets. The District performs internal audits on attendance, independent studies, and Associated Student Body accounting, and staff receive audit reports upon completion.

Obstacles to the implementation of the adopted recovery plan

One of the greatest challenges to the implementation of the adopted recovery plan is fostering a collaborative culture for the district. The focus of our new district office initiative is centered around fostering a cohesive and supportive educational environment. We aim to enhance the onboarding experience for new personnel, ensuring they align with our district's values and goals. Improving communication both internally and externally is pivotal, supported by robust strategies for board meeting communications and a strengthened social media presence. Through the establishment of a Leadership Academy and comprehensive professional development plans, we aspire to cultivate effective leaders and collaborative administrative teams district-wide. Our commitment to equity and student success is reflected in initiatives like Cultural Competency training, MTSS adoption, and support for Special Education. By implementing a detailed yearlong calendar and strategic plan, we seek to optimize operational efficiency and ensure every action aligns with our mission to provide a high-quality education for all students.

Respectfully submitted,

Sherrie S. Castellanos
Chief Business Official

800 Broadway St., King City, CA 93930 Phone: 831.385.0606 Fax: 831.385.0695

South Monterey County
HIGH SCHOOL DISTRICT
Students. Service. Success.

Attachment 1

Monterey County Office of Education
2023/24 Adopted Budget
Review & Approval

800 Broadway St., King City, CA 93930 Phone: 831.385.0606 Fax: 831.385.0695

MONTEREY COUNTY OFFICE of EDUCATION

Dr. Deneen Guss
County Superintendent of Schools

September 15, 2023

David Gaboni, Board President
Dr. Caroline Cota, Superintendent
South Monterey County Joint Union High School District
800 Broadway St
King City, CA 93930

RE: 2023-24 Adopted Budget Review

Dear Board President Gaboni and Superintendent Cota:

Under the Local Control Funding Formula (LCFF) regulations, County Offices of Education may not approve a District's budget before approving its Local Control Accountability Plan (LCAP). We are pleased to acknowledge that your District's 2023-24 LCAP was approved as reflected in your September 15, 2023 letter from Dr. Deneen Guss, Monterey County Superintendent of Schools.

In accordance with the provisions of *Education Code* Section 42127, the Monterey County Office of Education has performed an in-depth analysis of the 2023-24 adopted budget of South Monterey County Joint Union High School District. The County Office of Education must determine whether the budget complies with the standards and criteria, established by the State Board of Education, pursuant to *Education Code* Section 33127. On the basis of this review, we are satisfied that the District's budget for Fiscal Year 2023-24 is consistent with the state-adopted criteria and standards. **We hereby approve the District's budget and offer the following comments:**

District Reserves
The District's 2023-24 budget, as submitted, indicates available unrestricted reserves at $4,788,803, which is equivalent to 10.00% of their Total General Fund Expenditures.

Concluding Remarks
The 2023-24 enacted budget has been described as the riskiest budget in a decade.

To help mitigate these risks the following should be considered:

- Fine tune your MYPs
  - Use the SSC Dartboard for your official MYP
  - Run multiple scenarios for planning purposes assuming the out-year COLAs are not funded
- Monitor what is left from the significant COVID-19 one-time dollars to ensure that funded positions have a landing spot with ongoing funding or have a plan to eliminate them
- Prepare for staffing adjustments in the fall, maintain accurate positon control records, update seniority list data, and watch enrollment closely

- **Ensure that position control system is up to date and reconciled between business and human resources**
- **Educate education partners on the risks and unknowns of the current state budget**

As management negotiating teams head to the bargaining table with represented employee groups this fall, preparation will be key. Understanding your financial position, evaluating to what extent the overall compensation paid to employees is competitive, maintaining your effort over time, and identifying your bargaining goals will be essential to your preparation.

Due to significant financial uncertainty and the delay in the income tax and corporate tax filing deadlines, there is significantly more economic risk than we have experienced in the past. In addition, declining enrollment, and a lower average daily attendance yield dilutes the funded COLA of 8.22 % to a lower percentage of increased actual dollars for the year.

We want to thank and acknowledge Sherrie S. Castellanos for the timely submission of the budget documents and express our appreciation to the District's staff and the governing board for their continued diligence and hard work. We await your First Interim Report, which must be filed with our office no later than December 15, 2023.

If you have any questions or concerns, please contact our office by phone at 831-755-0308 or email cstanley@montereycoe.org.

Sincerely,

Colleen Stanley Ed.D.,
Chief Business Official

cc: Dr. Deneen Guss, Monterey County Superintendent of Schools
Sherrie S. Castellanos, Chief Business Official, So. Mo. Co. Jo. USD
Philip Davis, Senior Director, District Advisory Services, MCOE
Juan Leyva Jr., Financial Analyst, MCOE

MONTEREY COUNTY OFFICE of EDUCATION

Dr. Deneen Guss
County Superintendent of Schools

September 15, 2023

Mr. David Gaboni, Board President
Dr. Caroline Cota, Superintendent
South Monterey County Joint Union High School District
800 Broadway St.
King City, CA 93930

RE: 2023-2024 LCAP Review

Dear Superintendent Cota and Board President Gaboni:

The Monterey County Superintendent of Schools has reviewed South Monterey County Joint Union High School District's Local Control and Accountability Plan (LCAP) and the adopted budget for the fiscal year 2023-2024.

According to Education Code (EDC) Section 52070.5(d), the four criteria for LCAP approval include:

1. Adherence to the State Board of Education (SBE) template
2. Sufficient expenditures in the budget to implement the LCAP
3. Adherence to SBE expenditure regulations
4. Calculation and implementation of carryover

It is a pleasure to inform you that based on our review, the 2023-2024 South Monterey County Joint Union High School District LCAP is approved.

The district's LCAP reflects educational partner input and communicates the plan to increase or improve services specifically for English learners, low-income students, and foster youth. The approved version of the 23-24 LCAP is required to be posted on the front page of your district website. We commend the District and community for this commitment to students.

Please contact Dr. Caryn Lewis, Assistant Superintendent of Educational Services, if we can provide any support or assistance in the future.

Sincerely,

Deneen Guss

Deneen Guss, Ed.D.
Monterey County Superintendent of Schools

cc: Griselda Delgado, Assistant Superintendent of Educational Services
Sherrie Castellanos, Chief Business Official

901 Blanco Circle Post Office Box 80851 Salinas, California 93912-0851 www.montereycoe.org
Salinas: 831.755.0300 Monterey: 831.373.2955 Fax: 831.755.6473

South Monterey County
HIGH SCHOOL DISTRICT
Students. Service. Success.

Attachment 2

Monterey County Office of Education
2024/25 Adopted Budget
Review and Approval

800 Broadway St., King City, CA 93930 Phone: 831.385.0606 Fax: 831.385.0695

MONTEREY COUNTY OFFICE of EDUCATION

Dr. Deneen Guss
County Superintendent of Schools

September 17, 2024

David Gaboni, Board President
Dr. Caroline Cota, Superintendent
South Monterey County Joint Union High School District
800 Broadway St
King City, CA 93930

RE: 2024-25 Adopted Budget Review

Dear Board President Gaboni and Superintendent Cota:

Under the Local Control Funding Formula (LCFF) regulations, County Offices of Education may not approve a District's budget before approving its Local Control Accountability Plan (LCAP). We are pleased to acknowledge that your District's 2024-25 LCAP was approved as reflected in your September 16, 2024 letter from Dr. Deneen Guss, Monterey County Superintendent of Schools.

In accordance with the provisions of *Education Code* Section 42127, the Monterey County Office of Education has performed an in-depth analysis of the 2024-25 adopted budget of South Monterey County Joint Union High School District. The County Office of Education must determine whether the budget complies with the standards and criteria, established by the State Board of Education, pursuant to *Education Code* Section 33127. On the basis of this review, we are satisfied that the District's budget for Fiscal Year 2024-25 is consistent with the state-adopted criteria and standards. **We hereby approve the District's budget and offer the following comments:**

Deficit Spending
The District is projecting to incur **overall** operating deficits of ($3,901,977) for 2024-25, which is eliminated for 2025-26, and decreases to ($460,561) for 2026-27. Although some deficit spending may be a result of one-time costs from prior year funding sources, ongoing structural deficits may threaten a school district's future educational programs. District projections indicate that it is able to maintain the minimum recommended reserve level in the two subsequent years, however, deficit spending could impair the district's ability to maintain the required reserve for economic uncertainties. It is important that the district recognize and monitor any deficit spending so that it remains manageable, and prepare to implement expenditure reductions if necessary.

District Reserves
The District's 2024-25 budget, as submitted, indicates available unrestricted reserves at 5,637,936, which is equivalent to 10.00% of their Total General Fund Expenditures.

Docusign Envelope ID: DB682689-1530-49E6-8382-75001D56616D

We want to thank and acknowledge Sherrie S. Castellanos for the timely submission of the budget documents and express our appreciation to the District's staff and the governing board for their continued diligence and hard work. We await your First Interim Report, which must be filed with our office no later than December 16, 2024.

If you have any questions or concerns, please contact our office by phone at 831-755-0308 or via email cstanley@montereycoe.org.

Sincerely,

DocuSigned by:

A6B4F6C26DB2470...

Colleen Stanley Ed.D.,
Chief Business Official

cc: Dr. Deneen Guss, Monterey County Superintendent of Schools
Sherrie S. Castellanos, Chief Business Official, So. Mo. Co. Jo. USD
Biljana Babic-Tatomirovic, Director, District Advisory Services, MCOE

MCOE Review of 2024-25 Adopted Budget Review Page 2 of 2

MONTEREY COUNTY OFFICE of EDUCATION

Dr. Deneen Guss
County Superintendent of Schools

September 16, 2024

Superintendent Dr. Caroline Cota
Board President David Gaboni
South Monterey County Joint Union High School District
800 Broadway St.
King City, CA 93930

RE: 2024-2025 LCAP Review

Dear Superintendent Cota and Board President Gaboni:

The Monterey County Superintendent of Schools has reviewed South Monterey County Joint Union High School District's Local Control and Accountability Plan (LCAP) for the fiscal year 2024-2025.

According to Education Code (EDC) Section 52070.5(d), the four criteria for LCAP approval include:

1. Adherence to the State Board of Education (SBE) template
2. Sufficient expenditures in the budget to implement the LCAP
3. Adherence to SBE expenditure regulations
4. Calculation and implementation of carryover

It is a pleasure to inform you that based on our review, the 2024-2025 South Monterey County Joint Union High School District LCAP is approved.

The District's LCAP reflects educational partner input and communicates the plan to increase or improve services specifically for English learners, low-income students, and foster youth. The approved version of the 2024-2025 LCAP is required to be posted on the front page of your district website. We commend the District and community for this commitment to students.

Please contact Dr. Caryn Lewis, Assistant Superintendent of Educational Services, if we can provide any support or assistance in the future.

Sincerely,

Deneen Guss

Deneen Guss, Ed.D.
Monterey County Superintendent of Schools

cc: Griselda Delgado, Assistant Superintendent of Educational Services
Sherrie Castellanos, Chief Business Official

901 Blanco Circle Post Office Box 80851 Salinas, California 93912-0851 www.montereycoe.org
Salinas: 831.755.0300 Monterey: 831.373.2955 Fax: 831.755.6473

South Monterey County
HIGH SCHOOL DISTRICT
Students. Service. Success.

Attachment 3

2023/24 Second Interim Financial Report Criteria & Standards 10C. Calculating the District's Available Reserve

800 Broadway St., King City, CA 93930 Phone: 831.385.0606 Fax: 831.385.0695

South Monterey County Joint Union High
Monterey County

Second Interim
General Fund
School District Criteria and Standards Review

27 66068 0000000
Form 01CSI
E82HMN2NZ9(2023-24)

10C. Calculating the District's Available Reserve Amount

DATA ENTRY: All data are extracted from fund data and Form MYPI. If Form MYPI does not exist, enter data for the two subsequent years.

Reserve Amounts (Unrestricted resources 0000-1999 except Line 4)	Current Year Projected Year Totals (2023-24)	1st Subsequent Year (2024-25)	2nd Subsequent Year (2025-26)
1. General Fund - Stabilization Arrangements (Fund 01, Object 9750) (Form MYPI, Line E1a)	0.00		
2. General Fund - Reserve for Economic Uncertainties (Fund 01, Object 9789) (Form MYPI, Line E1b)	1,223,565.01		
3. General Fund - Unassigned/Unappropriated Amount (Fund 01, Object 9790) (Form MYPI, Line E1c)	0.00	0.00	0.00
4. General Fund - Negative Ending Balances in Restricted Resources (Fund 01, Object 979Z, if negative, for each of resources 2000-9999) (Form MYPI, Line E1d)	0.00	0.00	0.00
5. Special Reserve Fund - Stabilization Arrangements (Fund 17, Object 9750) (Form MYPI, Line E2a)	0.00		
6. Special Reserve Fund - Reserve for Economic Uncertainties (Fund 17, Object 9789) (Form MYPI, Line E2b)	5,929,753.37	5,929,753.37	5,929,753.37
7. Special Reserve Fund - Unassigned/Unappropriated Amount (Fund 17, Object 9790) (Form MYPI, Line E2c)	0.00		
8. District's Available Reserve Amount (Lines C1 thru C7)	7,153,318.38	5,929,753.37	5,929,753.37
9. District's Available Reserve Percentage (Information only) (Line 8 divided by Section 10B, Line 3)	10.00%	11.16%	11.85%
District's Reserve Standard (Section 10B, Line 7):	2,145,816.61	1,593,740.76	1,501,497.03
Status:	Met	Met	Met

10D. Comparison of District Reserve Amount to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

1a. STANDARD MET - Available reserves have met the standard for the current year and two subsequent fiscal years.

Explanation:
(required if NOT met)

California Dept of Education
SACS Financial Reporting Software - SACS V8
File: CSI_District, Version 5

Page 14

Printed: 3/6/2024 3:47 PM

South Monterey County
HIGH SCHOOL DISTRICT
Students. Service. Success.

Attachment 4

2023/24 Second Interim Financial Report Multiyear Projections

800 Broadway St., King City, CA 93930 Phone: 831.385.0606 Fax: 831.385.0695

South Monterey County Joint Union High
Monterey County

2023-24 Second Interim
General Fund
Multiyear Projections
Unrestricted

27 66068 0000000
Form MYPI
E82HMN2NZ8(2023-24)

Description	Object Codes	Projected Year Totals (Form 01I) (A)	% Change (Cols. C-A/A) (B)	2024-25 Projection (C)	% Change (Cols. E-C/C) (D)	2025-26 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
A. REVENUES AND OTHER FINANCING SOURCES						
1. LCFF/Revenue Limit Sources	8010-8099	43,075,197.00	.83%	43,431,721.00	(2.38%)	42,397,676.00
2. Federal Revenues	8100-8299	0.00	0.00%		0.00%	
3. Other State Revenues	8300-8599	763,391.00	(1.21%)	754,116.00	(2.74%)	733,486.00
4. Other Local Revenues	8600-8799	1,494,869.43	(39.41%)	905,800.00	.16%	907,257.00
5. Other Financing Sources						
a. Transfers In	8900-8929	0.00	0.00%		0.00%	
b. Other Sources	8930-8979	0.00	0.00%		0.00%	
c. Contributions	8980-8999	(5,042,098.78)	5.49%	(5,319,003.00)	6.38%	(5,658,473.72)
6. Total (Sum lines A1 thru A5c)		40,291,358.65	(1.29%)	39,772,636.00	(3.50%)	38,379,945.28
B. EXPENDITURES AND OTHER FINANCING USES						
1. Certificated Salaries						
a. Base Salaries				14,776,041.84		15,497,517.84
b. Step & Column Adjustment				228,029.00		314,695.00
c. Cost-of-Living Adjustment				563,521.00		
d. Other Adjustments				(70,074.00)		
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	14,776,041.84	4.88%	15,497,517.84	2.03%	15,812,212.84
2. Classified Salaries						
a. Base Salaries				4,003,106.64		4,134,006.64
b. Step & Column Adjustment				92,948.00		71,058.00
c. Cost-of-Living Adjustment				37,952.00		
d. Other Adjustments						
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	4,003,106.64	3.27%	4,134,006.64	1.72%	4,205,064.64
3. Employee Benefits	3000-3999	7,790,357.79	5.10%	8,187,720.00	1.43%	8,305,030.00
4. Books and Supplies	4000-4999	3,507,897.06	(14.54%)	2,998,000.00	0.00%	2,998,000.00
5. Services and Other Operating Expenditures	5000-5999	5,686,438.29	(11.54%)	5,030,000.00	2.70%	5,165,810.00
6. Capital Outlay	6000-6999	3,969,749.14	(99.50%)	20,000.00	0.00%	20,000.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	1,375,565.08	2.76%	1,413,750.00	0.00%	1,413,750.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	(616,063.00)	(123.35%)	143,874.00	0.00%	143,874.00
9. Other Financing Uses						
a. Transfers Out	7600-7629	7,125,555.00	(67.05%)	2,347,767.52	(86.53%)	316,203.80
b. Other Uses	7630-7699	0.00	0.00%		0.00%	
10. Other Adjustments (Explain in Section F below)						
11. Total (Sum lines B1 thru B10)		47,618,647.84	(16.48%)	39,772,636.00	(3.50%)	38,379,945.28
C. NET INCREASE (DECREASE) IN FUND BALANCE (Line A6 minus line B11)		(7,327,289.19)		0.00		0.00
D. FUND BALANCE						
1.Net Beginning Fund Balance(Form 01I, line F1e)		13,231,366.34		5,904,077.15		5,904,077.15
2. Ending Fund Balance (Sum lines C and D1)		5,904,077.15		5,904,077.15		5,904,077.15
3. Components of Ending Fund Balance (Form 01I)						
a. Nonspendable	9710-9719	6,000.00		6,000.00		6,000.00
b. Restricted	9740					
c. Committed						
1. Stabilization Arrangements	9750	0.00				
2. Other Commitments	9760	4,058,115.47		5,281,680.48		5,281,680.48
d. Assigned	9780	616,396.67		616,396.67		616,396.67
e. Unassigned/Unappropriated						

California Dept of Education
SACS Financial Reporting Software - SACS V8
File: MYPI, Version 6

Page 1

Printed: 3/6/2024 3:47 PM

South Monterey County Joint Union High
Monterey County

2023-24 Second Interim
General Fund
Multiyear Projections
Unrestricted

27 66068 0000000
Form MYPI
E82HMN2NZ9(2023-24)

Description	Object Codes	Projected Year Totals (Form 01I) (A)	% Change (Cols. C-A/A) (B)	2024-25 Projection (C)	% Change (Cols. E-C/C) (D)	2025-26 Projection (E)
1. Reserve for Economic Uncertainties	9789	1,223,565.01				
2. Unassigned/Unappropriated	9790	0.00		0.00		0.00
f. Total Components of Ending Fund Balance (Line D3f must agree with line D2)		5,904,077.15		5,904,077.15		5,904,077.15
E. AVAILABLE RESERVES						
1. General Fund						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	1,223,565.01		0.00		0.00
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
(Enter other reserve projections in Columns C and E for subsequent years 1 and 2; current year - Column A - is extracted)						
2. Special Reserve Fund - Noncapital Outlay (Fund 17)						
a. Stabilization Arrangements	9750	0.00				
b. Reserve for Economic Uncertainties	9789	5,929,753.37		5,929,753.37		5,929,753.37
c. Unassigned/Unappropriated	9790	0.00				
3. Total Available Reserves (Sum lines E1a thru E2c)		7,153,318.38		5,929,753.37		5,929,753.37

F. ASSUMPTIONS

Please provide below or on a separate attachment, the assumptions used to determine the projections for the first and second subsequent fiscal years. Further, please include an explanation for any significant expenditure adjustments projected in lines B1d, B2d, and B10. For additional information, please refer to the Budget Assumptions section of the SACS Financial Reporting Software User Guide.

The adjusted amount is the reduction of a .50 FTE in certificated staff.

California Dept of Education
SACS Financial Reporting Software - SACS V8
File: MYPI, Version 6

Page 2

Printed: 3/6/2024 3:47 PM

South Monterey County Joint Union High
Monterey County

2023-24 Second Interim
General Fund
Multiyear Projections
Restricted

27 66068 0000000
Form MYPI
E82HMN2NZ9(2023-24)

Description	Object Codes	Projected Year Totals (Form 01I) (A)	% Change (Cols. C-A/A) (B)	2024-25 Projection (C)	% Change (Cols. E-C/C) (D)	2025-26 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
A. REVENUES AND OTHER FINANCING SOURCES						
1. LCFF/Revenue Limit Sources	8010-8099	0.00	0.00%		0.00%	
2. Federal Revenues	8100-8299	2,807,061.01	(45.40%)	1,532,652.00	.24%	1,536,262.00
3. Other State Revenues	8300-8599	5,129,852.33	(55.22%)	2,296,954.00	(.33%)	2,289,289.00
4. Other Local Revenues	8600-8799	2,864,034.22	(23.68%)	2,185,931.00	0.00%	2,185,931.00
5. Other Financing Sources						
a. Transfers In	8900-8929	0.00	0.00%		0.00%	
b. Other Sources	8930-8979	0.00	0.00%		0.00%	
c. Contributions	8980-8999	5,042,098.78	5.49%	5,319,003.00	6.38%	5,658,473.72
6. Total (Sum lines A1 thru A5c)		15,843,046.34	(28.46%)	11,334,540.00	2.96%	11,669,955.72
B. EXPENDITURES AND OTHER FINANCING USES						
1. Certificated Salaries						
a. Base Salaries				2,794,426.70		2,961,529.20
b. Step & Column Adjustment				46,724.00		53,860.00
c. Cost-of-Living Adjustment				110,018.00		
d. Other Adjustments				10,360.50		
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	2,794,426.70	5.98%	2,961,529.20	1.82%	3,015,389.20
2. Classified Salaries						
a. Base Salaries				2,097,301.55		2,177,073.55
b. Step & Column Adjustment				62,692.00		58,701.83
c. Cost-of-Living Adjustment				17,080.00		
d. Other Adjustments						
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	2,097,301.55	3.80%	2,177,073.55	2.70%	2,235,775.38
3. Employee Benefits	3000-3999	3,797,283.80	5.10%	3,991,119.00	1.88%	4,065,992.00
4. Books and Supplies	4000-4999	4,186,311.36	(71.49%)	1,193,379.19	(9.36%)	1,081,676.14
5. Services and Other Operating Expenditures	5000-5999	8,476,533.78	(69.53%)	2,582,832.00	(68.06%)	825,000.00
6. Capital Outlay	6000-6999	1,638,403.20	(100.00%)	0.00	0.00%	0.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	373,720.22	0.00%	373,720.00	0.00%	373,720.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	544,592.00	(86.71%)	72,403.00	0.00%	72,403.00
9. Other Financing Uses						
a. Transfers Out	7600-7629	0.00	0.00%		0.00%	
b. Other Uses	7630-7699	0.00	0.00%		0.00%	
10. Other Adjustments (Explain in Section F below)						
11. Total (Sum lines B1 thru B10)		23,908,572.61	(44.15%)	13,352,055.94	(12.60%)	11,669,955.72
C. NET INCREASE (DECREASE) IN FUND BALANCE (Line A6 minus line B11)		(8,065,526.27)		(2,017,515.94)		0.00
D. FUND BALANCE						
1. Net Beginning Fund Balance (Form 01I, line F1e)		10,083,042.21		2,017,515.94		0.00
2. Ending Fund Balance (Sum lines C and D1)		2,017,515.94		0.00		0.00
3. Components of Ending Fund Balance (Form 01I)						
a. Nonspendable	9710-9719	0.00				
b. Restricted	9740	2,017,515.94				
c. Committed						
1. Stabilization Arrangements	9750					
2. Other Commitments	9760					
d. Assigned	9780					
e. Unassigned/Unappropriated						
1. Reserve for Economic Uncertainties	9789					

California Dept of Education
SACS Financial Reporting Software - SACS V8
File: MYPI, Version 6

Page 3

Printed: 3/6/2024 3:47 PM

South Monterey County Joint Union High
Monterey County

2023-24 Second Interim
General Fund
Multiyear Projections
Restricted

27 66068 0000000
Form MYPI
E82HMN2NZ9(2023-24)

Description	Object Codes	Projected Year Totals (Form 01I) (A)	% Change (Cols. C-A/A) (B)	2024-25 Projection (C)	% Change (Cols. E-C/C) (D)	2025-26 Projection (E)
2. Unassigned/Unappropriated	9790	0.00		0.00		0.00
f. Total Components of Ending Fund Balance (Line D3f must agree with line D2)		2,017,515.94		0.00		0.00
E. AVAILABLE RESERVES						
1. General Fund)						
a. Stabilization Arrangements	9750					
b. Reserve for Economic Uncertainties	9789					
c. Unassigned/Unappropriated Amount	9790					
(Enter current year reserve projections in Column A, and other reserve projections in Columns C and E for subsequent years 1 and 2)						
2. Special Reserve Fund - Noncapital Outlay (Fund 17)						
a. Stabilization Arrangements	9750					
b. Reserve for Economic Uncertainties	9789					
c. Unassigned/Unappropriated	9790					
3. Total Available Reserves (Sum lines E1a thru E2c)						

F. ASSUMPTIONS

Please provide below or on a separate attachment, the assumptions used to determine the projections for the first and second subsequent fiscal years. Further, please include an explanation for any significant expenditure adjustments projected in lines B1d, B2d, and B10. For additional information, please refer to the Budget Assumptions section of the SACS Financial Reporting Software User Guide.

In our adjustment, we have included the reduction of 1.0 FTE Teacher and an added I 1.0 FTE Psychologist.

California Dept of Education
SACS Financial Reporting Software - SACS V8
File: MYPI, Version 6

Page 4

Printed: 3/6/2024 3:47 PM

South Monterey County Joint Union High
Monterey County

2023-24 Second Interim
General Fund
Multiyear Projections
Unrestricted/Restricted

27 66068 0000000
Form MYPI
E82HMN2NZ9(2023-24)

Description	Object Codes	Projected Year Totals (Form 01I) (A)	% Change (Cols. C-A/A) (B)	2024-25 Projection (C)	% Change (Cols. E-C/C) (D)	2025-26 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
A. REVENUES AND OTHER FINANCING SOURCES						
1. LCFF/Revenue Limit Sources	8010-8099	43,075,197.00	.83%	43,431,721.00	(2.38%)	42,397,676.00
2. Federal Revenues	8100-8299	2,807,061.01	(45.40%)	1,532,652.00	.24%	1,536,262.00
3. Other State Revenues	8300-8599	5,893,243.33	(48.23%)	3,051,072.00	(.93%)	3,022,775.00
4. Other Local Revenues	8600-8799	4,358,903.65	(29.07%)	3,091,731.00	.05%	3,093,188.00
5. Other Financing Sources						
a. Transfers In	8900-8929	0.00	0.00%	0.00	0.00%	0.00
b. Other Sources	8930-8979	0.00	0.00%	0.00	0.00%	0.00
c. Contributions	8980-8999	0.00	0.00%	0.00	0.00%	0.00
6. Total (Sum lines A1 thru A5c)		56,134,404.99	(8.96%)	51,107,176.00	(2.07%)	50,049,901.00
B. EXPENDITURES AND OTHER FINANCING USES						
1. Certificated Salaries						
a. Base Salaries				17,570,468.54		18,459,047.04
b. Step & Column Adjustment				274,753.00		368,555.00
c. Cost-of-Living Adjustment				673,539.00		0.00
d. Other Adjustments				(59,713.50)		0.00
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	17,570,468.54	5.06%	18,459,047.04	2.00%	18,827,602.04
2. Classified Salaries						
a. Base Salaries				6,100,408.19		6,311,080.19
b. Step & Column Adjustment				155,640.00		129,759.83
c. Cost-of-Living Adjustment				55,032.00		0.00
d. Other Adjustments				0.00		0.00
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	6,100,408.19	3.45%	6,311,080.19	2.06%	6,440,840.02
3. Employee Benefits	3000-3999	11,587,641.59	5.10%	12,178,839.00	1.58%	12,371,022.00
4. Books and Supplies	4000-4999	7,694,208.42	(45.53%)	4,191,379.19	(2.67%)	4,079,676.14
5. Services and Other Operating Expenditures	5000-5999	14,162,972.07	(46.25%)	7,612,832.00	(21.31%)	5,990,810.00
6. Capital Outlay	6000-6999	5,608,152.34	(99.64%)	20,000.00	0.00%	20,000.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	1,749,285.30	2.18%	1,787,470.00	0.00%	1,787,470.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	(71,471.00)	(402.61%)	216,277.00	0.00%	216,277.00
9. Other Financing Uses						
a. Transfers Out	7600-7629	7,125,555.00	(67.05%)	2,347,767.52	(86.53%)	316,203.80
b. Other Uses	7630-7699	0.00	0.00%	0.00	0.00%	0.00
10. Other Adjustments				0.00		0.00
11. Total (Sum lines B1 thru B10)		71,527,220.45	(25.73%)	53,124,691.94	(5.79%)	50,049,901.00
C. NET INCREASE (DECREASE) IN FUND BALANCE (Line A6 minus line B11)		(15,392,815.46)		(2,017,515.94)		0.00
D. FUND BALANCE						
1. Net Beginning Fund Balance (Form 01I, line F1e)		23,314,408.55		7,921,593.09		5,904,077.15
2. Ending Fund Balance (Sum lines C and D1)		7,921,593.09		5,904,077.15		5,904,077.15
3. Components of Ending Fund Balance (Form 01I)						
a. Nonspendable	9710-9719	6,000.00		6,000.00		6,000.00
b. Restricted	9740	2,017,515.94		0.00		0.00
c. Committed						
1. Stabilization Arrangements	9750	0.00		0.00		0.00
2. Other Commitments	9760	4,058,115.47		5,281,680.48		5,281,680.48
d. Assigned	9780	616,396.67		616,396.67		616,396.67
e. Unassigned/Unappropriated						
1. Reserve for Economic Uncertainties	9789	1,223,565.01		0.00		0.00

California Dept of Education
SACS Financial Reporting Software - SACS V8
File: MYPI, Version 6

Page 5

Printed: 3/6/2024 3:47 PM

South Monterey County Joint Union High
Monterey County

2023-24 Second Interim
General Fund
Multiyear Projections
Unrestricted/Restricted

27 66068 0000000
Form MYPI
E82HMN2NZ8(2023-24)

Description	Object Codes	Projected Year Totals (Form 01I) (A)	% Change (Cols. C-A/A) (B)	2024-25 Projection (C)	% Change (Cols. E-C/C) (D)	2025-26 Projection (E)
2. Unassigned/Unappropriated	9790	0.00		0.00		0.00
f. Total Components of Ending Fund Balance (Line D3f must agree with line D2)		7,921,593.09		5,904,077.15		5,904,077.15
E. AVAILABLE RESERVES (Unrestricted except as noted)						
1. General Fund						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	1,223,565.01		0.00		0.00
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
d. Negative Restricted Ending Balances (Negative resources 2000-9999)	979Z			0.00		0.00
2. Special Reserve Fund - Noncapital Outlay (Fund 17)						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	5,929,753.37		5,929,753.37		5,929,753.37
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
3. Total Available Reserves - by Amount (Sum lines E1 thru E2c)		7,153,318.38		5,929,753.37		5,929,753.37
4. Total Available Reserves - by Percent (Line E3 divided by Line F3c)		10.00%		11.16%		11.85%
F. RECOMMENDED RESERVES						
1. Special Education Pass-through Exclusions						
For districts that serve as the administrative unit (AU) of a special education local plan area (SELPA):						
a. Do you choose to exclude from the reserve calculation the pass-through funds distributed to SELPA members?	No					
b. If you are the SELPA AU and are excluding special education pass-through funds:						
1. Enter the name(s) of the SELPA(s):						
2. Special education pass-through funds (Column A: Fund 10, resources 3300-3499, 6500-6540 and 6546 objects 7211-7213 and 7221-7223; enter projections for subsequent years 1 and 2 in Columns C and E)		0.00		0.00		0.00
2. District ADA						
Used to determine the reserve standard percentage level on line F3d (Col. A: Form AI, Estimated P-2 ADA column, Lines A4 and C4; enter projections)		2,513.22		2,423.32		2,329.22
3. Calculating the Reserves						
a. Expenditures and Other Financing Uses (Line B11)		71,527,220.45		53,124,691.94		50,049,901.00
b. Plus: Special Education Pass-through Funds (Line F1b2, if Line F1a is No)		0.00		0.00		0.00
c. Total Expenditures and Other Financing Uses (Line F3a plus line F3b)		71,527,220.45		53,124,691.94		50,049,901.00
d. Reserve Standard Percentage Level (Refer to Form 01CSI, Criterion 10 for calculation details)		3%		3%		3%
e. Reserve Standard - By Percent (Line F3c times F3d)		2,145,816.61		1,593,740.76		1,501,497.03
f. Reserve Standard - By Amount (Refer to Form 01CSI, Criterion 10 for calculation details)		0.00		0.00		0.00
g. Reserve Standard (Greater of Line F3e or F3f)		2,145,816.61		1,593,740.76		1,501,497.03
h. Available Reserves (Line E3) Meet Reserve Standard (Line F3g)		YES		YES		YES

California Dept of Education
SACS Financial Reporting Software - SACS V8
File: MYPI, Version 6

Page 6

Printed: 3/6/2024 3:47 PM

South Monterey County
HIGH SCHOOL DISTRICT
Students. Service. Success.

Attachment 5

Actual v Actual Comparison
2022/23 v 2023/24

800 Broadway St., King City, CA 93930 Phone: 831.385.0606 Fax: 831.385.0695

South Monterey County Joint Union High School District
2022/23 Comparison to 2023/24 Actuals vs Actuals
Unrestricted and Restricted
September 11, 2024

Fund 01		2022/23 Actuals Combined	2023/24 Actuals Combined	Changes	Change over 2022/23 % Inc/(Dec)	Explanation
REVENUES						
LCFF Sources	8010-8099	40,723,134.01	43,093,225.54	2,370,091.53	5.82%	COLA 8.22%, Prior negative adjustment
Federal Revenue	8100-8299	3,238,223.05	2,510,411.90	-727,811.15	-22.48%	Reduction in ESSER, No REAP Funds
Other State Revenue	8300-8599	8,795,383.96	5,539,711.88	-3,255,672.08	-37.02%	Received Learning Recovery in 22/23
Other Local Revenue	8600-8799	3,843,788.89	5,412,768.95	1,568,980.06	40.82%	Interest, CalShape Grant, Billables
Total Revenues		56,600,529.91	56,556,118.27	-44,411.64	-0.08%	
EXPENDITURES (unrestricted & restricted)						
Certificated Salaries	1000-1999	15,617,349.74	16,454,259.07	836,909.33	5.36%	4.4% Added FTE (Director Student Svcs)
Classified Salaries	2000-2999	5,680,689.19	5,926,707.35	246,018.16	4.33%	4.4% Increase
Employee Benefits	3000-3999	10,194,935.37	10,539,777.44	344,842.07	3.38%	Associated Salary Increases
Books and Supplies	4000-4999	4,009,903.37	3,379,648.42	-630,254.95	-15.72%	Reduction of Categorical Funds
Services and Other Op. Exp.	5000-5999	5,984,101.48	6,702,268.18	718,166.70	12.00%	NPS placement
Capital Outlay	6000-6999	2,905,757.89	1,274,295.04	-1,631,462.85	-56.15%	One-time funds
Other Outgo (excluding Transfers of indirect costs)	7100-7299 7400-7499	1,661,922.25	1,713,093.54	51,171.29	3.08%	
Other Outgo (Transfers of indirect costs)	7300-7399	-45,779.56	-51,895.06	-6,115.50	13.36%	
Total Expenditures		46,008,879.73	45,938,153.98	-70,725.75	-0.15%	
Other Financing Uses						
a. Transfers In	8900-8929	27,289.97	0.00	-27,289.97	-100%	
a. Transfers Out	7600-7629	3,515,733.10	7,890,943.00	4,375,209.90	124%	Moved funds to Fund 40
2. Other Sources		0.00	-7,890,943.00			
Contributions	8980-8989	0.00	0.00			
Total Other Financing Uses		-3,488,443.13	-7,890,943.00	-4,375,209.90		
Net Increase (-Decrease)		7,103,207.05	2,727,021.29	-4,348,895.79		
Beginning Fund Balance		16,211,201.50	23,314,408.55	13,231,366.34	82%	
Audit Adjustments						
Other Restatements						
Adjusted Beginning Balance		16,211,201.50	23,314,408.55	13,231,366.34	82%	
Ending Fund Balance		23,314,408.55	26,041,429.84	8,882,470.55	82%	
Nonspendable						
Restricted/Prepaid/Revl		10,116,313.23	11,076,767.98			
Other Commitments		12,237,724.62	13,723,156.99			
c/o S&C		3,778,469.56	6,677,604.45			
Academic, Capital Projects...		8,459,255.06	7,045,552.54			
Other Assignments		960,370.70	1,241,504.87			
Lottery Carryover		0.00	1,241,504.87			
Available Balance After Assigned		0.00	0.00			

South Monterey County
HIGH SCHOOL DISTRICT
Students. Service. Success.

Agenda Item Details

Meeting	Oct 23, 2024 - Regular Board Meeting
Category	9. INFORMATION ITEMS
Subject	F. Annual Report to Trustee
Access	Public
Type	Information
Goals	Goal 5: Ensure Compliance with Education/Other Codes/Updating Board Policies and Administrative Regulations

Public Content

Summary

On or before October 31 of the year following receipt of an emergency apportionment, and each year thereafter, until the emergency apportionment, including interest, is repaid, the governing board of the school district shall prepare a report on the financial condition of the school district. The report shall include, but not necessarily be limited to, all of the following information:

(1) Specific actions taken to reduce expenditures or increase income, and the cost savings and increased income resulting from those actions.

(2) A copy of the adopted budget for the current fiscal year.

(3) Reserves for economic uncertainties.

(4) Status of employee contracts.

(5) Obstacles to the implementation of the adopted recovery plan.

(b) The school district shall submit the report to the trustee for review. Upon the trustee's approval of the report, the school district shall transmit copies to the county superintendent of schools, the Superintendent, the president of the state board or his or her designee, and the Controller.

Fiscal Impact

Not applicable

Submitted By

Sherrie S. Castellanos

Chief Business Official

SMCJUHSD Annual Notification approval by Trustee 10-16-24 .pdf (206 KB)

2023-24 Annual Report to Trustee.pdf (1,232 KB)

Administrative Content

Appendix C – 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 Monterey County Superintendent of Schools, 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 South Monterey Joint Union High 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

V01092024

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. **PROJECT PERSONNEL**

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

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

4. **PROJECT COSTS**

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

A. $1,100 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. RESPONSIBILITIES OF THE CLIENT

A. Return current organizational chart(s) that show the Client's management and staffing structure with the signed copy of this Agreement. Organizational charts should be relevant to the scope of this Agreement.

B. Provide private office or conference room space for the Team's use during fieldwork.

C. Provide for a Client employee to upload all requested documents and data to FCMAT's online SharePoint repository per FCMAT's instructions. Provide FCMAT with the name and email of the person who will be responsible for collecting and uploading documents requested by FCMAT with the signed copy of this Agreement.

D. Provide documents and data requested on the Team's initial and supplementary document request list(s) by the date requested.

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

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

E. Ensure appropriate senior-level staff are available for the orientation and exit meetings.

F. Facilitate access to requested board members, officers and staff for interviews.

G. Facilitate access to requested information and facilities to include, but not be limited to, files, sites, classrooms and operational areas for observation.

H. Review a draft of the report and return it to FCMAT by the date FCMAT requests with any comments regarding the accuracy of the report's data or the practicability of its recommendations. The Team will review this feedback in a timely manner and make any adjustments it deems necessary before issuing the final report.

I. Return the requested evaluation survey to FCMAT as described below.

6. PROJECT SCHEDULE

Time is of the essence. The Parties acknowledge that the goal of the scope and objectives of the study under this Agreement is to produce a timely and thorough report that adds value for the Client. To accomplish this goal, the Parties agree to communicate and mutually agree to honor established time commitments. These commitments include the Client providing requested documents, setting and keeping interview appointments and returning comments on the draft report consistent with the established project schedule.

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

ACTION	TIMELINE
FCMAT provides the Client with a draft Agreement.	Draft Agreements are usually provided within 20 business days of the Client's initial request for services.
Client returns partially executed Agreement to FCMAT along with the applicable organizational chart and the name and email of the 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: Dr. Deneen Guss, County Superintendent

Telephone: (831) 755-0300

Email: superintendent@montereycoe.org

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:

for: Aileen Stanley 5/29/24

Dr. Deneen Guss, County Superintendent
Monterey County Office of Education

Date

For FCMAT:

Michael H. Fine

Digitally signed by Michael H. Fine
Date: 2024.05.30 11:08:08 -07'00'

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

Date

V01092024

8