

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Annual Review

April 1, 2024

Budget

Amount		Additional Income	
4,500	Details	Month	Amount
2,500	Mid Year Bonus	June	2
	Year End Bonus	December	3,0
		January	5,00

Planned Expenses	
Expenditure	Month
November vacation	November
Home for the holidays	December
Gifts for family	December
Family vacation	July
	January
	January
	January
	January

Annual Budget by Month		
April	May	June
9,915	13,220	16,
20	7,000	7
	0	

Monterey County Office of Education

Michael H. Fine
Chief Executive Officer

April 1, 2024

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

Dear Superintendent Guss:

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

Conduct 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, and make recommendations for improvement, if any.

This report contains FCMAT's findings and recommendations from the third 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

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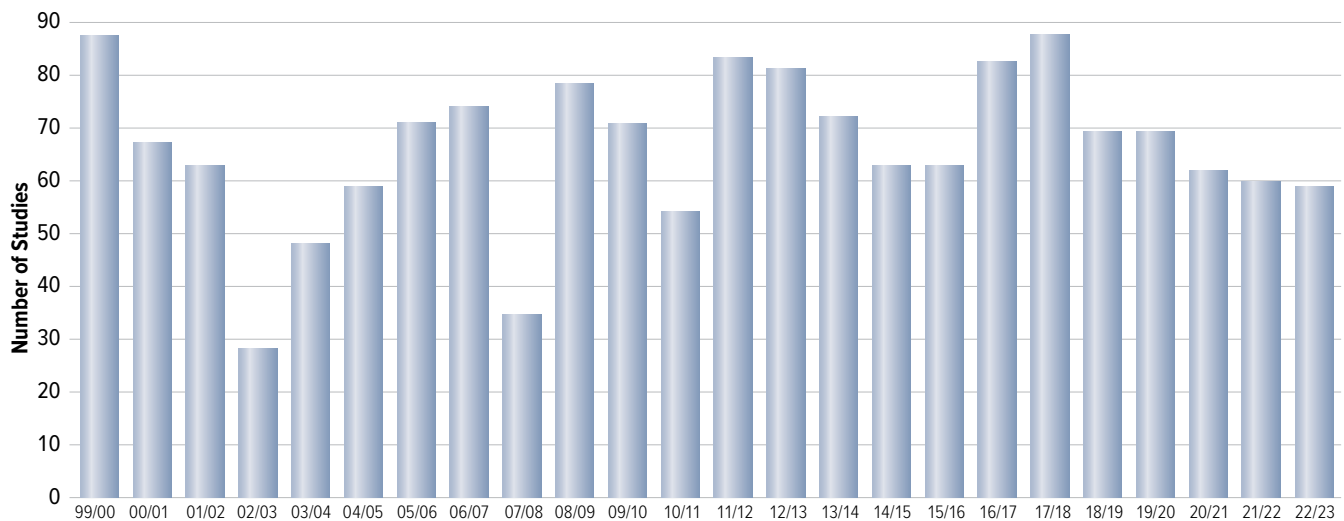
About FCMAT

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

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

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

Studies by Fiscal Year



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

FCMAT was created by Assembly Bill (AB) 1200 in 1991 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. AB 1115 in 1999 codified CSIS' mission.

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

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

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

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

Introduction

Background

On July 22, 2009, Senate Bill 130 (Chapter 20, Statutes of 2009) was signed into law, authorizing the appointment of a state administrator and providing a \$13 million emergency state loan or line of credit to the King City Joint Union High School District (later renamed the South Monterey County Joint Union High School District). This insolvency occurred after several years of financial struggles that were punctuated by significant issues related primarily to collective bargaining. At the core of the district's struggles was a difference in interpretation regarding a signed and approved collective bargaining agreement that was negotiated in 2007. After a series of attempts to solve the dispute, the case was forwarded to the Public Employee Relations Board (PERB) to adjudicate. As a result of PERB's final decision, the district found itself in severe financial distress, which eventually led to fiscal insolvency. Had the PERB decision not reversed the district's position on the collective bargaining issue, the district might have remained solvent, although the county office of education had communicated fiscal issues and concerns related to the cost of total compensation for all staff prior to the declaration of insolvency.

In September 2018, Assembly Bill (AB) 1840 (Chapter 426, Statutes of 2018) was signed into law, making a significant change in how insolvent school districts are administered after they receive a state emergency appropriation. As part of that legislation, California Education Code (EC) 41326(l) was amended to give the Fiscal Crisis and Management Assistance Team (FCMAT) the responsibility of reviewing the fiscal oversight performed by the county superintendent of schools for any district receiving an emergency apportionment. FCMAT is required to report its findings to the Legislature and provide a copy of that report to the Department of Finance, the superintendent of public instruction (SPI), and the president of the State Board of Education (SBE). This report is required to include findings regarding fiscal oversight actions that were or were not taken and may include recommendations for an appropriate legislative response to improve the fiscal oversight of school districts.

In the years following the initial 2020 FCMAT report of fiscal oversight performed by the county superintendent of schools, FCMAT will perform annual reviews until the district exits receivership. These reviews will assess the effectiveness of the county superintendent's involvement with the district during the course of their normal oversight responsibilities.

County Office Evaluation Guidelines

FCMAT entered into a study agreement with the Monterey County Superintendent of Schools on January 11, 2024 for the third annual evaluation required by EC 41326(l). A study team visited the county office on February 8, 2024 to conduct interviews, collect data and review documents. Following fieldwork, the study team continued to review and analyze documents. This report is the result of those activities and actions related to the annual 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, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon, and capitalizes relatively few terms.

Study Team

The team was composed of the following members:

Michelle Giacomini
FCMAT Deputy Executive Officer

Nicolas Schweizer
FCMAT Consultant

Misty Key
FCMAT Consultant

Sheldon Smith
FCMAT Consultant

Leonel Martínez
FCMAT Technical Writer

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

County Office Evaluation Tool

FCMAT has developed the County Office Evaluation Tool (COET) for the initial and annual evaluations to help assess the effectiveness of a county superintendent of schools' fiscal oversight and support of school districts that have received an emergency apportionment.

The annually administered COET includes 12 questions and is intended to satisfy the requirements of EC 41326(l) regarding review and assessment of the county superintendent of schools' fiscal oversight and support for a school district's recovery. The tool focuses on the status of the district's recovery, the continuing implementation of the long-range recovery plan (LRRP), the role of the county administrator or county trustee, the multiyear financial projection, and on how the county superintendent of schools is addressing elements that received an answer of "No" in the initial evaluation. FCMAT used the annual COET during interviews with multiple staff from both the district and the county superintendent's office, and with the county trustee.

The COET identifies the key review elements performed by the county superintendent in their fiscal oversight and support of the district, and their ability to communicate effectively with the county 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 this report as a narrative, with recommendations noted as appropriate. In addition, the team addressed questions related to the overall implementation of EC 41326(l) and made recommendations to support that process, including the county trustee's specific roles and responsibilities.

The county superintendent of schools' objective, supported by the county trustee and other components of a recovery team (FCMAT, the California Department of Education and the SBE), is to facilitate the district's full recovery and address the major elements of the district's LRRP so that it can govern independently, maintain solvency, and effectively support the education of all students.

Summary

The Monterey County Superintendent of Schools provides fiscal oversight to all the county's school districts as a result of various statutes including EC 1240(b) and 42120 and following.

During the initial EC 41326(l) evaluation in 2020, FCMAT assessed the county superintendent of schools' involvement with the district during its normal oversight responsibilities and specifically during the period that led to the district's declaration of insolvency and beyond, up to and including the date of the evaluation. To do so, FCMAT reviewed documents prepared by the county superintendent's staff, asked a series of questions relating to the time leading up to the insolvency, and reviewed the county superintendent's oversight practices.

The annual evaluation focuses on the status of the district's recovery, whether the district has made progress since the last review, and how effectively the county superintendent supports the district's staff, board, and county trustee in that process. In addition, the annual evaluation reviews any area from the initial review that is listed as a "No" on the tool and determines if those issues continue to be addressed.

The county superintendent of schools continues to be effective in supporting the district's full recovery within the guidelines in the Education Code and the findings and recommendations in the LRRP. The outstanding standards from the initial February 2010 comprehensive review and recovery of the five operational areas have been converted to the latest SBE-approved standards, a time-intensive exercise that has allowed the county superintendent, county trustee and school district to further collaborate and work toward the district's recovery. The county superintendent continues to require the district to perform a self-evaluation. The county superintendent's office has developed a spreadsheet that the district must complete for each area of the comprehensive review, itemizing the actions district staff have taken and providing evidence to demonstrate progress.

In addition to its normal oversight responsibilities and duty to oversee the district's implementation of the LRRP, the county superintendent of schools continues to assign county office staff members to each of their district counterparts for additional support, organized around the five comprehensive plan areas. There is significant communication between the district and the county superintendent of schools, which provides direction to the district while monitoring its progress.

FCMAT found that communication among the county superintendent of schools, county office staff and county trustee in the current model of oversight was timely and consistent with a focus on district recovery.

Concerns remain about providing programs and services for students at the expense of a conservative budget mindset. The district has had three different superintendents in the past three years, creating an unstable environment that has since been mitigated with the hiring of a permanent superintendent, causing a lack of progress on increasing student academic achievement and creating a leadership void. This results in inadequate support to meet the needs of all students. Because the indicators of student performance continue to demonstrate a need for improvement, the county superintendent of schools should continue to ensure that the district focuses on increasing services to students while maintaining a balanced budget, and that it invests in the multiple leadership positions that lead its instructional programs and increase student achievement.

The following section of this report focuses on the team's implementation of the annual COET, including general findings and, in some cases, recommendations for improvement. All the questions are listed below, each followed by a narrative. If a deficiency in an area is material, it is noted in the narrative.

Findings

1. **Was the Long-Range Recovery Plan (LRRP) developed by the administrator within the statutory timelines? Alternatively, has the county office of education (COE) adopted the FCMAT comprehensive review in lieu of the LRRP? Have the plans been consistently updated by the trustee and/or COE?**

The district uses the FCMAT comprehensive review in lieu of an LRRP.

Since FCMAT's last visit, the county trustee has been working with the district during its transition from the approved standards first used during the district's comprehensive review in February 2010 to the latest standards approved by the SBE on March 2019. These updated standards align with those applicable to districts that would enter receivership at the current time. This conversion has enabled the current district team to identify areas in need of immediate attention. The process has also highlighted that district staff rate district progress higher than county superintendent staff and the county trustee across the five comprehensive review operational areas (community relations and governance, personnel management, pupil achievement, financial management, and facilities management). The variations in ratings have acted as a vehicle for meaningful discussions and guidance between the county trustee, the district and the county superintendent.

2. **What role has the COE played in supporting the district with the Long-Range Recovery Plan?**

The county superintendent continues to actively support the district as evidenced in the previous annual report, engendering engagement and communication within the school district. The superintendent does so by providing staff to the district, monitoring progress through updates from the county trustee, receiving operational interactions, and having her staff collaborate directly with the district.

Interviews indicated a strong sense of support and collaboration between the district, the county superintendent's team and the county trustee. The district's intention to use more services offered by the county superintendent, rather than seeking external providers, underscores the mutual respect and partnership between the district and the county superintendent.

In addition, there is evidence of the focused effort by the county superintendent and the county trustee over the past year to guide the district in implementing robust processes aimed at improving governance, hiring practices, leadership, and implementation of services for students. The district governing board has empowered the new district superintendent to lead the district, prioritize student needs and increase student outcomes, which signifies a significant shift in the district's approach.

The upcoming introduction of a new district logo and rebranding, emphasizing the principle of "students come first," further highlights this commitment to student-centric initiatives. The county superintendent has played a crucial role in fostering this new focus and promoting change within the district.

3. What process has the COE used to monitor the progress of implementing the LRRP or the FCMAT comprehensive review for the district?

Regular, ongoing communication between the district, county trustee and the county superintendent of schools continues; updates are shared, next steps are discussed, direction is provided, and progress is monitored. Ongoing communication includes monthly meetings between the county superintendent of schools and key county office and district staff, as well as additional meetings between the county trustee and the district superintendent. The various meetings, as well as the ongoing communication, show that the county superintendent has implemented processes that support the use of the most recent comprehensive review as a measuring tool and guidance mechanism.

The county superintendent maintains the requirement to conduct an annual self-assessment using the spreadsheets developed by the county superintendent's office for each area of the comprehensive review. The spreadsheets help the district document evidence and actions it has taken to demonstrate progress since the last review. The process has created substantial discussions between the district, county superintendent, and county trustee.

4. What role has the trustee played in maintaining the financial recovery plan in cooperation with the COE?

The county trustee continues to assess the needs in all five operational areas of the comprehensive review, monitor all district operations, and support the continuing focus on long-term recovery. The county trustee remains in close communication with the county superintendent and the new district superintendent.

The county trustee completed FCMAT's Fiscal Health Risk Analysis (FHRA) tool since the last annual report and is continuing to use the tool to assess the district's fiscal status on an ongoing basis. The county superintendent, the district and the county trustee should all use this tool independently and then compare the results to ensure alignment of the district's financial risk.

The trustee could play a key role in the 2024-25 labor negotiations as the district has a history of adversarial bargaining, with miscommunication, labor unrest, and governance challenges. Subsequently, it is critical that any salary increase still leaves adequate funds to make scheduled payments to pay off the state loan by October 2028. The county trustee will play a pivotal role working with the county superintendent, district administration, the district board, and the district's legal counsel to guide the negotiating parties to an agreement that conforms to AB 1200 fiscal solvency requirements.

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

As of the 2023-24 first interim, the district is deficit spending by \$11,572,906 in the current year, which includes transfers to other funds of \$7,155,555. Deficit spending is reduced to \$2,060,445 in 2024-25 and to \$114,330 in 2025-26. The district maintains a reserve for economic uncertainties of 10% of general fund expenditures in the current and two subsequent years, exceeding the minimum requirement of 3%. Additionally, there are fund designations for items such as supplemental and concentration funds, academic achievement, capital projects, major maintenance and technology infrastructure.

The district has a positive financial certification. As part of its fiscal oversight responsibilities, the county superintendent monitors fund balance levels to ensure full support for student services and make certain that the district is aligning with its goals, objectives, and actions outlined in its Local Control and Accountability Plan (LCAP) to enhance student outcomes and achievement.

The district is projecting average daily attendance (ADA) growth from pre-COVID levels because of students returning to the district from charter schools. Predictable ADA growth will help the district address the slower Proposition 98 growth in the coming years.

6. What process does the COE use to assess cash flow?

The county superintendent has an ongoing process for analyzing and monitoring the district's cash by month, as well as for budget, interim and unaudited financial reports. Each month, the county superintendent's staff reviews posted transactions and upcoming cash needs to ensure adequate cash flow for all districts. The county superintendent's staff also review the cash report daily.

Given the district's fund balance, cash flow is not an issue, even with current deficit spending.

7. Has the COE fulfilled all of the statutory requirements for fiscal oversight in accordance with all applicable sections of the Education Code?

The county superintendent of schools has fulfilled statutory requirements for fiscal oversight in accordance with applicable Education Code provisions. The county superintendent has a well-established process and system for fiscal oversight of the district, as evidenced by documents and interviews, and has demonstrated a good understanding of the district's underlying issues.

8. Has the COE performed timely evaluations of the trustee?

The county superintendent evaluated the county trustee in December 2023 and highlighted accomplishments from the previous year, as well as growth areas for 2024.

9. Is the trustee present at board meetings and closed sessions? Has the trustee used stay or rescind authority and, if so, regarding what issue?

The county trustee is present at all board meetings and closed sessions.

The county trustee has a good working relationship with the district board, district administration, and county superintendent. Consequently, the county trustee can provide direction and insight early in the decision-making process, so issues do not arise that require the use of stay or rescind authority.

Stay or rescind authority is typically used when either the district's board or its staff has not cooperated with the county trustee's direction or has approved actions that are not in the district's operational or fiscal best interests. The county trustee has not used stay or rescind authority, which indicates that the county trustee is effective, and that the district's board and superintendent have a desire to exit from receivership.

10. What is the status of the district's recovery?

The district has hired two qualified and experienced leaders since FCMAT's last report (the superintendent and the assistant superintendent of instruction), addressing a previous deficiency in strong leadership. An experienced chief business official was already in place,

and the county superintendent has provided strong support. The district's financial and personnel management processes are strong and continue to evolve, the district is solvent, and governance appears healthy.

Under the direction of the new district leadership, the potential for the district's recovery increases significantly. During interviews, it was evident that there is a focus on student achievement that was not present during past visits. The following district goals were also shared:

Goal 1: Improve, monitor and sustain student achievement.

Goal 2: Improve school climate in support of teaching, learning, and student safety.

Goal 5: Ensure compliance with education codes, board policies, and administrative regulations.

The county superintendent of schools has effectively structured district oversight in the five interrelated areas that caused the receivership and has also fostered open communication with the district in each of these areas. The district continues to be well positioned financially, exceeding minimum requirements with healthy fund balances and reserves. With established processes for revenue projections, ADA, and expenditure forecasts in place, the district's fiscal health should remain healthy and strong if its governing board continues to follow the chief business official's recommendations regarding fiscal matters and collective bargaining affordability.

The district has invested in strong district leadership. There is now a balance between the board and the superintendent so the board can now devote its energies to effective governance rather than addressing leadership deficiencies.

Supported by stable fiscal management, governance, and leadership, the district is progressing along the path to recovery.

The district's final payment on the I-Bank loan is due in October 2028.

- 11. On or before October 31, has the governing board of the school district prepared a report on the financial condition of the school district, which the trustee has reviewed, and the county superintendent of schools has subsequently received a copy of? (Education Code Section 41321).**

On October 6, 2023, the district prepared the annual report on its financial condition. The county trustee reviewed this document, and the county superintendent of schools received a copy. The document can be found in [Appendix C](#) of this report.

- 12. How has the county office addressed elements in the initial review that were designated as a "No" and included in the final report?**

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

Conclusions and Recommendations

The Monterey County Superintendent of Schools is leading a focused effort to support the district in achieving long-term financial solvency, has cultivated and fostered the relationships and trust required for changing behavior, has overseen the district's actions as it has approved and implemented policy and procedural changes, and has brought an optimistic outlook to the oversight process.

A process has been clearly articulated for the district to monitor and support implementation of actions to address deficiencies identified in the comprehensive review. The district's financial condition has remained sound. It has filled the superintendent position, which had high turnover. It is critical to maintain consistency in leadership to remain fiscally solvent, improve academic achievement, and many other crucial reasons.

Because of this, the county superintendent of schools should:

1. Continue to implement its process to support and monitor the district's implementation of the comprehensive review.
2. Continue to focus the district on improving student achievement.
3. Request that both the district and the county trustee complete the FHRA annually and compare the results to ensure alignment of the district's financial risk.
4. Request that the county trustee report the district's progress toward implementing the outstanding findings and recommendations in the comprehensive review to the county superintendent and other interested parties at least annually.

The next annual review will assess progress toward these goals.

The status of last year's recommendations includes:

- | | |
|--|-----------------|
| 1. Continue to implement its process to support and monitor the district's implementation of the comprehensive review. | Ongoing |
| 2. Focus the district on improving pupil achievement. | Ongoing |
| 3. Support the district in its process to recruit, hire and retain a qualified permanent superintendent. | Complete |
| 4. Encourage the district to invest in multiple instructional leaders: one to oversee policy and governance and others to manage instructional practices, improve student academic achievement, and increase positive outcomes for students. | Complete |
| 5. Request that the trustee report the district's progress toward implementing the outstanding findings and recommendations in the comprehensive review to the county superintendent and other interested parties at least annually. | Ongoing |
| 6. Request that the trustee use FCMAT's FHRA tool to guide his work with the district. | Ongoing |

The transition from state to county administration as a result of AB 1840 has resulted in a stronger school district that is progressing through the steps that lead to full recovery. In part, the purpose of these annual evaluations is to clarify the roles and responsibilities of all involved education partners so that they can assist and support district recovery. This report attempts to assess the district's recovery status and the essential support provided by the county superintendent of school's office and establish a baseline for the next annual report, which will occur approximately one year from the publication of this report.

Appendices

A: Trustee Roles and Responsibilities

B: Study Agreement

C: Annual Report on the Financial Condition

Appendix A: Trustee Roles and Responsibilities



Trustee

Roles and Responsibilities

Acceptance by a district of an emergency state apportionment made pursuant to Section 41320 constitutes an agreement by the district that a trustee will be appointed to ensure the district's fiscal recovery and solvency per Education Code Section 41320.1. The trustee shall be appointed jointly by the county superintendent, the Superintendent of Public Instruction (SPI), and the president of the State Board of Education. The trustee should have recognized expertise in management and finance, shall report directly to the county superintendent, and shall serve until the district has adequate fiscal systems and controls in place and the SPI has determined that the district's future compliance with the fiscal plan approved for the district pursuant to Section 41320 is probable.

The trustee shall monitor and review the operations of the district, and shall perform the following functions:

1. Serve in a fiscal oversight capacity until the district has adequate fiscal systems and controls in place, and future compliance with the approved recovery plan is probable.
2. Provide advice and make recommendations to district staff and governing board members regarding budgetary, fiscal, or other issues that may affect the financial condition of the district.
3. Attend all meetings of the governing board and review all governing board materials prior to each board meeting to determine if any items or intended action will have a negative fiscal impact on the district's financial condition.
4. Stay or rescind an action of the governing board of the district or of the personnel commission where, in the judgment of the trustee, the action may adversely affect the financial condition of the district or be contrary to the district's approved recovery plan.
5. Notify the county superintendent of schools when a stay or rescind of a governing board decision is made. The county superintendent then shall notify the Superintendent and the president of the state board or his or her designee within five business days.
6. Monitor the financial projections and cash balances of all district funds for the current and two subsequent fiscal years, and, if necessary, assist district staff in preparing these projections.
7. Monitor all collective bargaining activity and review all proposals being considered, including the resulting fiscal impact.

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8. Regularly meet with the district superintendent and chief business officer to obtain updates on the district's efforts to reduce expenditures or enhance revenues.
9. Assist the county superintendent with establishing timelines and prescribing formats for reports and other materials to be used to monitor and review the operations of the district.
10. Communicate openly and timely with the county superintendent, district staff, governing board, and community, and promptly inform the county superintendent of critical issues or incidents.
11. Review and approve the district's required annual report of the financial condition of the district, including 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, to ensure the revisions are consistent with the district's needs and recovery plan.
 - (2) 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.
12. Using the Fiscal Crisis and Management Assistance Team's (FCMAT's) Fiscal Health Risk Analysis, annually evaluate the district's risk of insolvency in the current and two subsequent fiscal years and communicate findings to the county superintendent.
13. Determine, with concurrence from the county superintendent and SPI, that future compliance by the district with the approved recovery plan is probable so that the district can meet its future financial obligations.
14. Provide regular updates to the county superintendent regarding the progress of the district toward fiscal stability.
15. Consult with, and seek recommendations from, the county superintendent, the SPI, and FCMAT in ensuring the fiscal recovery and solvency of the district.
16. With approval from the county superintendent, the SPI, and the president of the state board, retain the authority and responsibilities of an administrator, as set forth in Education Code Section 41325.
17. Assist in related matters as needed regarding the district's fiscal recovery and solvency, in accordance with Education Code Sections 41320.1, 41321, and 41322.
18. Review the financial and budgetary conditions of the district, including an analysis of internal controls, and determine if it may be unable to meet its financial obligations for the current or two subsequent fiscal years, or should receive a qualified or negative interim financial certification.
19. Meet with appropriate district staff, as needed, to assess fiscal health, organizational structure and staffing, effectiveness of internal controls, and other related concerns.

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20. Consult with the governing board on fiscal and budgetary matters, facilities projects, debt obligations and other operational areas, as needed.
21. Provide recommendations for improvements in district processes related to the budget, including position control, areas for cost containment, reducing unrestricted contributions from the general fund, etc.
22. Confirm that the district conducts its business operations in compliance with statutory requirements and within acceptable legal and professional standards.
23. Advise county superintendent regarding potential action to improve or protect the fiscal solvency of the district.
24. Provide additional support, technical assistance, professional learning, and advice outlined in the five operational areas defined by Education Code Section 41327.1 in the Long Range Recovery Plan (LRRP). Focus on assisting the district in addressing recommendations identified in the LRRP to support maintaining future solvency, organizational effectiveness and recovery. Report annually to the county superintendent regarding the progress made by the district in implementing LRRP.

Related Education Code Sections: 41320, 41320.1, 41322

1/17/2022

Appendix B: Study Agreement



FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT FOR COE EVALUATION

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 Office of Education, hereinafter referred to as the Client; collectively, FCMAT and Client are hereinafter referred to as the Parties. This Agreement shall become effective from the date of execution hereof by FCMAT.

1. BASIS OF AGREEMENT

FCMAT provides a variety of services to local education agencies (LEAs) as authorized by Education Code (EC) 42127.8(d) and 84041. In accordance with state budget act provisions and Education Code Section 41326(1), FCMAT will study the Client's fiscal oversight specific to the South Monterey County Joint Union High School District receiving an emergency apportionment. FCMAT is required to report its findings to the Legislature and to provide a copy of the report to the Department of Finance, the superintendent of public instruction, and the president of the State Board of Education.

FCMAT will assign professionals to conduct the study. 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

Conduct 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, 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 Public Safety Considerations outlined in Section 13 below.

3. Exit Meeting

The Team will hold an exit meeting at the conclusion of the fieldwork to inform the Client of the status of the study. The exit meeting will include a review of the scope of work, outstanding items, including documents, data and interviews not yet received or held, and the estimated timeline for a draft report. The meeting will not memorialize details regarding findings because the Team's conclusions may change after a complete analysis is finished. Exceptions to this will be findings of immediate health and safety concerns for students or staff, and other time-sensitive items that include the potential for risk or exposure to loss.

4. Exit Letter

Approximately five business days after the exit meeting, the Team will issue an exit letter briefly memorializing the topics discussed in the exit meeting.

5. Draft Report

An electronic copy of a preliminary draft report will be delivered to the Client's point of contact identified below for review and comment.

6. Final Report

An electronic copy of the final report will be delivered to the Client's point of contact and to the Client's county superintendent of schools following completion of the study. FCMAT's work products are public and all final reports are published on the FCMAT website.

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

Pursuant to the state budget act, costs for the study will be covered by a specific state appropriation for this purpose. FCMAT will not charge the Client for any costs.

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. This goal is especially important given that the Client has experienced an event described under Basis of Agreement that may indicate fiscal distress. 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 Client with a draft Agreement.	Draft Agreements are usually provided within 20 business days of the Client's triggered event.
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 five business days of the Client's receipt of the FCMAT document and data request list.
Fieldwork	Mutually agreed upon; usually, to commence within five business days of FCMAT's receipt of requested documents and data.
Orientation meeting	First day of fieldwork
Exit meeting	Last day of fieldwork
Follow up fieldwork, if needed (e.g., rescheduled interview, additional 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 four weeks of the conclusion of fieldwork and receipt of all documents and data requested.
Client comments on draft report	Within five 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, and assignments from the state, and higher priority assignments due to fiscal distress. The Team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the Client and any other related parties from which, in the Team's judgment, it must obtain information. Once the Team has completed its fieldwork, it will proceed to prepare a report. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a final report once fieldwork has been completed.

FCMAT may terminate this Agreement at any time if the Client fails to cooperate with the requested project schedule, provide requested documents and data and/or make staff available for interviews as requested by FCMAT. If FCMAT terminates the Agreement, FCMAT will issue a management letter in lieu of the final report explaining the reasons why FCMAT terminated the Agreement and reporting on any elements for which data was collected and a conclusion could be reached.

8. INDEPENDENT CONTRACTOR

FCMAT is an independent contractor and is not an employee or engaged in any manner with the Client. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the Client in any manner without prior express written authorization from an officer of the Client.

9. RECORDS

The Client understands and agrees that FCMAT is a state agency and all FCMAT reports are public records and are published on the FCMAT website. Supporting documents and data in FCMAT's possession may also be public records and will be made available in accordance with the provisions of the California Public Records Act.

FCMAT has a records retention policy and practice, and every effort will be made to maintain records related to this Agreement in accordance with this policy.

10. CONTACT WITH PUPILS

Pursuant to EC 45125.1, representatives of FCMAT will have limited contact with pupils. The Client shall take appropriate steps to comply with EC 45125.1.

11. INSURANCE

During the term of this Agreement, FCMAT shall maintain liability insurance of not less than \$1 million unless otherwise agreed upon in writing by the Client, automobile liability insurance in the amount required by California state law, and workers' compensation as required by California state law. Upon the request of the Client and receipt of the signed Agreement, FCMAT shall provide certificates of insurance 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, final report or making 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

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:



1-4-24

Dr. Deneen Guss
County Superintendent of Schools, Monterey COE

Date

For FCMAT:

Michael Fine

Digitally signed by
Michael Fine
Date: 2024.01.11
09:10:52 -08'00'

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

Date

Appendix C: Annual Report on the Fiscal Condition



SOUTH MONTEREY COUNTY JOINT UNION HIGH SCHOOL DISTRICT

Committed to Excellence

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October 6, 2023

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 shall prepare a report on the financial condition of the school district.

(a) 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.

The comprehensive Annual Report of the South Monterey County Joint Union High School District for the fiscal year ended June 30, 2023 is presented to you which represents the financial plan for the district for the school year 2022-23.

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2022/23 Adopted Budget

In accordance with the provisions of Education Code Section 42127, the Monterey County Office of Education (MCOE) has performed an in-depth analysis of the 2022-23 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 September 13, 2022, the District received a letter from Monterey County Office of Education determining the District's budget complies and MCOE approved the District's budget (Attachment 1).

General Fund Components

The majority of the District's revenue is Local Control Funding Formula (LCFF) which is based on Average Daily Attendance. We use the FCMAT LCFF Calculator to prepare our projections. For the 2022/23 fiscal year, the LCFF revenue was increased by 13.26% which included a 6.56% cost-of-living adjustment (COLA) and 6.70% Augmentation. The total overall revenues increased by \$6.6M or 13% over 2021/22.

General Fund Revenue Components

Description	Unrestricted	Restricted	Combined
1) LCFF Sources	40,723,134.01	0.00	40,723,134.01
2) Federal Revenue	1,921.78	3,236,301.27	3,238,223.05
3) Other State Revenue	798,875.96	7,996,508.00	8,795,383.96
4) Other Local Revenue	1,437,683.29	2,406,105.60	3,843,788.89
5) TOTAL, REVENUES	42,961,615.04	13,638,914.87	56,600,529.91

Enrollment/Attendance

Over the past several years, the district has consistently witnessed annual growth in enrollment. In the 2022/23 academic year, enrollment reached 2,762 students, with an average daily attendance (ADA) of 2,531.31, representing 92% of the enrollment figure. The district

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benefited from the ADA Loss Mitigation, which established an attendance yield adjustment using the 2021-22 enrollment multiplied by the attendance yield for 2019/20. Because this ADA from the attendance yield calculation was greater than the actual ADA for 2022/23, we were able to fall back on the higher ADA of 2,589.13.

We are projecting a significantly lower ADA in 2023/24 due to lower enrollment and using the prior year's ADA in 2022/23. While our funding will be impacted, we are able to maintain a balanced budget. The 2023/24 Adopted Budget can be found on our website at <https://4.files.edl.io/e1fe/06/29/23/183952-46e95766-acc2-438e-9c89-0b17e162c61d.pdf>. Attached is the letter from MCOE approving the District's 2023/24 (Attachment 2) budget.

Expenditures

The unrestricted general fund expenditures for materials and supplies increased by 19% over 2021/22. This was primarily due to increased costs in utilities. Gas went by 72%, water 25% and garbage 43%. Categorical or restricted expenditures fluctuated depending on funding. This district spends 73% of the budget (less capital expenditures) on salaries and benefits. Expenditures for special education are 12% of the overall budget, this is high. The primary cause is due to having two administrative FTEs. The district reduced one FTE in 2023/24.

Operating Expenditure Components

Description	Unrestricted	Restricted	Combined
1) Certificated Salaries	12,699,124.90	2,918,224.84	15,617,349.74
2) Classified Salaries	3,862,788.57	1,817,900.62	5,680,689.19
3) Employee Benefits	6,664,976.81	3,529,958.56	10,194,935.37
4) Books and Supplies	2,894,222.83	1,115,680.54	4,009,903.37
5) Services and Other Operating Expenditures	3,541,766.48	2,442,335.00	5,984,101.48
6) Capital Outlay	1,781,925.02	1,123,832.87	2,905,757.89
7) Other Outgo (excluding Transfers of Indirect Costs)	1,352,591.82	309,330.43	1,661,922.25
8) Other Outgo - Transfers of Indirect Costs	(223,408.52)	177,628.96	(45,779.56)
9) TOTAL, EXPENDITURES	32,573,987.91	13,434,891.82	46,008,879.73

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Deficit Spending

The letter regarding the 2022/23 Adopted Budget from the County Office of Education addresses overall deficits of (\$277,561) in 2022/23, (\$1,550,315) in 2023/24, and (\$110,914) in 2024/25. In all three years, we have budgeted for other outgo in Fund 01 to set-a-side funds for capital projects. The amounts budgeted were \$2,387,820.05 for 2022/23, \$3,553,009.25 for 2023/24 and \$1,399,460.50 for 2024/25. These amounts exceed the deficits and are not for operational or ongoing expenditures. For all three years, the district maintains a balanced budget.

Reserves

At the close of 2022/23, the Board committed funds to academic achievement, capital projects, major maintenance, and technology infrastructure. In Fund 01, all of the components of the ending fund balance are committed or assigned. We have \$4.6M designated for which is a 10% reserve for economic uncertainties in Fund 17. For the two subsequent years, we continue to maintain 10% of the general fund expenditures as a reserve for economic uncertainties. Attached is 10C. Calculating the District's Available Reserve Amount from Criteria & Standard, 2022/23 2nd Interim Financial Report (Attachment 5)

Status of Employee Contracts

When the 2022/23 budget was adopted, we were still in contract negotiations. Shortly thereafter, we reached negotiated agreements that include salary and benefit increases for CTA and CSEA bargaining units and Administrative/Classified Management through 2024/25. These increases are included in our multi-year projections. Letters from the County Office of Education reviewing our Public Disclosures for the represented groups are attached (Attachment 3 and 4).

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

The district did not take specific actions to reduce expenditures or increase income except in special education as stated in Expenditures. We have maintained a solid financial reserve for economic uncertainties. The budget includes funds to cover actions included in our Local Control Accountability Plan. For several years now, the district has avoided operating with a deficit, and our multi-year projections indicate a balanced financial outlook. Enclosed are our multi-year projections from the 2022/23 2nd Interim Projections report (Attachment 6).

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In order to maintain a balanced budget, we continuously review revenues and expenditures to take action when needed. Major areas of review are annual review expenditures for areas that could be improved or reduced; categorical revenues and expenditures to make sure not to encumber ongoing costs for one-time dollars; audit position control and class sizes for efficiencies; and audit attendance and work on strategies to improve attendance rates.

In an effort to improve pupil achievement, the board took action to commit funds for academic achievement. Actions planned to improve pupil achievement for the 2023/24 school year, were adding a 1.0 FTE Student Services Director and reclassifying the Director of Educational Services to an Assistant Superintendent.

Obstacles to the implementation of the adopted recovery plan

One of the district's greatest challenges lies in the stability of the district office staff. The instability of the district's office created an obstacle to the implementation of the adopted recovery plan due to a lack of leadership. Since 2021, the district superintendent's term has been for one year or less. Further adding to the challenge, the Director of Educational Services has not been filled with the same person for more than one year. In the later part of 2022/23, we had three interim superintendents.

During the 2022/23 academic year, the district's personnel collaborated with the Monterey County Office of Education and the department responsible for the adopted recovery plan's sections to assess the standards and recommended actions. Nevertheless, the actual execution of these measures depends on the district's staff. Acknowledging the importance of having a well-qualified superintendent who can provide stability for the district over an extended period, a search firm was enlisted to identify the right candidate. After an exhaustive search for a new superintendent, Dr. Caroline Cota, Ed.D., was selected by the Board and granted a three-year contract.

Respectfully submitted,

Sherrie S. Castellanos
Chief Business Official

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Attachment 1

Monterey County Office of Education 2022/23 Adopted Budget Review & Approval

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Monterey County Office of Education

Leadership, Support, and Service to Prepare All Students for Success

Dr. Deneen Guss
County Superintendent of Schools

September 13, 2022

David Gaboni, Board President
Tim Vanoli, Interim Superintendent
South Monterey County Joint Union High School District
800 Broadway St
King City, CA 93930

RE: 2022-23 Adopted Budget Review

Dear Board President Gaboni and Superintendent Vanoli:

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 2022-23 LCAP was approved as reflected in your September 9, 2022 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 2022-23 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 2022-23 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 (\$277,561) in 2022-23, which increases to (\$1,550,315) in 2023-24, and decreases to (\$110,914) for 2024-25. 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.

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

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District Reserves

The District's 2022-23 budget, as submitted, indicates available unrestricted reserves at \$4,476,851, which is equivalent to 9.98% of their Total General Fund Expenditures.

Salary and Benefit Negotiations

We note that 2022-23 negotiations with the **Certificated and Classified** bargaining unit(s) were not settled at the time the budget was adopted. To the extent that collective bargaining agreements result in additional ongoing costs, we advise you that such increased costs should be supported by additional ongoing revenues or ongoing reductions of expenditures. Further, the Criteria and Standards specify that upon settlement, the county office of education must provide the California Department of Education with an analysis of the cost of the settlement and its impact on the operating budget. The public disclosure documents prepared in compliance with *Government Code* Section 3547.5 can be used to satisfy this requirement. Please forward copies of your public disclosure to the County Office of Education at least 10 days prior to Board ratification of any collective bargaining agreement. AB 2756 requires that the Superintendent and the Chief Business Officer sign the collective bargaining disclosure form.

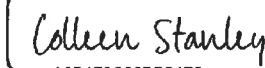
Concluding Remarks

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, 2022.

If you have any questions, please do not hesitate to contact me at (831) 755-0308.

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
Philip Davis, Senior Director, District Advisory Services, MCOE
Ricardo Estrada, Financial Analyst, MCOE

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Monterey County Office of Education

Leadership, Support, and Service to Prepare All Students for Success

Dr. Deneen Guss
County Superintendent of Schools

September 9, 2022

Mr. David Gaboni, Board President
Mr. Tim Vanoli, Interim Superintendent
South Monterey County Joint Union High School District
800 Broadway St.
King City, CA 93930

RE: 2022-2023 LCAP Review

Dear Interim Superintendent Vanoli 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 2022-2023.

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 2022-2023 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 22-23 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,

A handwritten signature in black ink that reads "Deneen Guss".

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

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Attachment 2

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

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King City, CA 93930
P. 831-385-4661



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 position 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,

A handwritten signature in black ink that reads "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 JOINT UNION HIGH SCHOOL DISTRICT
Committed to Excellence

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Attachment 3

Monterey County Office of Education Review Public Disclosure / South Monterey County Joint Union High School District – California Teachers Association

Greenfield High School
225 S. El. Camino Real
Greenfield, CA 93927
P. 831-674-2751

King City High School
720 Broadway Street
King City, CA 93930
P. 831-385-5461

Portola-Buñer High School
760 Broadway Street
King City, CA 93930
P. 831-385-4661

**Pinnacle Coastal Valley High
School**
760 Broadway Street
King City, CA 93930
P. 831-385-4661

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Monterey County Office of Education

Leadership, Support, and Service to Prepare All Students for Success

Dr. Deneen Guss
County Superintendent of Schools

June 9, 2022

Dr. Jordon L. Mulder, Interim Superintendent
South Monterey County Joint Union High School District
800 Broadway St
King City, CA 93930

RE: Public Disclosure / South Monterey County Joint Union High School District –
Teachers Association

Dear Interim Superintendent Mulder:

In accordance with AB 1200 and *Government Code* Section 3547.5, the Monterey County Superintendent of Schools Office has received a copy of the Disclosure of Collective Bargaining Agreement for the tentative agreement with the South Monterey County Joint Union High School District – Certificated Teachers Association for July 1, 2022 through June 30, 2025. The statute allows the County Superintendent of Schools to review and comment on the financial impact of the proposed agreement. In this review, we assess whether the proposed agreement will allow the District to meet its financial obligations in the current fiscal year and is consistent with the budget and financial planning that will enable the district to satisfy its multi-year financial commitments. Based upon the data presented, we offer the following comments:

1. The District shall increase the classified bargaining unit salary schedules as follows:
 - For the Fiscal Year 2022-23 by 3.3%.
 - For the Fiscal Year 2023-24 by 3.3%.
 - For the Fiscal Year 2024-25 by 4.4%.
2. The District will increase the health and welfare annual cap contributions:

Effective date	From	To	Increased
July 1, 2022	\$12,750	\$13,446	\$696
July 1, 2023	\$13,446	\$14,146	\$700
July 1, 2024	\$14,146	\$14,846	\$700

**Total cost to the District from July 1, 2022 through June 30, 2024
will be \$1,929,582.**

The purpose of our review is to determine whether this agreement will have a material impact on the financial condition of the District in the current and two subsequent fiscal years. Based upon the projections provided, the District should be able to meet its financial obligations in the current fiscal year and satisfy its multi-year financial commitments with the current set of assumptions.

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Salinas: 831.755.0300 Monterey: 831.373.2955 Fax: 831.755.6473

DocuSign Envelope ID: 6F053883-6A52-46EC-8C01-BC73A2D4F166

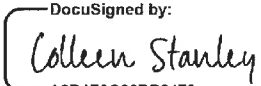
However, we note the following concern: The District is projecting an overall operating deficit of (\$9,488,057) for 2021-22, and is eliminated for 2022-23 and 2023-24. This negotiated agreement adds to the level of deficit spending, which further weakens the District's fiscal health in the current year and subsequent years.

If at any time during the fiscal year the County Superintendent of Schools determines that the school District may be unable to meet its financial obligations in the current or two subsequent fiscal years, the County Superintendent shall notify the District governing board of a "Lack of Going Concern" in writing in accordance with Education Code Section 42127.6 (a).

Within 45 days of the ratified settlement, our office should be provided a copy of the Board minutes that include the approval of this agreement, and corresponding Board-approved budget revisions needed to implement the agreement.

If my office can be of any assistance to the District, please feel free to contact me at (831) 755-0308.

Sincerely,

DocuSigned by:

A6B4F6C26DB2470...
Colleen Stanley Ed. D,
Chief Business Official
Finance and Business Services

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



SOUTH MONTEREY COUNTY JOINT UNION HIGH SCHOOL DISTRICT

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Attachment 4

Monterey County Office of Education Review Public Disclosure / South Monterey County Joint Union High School District – California School Employee Association (CSEA) Chapter 529

Greenfield High School
225 S. EL Camino Real
Greenfield, CA 93927
P. 831-674-2751

King City High School
720 Broadway Street
King City, CA 93930
P. 831-385-5461

Portola-Butler High School
760 Broadway Street
King City, CA 93930
P. 831-385-4661

Pinnacle Coastal Valley High School
760 Broadway Street
King City, CA 93930
P. 831-385-4661

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Monterey County Office of Education

Leadership, Support, and Service to Prepare All Students for Success

Dr. Deneen Guss
County Superintendent of Schools

September 26, 2022

Tim Vanoli, Interim Superintendent
South Monterey County Joint Union High School District
800 Broadway St
King City, CA 93930

RE: Public Disclosure / South Monterey County Joint Union High School District –
California School Employees Association (CSEA) Chapter 529

Dear Interim Superintendent Vanoli:

In accordance with AB 1200 and *Government Code* Section 3547.5, the Monterey County Superintendent of Schools Office has received a copy of the Disclosure of Collective Bargaining Agreement for the tentative agreement with the South Monterey County Joint Union High School District – California School Employees Association, Chapter 529 for July 1, 2022 through June 30, 2025. The statute allows the County Superintendent of Schools to review and comment on the financial impact of the proposed agreement. In this review, we assess whether the proposed agreement will allow the District to meet its financial obligations in the current fiscal year and is consistent with the budget and financial planning that will enable the district to satisfy its multi-year financial commitments. Based upon the data presented, we offer the following comments:

1. As of July 1, 2022, the District agrees to:
 - Increase the classified bargaining unit salary schedule by 10.0%. Retroactive pay will be paid no later than three regular pay periods or three months, whichever is longer.
 - Increase the stipend for Master's Degree from \$1,500 to \$1,600.
 - An additional longevity step of 14.415% after 22 years of service with the District.
2. As of July 1, 2023, the District agrees to:
 - The salary schedule will reflect and additional step across or Step 6.
3. The District's maximum contribution for full time employee health benefit premiums will be:

Effective date	From	To	Increased
July 1, 2022	\$12,500	\$13,446	\$696
July 1, 2023	\$13,446	\$14,146	\$700
July 1, 2024	\$14,146	\$14,846	\$700

**Total cost to the District from July 1, 2022 through June 30, 2025
will be \$913,826.**

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

DocuSign Envelope ID: B473DE27-C817-4733-B17D-D7FF7F31F7BE

The purpose of our review is to determine whether this agreement will have a material impact on the financial condition of the District in the current and two subsequent fiscal years. Based upon the projections provided, the District should be able to meet its financial obligations in the current fiscal year and satisfy its multi-year financial commitments with the current set of assumptions.

However, we note the following concern: The District is projecting an overall operating deficit of (\$9,488,057) for 2021-22, and is eliminated for 2022-23 and 2023-24. This negotiated agreement adds to the level of deficit spending, which further weakens the District's fiscal health in the current year and subsequent years.

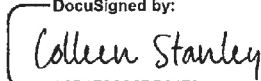
If at any time during the fiscal year the County Superintendent of Schools determines that the school District may be unable to meet its financial obligations in the current or two subsequent fiscal years, the County Superintendent shall notify the District governing board of a "Lack of Going Concern" in writing in accordance with Education Code Section 42127.6 (a).

Within 45 days of the ratified settlement, our office should be provided a copy of the Board minutes that include the approval of this agreement, and corresponding Board-approved budget revisions needed to implement the agreement.

If my office can be of any assistance to the District, please feel free to contact me at (831) 755-0308.

Sincerely,

DocuSigned by:



A6B4F6C26DB2470...

Colleen Stanley Ed.D,
Chief Business Official
Finance and Business Services

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



SOUTH MONTEREY COUNTY JOINT UNION HIGH SCHOOL DISTRICT

Committed to Excellence

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Attachment 5

2022/23 Second Interim Financial Report Criteria & Standards 10C. Calculating the District's Available Reserve

Greenfield High School
225 S. El Camino Real
Greenfield, CA 93927
P. 831-674-2751

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720 Broadway Street
King City, CA 93930
P. 831-385-5461

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P. 831-385-4661

**Pinnacle Coastal Valley High
School**
760 Broadway Street
King City, CA 93930
P. 831-385-4661

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	1st Subsequent Year	2nd Subsequent Year
	Projected Year Totals (2022-23)	(2023-24)	(2024-25)
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)	1,593,924.00	0.00	0.00
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 9792, 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)	4,727,586.99	4,633,195.30	4,738,890.90
7. Special Reserve Fund - Unassigned/Unappropriated Amount (Fund 17, Object 9790) (Form MYPI, Line E2c)	0.00	0.00	0.00
8. District's Available Reserve Amount (Lines C1 thru C7)	6,321,510.99	4,633,195.30	4,738,890.90
9. District's Available Reserve Percentage (Information only) (Line 8 divided by Section 10B, Line 3)	10.00%	10.00%	10.00%
District's Reserve Standard (Section 10B, Line 7):	1,896,453.47	1,389,956.69	1,421,667.27
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)



SOUTH MONTEREY COUNTY JOINT UNION HIGH SCHOOL DISTRICT

Committed to Excellence

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Attachment 6

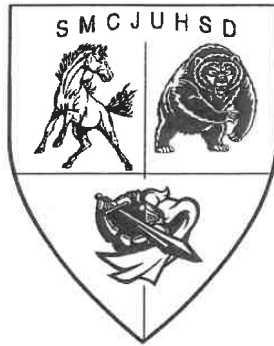
2022/23 Second Interim Financial Report Multiyear Projections

Greenfield High School
225 S. El Camino Real
Greenfield, CA 93927
P. 831-674-2751

King City High School
720 Broadway Street
King City, CA 93930
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760 Broadway Street
King City, CA 93930
P. 831-385-4661



2022/23 Second Interim Financial Report

Form MYPI Multiyear Projection Worksheet

Committed to Excellence

800 Broadway, King City, California

South Monterey County Joint Union High
Monterey County

2022-23 Second Interim
General Fund
Multiyear Projections
Unrestricted

27 86068 000000
Form MYPI
DS2DHYTYBU(2022-23)

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2023-24 Projection (C)	% Change (Cols. E-C/C) (D)	2024-25 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	40,712,323.00	4.65%	42,606,169.00	3.27%	43,998,342.00
2. Federal Revenues	8100-8299	0.00	0.00%		0.00%	
3. Other State Revenues	8300-8599	960,151.00	.81%	967,948.00	(.22%)	965,840.00
4. Other Local Revenues	8600-8799	812,933.50	(25.96%)	601,915.00	(.06%)	601,542.00
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	(4,543,042.60)	35.08%	(6,136,537.77)	4.88%	(6,436,238.06)
6. Total (Sum lines A1 thru A5c)		37,942,364.90	.26%	38,039,514.23	2.87%	39,129,485.94
B. EXPENDITURES AND OTHER FINANCING USES						
1. Certificated Salaries						
a. Base Salaries				13,431,992.45		13,852,993.45
b. Step & Column Adjustment				243,738.00		238,605.00
c. Cost-of-Living Adjustment				377,263.00		525,715.00
d. Other Adjustments				(100,000.00)		
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	13,431,992.45	3.86%	13,952,993.45	5.48%	14,717,313.45
2. Classified Salaries						
a. Base Salaries				3,980,546.46		4,141,929.46
b. Step & Column Adjustment				133,569.00		72,043.00
c. Cost-of-Living Adjustment				27,814.00		40,823.00
d. Other Adjustments						
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	3,980,546.46	4.05%	4,141,929.46	2.72%	4,254,795.46
3. Employee Benefits	3000-3999	7,156,273.80	8.64%	7,774,310.00	4.07%	8,091,065.00
4. Books and Supplies	4000-4999	3,839,208.31	(17.12%)	3,181,750.00	2.75%	3,269,249.00
5. Services and Other Operating Expenditures	5000-5999	4,278,293.66	(7.21%)	3,969,676.00	2.90%	4,084,796.00
6. Capital Outlay	6000-6999	1,800,142.27	(100.00%)	0.00	0.00%	0.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	1,388,443.82	2.62%	1,424,656.00	0.00%	1,424,856.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	(724,828.00)	(72.33%)	(200,564.00)	0.00%	(200,564.00)
9. Other Financing Uses						
a. Transfers Out	7600-7629	2,387,820.05	(100.00%)		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)		37,537,892.82	(8.77%)	34,244,950.91	4.08%	35,641,510.91
C. NET INCREASE (DECREASE) IN FUND BALANCE (Line A6 minus line B11)						
		404,472.08		3,794,563.32		3,487,975.03
D. FUND BALANCE						
1. Net Beginning Fund Balance (Form 011, line F1e)		10,458,029.06		10,862,501.14		14,657,064.46
2. Ending Fund Balance (Sum lines C and D1)		10,862,501.14		14,657,064.46		18,145,039.49
3. Components of Ending Fund Balance (Form 011)						
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	0.00				
d. Assigned	9780	9,252,577.14		14,651,064.46		18,139,039.49
e. Unassigned/Unappropriated						

South Monterey County Joint Union High
Monterey County

2022-23 Second Interim
General Fund
Multiyear Projections
Unrestricted

27 66068 0000000
Form MYPI
D82DHYTYBU(2022-23)

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2023-24 Projection (C)	% Change (Cols. E-C/C) (D)	2024-25 Projection (E)
1. Reserve for Economic Uncertainties	9789	1,593,924.00		0.00		0.00
2. Unassigned/Unappropriated	9790	0.00		0.00		0.00
1. Total Components of Ending Fund Balance (Line D3f must agree with line D2)		10,862,501.14		14,657,064.46		18,145,039.49
E. AVAILABLE RESERVES						
1. General Fund						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	1,593,924.00		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	4,727,586.99		4,633,195.30		4,738,890.90
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
3. Total Available Reserves (Sum lines E1a thru E2c)		6,321,510.99		4,633,195.30		4,738,890.90
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.						
We have included negotiated increases of 3.3% in 2023/24 and 4.4% for 2024/25 for certificated staff and classified management. We also included an additional step added to the classified salary schedule for the classified staff in 2023/24.						

South Monterey County Joint Union High
Monterey County

2022-23 Second Interim
General Fund
Multiyear Projections
Restricted

27 66068 0000000
Form MYP1
D82DHYTYBU(2022-23)

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2023-24 Projection (C)	% Change (Cols. E-C/C) (D)	2024-25 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	4,479,146.31	(68.60%)	1,406,334.00	0.00%	1,406,334.00
3. Other State Revenues	8300-8599	9,316,636.01	(80.93%)	1,776,907.00	(.14%)	1,774,377.00
4. Other Local Revenues	8600-8799	2,221,999.68	(4.12%)	2,130,449.00	0.00%	2,130,449.00
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	4,543,042.60	35.08%	6,136,537.77	4.88%	6,436,238.06
6. Total (Sum lines A1 thru A5c)		20,560,824.60	(44.31%)	11,450,227.77	2.60%	11,747,398.06
B. EXPENDITURES AND OTHER FINANCING USES						
1. Certificated Salaries						
a. Base Salaries				3,238,384.66		3,136,967.66
b. Step & Column Adjustment				56,817.00		61,246.00
c. Cost-of-Living Adjustment				92,766.00		113,234.00
d. Other Adjustments				(250,000.00)		
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	3,238,384.66	(3.13%)	3,136,967.66	5.56%	3,311,447.66
2. Classified Salaries						
a. Base Salaries				1,817,779.40		1,912,816.40
b. Step & Column Adjustment				80,997.00		61,609.00
c. Cost-of-Living Adjustment				4,040.00		6,803.00
d. Other Adjustments						
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	1,817,779.40	5.23%	1,912,816.40	3.58%	1,981,228.40
3. Employee Benefits	3000-3999	3,854,754.62	9.74%	4,230,360.00	2.62%	4,341,392.00
4. Books and Supplies	4000-4999	3,188,845.71	(57.40%)	1,358,528.00	(51.05%)	665,000.00
5. Services and Other Operating Expenditures	5000-5999	10,426,498.26	(91.85%)	850,000.00	0.00%	850,000.00
6. Capital Outlay	6000-6999	2,098,982.38	(100.00%)	0.00	0.00%	0.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	378,297.72	39.68%	524,620.00	0.00%	524,620.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	673,680.00	(89.06%)	73,710.00	0.00%	73,710.00
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)		25,677,222.75	(52.93%)	12,087,002.06	(2.81%)	11,747,398.06
C. NET INCREASE (DECREASE) IN FUND BALANCE						
(Line A6 minus line B11)		(5,116,398.15)		(636,774.29)		0.00
D. FUND BALANCE						
1. Net Beginning Fund Balance (Form 011, line F1e)		5,753,172.44		636,774.29		0.00
2. Ending Fund Balance (Sum lines C and D1)		636,774.29		0.00		0.00
3. Components of Ending Fund Balance (Form 011)						
a. Nonspendable	9710-9719	0.00				
b. Restricted	9740	636,774.29				
c. Committed:						
1. Stabilization Arrangements	9750					
2. Other Commitments	9760					
d. Assigned	9780					
e. Unassigned/Unappropriated						
1. Reserve for Economic Uncertainties	9789					

South Monterey County Joint Union High
Monterey County

2022-23 Second Interim
General Fund
Multiyear Projections
Restricted

27 66068 0000000
Form MYPI
D82DHYYTBU(2022-23)

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2023-24 Projection (C)	% Change (Cols. E-C/C) (D)	2024-25 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)		636,774.29		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.						
We have included negotiated increases of 3.3% in 2023/24 and 4.4% for 2024/25 for cert						

South Monterey County Joint Union High
Monterey County

2022-23 Second Interim
General Fund
Multiyear Projections
Unrestricted/Restricted

27 66068 0000000
Form MYPI
D&DHYTYBU(2022-23)

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2023-24 Projection (C)	% Change (Cols. E-C/C) (D)	2024-25 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	40,712,323.00	4.65%	42,606,169.00	3.27%	43,998,342.00
2. Federal Revenues	8100-8299	4,479,146.31	(66.60%)	1,406,334.00	0.00%	1,406,334.00
3. Other State Revenues	8300-8599	10,276,787.01	(73.29%)	2,744,855.00	(.17%)	2,740,217.00
4. Other Local Revenues	8600-8799	3,034,933.18	(9.97%)	2,732,364.00	(.01%)	2,731,991.00
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)		58,503,189.50	(15.41%)	49,489,742.00	2.80%	50,876,884.00
B. EXPENDITURES AND OTHER FINANCING USES						
1. Certificated Salaries						
a. Base Salaries				16,670,377.11		17,089,961.11
b. Step & Column Adjustment				299,555.00		299,851.00
c. Cost-of-Living Adjustment				470,029.00		638,949.00
d. Other Adjustments				(350,000.00)		0.00
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	16,670,377.11	2.52%	17,089,961.11	5.49%	18,028,761.11
2. Classified Salaries						
a. Base Salaries				5,798,325.86		6,054,745.86
b. Step & Column Adjustment				224,566.00		133,652.00
c. Cost-of-Living Adjustment				31,854.00		47,626.00
d. Other Adjustments				0.00		0.00
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	5,798,325.86	4.42%	6,054,745.86	2.99%	6,236,023.86
3. Employee Benefits	3000-3999	11,011,028.42	9.02%	12,004,670.00	3.56%	12,432,457.00
4. Books and Supplies	4000-4999	7,028,054.02	(35.40%)	4,540,278.00	(13.36%)	3,934,249.00
5. Services and Other Operating Expenditures	5000-5999	14,704,791.92	(67.22%)	4,819,676.00	2.39%	4,934,796.00
6. Capital Outlay	6000-6999	3,899,124.65	(100.00%)	0.00	0.00%	0.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	1,766,741.54	10.34%	1,949,476.00	0.00%	1,949,476.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	(51,148.00)	148.01%	(126,854.00)	0.00%	(126,854.00)
9. Other Financing Uses						
a. Transfers Out	7600-7629	2,387,620.05	(100.00%)	0.00	0.00%	0.00
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)		63,215,115.57	(26.71%)	46,331,952.97	2.28%	47,388,908.97
C. NET INCREASE (DECREASE) IN FUND BALANCE (Line A6 minus line B11)						
		(4,711,926.07)		3,157,789.03		3,487,976.03
D. FUND BALANCE						
1. Net Beginning Fund Balance (Form 011, line F1e)		16,211,201.50		11,499,275.43		14,657,064.46
2. Ending Fund Balance (Sum lines C and D1)		11,499,275.43		14,657,064.46		18,145,039.49
3. Components of Ending Fund Balance (Form 011)						
a. Nonspendable	9710-9719	6,000.00		6,000.00		6,000.00
b. Restricted	9740	636,774.29		0.00		0.00
c. Committed						
1. Stabilization Arrangements	9750	0.00		0.00		0.00
2. Other Commitments	9760	0.00		0.00		0.00
d. Assigned	9780	9,282,577.14		14,651,064.46		18,139,039.49
e. Unassigned/Unappropriated						
1. Reserve for Economic Uncertainties	9789	1,593,924.00		0.00		0.00

South Monterey County Joint Union High
Monterey County

2022-23 Second Interim
General Fund
Multiyear Projections
Unrestricted/Restricted

27 66068 0000000
Form MYP1
D82DHYTYBU(2022-23)

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2023-24 Projection (C)	% Change (Cols. E-C/C) (D)	2024-25 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)		11,499,275.43		14,657,064.46		18,145,039.49
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	9769	1,593,924.00		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	9769	4,727,586.99		4,633,195.30		4,738,890.90
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
3. Total Available Reserves - by Amount (Sum lines E1 thru E2c)		6,321,510.99		4,633,195.30		4,738,890.90
4. Total Available Reserves - by Percent (Line E3 divided by Line F3c)		10.00%		10.00%		10.00%
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? b. If you are the SELPA AU and are excluding special education pass-through funds: 1. Enter the name(s) of the SELPA(s):	No					
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)		2,556.64		2,545.41		2,497.60
3. Calculating the Reserves						
a. Expenditures and Other Financing Uses (Line B11)		63,215,115.57		48,331,952.97		47,388,908.97
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)		63,215,115.57		48,331,952.97		47,388,908.97
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)		1,896,453.47		1,389,958.59		1,421,667.27
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)		1,896,453.47		1,389,958.59		1,421,667.27
h. Available Reserves (Line E3) Meet Reserve Standard (Line F3g)		YES		YES		YES