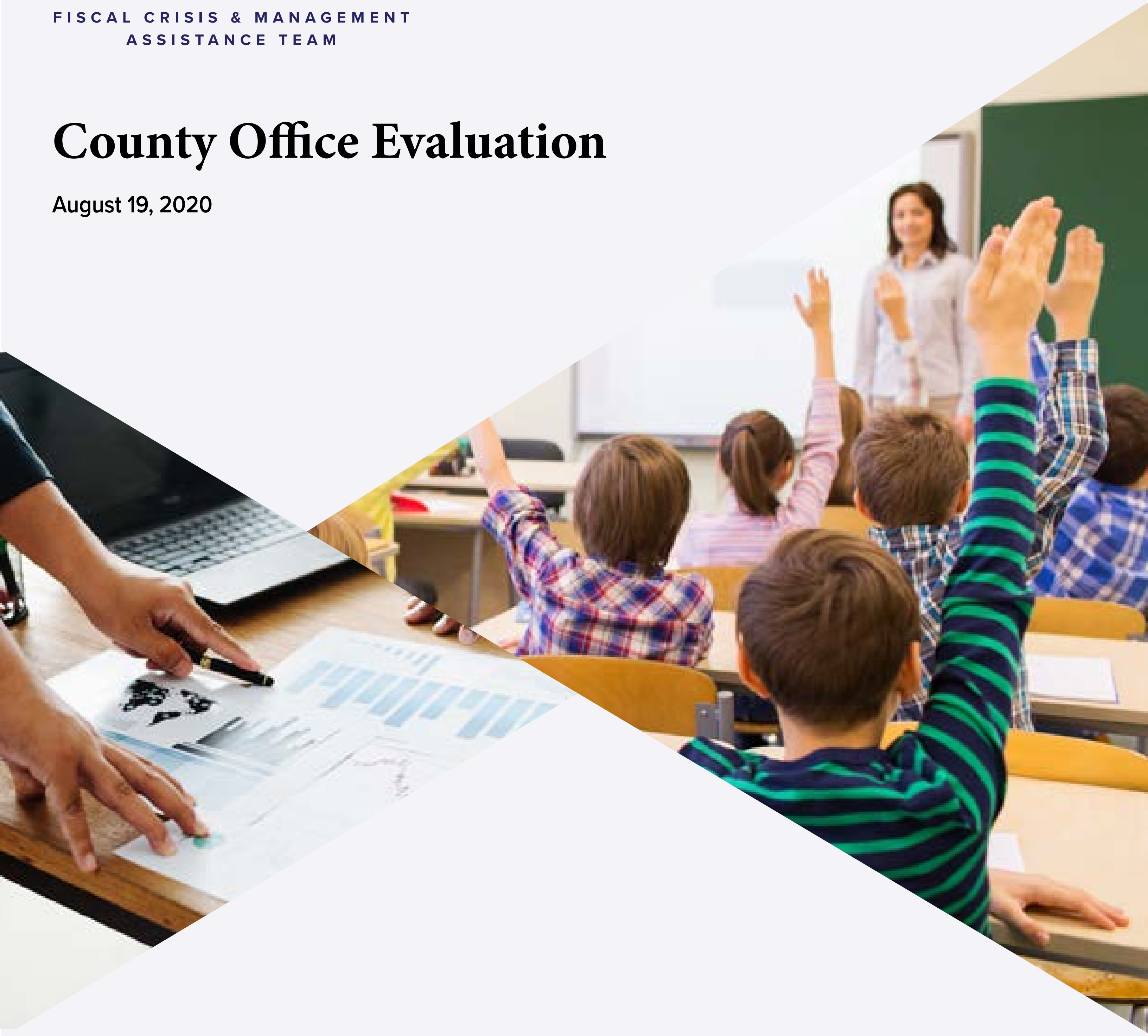
FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

County Office Evaluation

August 19, 2020



Monterey County Office of Education

Michael H. Fine
Chief Executive Officer

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

August 19, 2020

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

Dear Superintendent Guss:

In February 2020, the Monterey County Office of Education entered into an agreement with the Fiscal Crisis and Managment Assistance Team (FCMAT) for a study to perform the following:

> Prepare an initial analysis of the county office fiscal oversight provided to the 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 the study team's findings and recommendations.

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

Sincerely,

Michael H. Fine

Michael H. Fine

Chief Executive Officer

Michael H. Fine • Chief Executive Officer
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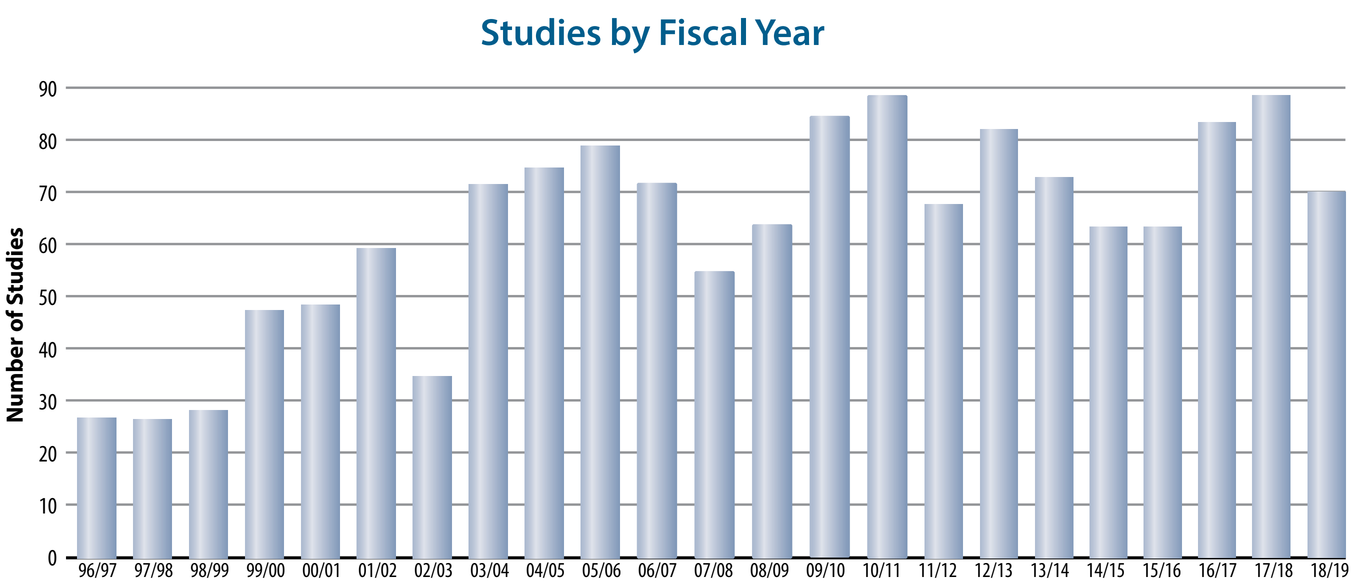
About FCMAT

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

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

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



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

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

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

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

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

Since 1992, FCMAT has been engaged to perform more than 1,000 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

Background

In September 2018, Governor Brown signed Assembly Bill (AB) 1840, making a significant change in how insolvent school districts are administered after they receive a state emergency appropriation. As part of that legislation, Education Code Section 41326(1), the Fiscal Crisis and Management Assistance Team (FCMAT) was given the responsibility of reviewing the fiscal oversight performed by the county superintendent of schools for any district receiving an emergency apportionment. FCMAT is required to report its findings to the Legislature and provide a copy of that report to the Department of Finance, the superintendent of public instruction (SPI), and the president of the State Board of Education (SBE). This report is required to include findings regarding fiscal oversight actions that were or were not taken and may include recommendations for an appropriate legislative response to improve fiscal oversight of school districts.

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

On July 23, 2009, Senate Bill (SB) 130 (Denham, co-author Assembly Member Caballero) 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 is the initial report for the Monterey County Office of Education under AB 1840 and covers the study period from 2010 to the date of this review in 2020. FCMAT will review the current fiscal oversight of the county superintendent of schools since there was no provision for such a review at the actual time of insolvency.

County Office Evaluation Guidelines

FCMAT entered into a study agreement with the Monterey County Office of Education on February 15, 2020 and a study team visited the district on March 9, 2020 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.

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

Study Team

The team was composed of the following members:

Joel Montero
FCMAT Consultant

Nicolas Schweizer
FCMAT Consultant

Leonel Martínez
FCMAT Technical Writer

Sheldon Smith
FCMAT Consultant

Misty Key
FCMAT Consultant

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

County Office Evaluation Tool

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

The COET includes 36 questions and is intended to satisfy the requirements of AB 1840 regarding review and assessment of the county office, determine how well those districts adhere to Education Code requirements, and communicate with those districts about these issues.

The tool identifies the key review elements performed by county office staff in their review of annual budgets, interim reports and unaudited actuals. Responses to each of the elements are confined to “yes” or “no.” Any “no” response requires a written explanation of the remedial action taken by the county superintendent to address the issue. Oversight performance is assessed using a risk protocol based on the number of “no” responses related to the assessment of each element. The team gathers information through an initial document request and on-site interviews of county office staff. The greater the number of “no” answers to the questions in the analysis, the higher the score, which points to a lack of sufficient oversight.

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

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

County Office Name: Monterey County Office of Education

Date of Fieldwork: March 9, 2020

Summary

In 2010, the governing board of the King City Joint Union High School District declared the district fiscally insolvent. This declaration 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 of 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 the PERB 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 would have remained solvent although the county office had communicated fiscal issues and concerns related to the cost of total compensation for all staff prior to the declaration of insolvency.

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

The team’s findings indicate that the fiscal oversight actions taken by the county office during the study period in question were appropriate and adequate within the guidelines contained in the California Education Code and were consistent with the best practices established in a variety of other documents including the County Office Fiscal Oversight Guide and the County Office Fiscal Procedural Manual. The team found that in its oversight of the district, the county office applied the indicators of fiscal distress during the certification process and appropriately qualified the school district in a timely fashion. Moreover, the county office applies the process of fiscal oversight consistently with all school districts and programs within its purview.

The majority of the review elements included in the COET were evidenced in the documentation and forms provided by the county office used to perform its AB 1200 oversight reviews. Where information was not available in the documentation, staff described a robust review process that included all of the elements. While not the focus of this review, moderate tension clearly existed between the original state administrators, the county superintendent and the county office staff who were in the positions at the time of insolvency, but are no longer in place. The relationship between all of the parties improved when the district transitioned to a state trusteeship and later to a county trustee. The team found that communication between the county superintendent, county office staff and county trustee in the current model of oversight was timely and consistent with a focus on district recovery. In the district review, the county office staff and superintendent rely heavily on the feedback from the county trustee when making determinations about current and future solvency of the district and strategic decisions related to collective bargaining and resource allocation.

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

		At Budget Period	At Interim Period	At Unaudited Actuals
1	**Did the county office of education (COE) receive and retain certifications with original signatures?** Narrative: Staff indicated that this process is followed and that is supported by the documentation. Blue ink signatures are part of its interim/budget review document.	Yes	Yes	Yes
2	**Did the COE review the status of all import, export, general ledger and supplemental checks?** Narrative: These were always noted in the budget/interim review materials, and the districts were asked to fix them and resubmit if the COE staff found errors.	Yes	Yes	Yes
3	**Did the COE verify whether allowable exceptions (also known as explanations) in the technical review process were reasonably explained?** Narrative: The COE verified when explanations were made to the Technical Review Check (TRC) exceptions, and they were clear and concise.	Yes	Yes	Yes
4	**Did the COE verify whether there were no fatal "F" exceptions in the technical review process?** Narrative: The COE verified that the district submitted an "official export" free of fatal exceptions and acknowledged this in the review materials.	Yes	Yes	Yes
5	**Did the COE review transfers being made from restricted funds (e.g., building fund, bond interest and redemption fund, self-insurance fund, etc.)?** Narrative: Staff indicated that the procedure is to review transfers and comment on them in the district's review checklist. Staff also indicated that they review funds and if they go negative, they contact both the district and the county treasurer. The chief business official monitors funds and takes action with the districts when necessary. Staff indicated that they allow negative balances and will make a notification in the review worksheet (confirmed in materials). Staff further indicated that they look for "due to" and "due from" being reconciled in the out years. Staff verifies that due to and due from are zeroed out at interims, as reflected in the interim comments. The review tool points out negative balances, but does not require districts to respond (unlike other sections of their review form). The best practice would be to require the district to respond, reconcile and resolve negative balances.	No	No	No
6	**Did the COE review Form A and determine whether the prior year's P-2 and annual ADA agreed with the actual attendance report?** Narrative: FCMAT verified this in the interview with staff. The review form has a place for it, in addition to using the ADA tracking worksheet.	Yes	Yes	Yes
7	**Did the COE investigate and determine the reason for any significant change in ADA since the prior reporting period?** Narrative: FCMAT verified that this occurs in the interview with staff and reviewed the county office's ADA tracking worksheet.	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
8	**Did the COE verify if the enrollment and ADA projections are reasonable for at least the past three years?** Narrative: FCMAT verified this in the interview with staff and reviewed their ADA tracking worksheet.	Yes	Yes	Yes
9	**Did the COE review the reasonableness of the explanations in the Criteria and Standards form?** Narrative: FCMAT verified this in an interview, and found their interactive (district/COE) review worksheet allows for and documents correspondence between the district and COE.	Yes	Yes	Yes
10	**Did the COE review the reasonableness of multiyear commitments listed in the criteria and standards by comparing them with the information in the most recent audit report?** Narrative: FCMAT verified this with staff during the interview. The interim report review sheet also reviews the audit.	Yes	Yes	Yes
11	**Did the COE review retiree health and welfare benefits liabilities for reasonableness by comparing them with the information in the most recent audit report?** Narrative: Documentation indicates that the COE staff reviews this as a part of Criteria and Standards, comparing appropriate transactions with recent district audits.	Yes	Yes	N/A
12	**Did the COE check the accuracy of the status of any salary settlement or negotiations against current bargaining agreements as presented in the Criteria and Standards and the Public Disclosure of Collective Bargaining Agreement?** Narrative: FCMAT verified this through documentation supplied by the COE.	Yes	Yes	N/A
13	**If the district received a qualified or negative certification, did the COE review the AB 1200 disclosure documents and provide a written analysis regarding the viability and affordability of the collective bargaining agreement within the 10-day statutorily required period?** Narrative: The district was certified as positive throughout the study period.	N/A	N/A	N/A
14	**Did the COE compare budget to actuals for all revenues and expenditures while also considering historical trend data?** Narrative: The COE indicated these comparisons were completed at budget and interim, and provided the documents used to complete them. However, the forms the county office uses to document its review of unaudited acuals does not indicate these comparisons were made.	Yes	Yes	No
15	**Did the COE review the "% of difference" column for reasonability?** Narrative: The forms the county office uses to document its review of the unaudited actuals does not indicate this check was made, although it was made for the budget and interim periods.	Yes	Yes	No
16	**Did the COE verify whether the district's reserve calculation meets the applicable percentage of reserve requirement in object 9789?** Narrative: FCMAT verified this through COE documentation.	Yes	Yes	Yes
17	**Did the COE verify whether the Local Control Funding Formula revenue (object 8011) agrees with the LCFF Calculator for the current year and in the multiyear projection?** Narrative: FCMAT verified this through COE documentation and LCFF Calculator documents.	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
18	**Did the COE verify whether local taxes agree with the most recent report of local property taxes from the county auditor?** Narrative: The COE verifies verifies that local taxes agree with the most recent county auditor local property tax report.	Yes	Yes	Yes
19	**Did the COE verify whether the district's assumptions and budgeted revenues are reasonable based on the latest information on the state budget, School Services of California, Inc. Dartboard, and LCFF Calculator?** Narrative: FCMAT reviewed source review checklists that indicate these assumptions are routinely verified at budget and interim periods.	Yes	Yes	N/A
20	**Did the COE determine whether salaries and benefits (including increases and/or decreases due to settlements of negotiations) are reasonable as budgeted in the current year and in the multiyear projection? Is the budget consistent with assumptions and Criteria and Standards information?** Narrative: The forms used by the COE staff to document their review of the interim reports indicates that multiyear salary and benefit projections cannot be compared with the Criteria and Standards. However, these forms do not indicate any other checks for reasonableness were done to assess reasonableness of the projections.	Yes	No	N/A
21	**Did the COE identify and determine the reasonableness of the increases and/or decreases in financing sources/uses?** Narrative: COE staff indicated financing sources/uses were reviewed at budget, interim, and unaudited actuals. However, the forms county office staff use to document its reviews only indicate an assessment of whether additional transfers will be needed from the general fund to other funds and not whether they are reasonable. The best practice would be for the COE to assess the reasonableness of any increases/decreases in financing sources/uses at all review periods.	No	No	No
22	**Did the COE verify whether the base year totals in the multiyear projection match the Form 01 totals?** Narrative: MCOE staff indicated this verification is done at budget and interim. However, the forms the county office uses to document its review of the budget do not indicate this was actually performed.	No	Yes	N/A
23	**If line B10 on the multiyear projection was used, did the COE verify whether detailed assumptions or information was included from the district to explain the adjustment?** Narrative: The county office staff indicated that the district has not used line B10 (other adjustments) during the study period. The staff verbally described the process they would use to verify any amount put on that line. However, the forms the COE uses to document its reviews do not specifically indicate that the amounts on line B10 are verified, though overall expenditure increases or revenue decreases are verified for reasonableness.	N/A	N/A	N/A
24	**Did the COE verify whether projections for supplies, services, capital outlay and other expenditures (e.g., energy costs, health and welfare, one-time expenses, etc.) appear reasonable?** Narrative: FCMAT verified this through COE documentation.	Yes	Yes	Yes
25	**Did the COE verify whether prior year ending balances were forwarded correctly as beginning balances?** Narrative: FCMAT verified this through COE documentation.	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
26	**Did the COE verify whether the district projects maintaining the minimum reserve for economic uncertainty, consistent with the guidelines established in the Criteria and Standards, for the current plus two subsequent years?** Narrative: FCMAT verified this through COE documentation.	Yes	Yes	Yes
27	**Did the COE verify whether the beginning cash balance for July 1 on the cash flow was reasonable and forwarded correctly from the prior year?** Narrative: The cash flow projection is not required at budget adoption. There was adequate evidence the COE verifies the beginning cash balance postings at other points during the year. The best practices would indicate that the COE should request cash flow information at budget adoption.	N/A	Yes	Yes
28	**Does the COE monitor cash flow monthly at a minimum and communicate with the district regarding concerns about cash balance?** Narrative: FCMAT verified this through COE documentation.	Yes	Yes	Yes
29	**Did the COE identify any tax revenue anticipation notes (TRANs) that were issued in the budget year, including a schedule for repayments, and, if so, did the COE verify whether the receipts and payments are included in the cash flow worksheet and booked in the general ledger in 9640 - Current Loans?** Narrative: Cash flow projections are not required or requested at budget adoption so the process of verifying any TRANs repayment is not included in the budget adoption review. There was a specific question in the interim review template to monitor any TRANs repayment being projected. A specific position was also responsible for TRANs repayment follow-up as part of the interim review process. The review template for the actuals did not have a prompt for the TRANs repayment. However, since the interim review process included the question, and several staff mentioned it was part of a certain position's task, it appears there is adequate evidence TRANs repayments are monitored during the year, but not specifically called out in the review of the unaudited actuals.	N/A	Yes	No
30	**Did the COE monitor or identify any temporary borrowing between funds and use of appropriate object codes by the district?** Narrative: The evidence from the review templates and from interviews with staff demonstrated the interfund transfers were reviewed and monitored at budget development. However, it appeared there is a lack of evidence to demonstrate any temporary cash borrowing is monitored as is the best practice. This is an area of improvement that could be added to the review process during interim and unaudited actuals. The COE should scrutinize interfund borrowing of cash and not just the interfund transfers within the expenses and revenue. The COE should also watch the balance sheet transactions between funds.	Yes	No	No
31	**Did the COE verify whether prior year accruals, suspense accounts, and general ledger/balance sheet transactions are reconciled by the district at each reporting period?** Narrative: FCMAT verified this through COE documentation.	N/A	Yes	Yes
32	**Did the COE review compliance with maintenance of effort and Current Expense of Education (CEA) for applicable reporting periods?** Narrative: FCMAT verified this through COE documentation.	N/A	N/A	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
33	**If the district is deficit spending, did the COE note the levels of deficit spending and communicate the COE's concerns to the district in the budget and/or interim letters sent to the district's governing board?** Narrative: There is no formal letter from the COE to the district after review of unaudited actuals. It is a best practice to respond to the district formally after reviewing unaudited actuals.	Yes	Yes	No
34	**If the district has contingent liabilities, did the COE measure the district's ability to manage debt service or eliminate the liability and the effect on the ending fund balance?** Narrative: FCMAT verified this through COE documentation.	Yes	Yes	Yes
35	**If the COE received disclosures of non-voter-approved debt from the district, did the COE respond within the statutory timeline?** Narrative: There was no activity in this area during the sample period that was reviewed. Staff stated they would respond per the statute timelines when non-voter-approved debt disclosures would come to them.	N/A	N/A	N/A
36	**Is the COE monitoring the training of administrators who have budget authority and financial management responsibilities?** Narrative: FCMAT verified this through COE documentation on training programs and their attendance.	Yes	Yes	Yes

Total, "No" Responses *14*

Scale:

0 – 20, favorable oversight performance

21 – 39, marginal oversight performance

40 – above, poor oversight performance

Conclusion

The Monterey County Office of Education provided favorable oversight performance based on the County Office Evaluation Tool developed by FCMAT. FCMAT will continue to perform an annual review of the effectiveness of the county office of education's oversight of the district.

[E.C. 41326(l)(3)].

Appendices

Appendix A - Document Request List

Appendix B - Study Agreement

	Monterey County Office of Education **County Office Evaluation Review** **Documentation Request List** **On-site Interviews: March 9, 2020** **Please upload all documents, using the item number below, to FCMAT's SharePoint document repository by February 28, 2020.**
	Document(s) Needed that pertain to the fiscal oversight of South Monterey County Joint Unified School District
001	COE organizational chart
002	Business Services organizational chart
003	Completed checklists/files used to review each financial reporting period (adopted budget, first interim, second interim, unaudited actual) for the preceding 2 years
004	Communication to the districts for interims and budget submission
005	Communication to the district regarding auditor selection and audit guidelines
006	Copy of district audit and resolution of findings including the COE correspondence regarding findings and follow up of audit corrective actions
007	Communication to districts regarding special education monitoring and forms
008	COE External business department organizational chart with responsibilities for performing district oversight tasks
009	Policies/Procedures established for district oversight and financial review
010	COE procedure/process for tracking district ADA (historical and/or projections)
011	COE procedure/process for validating LCFF Calculations

1

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

Person assigned to upload documents: Cindy Dunn

For any questions related to SharePoint provisioning or uploading documents, please email: SharePointHelp@fcmat.org

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

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

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

1. BASIS OF AGREEMENT

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

FCMAT is required to report its findings to the Legislature and 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. The county superintendent will receive a copy of the final report. The final report will also be published on the FCMAT website.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

Prepare an initial analysis of the county office fiscal oversight provided to the 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 COE to brief COE management and supervisory personnel on the team's procedures and the purpose and schedule of the study.
2. On-site Review – The team will conduct an on-site review at the COE office and at the South Monterey County Joint Union High School District if necessary.
3. Draft Report – Electronic copies of a draft report will be delivered to the county superintendent for review and comment.

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

3. **PROJECT PERSONNEL**

The FCMAT study team will include:

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

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

4. **PROJECT COSTS**

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

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

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

5. **RESPONSIBILITIES OF THE COE**

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

B. The COE will provide the following items:

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

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

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

6. **PROJECT SCHEDULE**

Fieldwork will occur March 9, 2020.

7. **COMMENCEMENT AND COMPLETION OF WORK**

The FCMAT team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the COE and any other parties from which, in the team's judgment, it must obtain information. Once the team has completed its fieldwork, it will proceed to prepare a draft report and a final report. The COE understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the COE shall not request that it do so.

8. **INDEPENDENT CONTRACTOR**

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

9. **INSURANCE**

During the term of this agreement, FCMAT shall maintain liability insurance of not less than $1 million unless otherwise agreed upon in writing by the COE, automobile liability insurance in the amount required under California state law, and workers' compensation as required under California state law. FCMAT shall provide certificates of insurance, with Monterey County Office of Education named as additional insured, indicating applicable insurance coverages upon request prior to the commencement of on-site work.

10. **HOLD HARMLESS**

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

11. CONTACT PERSON

Name: Dr. Deneen Guss
Telephone: (831) 755-0300
E-Mail: superintendent@montereycoe.org

Deneen Guss 2-6-2020

Dr. Deneen Guss, County Superintendent Date
Monterey COE

Michael H. Fine February 4, 2020

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