



FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Fiscal Health Risk Analysis

November 12, 2025



Sonoma Valley Unified School District

Michael H. Fine
Chief Executive Officer

November 12, 2025

Amie R. Carter, Ed.D., Superintendent
Sonoma County Office of Education
5340 Skylane Boulevard
Santa Rosa, CA 95403

Dear Superintendent Carter:

In July 2025, the Sonoma County Office of Education and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a FCMAT Fiscal Health Risk Analysis of the Sonoma Valley Unified School District.

The agreement stated that FCMAT would perform the following:

1. Prepare an analysis using the 20 factors in FCMAT's Fiscal Health Risk Analysis (FHRA) and identify the Sonoma Valley Unified School District's specific risk rating for fiscal insolvency.
2. Present the final report to the district's governing board at a public meeting following the completion of the review.

This report contains the fiscal health risk analysis report with the study team's findings and recommendations.

FCMAT appreciates the opportunity to assist the Sonoma County Office of Education and extends our appreciation to the staff of both the county office and the school district for their assistance during fieldwork.

Sincerely,



Michael H. Fine
Chief Executive Officer

Contents

About FCMAT	3
Introduction.....	5
Background	5
Fiscal Health Risk Analysis Guidelines	5
Study Team	5
Fiscal Health Risk Analysis	6
Summary	6
About the Analysis.....	7
Areas of High Risk.....	7
Budget and Fiscal Status: Is district currently <i>without</i> the following?	7
Material Weakness Questions	7
Score Breakdown by Section.....	9
Fiscal Health Risk Analysis Questions.....	10
Annual Independent Audit Report.....	10
Budget Development and Adoption	10
Budget Monitoring and Updates.....	11
Cash Management.....	12
Charter Schools	12
Collective Bargaining Agreements.....	13
Contributions and Transfers	13
Deficit Spending (Unrestricted General Fund)	14
Employee Benefits.....	14
Enrollment and Attendance.....	15

Facilities	15
Fund Balance and Reserve for Economic Uncertainties	16
General Fund – Current Year	17
Information Systems and Data Management	18
Internal Controls and Fraud Prevention	18
Leadership and Stability	19
Multiyear Projections.....	20
Non-Voter-Approved Debt and Risk Management	20
Position Control	21
Special Education.....	21
Risk Score, 20 numbered sections only.....	24
District Fiscal Solvency Risk Level, all FHRA factors	24
Appendix	25

About FCMAT

Purpose and Services

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

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

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

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

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

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

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

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

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

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

History

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

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

In January 2006, Senate Bill 430 (Chapter 357, Statutes of 2005) amended Education Code 42127.8, and Assembly Bill 1366 (Chapter 360, Statutes of 2005) amended Education Codes 42127.8 and 84041. These new laws expanded FCMAT's services to include charter schools and community colleges, respectively.

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

Introduction

Background

Located in southeastern Sonoma County, the Sonoma Valley Unified School District is governed by a five-member board of trustees and educates approximately 3,500 students from transitional kindergarten (TK) through grade 12 across five elementary schools, two middle schools, and two high schools. In addition to its regular TK-12 programs, the district also operates two dependent charter schools.

As of the 2024-25 school year (the most recent data available), 48.4% of district students are identified as English learners, foster youth, and/or eligible for free or reduced-price meals.

The district certified as positive in the 2025-26 first interim financial report. However, the second interim report for the same fiscal year was certified as qualified by the school district. The qualified certification resulted primarily from the district's projected inability to meet the required minimum reserve for economic uncertainties in all three years of the second interim multiyear projection, despite the inclusion of anticipated reductions in salary expenditures in 2025-26 and 2026-27. The district's 2024-25 second interim report also showed a projected erosion of the district's ending fund balance through 2026-27, a pattern only partially mitigated by the inclusion of the aforementioned salary reductions, which had not been formally identified or adopted by the district's governing board.

Because of concerns with the district's overall financial outlook, in July 2025, the Sonoma County Office of Education enlisted assistance from FCMAT to review the district's 2025-26 adopted budget and multiyear projection using the FCMAT FHRA tool.

To assess the district's risk of insolvency, FCMAT subsequently conducted a fiscal health risk analysis using financial data from the 2025-26 adopted budget report and multiyear projection as the basis for its analysis.

Fiscal Health Risk Analysis Guidelines

FCMAT entered into a study agreement with the Sonoma County Office of Education on July 2, 2025. A study team visited the district to conduct interviews and perform fieldwork on August 12-14, 2025. Following fieldwork, the study team continued to analyze documents and data. This report summarizes the team's findings and conclusions from 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 and its own short internal style guide, which emphasize plain language, capitalize relatively few terms, and strive for conciseness, clarity and simplicity.

Study Team

The team was composed of the following members:

Jeffrey B. Potter, CFE
Intervention Specialist

Andrea Ward, CFE
Intervention Specialist

Leonel Martínez
FCMAT Technical Writer

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

Fiscal Health Risk Analysis

For TK-12 School Districts

Date(s) of fieldwork: August 12-14, 2025

School District: Sonoma Valley Unified School District



FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Summary

The governing board holds a fiduciary responsibility to safeguard the district's financial health, which includes ensuring a balanced budget and maintaining adequate reserves. The district's administration is responsible for upholding the integrity of the district's systems, protecting its assets, and providing accurate and reliable information to support the board's decision making to ensure the district's long-term fiscal solvency.

Following FCMAT's review of the district's 2025-26 adopted budget and multiyear projection, the areas identified as increasing the district's risk of insolvency include the following:

- Budget Monitoring and Updates
- Deficit spending
 - The district lacks a formal, board-approved plan to balance the budget.
- Fund Balance and Reserve for Economic Uncertainties
 - The district is unable to meet the minimum reserve requirement in the current and subsequent fiscal years without the implementation of additional expenditure reductions.
- General Fund – Current Year
- Internal Controls and Fraud Prevention
 - Lack of fraud prevention policies and practices.
- Leadership and Stability
 - Extended instability in district leadership, including the superintendent position.
- Position Control
 - Regular review and reconciliation of district positions has been limited due to staff-ing turnover.
- Negotiations for 2025-26 remain unsettled for all bargaining units.

FCMAT's analysis resulted in a score of **38.6%** across the 20 numbered sections. Using the base scoring rubric, a district scoring below 40% might otherwise be considered as having a moderate risk of fiscal insolvency. However, because FCMAT identified risk factors related to material weakness questions as outlined below, the district's overall risk level was elevated from moderate to high.

District Fiscal Solvency Risk Level: High

About the Analysis

The Fiscal Crisis and Management Assistance Team (FCMAT) developed the Fiscal Health Risk Analysis (FHRA) to help evaluate a school district's fiscal health and risk of insolvency in the current and two subsequent fiscal years.

The FHRA consists of 20 sections, each including specific questions related to essential functions and processes. These sections and questions are based on FCMAT's extensive work since the inception of Assembly Bill 1200 in 1991 and represent common indicators of fiscal risk or potential insolvency observed in school districts that have neared insolvency and required external assistance. Each analysis section affects fiscal stability and neglecting any of these areas will ultimately lead to the district's fiscal failure. The analysis aims to determine the district's level of risk at the time of evaluation.

A higher number of "No" responses in the analysis indicates an increased risk of insolvency or other fiscal issues for the district. Not all sections or questions carry equal weight; some areas pose a higher risk and thus have a greater impact on the district's fiscal stability. To help the district, narratives are provided for each "No" response, explaining the reasoning behind the response and outlining the actions needed to achieve a "Yes" in the future.

Identifying issues early is the key to maintaining fiscal health. Diligent planning allows school districts to better understand their financial objectives and implement strategies that sustain fiscal efficiency and long-term solvency. School districts should consider completing the FHRA annually to assess their fiscal health and track their progress.

Areas of High Risk

The following sections on this page and the next two pages repeat certain questions and answers found in the "Fiscal Health Risk Analysis Questions" section later in this report. These sections identify conditions that create a significant risk of fiscal insolvency. A "No" response to any of these questions will supersede all other scoring and elevate the district's overall risk level.

Budget and Fiscal Status: Is district currently *without* the following?

	Yes	No
Disapproved budget	✓	☐
Negative interim report certification	✓	☐
Three consecutive qualified interim report certifications.	✓	☐
Downgrade of an interim certification by the county superintendent	✓	☐
"Lack of going concern" designation.	✓	☐

Material Weakness Questions

	Yes	No	N/A
2.5 Has the district's budget been approved unconditionally by September 15 th by the county superintendent of schools in the current and two prior fiscal years?	✓	☐	☐
3.4 Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with EC 42142?	✓	☐	☐

3.6	Has the district addressed any deficiencies the county superintendent of schools has identified in its oversight letters to the district in the most recent and two prior fiscal years?	☐	✓	☐
4.3	Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known?	☐	✓	☐
4.4	If the district's cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to meet its cash flow needs for the current and subsequent year?	✓	☐	☐
5.2	Has the district fulfilled, and does it have evidence showing fulfillment of, its oversight responsibilities in accordance with EC 47604.32?	✓	☐	☐
5.3	Are all charters authorized by the district going concerns and not in fiscal distress? . . .	✓	☐	☐
6.3	Does the district accurately quantify the effects of collective bargaining agreements and include complete disclosure documents that show the impact on its budget and multiyear projections?	✓	☐	☐
6.4	Based on the presettlement analysis, did the district identify related costs or savings, and did it identify ongoing revenue sources or expenditure reductions to support the agreement in the current and subsequent years?	✓	☐	☐
7.2	If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection sufficient transfers from the unrestricted general fund to cover any projected negative fund balance?	☐	☐	✓
8.3	If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency?	☐	✓	☐
10.5	Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable factors?	✓	☐	☐
11.2	Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects?	✓	☐	☐
12.1	Is the district able to maintain the minimum reserve for economic uncertainties in the current year (including Fund 01 and Fund 17) as defined by the <u>State Standards and Criteria for Fiscal Solvency</u> ?	☐	✓	☐
12.2	Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years?	☐	✓	☐
12.3	If the district is not able to maintain the minimum reserve for economic uncertainties, does the district's multiyear projection include a board-approved plan to restore the reserve?	☐	✓	☐
19.1	Does the district account for all positions and costs (including substitutes, overtime, stipends, and employer-paid benefits) in position control?	✓	☐	☐

Score Breakdown by Section

Because the score is not calculated by category, category values provided are subject to minor rounding and are provided for information only.

1.	Annual Independent Audit Report	0.3%
2.	Budget Development and Adoption	1.4%
3.	Budget Monitoring and Updates	3.0%
4.	Cash Management	2.0%
5.	Charter Schools	0.0%
6.	Collective Bargaining Agreements	2.2%
7.	Contributions and Transfers	1.0%
8.	Deficit Spending (Unrestricted General Fund)	2.6%
9.	Employee Benefits	1.8%
10.	Enrollment and Attendance	2.0%
11.	Facilities	0.1%
12.	Fund Balance and Reserve for Economic Uncertainty	4.0%
13.	General Fund - Current Year	2.8%
14.	Information Systems and Data Management	0.0%
15.	Internal Controls and Fraud Prevention	3.4%
16.	Leadership and Stability	4.2%
17.	Multiyear Projections	1.0%
18.	Non-Voter-Approved Debt and Risk Management	0.0%
19.	Position Control	5.0%
20.	Special Education	1.7%
Score		38.6%

Fiscal Health Risk Analysis Questions

1. Annual Independent Audit Report

	Yes	No	N/A
1.1 Has the district recorded findings from the most recent and prior two years' audits without negatively affecting its fiscal health?	☐	☒	☐
The 2025-26 adopted budget projects the district will be unable to meet the required minimum reserve in 2025-26, 2026-27 and 2027-28 without the board adoption of several large expenditure reductions included in the multiyear projection. The district recorded an audit adjustment of \$162,695 that further reduced available reserves.			
1.2 Has the audit report for the most recent fiscal year been completed and presented to the board within the statutory timeline per Education Code (EC) 41020?	☒	☐	☐
1.3 Were the district's most recent and prior two audit reports free of findings of material weakness?	☐	☒	☐
The 2022-23 and 2023-24 audit each contain numerous findings identified as material weaknesses.			
1.4 Has the district corrected all audit findings from the most recent and prior two audits?	☒	☐	☐

2. Budget Development and Adoption

	Yes	No	N/A
2.1 Does the district develop and use written budget assumptions and multiyear projections that are reasonable, are aligned with the county superintendent of schools' instructions, and have been clearly articulated?	☒	☐	☐
2.2 Does the district use a budget development method other than a prior-year rollover budget and if so, does that method include tasks such as reviewing prior year estimated actuals by major object code and removing one-time revenues and expenses?	☒	☐	☐
2.3 Does the district use position control data for budget development?	☒	☐	☐
2.4 Does the district calculate its Local Control Funding Formula (LCFF) revenue correctly?	☒	☐	☐
2.5 Has the district's budget been approved unconditionally by September 15th by the county superintendent of schools in the current and two prior fiscal years?	☒	☐	☐
2.6 Does the budget development process include input from staff, administrators, the governing board, the community, and the budget advisory committee (if there is one)?	☐	☒	☐
Interviews indicated that some departments, sites and the governing board received their budget for the upcoming fiscal year from the business office with minimal opportunity for input.			
2.7 Does the district budget and expend restricted funds before unrestricted funds?	☒	☐	☐
2.8 Have the district's Local Control and Accountability Plan (LCAP) and budget been adopted within the statutory timelines established by EC 42103 and filed with the county superintendent of schools no later than five days after adoption or by July 1, whichever occurs first, for the current and prior fiscal year?	☒	☐	☐
2.9 Has the district refrained from including carryover funds in its adopted budget?	☒	☐	☐

- 2.10 Other than objects in the 5700s and 7300s, does the district avoid using negative expense or contra expenditure accounts in its budget?** ☒ ☐ ☐
- 2.11 Does the district have and follow a documented standard procedure for evaluating both the proposed acceptance of grants and other restricted funds and the potential multiyear impact on the district's unrestricted general fund?** ☐ ☒ ☐
- The district does not currently have a standard procedure for evaluating proposed grants and other restricted funds.
- 2.12 Does the district adhere to a budget calendar that includes statutory due dates, major budget development tasks and deadlines, and the staff members and departments responsible for completing them?** ☐ ☒ ☐
- The district does not have a detailed budget calendar to organize and direct its budget development process.

3. Budget Monitoring and Updates

- | | Yes | No | N/A |
|--|-------------------------------------|-------------------------------------|--------------------------|
| 3.1 Are actual revenues and expenses consistent with the most current budget? | ☒ | ☐ | ☐ |
| 3.2 Are budget revisions posted in the financial system at each interim reporting period, at a minimum? | ☒ | ☐ | ☐ |
| 3.3 Are clearly written and articulated budget assumptions that support budget revisions communicated to the board at each interim reporting period, at a minimum? | ☐ | ☒ | ☐ |
| The district's 2024-25 first interim and second interim budget narratives are closely aligned with the narrative of the 2025-26 adopted budget, and do not contain information specific to the budget updates, aside from general assumptions. | | | |
| Budget changes for the 2024-25 estimated actuals lack detailed written descriptions for the budget revisions. | | | |
| 3.4 Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with EC 42142? | ☒ | ☐ | ☐ |
| 3.5 Do the district's responses fully explain the variances identified in the SACS Criteria and Standards Review form? | ☐ | ☒ | ☐ |
| While the district provides some reasonable explanations for variances identified in the 2025-26 adopted budget SACS Criteria and Standards Review form, the form contains two instances where a less detailed statement was made indicating that significant budget reductions were recorded to reduce deficit spending. However, further information was not provided. | | | |
| 3.6 Has the district addressed any deficiencies the county superintendent of schools has identified in its oversight letters to the district in the most recent and two prior fiscal years? | ☐ | ☒ | ☐ |
| The county superintendent of schools has indicated the district needs to correct its deficit spending and approve a balanced budget, most recently in a letter following the county's review of the district's 2024-25 second interim report. Deficit spending was not resolved in the district's 2025-26 adopted budget. | | | |
| 3.7 Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure? | ☒ | ☐ | ☐ |

- | | | | | |
|-----|--|---|--------------------------|--------------------------|
| 3.8 | Does the district encumber funds for salaries and benefits and adjust those encumbrances as needed? | ✓ | ☐ | ☐ |
| 3.9 | For the most recent and two prior fiscal years, have the district's interim financial reports and unaudited actuals been adopted and filed with the county superintendent of schools within the timelines established in Education Code? | ✓ | ☐ | ☐ |

4. Cash Management

- | | Yes | No | N/A |
|--|--------------------------|--------------------------|--------------------------|
| 4.1 Are accounts held by the county treasurer reconciled with the district's and county office of education's (COE) reports monthly? | ✓ | ☐ | ☐ |
| 4.2 Does the district reconcile all bank (cash and cash equivalent) accounts with each statement in a timely manner? | ☐ | ✓ | ☐ |
| The district was unable to provide documentation demonstrating reconciliation of the bank accounts in a timely manner. | | | |
| 4.3 Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known? | ☐ | ✓ | ☐ |
| In the 2025-26 adopted budget, the district projected only one year of its general fund cash flow. | | | |
| 4.4 If the district's cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to meet its cash flow needs for the current and subsequent year? | ✓ | ☐ | ☐ |
| 4.5 Does the district have sufficient cash resources in its other funds to support its current and projected obligations in those funds? | ✓ | ☐ | ☐ |
| 4.6 If the district uses interfund borrowing, is it complying with EC 42603? | ✓ | ☐ | ☐ |
| 4.7 If the district is managing cash in any fund(s) through external borrowing, does the district's cash flow projection include repayment based on the terms of the loan agreement? | ✓ | ☐ | ☐ |

5. Charter Schools

- | | Yes | No | N/A |
|---|-----|--------------------------|--------------------------|
| 5.1 Does the district have a board policy, memorandum of understanding (MOU), or other written document(s) regarding charter oversight? | ✓ | ☐ | ☐ |
| 5.2 Has the district fulfilled, and does it have evidence showing fulfillment of, its oversight responsibilities in accordance with EC 47604.32? | ✓ | ☐ | ☐ |
| 5.3 Are all charters authorized by the district going concerns and not in fiscal distress? ✓ | | ☐ | ☐ |
| 5.4 Has the district identified specific employees in its various departments (e.g., human resources, business, instructional, and others) to be responsible for oversight of all approved charter schools? | ✓ | ☐ | ☐ |

- 5.5 Does the district monitor charter school audits for timeliness, completeness, and exceptions? ✓ ☐ ☐

6. Collective Bargaining Agreements

- | | Yes | No | N/A |
|--|--------------------------|--------------------------|--------------------------|
| 6.1 Has the district settled with all its bargaining units for the past two fiscal years? | ✓ | ☐ | ☐ |
| 6.2 Has the district settled with all its bargaining units for the current year?. | ☐ | ✓ | ☐ |
| At the time of FCMAT's fieldwork, the district was unsettled with both bargaining units for 2025-26. | | | |
| 6.3 Does the district accurately quantify the effects of collective bargaining agreements and include complete disclosure documents that show the impact on its budget and multiyear projections? | ✓ | ☐ | ☐ |
| 6.4 Based on the presettlement analysis, did the district identify related costs or savings, and did it identify ongoing revenue sources or expenditure reductions to support the agreement in the current and subsequent years? | ✓ | ☐ | ☐ |
| 6.5 In the current and prior two fiscal years, has the total cost of the district's bargaining agreement settlements, including step-and-column increases, been at or under the funded cost-of-living adjustment (COLA)? | ✓ | ☐ | ☐ |
| 6.6 If settlements have not been reached in the past two years, has the district identified resources to cover the costs of the district's proposal(s)? | ☐ | ☐ | ✓ |
| 6.7 Did the district comply with public disclosure requirements under Government Codes 3540.2 and 3547.5, and EC 42142?. | ✓ | ☐ | ☐ |
| 6.8 Did the superintendent and CBO certify the public disclosure of collective bargaining agreement before board approval? | ☐ | ✓ | ☐ |
| FCMAT was unable to verify whether the superintendent and CBO certified the public disclosure of collective bargaining form before board approval. | | | |
| 6.9 Is the governing board's action consistent with the superintendent's and CBO's certification? | ☐ | ✓ | ☐ |
| FCMAT was unable to verify whether the superintendent and CBO certified the public disclosure of collective bargaining before board action. | | | |

7. Contributions and Transfers

- | | Yes | No | N/A |
|---|--------------------------|--------------------------|--------------------------|
| 7.1 Does the district have an active, board-approved plan to eliminate, reduce or control any contributions/transfers from its unrestricted general fund to other restricted programs and funds?. | ☐ | ✓ | ☐ |
| The district lacks a board-approved plan to eliminate, reduce or control contributions/transfers from its unrestricted general fund. However, contributions are limited to programs that commonly require funding contributions, such as special education, which is underfunded statewide. | | | |
| 7.2 If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection sufficient transfers from the unrestricted general fund to cover any projected negative fund balance?. | ☐ | ☐ | ✓ |

- 7.3** If any contributions or transfers were required for restricted programs and/or other funds in either of the two prior fiscal years, and there is a need in the current year, did the district budget for them at reasonable levels? ☒ ☐ ☐

8. Deficit Spending (Unrestricted General Fund)

- | | Yes | No | N/A |
|--|-------------------------------------|-------------------------------------|--------------------------|
| 8.1 Is the district avoiding deficit spending in the current fiscal year? | ☐ | ☒ | ☐ |
| As indicated in the district's 2025-26 adopted budget, the district projects unrestricted deficit spending of \$920,117 in the budget year. | | | |
| 8.2 Is the district projected to avoid deficit spending in both of the two subsequent fiscal years? | ☒ | ☐ | ☐ |
| 8.3 If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency? | ☐ | ☒ | ☐ |
| The board has directed the district to develop a plan to eliminate deficit spending; however, development of the plan remains in process. | | | |
| 8.4 Has the district decreased deficit spending over the past two fiscal years and is there evidence of this in its unaudited actuals reports? | ☐ | ☒ | ☐ |
| The district's 2024-25 unaudited actuals report was in process during fieldwork. Accordingly, FCMAT used the district's 2022-23 and 2023-24 unaudited actuals for comparison. The district's unrestricted deficit spending increased by \$1,566,765 from 2022-23 to 2023-24. | | | |

9. Employee Benefits

- | | Yes | No | N/A |
|---|-------------------------------------|-------------------------------------|--------------------------|
| 9.1 Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board requirements to determine its unfunded liability for other post-employment benefits (OPEB)? | ☒ | ☐ | ☐ |
| 9.2 Does the district have a plan to fund its OPEB liabilities for the current and two subsequent years such that the total of annual required service payments (whether legally or contractually required, or locally defined such as pay-as-you-go premiums, trust agreement obligations or a board adopted commitment) are no greater than 2% of the district's unrestricted general fund revenues? | ☒ | ☐ | ☐ |
| 9.3 Within the last five years, has the district conducted a verification and determination of eligibility for benefits for all active and retired employees and dependents? | ☐ | ☒ | ☐ |
| While some staff members indicated that an informal verification occurs periodically, FCMAT was unable to determine definitively if such an audit has occurred in the last five years. | | | |
| 9.4 Does the district track, reconcile and report employees' compensated leave balances? | ☒ | ☐ | ☐ |

- 9.5 Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?** ☐ ☒ ☐

While the district indicated improvements are being made in this area, at the time of FCMAT's fieldwork, interviews revealed that several employees were currently carrying excessive vacation balances.

10. Enrollment and Attendance

- | | Yes | No | N/A |
|--|-------------------------------------|-------------------------------------|--------------------------|
| 10.1 Has the district's enrollment been increasing or remained stable for the current and two prior years? | ☐ | ☒ | ☐ |
| The district has experienced a slow decline in enrollment. District enrollment was 3,195 students in 2022-23, 3,129 in 2023-24, and 3,049 students in 2024-25, the most recent year available during fieldwork. | | | |
| 10.2 Does the district monitor and analyze enrollment and average daily attendance (ADA) data at least monthly through the second attendance reporting period (P-2)? | ☐ | ☒ | ☐ |
| While interviews indicated the district may be improving in this area, FCMAT was unable to determine definitively if enrollment and ADA are being monitored at least monthly. | | | |
| 10.3 Does the district track historical enrollment and ADA data to project future trends? ✓ . . . | ☐ | ☐ | |
| 10.4 Do schools maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the school and district levels? | ☒ | ☐ | ☐ |
| 10.5 Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable factors? | ☒ | ☐ | ☐ |
| 10.6 Has the district planned for enrollment losses to any charter schools? | ☒ | ☐ | ☐ |
| 10.7 Do all applicable schools and departments review and verify their respective California Longitudinal Pupil Achievement Data System (CALPADS) data and correct it as needed before the report submission deadlines? | ☒ | ☐ | ☐ |
| 10.8 Has the district certified its CALPADS data (most recent Fall 1, Fall 2, and end-of-year reports) by the required deadlines? | ☒ | ☐ | ☐ |
| 10.9 Does the district follow established board policy to limit outgoing interdistrict transfers and ensure that only students who meet the required qualifications are approved? | ☒ | ☐ | ☐ |
| 10.10 Does the district adhere to the average TK-3 class enrollment limits at each school, the adult-to-student ratio for each TK class, and the credentialing requirements for teachers assigned to TK classes as defined in the Education Code? | ☒ | ☐ | ☐ |

11. Facilities

- | | Yes | No | N/A |
|---|-------------------------------------|--------------------------|--------------------------|
| 11.1 If the district participates in the state's School Facility Program, has it made the required contribution to its Routine Restricted Maintenance Account? | ☒ | ☐ | ☐ |
| 11.2 Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects? | ☒ | ☐ | ☐ |
| 11.3 Does the district properly track and account for facility-related projects? | ☒ | ☐ | ☐ |

- | | | | | |
|------|--|--------------------------|--------------------------|--------------------------|
| 11.4 | Does the district use its facilities fully (districtwide) in accordance with the Office of Public School Construction's loading standards? | ✓ | ☐ | ☐ |
| 11.5 | Does the district include facility needs (maintenance, repair, and operating requirements) when adopting a budget? | ☐ | ✓ | ☐ |
| | District staff indicated that the budget for facility needs is rolled over from the prior fiscal year and then increased during the year as needed. The district does not use various planning tools, such as a facilities master plan or documented preventive and deferred maintenance schedules, to project its facility needs. | | | |
| 11.6 | Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues? | ✓ | ☐ | ☐ |
| 11.7 | If the district passed a Proposition 39 general obligation bond, has it met the requirements for audit, reporting, and a citizens' bond oversight committee? | ✓ | ☐ | ☐ |
| 11.8 | Does the district have a board-approved long-range facilities master plan completed within the last five years that reflects its current and projected facility needs? | ☐ | ✓ | ☐ |
| | The district lacks a comprehensive, board-approved long-range facilities master plan. | | | |

12. Fund Balance and Reserve for Economic Uncertainties

- | | Yes | No | N/A |
|------|--|----|--------------------------|
| 12.1 | Is the district able to maintain the minimum reserve for economic uncertainties in the current year (including Fund 01 and Fund 17) as defined by the State Standards and Criteria for Fiscal Solvency? | | |
| | ☐ | ✓ | ☐ |
| | The district's 2025-26 adopted budget indicates the district is projected to have a reserve of 2.86% in the budget year, 0.14% below the required 3.00% minimum reserve for economic uncertainties. | | |
| 12.2 | Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years? | | |
| | ☐ | ✓ | ☐ |
| | While the district's 2025-26 multiyear projection indicates the district will meet the required minimum reserve, the multiyear projection contains over \$2 million of unidentified reductions in 2026-27 and 2027-28. A detailed plan to realize these reductions had not been approved by the governing board at the time of FCMAT's fieldwork. Without these reductions, the district will be unable to meet its minimum reserve for economic uncertainties in 2026-27 and 2027-28. | | |
| 12.3 | If the district is not able to maintain the minimum reserve for economic uncertainties, does the district's multiyear projection include a board-approved plan to restore the reserve? | | |
| | ☐ | ✓ | ☐ |
| | As stated above, a detailed plan to realize the reductions included in the 2025-26 multiyear projection had not been approved by the governing board at the time of FCMAT's fieldwork. Without these reductions, the district will be unable to meet its minimum reserve for economic uncertainties in 2026-27 and 2027-28. | | |

- 12.4 Is the district's projected unrestricted fund balance stable or increasing in the two subsequent fiscal years without unsubstantiated revenue increases or expenditure reductions?** ☐ ☒ ☐

While the district's unrestricted general fund ending balance is increasing in 2026-27 and 2027-28, the increases are dependent on several large expenditure reductions in both salaries and benefits, as well as other miscellaneous adjustments, that lacked board approval at the time of FCMAT's fieldwork, as indicated above.

- 12.5 If the district has unfunded or contingent liabilities or one-time costs other than post-employment benefits, does the unrestricted general fund balance include sufficient assigned or committed reserves above the recommended reserve level to cover these costs?** ☐ ☐ ☒

13. General Fund – Current Year

- | | Yes | No | N/A |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 13.1 Does the district ensure that one-time revenues do not pay for ongoing expenditures? | ☒ | ☐ | ☐ |
| 13.2 Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the prior year statewide average? | ☐ | ☒ | ☐ |
| As indicated by the district's 2025-26 adopted budget criteria and standards, the district's projected 2025-26 percentage of general fund unrestricted expenditures allocated to salaries and benefits was 88.5%. This is greater than the statewide average of 85.95% from 2023-24, the most recent data available (https://www.ed-data.org/State/CA). | | | |
| 13.3 Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below that of the prior two years? | ☐ | ☒ | ☐ |
| As stated above, the district's projected 2025-26 percentage of general fund unrestricted expenditures allocated to salaries and benefits was 88.5%. This is greater than the estimated 87.2% rate in 2024-25 or the actual 2023-24 rate of 84.8%. | | | |
| 13.4 If the district has received any uniform complaints or legal challenges regarding local use of supplemental and concentration grant funding in the current or prior two years, is the district addressing the complaint(s)? | ☐ | ☐ | ☒ |
| 13.5 For positions supported with one-time or restricted funding, does the district either ensure that these funds are sufficient to pay for these staff or have a plan to pay for the positions with unrestricted funds? | ☒ | ☐ | ☐ |
| 13.6 Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time? | ☒ | ☐ | ☐ |
| 13.7 Does the district account for all program costs, including the maximum allowable indirect costs, for each restricted resource and other funds? | ☐ | ☒ | ☐ |
| The district accounts for indirect costs in select programs only. Some programs are not charged an indirect cost, such as special education and Title I, Part A. | | | |

- 13.8 Are all balance sheet accounts in the general ledger reconciled at least at each interim reporting period and at year-end close? ✓ ☐ ☐

14. Information Systems and Data Management

- | | Yes | No | N/A |
|---|--------------------------|--------------------------|--------------------------|
| 14.1 Does the district use an integrated financial and human resources system? | ✓ | ☐ | ☐ |
| 14.2 Does the district use the system(s) to provide key financial and related data, including personnel information, to help the district make informed decisions?. | ✓ | ☐ | ☐ |
| 14.3 Has the district accurately identified students who are eligible for free or reduced-price meals, English learners, and foster youth, in accordance with the LCFF and its LCAP?. . . | ✓ | ☐ | ☐ |
| 14.4 Is the district using the same financial system as its COE?. | ✓ | ☐ | ☐ |
| 14.5 If the district is using a separate financial system from its COE, is there an automated interface that allows data to be sent and received by both the district's and COE's financial systems?. | ☐ | ☐ | ✓ |
| 14.6 If the district is using a separate financial system from its COE, has the district provided the COE with direct access so the COE can provide oversight, review and assistance?. | ☐ | ☐ | ✓ |

15. Internal Controls and Fraud Prevention

- | | Yes | No | N/A |
|--|--------------------------|--------------------------|--------------------------|
| 15.1 Does the district have controls that limit access to its financial system and include multiple levels of authorization? | ✓ | ☐ | ☐ |
| 15.2 Are the district's financial system's access and authorization controls reviewed and updated upon employment actions (e.g., resignations, terminations, promotions, or demotions) and at least annually? | ☐ | ✓ | ☐ |
| Interviews indicated that access to the district's financial system is updated for employment actions, but a comprehensive review is not otherwise conducted at least annually. | | | |
| 15.3 Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?: | | | |
| • Accounts payable (AP). | ✓ | ☐ | ☐ |
| • Accounts receivable (AR).. . . . | ✓ | ☐ | ☐ |
| • Purchasing and contracts. | ✓ | ☐ | ☐ |
| • Payroll.. . . . | ☐ | ✓ | ☐ |
| Interviews indicated that payroll staff have access to add or modify employee records and employee payments, presenting an internal control weakness for the district. While this is not done frequently, staff indicated they have modified an employee record after verbally confirming a change with human resources. | | | |
| • Human resources (i.e., duties related to position control and payroll processes). | ✓ | ☐ | ☐ |
| 15.4 Are beginning balances for the new fiscal year posted and reconciled with the ending balances for each fund from the prior fiscal year?. | ✓ | ☐ | ☐ |
| 15.5 Does the district review and work to clear prior year accruals throughout the year?. . . | ✓ | ☐ | ☐ |

- 15.6 Has the district reconciled and closed the general ledger (books) within the time prescribed by the county superintendent of schools?** ☒ ☐ ☐
- 15.7 Does the district have processes and procedures to discourage and detect fraud?** ☐ ☒ ☐
 The district lacks formal processes and procedures to discourage and detect fraud. Board Policy 3400, "Management of District Assets/Accounts," was adopted in 2002 and assigns the superintendent or designee with the responsibility of developing internal controls and communicates an expectation for employees, board members and other parties to act with integrity. However, this policy has not been reviewed or updated since adoption and interviews indicated staff are unaware of this policy.
- 15.8 Does the district have a process for collecting reports of possible fraud (such as an anonymous fraud reporting hotline) and for following up on such reports?** ☐ ☒ ☐
 The district lacks a formal process to collect reports of possible fraud and does not have an anonymous fraud reporting hotline to allow employees or other educational partners to report incidents of possible fraud in a confidential manner.
- 15.9 Does the district have an internal audit process?** ☐ ☒ ☐
 The district lacks a formal internal auditing process or department.

16. Leadership and Stability

- | | Yes | No | N/A |
|---|-------------------------------------|-------------------------------------|--------------------------|
| 16.1 Does the district have a chief business official who has been in this position with the district for more than two years? | ☐ | ☒ | ☐ |
| At the time of FCMAT's fieldwork, the district's CBO had held the position slightly less than two years. | | | |
| 16.2 Does the district have a superintendent who has been in this position with the district for more than two years? | ☐ | ☒ | ☐ |
| The district's CBO was the acting superintendent at the time of FCMAT's fieldwork, holding the interim role for approximately two months. | | | |
| 16.3 Does the superintendent schedule and hold meetings regularly with all members of their administrative cabinet? | ☒ | ☐ | ☐ |
| 16.4 Is training on financial management and budget provided to school and department administrators who are responsible for budget management? | ☐ | ☒ | ☐ |
| Interviews indicated that some departmental managers and other staff lacked sufficient training on budget monitoring and management, expressing the need for fiscal training within the Escape financial system. | | | |
| 16.5 Does the governing board adopt and revise policies and administrative regulations annually? | ☐ | ☒ | ☐ |
| While certain board policies and administrative regulations are updated annually or periodically, interviews suggested this process has fallen behind and may require a more formal plan of action to ensure policies continue to be updated regularly. | | | |
| 16.6 Are newly adopted or revised policies and administrative regulations implemented, communicated, and available to staff? | ☒ | ☐ | ☐ |

- 16.7 Do all board members attend training on the budget and governance at least every two years?** ☐ ☒ ☐
- FCMAT was unable to determine if board members attend training on budget and governance at least every two years. Interviews indicated some board members may proactively seek training in these areas, while others may be unaware such training is offered or have not yet attended.
- 16.8 Is the superintendent's evaluation performed according to the terms of the contract?** . . . ☐ ☐ ☒
- 16.9 Is the district avoiding relying on consultants to prepare financial reports (e.g. SACS) or other primary fiscal activities?** ☐ ☒ ☐
- The district has recently used an outside consulting firm to prepare certain financial reports, including the unaudited actuals.

17. Multiyear Projections

- | | Yes | No | N/A |
|---|-------------------------------------|-------------------------------------|--------------------------|
| 17.1 Has the district developed multiyear projections that include detailed assumptions aligned with industry standards? | ☒ | ☐ | ☐ |
| 17.2 To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation that includes multiyear considerations? | ☒ | ☐ | ☐ |
| 17.3 Does the district use its most current multiyear projection when making financial decisions? | ☒ | ☐ | ☐ |
| 17.4 If the district uses a broad adjustment category in its multiyear projection (such as line B10, B1d, B2d Other Adjustments, in the SACS Form MYP/MYPI), is there a detailed list of what is included in the adjustment amount and are the adjustments reasonable? | ☐ | ☒ | ☐ |
| The district's multiyear projection includes miscellaneous reductions made to salaries and benefits in 2026-27, as well as other expenditure adjustments that have not yet been itemized or approved by the governing board. Interviews indicated the reductions may be related to a planned school consolidation; however, the reductions are necessary for the district to meet the required minimum reserve for economic uncertainties in 2026-27 and 2027-28. | | | |

18. Non-Voter-Approved Debt and Risk Management

- | | Yes | No | N/A |
|--|--------------------------|--------------------------|-------------------------------------|
| 18.1 Are the sources of repayment for non-voter-approved debt (such as certificates of participation (COPs), bridge financing, bond anticipation notes (BANS), revenue anticipation notes (RANS) and others) stable, predictable, and other than the unrestricted general fund? | ☐ | ☐ | ☒ |
| 18.2 If the district has issued non-voter-approved debt, has its credit rating remained stable or improved during the current and two prior fiscal years? | ☐ | ☐ | ☒ |
| 18.3 If the district is self-insured, has it completed an actuarial valuation as required and does it have a plan to pay for any unfunded liabilities? | ☐ | ☐ | ☒ |

- 18.4** If the district has non-voter-approved debt (such as COPs, bridge financing, BANS, RANS and others), is the total of annual debt service payments no greater than 2% of the district's unrestricted general fund revenues? ☐ ☐ ✓

19. Position Control

- | | Yes | No | N/A |
|---|--------------------------|--------------------------|--------------------------|
| 19.1 Does the district account for all positions and costs (including substitutes, overtime, stipends, and employer-paid benefits) in position control? | ✓ | ☐ | ☐ |
| 19.2 Does the district analyze and adjust staffing based on staffing ratios and enrollment? | ☐ | ✓ | ☐ |
| The district uses staffing ratios for certificated personnel but indicated they do not currently use any ratios or staffing models for classified employees. | | | |
| 19.3 Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim financial reporting periods? | ☐ | ✓ | ☐ |
| The district indicated that, due to limited resources, a reconciliation is not currently being performed regularly. | | | |
| 19.4 Does the district identify a budget source for each new position before the position is authorized by the governing board? | ☐ | ✓ | ☐ |
| Interviews indicated that new positions may not be authorized by the governing board before the district begins a recruitment process. FCMAT was unable to verify whether a budget source would be added to the position during this process. | | | |
| 19.5 Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted? | ☐ | ✓ | ☐ |
| As previously stated, interviews indicated that new positions may not be authorized by the governing board before the district begins a recruitment process. While the governing board will approve new or modified job descriptions, a recruitment for a new position may occur prior to any governing board approval of the new position. | | | |
| 19.6 Do managers and staff responsible for the district's human resources, payroll and budget functions meet at least monthly to discuss issues and improve processes? | ☐ | ✓ | ☐ |
| The district indicated that meetings do occur occasionally and informally between human resources, payroll and budgeting; however, no regularly scheduled meetings are currently being held. | | | |

20. Special Education

- | | Yes | No | N/A |
|---|--------------------------|--------------------------|--------------------------|
| 20.1 For special education classrooms and support services, does the district use staffing ratios that align with statutory requirements and industry standards, and are students' support needs also considered? If so, are those needs documented and evaluated at each budget cycle? | ☐ | ✓ | ☐ |
| FCMAT was unable to determine, using available documentation, whether staffing ratios are currently in use in special education. The district indicated staffing ratios are collectively bargained; however, whether student support needs are documented and evaluated at each budget cycle could not be determined. | | | |
| 20.2 Does the district access all available funding sources for costs related to special education (e.g., state excess cost pool, legal fees, mental health)? | ✓ | ☐ | ☐ |

- 20.3 Does the district use appropriate tools to help it make informed decisions about whether to add services (e.g., special circumstance instructional assistance process and form, transportation decision tree)?** ☐ ✓ ☐

The district indicated it does not currently have an established or standardized decision-making process to determine a student's transportation needs in special education.

- 20.4 Does the district budget and account correctly for all costs related to special education (e.g., transportation, due process hearings, indirect costs, nonpublic schools and/or nonpublic agencies)?** ☐ ✓ ☐

The district does not currently charge indirect costs to the special education program, thereby preventing the district from quantifying the true cost of the program.

- 20.5 Does the district monitor contributions from the unrestricted general fund and adjust to trends in the special education program?** ✓ ☐ ☐

- 20.6 Is the district's rate of identification of students as eligible for special education at or below the countywide and statewide average rates?** ☐ ✓ ☐

The district's rate of identification of students as eligible for special education services in 2024-25 was 16.9%. This was slightly higher than the countywide average during the same time period of 16.1%, and the statewide average of 14.2%.

- 20.7 Does the district analyze whether it will meet the maintenance of effort requirement at each interim financial reporting period?** ✓ ☐ ☐

Risk Score, 20 numbered sections only:

38.6%

Key to Risk Score from 20 numbered sections only:

High Risk: 40% or more

Moderate Risk: 25-39.9%

Low Risk: 24.9% and lower

District Fiscal Solvency Risk Level, all FHRA factors:

High

(The existence of any condition from the "Budget and Fiscal Status" section, and/or a material weakness, will supersede the score above because it elevates the district's risk level.)

Appendix

Study Agreement



**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
FOR MANAGEMENT ASSISTANCE**

This study agreement, hereinafter referred to as Agreement, is made and entered into by and between the Fiscal Crisis and Management Assistance Team, hereinafter referred to as the Team or FCMAT, and the Sonoma County Office of Education, hereinafter referred to as the Client; collectively, FCMAT and Client are hereinafter referred to as the Parties. This Agreement shall become effective from the date of execution hereof by FCMAT.

1. BASIS OF AGREEMENT

FCMAT provides a variety of services to local education agencies (LEAs) as authorized by Education Code (EC) 42127.8(d). The Client has requested that the FCMAT assign professionals to study specific aspects of the Client's operations. The professionals will include FCMAT staff and may include professionals from county offices of education, school districts, charter schools, community colleges, other public agencies or private contractors. All professionals assigned shall work under the direction of FCMAT. All work shall be performed in accordance with the terms and conditions of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

1. Prepare an analysis using the 20 factors in FCMAT's Fiscal Health Risk Analysis, and identify the Sonoma Valley Unified School District's specific risk rating for fiscal insolvency.
2. Present the final report to the district's governing board at a public meeting following the completion of the review.

B. Services and Products to be Provided

1. **Orientation Meeting**
The Team will conduct an orientation session at the Client's location to brief the Client's management and supervisory personnel on the Team's procedures and the purpose and schedule of the study. This orientation meeting is normally held at the beginning of fieldwork for the study.
2. **Fieldwork**
The Team will conduct fieldwork at the Client's office and/or school site(s), or other locations as needed. Limited fieldwork may also be conducted remotely via telephone or videoconferencing services, in addition to the Public Safety Considerations outlined in Section 13 below.

V01092024

A handwritten signature in blue ink, appearing to be "MBB", enclosed within a blue circular stamp or seal.

3. Exit Meeting

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

4. Exit Letter

Approximately 10 business days after the exit meeting, the Team will issue an exit letter briefly memorializing the topics discussed in the exit meeting.

5. Draft Report

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

6. Final Report

An electronic copy of the final report will be delivered to the Client's point of contact 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.

7. Board Presentation

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

8. Follow-Up Review

If requested by the Client within six to 12 months after completion of the study, FCMAT, at no additional cost, will assess the Client's progress in implementing the recommendations included in the report. This follow-up support is primarily a document review-based study. Progress in implementing the recommendations will be documented to the Client in a FCMAT management letter. FCMAT will work with the Client on a mutually convenient time to return for follow-up support that is no sooner than eight months and no later than 18 months after the date of the final report.

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.

V010262024

2

4. PROJECT COSTS

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

- A. \$1,200 per day for each FCMAT staff member while on site conducting fieldwork. The cost of independent FCMAT consultants will be billed at their daily rate for all work performed. On-site is defined as either 1) physically at the Client's office or school site(s), or 2) in a scheduled virtual meeting with the Client's personnel, representatives or others associated with the scope of work pursuant to Section 13 below.
- B. All out-of-pocket expenses, including travel and its associated costs, and miscellaneous items necessary to complete the scope and objectives of the study.
- C. The applicable indirect rate at the time work is performed on the study will be added to all costs billed.
- D. The Client will be invoiced for 50% of the not-to-exceed cost shown below following completion of fieldwork (progress payment) and the remaining amount shall be due upon the issuance of the final report or presentation to the Client's board, whichever is later (final payment). The Parties agree that changes documented in a revised study agreement may change the original not-to-exceed amount shown below. If changes are made before or during fieldwork, the new not-to-exceed amount documented in such a revised study agreement will constitute the basis for the progress payment. If changes are made after fieldwork, 100% of the total changed value documented in a revised study agreement, less progress payments made, will constitute the final payment due. All payments shall be due immediately based on the terms of the invoice.

Based on the scope and objectives of the study, the total not-to-exceed cost of the study will be \$26,500.

- E. Any change to the scope of work will affect the total cost. Changes may include, but are not limited to, delays, revisions to the scope of services, and substitution or addition of personnel. The need for changes shall be communicated by FCMAT to the Client in advance in the form of a revised study agreement.

Payments for FCMAT's services are payable to Kern County Superintendent of Schools, Administrative Agent, 1300 17th Street, City Centre, Bakersfield, CA 93301.

5. RESPONSIBILITIES OF THE CLIENT

- A. Return current organizational chart(s) that show the Client's management and staffing structure with the signed copy of this Agreement. Organizational charts should be relevant to the scope of this Agreement.
- B. Provide private office or conference room space for the Team's use during fieldwork.
- C. Provide for a Client employee to upload all requested documents and data to FCMAT's online SharePoint repository per FCMAT's instructions. Provide FCMAT with the name and email of the person who will be responsible for collecting and uploading documents

V010262024

3

requested by FCMAT with the signed copy of this Agreement.

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

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

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

- E. Ensure appropriate senior-level staff are available for the orientation and exit meetings.
- F. Facilitate access to requested board members, officers and staff for interviews.
- G. Facilitate access to requested information and facilities to include, but not be limited to, files, sites, classrooms and operational areas for observation.
- H. Review a draft of the report and return it to FCMAT by the date FCMAT requests with any comments regarding the accuracy of the report's data or the practicability of its recommendations. The Team will review this feedback in a timely manner and make any adjustments it deems necessary before issuing the final report.
- I. Return the requested evaluation survey to FCMAT as described below.

6. PROJECT SCHEDULE

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

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

ACTION	TIMELINE
FCMAT provides the Client with a draft Agreement.	Draft Agreements are usually provided within 20 business days of the Client's initial request for services.
Client returns partially executed Agreement to FCMAT along with the applicable organizational chart and the name and email of the of person who will be responsible for collecting and	Draft Agreements are valid for 30 business days.

V010262024

4

ACTION	TIMELINE
uploading documents requested by FCMAT.	
FCMAT returns a fully executed Agreement to the Client and identifies the project schedule and the lead and other personnel assigned to the job.	Within five business days of the Client's return of the signed Agreement.
Client uploads initial requested documents and data to FCMAT's online SharePoint repository.	Within 10 business days of the Client's receipt of the FCMAT document and data request list.
Fieldwork	Mutually agreed upon; usually, to commence within 10 business days of FCMAT's receipt of requested documents and data.
Orientation meeting	First day of fieldwork.
Exit meeting	Last day of fieldwork.
Follow up fieldwork, if needed (e.g., rescheduled interview, additional interviews).	Mutually agreed upon; usually, within five business days of FCMAT's request.
Client uploads supplemental documents and data to FCMAT's online SharePoint repository.	Within two business days of the Client's receipt of FCMAT's supplemental document and data request(s).
Draft report submitted to the Client.	To be determined, usually, within eight weeks of the conclusion of fieldwork and receipt of all documents and data requested.
Client comments on draft report	Within 10 business days of FCMAT providing a draft report to the Client.

The Client acknowledges that project schedule deadlines build upon and are contingent on each previous deadline. Missed deadline dates will affect future deadline dates and ultimately the timing of the final report. For example, if the Client does not provide requested documents and data by the specified date, the fieldwork may not be able to proceed as originally planned.

FCMAT acknowledges that the Client has an educational program to administer, is balancing many priorities, and in some cases may have records management difficulties, staffing capacity issues, staff on various types of leave, or other circumstances, all of which will affect the project schedule.

The Parties commit to regular communication and updates about the study schedule and work progress. FCMAT may modify the usual timelines as needed.

7. COMMENCEMENT, TERMINATION AND COMPLETION OF WORK

FCMAT will commence work as soon as it has assembled an available and appropriate study team, taking into consideration other jobs FCMAT has previously undertaken, assignments from the state, and higher priority assignments due to fiscal distress. The Team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the Client and any other related parties from which, in the Team's judgment, it must obtain information. Once the Team has completed its fieldwork, it will proceed to prepare a report. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a final report once fieldwork has been completed.

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

FCMAT may terminate this Agreement at any time if the Client fails to cooperate with the requested project schedule, provide requested documents and data and/or make staff available for interviews as requested by FCMAT.

8. INDEPENDENT CONTRACTOR

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

9. RECORDS

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

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

10. CONTACT WITH PUPILS

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

11. INSURANCE

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

V010262024

6

additional insured, indicating applicable insurance coverages.

12. HOLD HARMLESS

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

13. PUBLIC SAFETY CONSIDERATIONS

Whether due to public health considerations, extreme weather conditions, road closures, other travel restrictions or interruptions, shelter-at-home orders, LEA closures or other related considerations, at FCMAT's sole discretion, the Scope of Work, Project Costs, Responsibilities of the Client, and Project Schedule (Sections 2, 4, 5 and 6 herein) and other provisions herein may be revised. Examples of such revisions may include, but not be limited to, the following:

- A. Orientation and exit meetings, interviews and other information-gathering activities may be conducted remotely via telephone, videoconferencing, or other means. References to fieldwork shall be interpreted appropriately given the circumstances.
- B. Activities performed remotely that are normally performed in the field shall be billed hourly as if performed in the field (excluding out-of-pocket costs that can otherwise be avoided).
- C. The Client may be relieved of its duty to provide conference and other work area facilities for the Team.

14. FORCE MAJEURE

Neither party will be liable for any failure or delay in the performance of this Agreement due to causes beyond the reasonable control of the party, except for payment obligations by the Client.

15. EVALUATION

In the interest of continuous improvement, FCMAT will provide the Client with an evaluation survey at the conclusion of the services. FCMAT appreciates the Client's honest assessment of the Team's services and process. The Client shall return the evaluation survey within 10 business days of receipt.

16. CLIENT CONTACT PERSON

The Client's contact person designated below shall be the primary contact person for FCMAT to use in communicating with the Client on matters related to this Agreement. At any time when this Agreement or FCMAT's process requires that FCMAT send information, document request lists, draft report or final report, or when FCMAT makes other requests for

VO10262024

7

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: Greg Medici, Deputy Superintendent, Administrative Services

Telephone: (707) 637-7461

Email: gmedici@scoe.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:

Authorized Designee *July 1, 2025*

Amie Carter, Ed.D., Superintendent Date
Sonoma County Office of Education

For FCMAT:

Michael H. Fine Digitally signed by Michael H. Fine
Date: 2025.07.02 20:01:54 -07'00'

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

[Handwritten Signature]
GREG MEDICI
Dept. Supt., Admin. Services
Sonoma County office of Education

[Handwritten Signature]