FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

March 4, 2026

Honorable Tony Thurmond
State Superintendent of Public Instruction
1430 N Street, Suite 5602
Sacramento, CA 95814-5901

Honorable Joe Stephenshaw, Director
Department of Finance
1021 O Street, Suite 3110
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Honorable Jesse Gabriel, Chair
California State Assembly Committee on Budget
1021 O Street, Suite 8230
Sacramento, CA 95814

Honorable John Laird, Chair
California State Senate Committee on Budget and Fiscal Review
1021 O Street, Room 502
Sacramento, CA 95814

Dear Superintendent Thurmond, Director Stephenshaw, Chairperson Gabriel, Chairperson Laird, and Committee Members:

On November 1, 2025, the Fiscal Crisis and Management Assistance Team (FCMAT) issued its letter containing findings and recommendations in accordance with its responsibilities under Assembly Bill 100 (Chapter 2, Statutes of 2025).

As noted on page 5 that letter, in response to requests from certain charter schools that did not initially submit requests for an evaluation as required by Section 22, FCMAT reached out again to those charter schools to collect additional information and determine whether further or revised recommendations were warranted. This review related specifically to the AB 100 charge concerning the need for additional funding and statutory changes for the 2026-27, 2027-28 and 2028-29 fiscal years resulting from the state of emergency declared by the governor in January 2025 in response to the Palisades and Eaton fires.

Following this additional review, FCMAT determined that no further findings or changes to the original November 1, 2025 report were warranted.

This supplemental letter is attached to the revised November 1, 2025 letter, which bears today's date as Appendix D.

The revised letter dated today has been distributed to the same parties as the original November 1, 2025, version.

Sincerely,

Michael H. Fine
Chief Executive Officer

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

November 1, 2025

Honorable Tony Thurmond
State Superintendent of Public Instruction
1430 N Street, Suite 5602
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Honorable Scott Wiener, Chair
California State Senate Committee on Budget and Fiscal Review
1021 O Street, Suite 8620
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Dear Superintendent Thurmond, Director Stephenshaw, Chairperson Gabriel, Chairperson Wiener, and Committee Members:

This letter is submitted for your consideration in accordance with the Fiscal Crisis and Management Assistance Team's (FCMAT) responsibilities under Assembly Bill 100 (Chapter 2, Statutes of 2025).

Background

Los Angeles County Wildfires

In early January 2025, a severe windstorm swept through Los Angeles County, contributing to the ignition and rapid spread of seven major wildfires. While several communities were affected, the Palisades and Eaton fires caused the most extensive damage. Figures 1 and 2 show the perimeters of these fires. Among the public services impacted, eight public schools were either severely damaged or destroyed. All affected schools eventually returned to in-person instruction at alternative sites, with the final school resuming classes in mid-April 2025.

Cleanup efforts were organized into two concurrent phases. Phase 1, led by the U.S. Environmental Protection Agency, focused on the removal of household hazardous waste, while Phase 2, managed by the U.S. Army Corps of Engineers (USACOE), involved the removal of structural debris. Both phases have been completed, and rebuilding efforts are underway. As of mid-September 2025, Los Angeles County has issued 384 rebuilding permits, while the city of Los Angeles has issued 569. The cities of Malibu and

Pasadena have issued two and 10 permits, respectively. These figures[1] reflect steady progress in restoring homes and public infrastructure, although some jurisdictions are slower than others to issue permits.

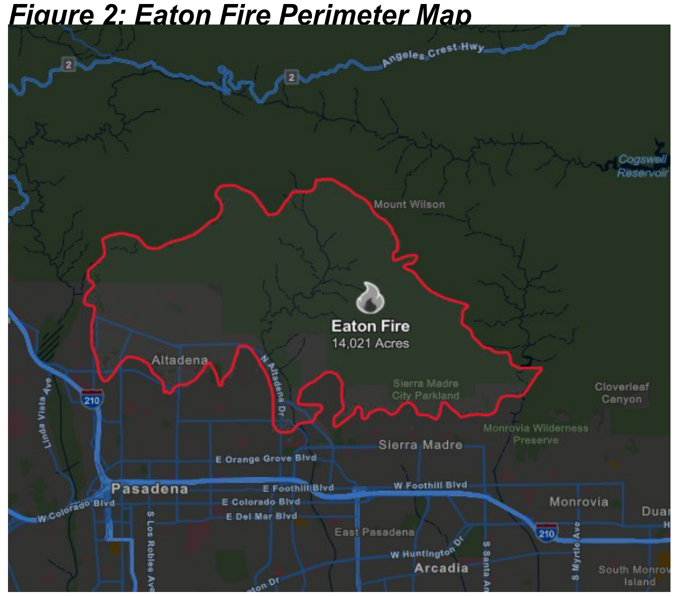
Despite this progress, long-term recovery for public schools will require financial support across both facilities and operations. Significant capital investment is needed to reconstruct buildings, remediate environmental concerns, restore technological infrastructure and replace instructional materials and equipment. These efforts are already underway and, in many cases, may be completed more quickly than the rebuilding of surrounding residential areas. In the interim, modular classrooms and other temporary solutions are being used to accommodate displaced students.

Operational recovery presents a more prolonged challenge. Expanded services, particularly mental health support, remain essential to help students and staff cope with trauma and loss. At the same time, enrollment declines caused by student displacement from the destruction of homes will have immediate and longer lasting impacts on affected LEAs and their funding. These operational disruptions are expected to persist for years. Targeted state support will be necessary to address extraordinary costs and ensure continuity of educational services during this extended recovery period.

Continued advocacy for federal disaster aid remains critical to supplement state and local resources and ensure a comprehensive and equitable recovery.

Figure 1: Palisades Fire Perimeter Map

Figure 2: Eaton Fire Perimeter Map



Sources:

1. Cal Fire Incidents, September 24, 2025; Palisades Fire updated August 26, 2025, https://www.fire.ca.gov/incidents/2025/1/7/palisades-fire.

2. Cal Fire Incidents, September 24, 2025; Eaton Fire updated May 20, 2025, https://www.fire.ca.gov/incidents/2025/1/7/eaton-fire.

Palisades Fire

The Palisades Fire began on January 7, 2025, in the Santa Monica Mountains of Los Angeles County. Driven by Santa Ana winds, the fire spread through Pacific Palisades, Topanga, and Malibu. Containment was achieved on January 31, 2025, following 24 days of active burning. In total, the Palisades Fire burned 23,448 acres, destroyed 6,837 structures, and resulted in 12 fatalities. The suspected cause of the fire is arson. At this time, it ranks as the ninth deadliest and third most destructive wildfire in California history and the most destructive wildfire recorded in the city of Los Angeles.

1 Track LA's progress, September 24, 2025, https://www.ca.gov/lafires/track-progress/

Eaton Fire

The Eaton Fire also ignited on January 7, 2025, in Eaton Canyon in the San Gabriel Mountains. High winds drove the fire into foothill communities, particularly Altadena. It was contained on January 31, 2025, 24 days later. The fire destroyed more than 9,000 structures and caused 19 fatalities, making it the fifth deadliest and second most destructive wildfire in California history as of today.

School Closures and Operational Disruption

In addition to the fires themselves, the severe windstorm that swept through Southern California in early January caused direct damage to several school campuses. As the fires spread, hundreds of schools, including traditional public, charter, and private institutions, were affected by smoke intrusion, evacuation orders, and hazardous air quality. These disruptions extended well beyond the burn perimeters, impacting instruction and threatening student safety across a wide range of school systems and geographic areas. While not all communities experienced the same level of disruption, the overall impact on schools across the region was significant.

More than 1,000 schools across Los Angeles and surrounding counties were closed over several days due to dangerous weather and fire conditions. Many campuses remained closed for multiple days, and some districts experienced extended disruptions. For example, Pasadena Unified School District (PUSD) was closed for several weeks, reflecting the severity and duration of the impact in certain areas. PUSD reopened campuses in three phases: schools farthest from the fires resumed on January 23, followed by a second group on January 27, and the remaining campuses reopened on January 29 and 30, 2025.

A summary of the public school facilities that were damaged or destroyed is provided in Table 1.

The most significantly impacted schools illustrate the diversity of local educational agencies (LEAs) affected by the wildfires, with varied governance structures, enrollment sizes and operational models across the region. These include Los Angeles Unified School District (LAUSD), the largest district in California; PUSD, a mid-size district serving both urban and suburban communities; two charter school networks with multiple campuses; a large independent charter high school; and two of the smallest charter schools in the county.

Table 1. Public School Facilities Damaged or Destroyed by Palisades and Eaton Fires

School	District	2024-25 Enrollment	Impact of Fires
Marquez Charter	LAUSD	314	Destroyed (Total Loss)
Palisades Charter Elementary	LAUSD	408	Damaged (Significant Loss)
Palisades Charter High	LAUSD	2,920	Damaged (Partial Loss)
Charles W. Eliot Middle	PUSD	407	Damaged (Significant Loss)
Franklin Elementary[2]	PUSD	0	Damaged (Significant Loss)
Noyes Elementary (Aveson School of Leaders)[1]	PUSD	279	Destroyed (Total Loss)
Loma Alta Elementary (Pasadena Rosebud Academy)[1]	PUSD	169	Destroyed (Total Loss)
Edison Elementary (OCS-South)[1]	PUSD	392	Destroyed (Total Loss)

Sources: LAUSD, Board of Education Report No. 269-24/25. LAUSD Bond Oversight Committee, Three Campus Reconstruction Projects, May 22, 2025; PUSD and charter schools.

Notes:

1. Proposition 39 facility for charter school indicated.

2. School closed in May of 2020.

Community Displacement and Ripple Effects

The impact of the wildfires extended far beyond the burn zones, disrupting lives and educational continuity across the region. Many students and staff lost their homes; in some cases, they lost both their homes and schools or workplaces. These personal losses compounded the emotional and logistical strain on school communities already grappling with closures and uncertainty.

Neighboring districts, some of them basic aid status[2], enrolled displaced students without receiving extra funding, creating fiscal pressure despite their efforts to support recovery. In some cases, undamaged schools experienced enrollment declines as families relocated, while displaced campuses were co-located with other schools to maintain instructional continuity.

Community services such as childcare centers, after-school programs and family resource centers were also destroyed or rendered inoperable, further destabilizing the support systems families rely on. The full scope of these ripple effects is difficult to quantify, but they represent a profound disruption to educational ecosystems across Southern California.

School Reopening After Wildfires

In response to the Palisades and Eaton wildfires and in accordance with Executive Order N-6-25, the Interagency Schools Task Force worked to support affected LEAs to resume instruction as quickly as possible. The task force included representatives from the State Board of Education, Department of General Services, Department of Finance (DOF), California Governor's Office of Emergency Services, California Department of Public Health, California Environmental Protection Agency, California Department of Education (CDE), FCMAT and Los Angeles County Office of Education (LACOE). In addition to coordinating state recovery efforts, the task force assisted LEAs in identifying and setting up temporary campuses, and provided community support services such as housing assistance, mental health care, and childcare for displaced students. These efforts, including the provision of temporary school facilities and other resources, enabled the rapid resumption of both in-person and online learning for students from schools that were damaged or destroyed in Palisades and Altadena.

The process of reopening schools following the January wildfires varied widely across LEAs, reflecting both the complexity of the damage and the absence of consistent reopening guidance. Many schools required extensive cleaning to remove ash and debris, repairs to damaged infrastructure and environmental testing to ensure campuses were safe for students and staff to return.

LEAs reported that community concern, particularly from families and staff, prompted additional and ongoing testing, much of which is not expected to be covered by insurance or Federal Emergency Management Agency (FEMA) reimbursements.

In interviews, LEA leaders consistently noted that the absence of state-adopted reopening requirements after a wildfire led them to rely on guidance from multiple agencies, which sometimes conflicted. For example, PUSD had to reconcile differing guidance from both the Los Angeles County Department of Public Health and the city of Pasadena.

Ultimately, decisions about reopening were left to local discretion, with LEAs responsible for determining whether conditions were safe for students and staff. While all emphasized their commitment to safety, many expressed that state-level guidance outlining minimum reopening standards or recommended steps would have been helpful in reassuring communities and ensuring consistency across jurisdictions.

2 When a school district's local property taxes meet or exceed the LCFF entitlement, the district is considered a basic aid or community-funded district. Basic aid school districts retain the excess property taxes that exceed their LCFF entitlement.

Assembly Bill 100

Assembly Bill 100 (Chapter 2, Statutes of 2025), signed into law on April 14, 2025, includes Section 22, which addresses the impacts of the Palisades and Eaton fires. The statute provides:

> Notwithstanding any other law, the Los Angeles Unified School District, Pasadena Unified School District, and any impacted charter schools located within those districts, may request, by June 30, 2025, the Fiscal Crisis and Management Assistance Team to conduct an evaluation of the need for additional funding and statutory changes for the 2026-27, 2027-28, and 2028-29 fiscal years as a result of the state of emergency declared by the Governor in January 2025 and provide recommendations to the Department of Finance, the Legislature, and the Superintendent of Public Instruction by November 1, 2025.

In accordance with Section 22, LAUSD, PUSD, Aveson Schools, and Odyssey Charter Schools requested assistance from FCMAT. LAUSD's request included Marquez Charter and Palisades Charter Elementary. Other eligible charter schools within the affected districts, including Palisades Charter High, Pasadena Rosebud Academy, and Alma Fuerte Public, did not initially submit requests. However, some of these schools submitted subsequent requests in October 2025 to be included in the analysis and report. FCMAT will evaluate one or more of these charter schools and issue a supplemental letter to accompany this report. The recommendations in the Findings and Recommendations section are intended to apply to all impacted districts and charter schools, regardless of participation in the original analysis. However, not all recommendations will be applicable to every LEA.

This report focuses on the projected financial impacts of the fires on affected schools, including changes in enrollment, funding, and expenditures. Particular attention is given to the Local Control Funding Formula (LCFF), the primary funding source for LEAs. The report also considers extraordinary operational costs incurred because of the fires, as well as potential expenditure adjustments, such as staffing reductions due to enrollment losses.

Facilities-related issues, including reconstruction, capital funding, and the process for securing and housing students in temporary or replacement facilities, are outside the scope of this report. These matters are being addressed by state agencies such as the Office of Public School Construction and the Division of the State Architect, along with local municipalities which may oversee zoning, conditional use permits, building codes, health and safety inspections, and occupancy approvals, for charter schools leasing commercial buildings or constructing new facilities.

Multiyear Financial Projections

Prudent financial planning is essential for all LEAs, particularly in the aftermath of significant disruptions. The recent wildfires destroyed school sites and displaced families, leading to notable enrollment declines and intensifying fiscal uncertainty. In this context, multiyear financial projections (MYFPs) are critical tools for aligning resources with strategic goals and maintaining fiscal solvency.

MYFPs offer a structured approach to evaluating the long-term impact of current decisions. However, they are inherently limited by assumptions such as enrollment trends, cost-of-living adjustments (COLAs), and fluctuations in funding at federal, state, and local levels. As such, projections should be treated as point-in-time estimates and updated regularly, especially during periods of volatility. It is also helpful to prepare multiple MYFPs to account for various funding scenarios and identify a range of possibilities.

When used effectively, MYFPs support governing boards in fulfilling their fiduciary responsibilities by enabling informed decision-making and promoting fiscal stability, even in the face of unforeseen events such as natural disasters.

Assumptions

FCMAT's MYFPs used each LEA's 2025-26 adopted budget report as the baseline. The projections incorporated the impact of the enacted 2025-26 state budget. To inform the MYFPs, the study team conducted interviews with LEA staff and reviewed key financial documents, including the prior three years of unaudited actuals (2022-23, 2023-24, and 2025-26) and either the 2024-25 adopted budget or 2024-25 first interim reports, the last financial reports issued before the January wildfires.

Planning factors used in the MYFPs were based on the most current information available at the time, as summarized in Table 2 and further detailed in the following LEA impact sections. Assumptions incorporated data from both local and statewide sources, including the DOF, CDE, and School Services of California (SSC). These figures are subject to change as new information becomes available.

COLA, a key driver of revenue assumptions, is projected to increase; however, recent indicators suggest it may trend lower than anticipated, which could negatively affect future revenue forecasts.

Unless otherwise noted, FCMAT used each LEA's assumptions regarding step and column salary adjustments, workers' compensation rates, health and welfare benefit costs, and indirect cost rates.

Table 2. FCMAT MYFP Assumptions, 2025-26 – 2027-28

Description	2025-26	2026-27	2027-28
Statutory COLA	2.30%	3.02%	3.42%
LCFF COLA	2.30%	3.02%	3.42%
State Categorical COLA	2.30%	3.02%	3.42%
California Consumer Price Index (CPI)	3.09%	2.82%	2.72%
California Lottery, Unrestricted per ADA	$190.00	$190.00	$190.00
California Lottery, Restricted per ADA	$82.00	$82.00	$82.00
Mandate Block Grant, District (Grades K-8)	$39.09	$40.27	$41.65
Mandate Block Grant, District (Grades 9-12)	$76.48	$78.79	$81.48
Mandate Block Grant, Charter (Grades K-8)	$20.52	$21.14	$21.86
Mandate Block Grant, Charter (Grades 9-12)	$58.21	$59.97	$62.02
Interest Rate for 10-Year Treasuries	4.50%	4.36%	4.40%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	26.81%	26.90%	27.80%
State Unemployment Insurance Rate, District	0.05%	0.05%	0.05%
State Unemployment Insurance Rate, Charter	LEA-specific rate as included in MYFPs		
Certificated Staff Step-and-Column Increases	LEA-specific rate as included in MYFPs		
Classified Step Increases	LEA-specific rate as included in MYFPs		
Health and Welfare Benefits Increases	LEA-specific rate as included in MYFPs		
Workers' Compensation Insurance Rate	LEA-specific rate as included in MYFPs		
LEA Indirect Cost Rate	LEA-specific rate as included in MYFPs		

Sources: DOF, CDE, SSC and LEAs.

Enrollment

Cohort Survival Methodology

The cohort survival method is commonly used by LEAs and is the approach implemented in FCMAT's Projection-Pro software to project enrollment. This method groups students by grade level upon entry and tracks their progression over time, accounting for student retention and grade-level entry and exit. It applies actual cohort survival rates, calculated as either a simple or weighted average, to project future grade-level enrollments.

Cohort survival rates are derived from historical enrollment data certified on Fall 1 census day in the California Longitudinal Pupil Achievement Data System (CALPADS), which occurs on the first Wednesday in October. These rates reflect the percentage increase or decrease in enrollment from one grade to the next in successive years. For example, if 1,000 students were enrolled in grade one in 2023-24 and 1,040 in grade two in 2024-25, the survival rate would be 104.0%, or a ratio of 1.04.

Ratios are calculated for each grade-level pair across multiple years. To improve accuracy and responsiveness to latest trends, Projection-Pro uses a weighted average, which places greater emphasis on more recent data. The reliability of enrollment projections depends on the consistency and quality of historical data, as each ratio reflects the cumulative effects of demographic changes, student mobility, and programmatic shifts that influence cohort size over time.

Since official census day data for 2025-26 was not available at the time of analysis, FCMAT requested current enrollment figures from each LEA as of September 2025. Given the disruption to student cohorts caused by the fires, FCMAT developed both a pre-fire trend model and a post-fire model within the Projection-Pro software. Tables A-1, A-3, A-5 and A-7 in Appendix A present FCMAT's enrollment projections by LCFF grade level range, which incorporate estimated impacts on each LEA resulting from the January wildfires. The specific methodologies used to develop these projections are described in greater detail in the LEA impact sections that follow.

Average Daily Attendance

Average daily attendance (ADA) is a critical metric because it serves as the basis for most state education funding. ADA is calculated by dividing the total number of days students attend school by the total number of instructional days in a school year. Under the LCFF, school district funding has traditionally been based on the greater of the current year's or prior year's ADA, as reported at the second reporting period (P-2). The P-2 ADA reflects student attendance from the first day of school through the last school month ending on or before April 15.

Beginning in 2022-23, the state revised the formula to fund districts at the highest of three measures: current year ADA, prior year ADA, or average ADA from the three most recent years. This formula to determine LCFF ADA is often referred to as the "declining enrollment protection." Charter schools, however, continue to be funded solely on their current year ADA. This distinction reflects statutory timelines districts must follow when adjusting staffing, their largest expenditure. Because most districts in California are experiencing declining enrollment, funding based on the greatest of the three measures provides additional time to implement cost reductions in response to LCFF revenue losses. Charter schools are not subject to the same statutory layoff notification requirements.

To mitigate wildfire-related funding losses, AB 121 provides temporary relief for impacted LEAs through LCFF hold-harmless allocations and ADA hold-harmless adjustments to specific programs. These provisions are described in more detail below.

FCMAT used Projection-Pro to calculate each LEA's ADA by LCFF grade level ranges, as shown in Tables A-1, A-3, A-5 and A-7 in Appendix A. The methodologies used to develop these projections are described in detail in the LEA impact sections that follow.

Allowance of Attendance Due to Emergency Conditions

California Education Code provides a process through which the CDE may grant LEAs attendance and instructional time credit when schools are closed or experience a material decrease in attendance due to emergency events. This process is known as the Form J-13A approval.

LEAs affected by the Palisades and Eaton fires experienced school closures ranging from a day to multiple weeks. Days lost due to emergency closures are excluded from ADA calculations and therefore do not impact an LEA's P-2 ADA; however, Form J-13A approval is still required to avoid fiscal penalties for failing to meet minimum instructional day and minute requirements.

In addition to closures, some LEAs experienced a material decrease in attendance due to students being unable to return for various reasons. A material decrease Form J-13A approval allows an LEA to recover ADA from the date of reopening through the end of the 2024-25 school year, restoring ADA to pre-fire levels.

While there is no statutory deadline for submitting Form J-13A to the CDE, the timing of submission can affect funding. For LEAs funded on current year ADA, delays in approval may result in an immediate impact on LCFF allocations during the emergency year. Although the state will reconcile funding after Form J-13A approval in a subsequent fiscal year, LEAs may face interim cash flow challenges. Additionally, certain non-LCFF programs rely on P-2 ADA as of the second principal apportionment certification and do not adjust funding later based on ADA increases resulting from Form J-13A approval.

To mitigate these impacts, the CDE offered a pre-approval process for LEAs unlikely to return to normal attendance levels in 2024-25. Without pre-approval, LEAs would have had to wait until after the P-2 attendance reporting cutoff (April 15) to submit Form J-13A, leaving insufficient time to receive approval before the second principal apportionment certification.

As part of the pre-approval process, LEAs were required to submit a Form J-13A package and supplemental affidavit to the CDE by April 1, 2025, with approval from the LACOE. The CDE committed to issuing preliminary approvals in time for the May 1, 2025, P-2 attendance reporting deadline. LEAs were also required to submit actual attendance data from the reopening date through the end of the school year by July 15, 2025. Based on this data, the CDE will issue final Form J-13A approvals reflecting any necessary adjustments.

All impacted LEAs submitted both school closure and material decrease Form J-13A requests, except Marquez Charter and Palisades Charter Elementary, which submitted only for school closures. Only the Odyssey Charter Schools participated in the CDE's material decrease Form J-13A pre-approval process and received approval.

Unduplicated Pupil Percentage

The state uses the unduplicated pupil percentage (UPP) to calculate LCFF supplemental and concentration grants. The UPP represents the percentage of students identified as English learners, foster youth, or eligible for free or reduced-price meals (FRPM). Each student is counted only once, even if they meet multiple criteria. For LCFF purposes, the UPP is calculated as a three-year rolling average. Other programs also rely on UPP data, such as the FRPM, to determine funding eligibility, such as the Expanded Learning Opportunities Program (ELOP) and Arts and Music in Schools—Proposition 28.

FCMAT used Projection-Pro to calculate each LEA's unduplicated pupil count (UPC) to total enrollment ratio. This ratio was applied to projected enrollment to estimate the UPP for the forecast years, as shown in Tables A-2, A-4, A-6 and A-8 in Appendix A. The specific methodologies used to develop the UPC projections are described in greater detail in the LEA impact sections that follow.

Local Control Funding Formula

The LCFF, implemented in the 2013-14 fiscal year, is the primary funding source for California school districts and charter schools, and consists of the following components:

- A base grant per pupil that varies by grade span, including an add-on for transitional kindergarten (TK) and grade span adjustments for grades TK-3 and 9-12.
- A supplemental grant equal to 20% of the adjusted base grant, multiplied by the district's percentage of unduplicated pupils, as measured by the UPC.
- A concentration grant equal to 65% of the adjusted base grant, multiplied by the percentage of unduplicated pupils exceeding 55% of total enrollment. For charter schools, the UPP used for concentration grant funding is the lesser of its own UPP or the UPP of its determinative[3] district.

In completing its analysis, FCMAT used the most recent version of the LCFF calculator, released on August 1, 2025. This version incorporates updated data from the 2025-26 enacted state budget and the 2024-25 second principal apportionment, both of which became available after the LEAs adopted their 2025-26 budgets. These updates, combined with FCMAT's projections for enrollment, UPP, and ADA, produced different LCFF entitlement estimates for 2025-26 through 2027-28, as compared to each LEA's adopted budget projections. These differences are described in detail in the LEA impact sections below.

Assembly Bill 121

Assembly Bill 121 (Chapter 8, Statutes of 2025) provides financial and operational relief to schools affected by the January 2025 wildfires.

Charter School Funding LCFF Hold-Harmless

Section 40 amends Education Code 46392 to ensure that charter schools directly impacted by the fires are not penalized for lower attendance during the 2025-26 school year. Under this provision, eligible schools may receive LCFF allocations comparable to the prior year, provided they operate for at least 175 instructional days.

Covered schools include Marquez Charter, Palisades Charter Elementary, and Palisades Charter High in the Los Angeles Unified School District; Aveson Global Leadership Academy, Aveson School of Leaders, Odyssey Charter, OCS - South, and Pasadena Rosebud Academy in the Pasadena Unified School District; and Alma Fuerte Public.

For the 2025-26 fiscal year, eligible charter schools will receive an allocation equal to the difference between their LCFF entitlement as calculated in the 2025-26 annual principal apportionment and their 2024-25 first principal apportionment. A preliminary allocation may be provided as early as the first principal apportionment in February 2026.

This hold-harmless provision does not account for COLAs or changes the state made to increase the LCFF TK add-on. The 2025-26 enacted budget raised the TK add-on by $2,397 per ADA to support the student-

3 The determinative district is the one in which the charter school is physically located. If the charter school has a physical location within the boundaries of multiple districts, the determinative UPP is based on the highest UPP among those districts.

to-adult ratio reduction from 12:1 to 10:1. While these adjustments provide additional LCFF funding, they also reduce the hold-harmless allocation, as the statutory comparison does not factor in changes to the funding formula. As a result, these schools are not held harmless to their 2024-25 pre-fire funding levels.

State of Emergency Provisions

Section 71 extends provisions of the January 2025 state of emergency executive orders to provide additional flexibilities for impacted schools in Los Angeles County. Under this section, LEAs may use temporary facilities outside district boundaries and continue collecting ADA for displaced pupils. In addition, certain Education Code requirements regarding the lease of real property are suspended for those LEAs seeking to lease property to impacted LEAs for purposes of serving students impacted by the fires.

Site-based charter schools with damaged or inaccessible campuses may relocate to any site within Los Angeles County during the 2024-25 and 2025-26 school years without violating geographic boundary provisions. In addition, classroom-based charter schools that shift to independent study because of facility damage or pupil displacement are not required to submit a funding determination or obtain a material revision from their authorizer for the duration of those two school years.

Basic Aid District Property Tax Backfill

Section 78 authorized reimbursement from the state General Fund for basic aid school districts that lost local property tax revenue due to the Eaton and Palisades fires. These reimbursements covered losses in the 2024-25 and 2025-26 fiscal years and were distributed by the state controller to districts before September 30, 2025, according to a schedule prepared by Los Angeles County and submitted to DOF.

Adjustments for Other State and Federal Program Funding

Funding for several state programs is determined based on actual ADA from the prior year, as reported at the second principal apportionment. Without specific legislative intervention, most wildfire-impacted LEAs would have experienced reduced funding due to attendance losses. These programs calculate funding only once and do not account for later adjustments resulting from approved Form J-13A submissions.

Sections 38 and 81 of AB 121 provided ADA relief for two programs, the ELOP and the Student Support and Professional Development Discretionary Block Grant (SSPDDBG). These provisions allow funding to be based on the higher of first or second period ADA for 2024-25, helping to mitigate the impact of wildfire-related attendance declines.

Covered LEAs include the Los Angeles Unified School District; Marquez Charter, Palisades Charter Elementary, and Palisades Charter High in the Los Angeles Unified School District; Pasadena Unified School District; Aveson Global Leadership Academy, Aveson School of Leaders, Odyssey Charter, OCS - South, and Pasadena Rosebud Academy in the Pasadena Unified School District; and Alma Fuerte Public.

Other programs that rely on prior year ADA, such as the Mandate Block Grant, did not receive similar statutory adjustments. As a result, affected LEAs, except for Odyssey Charter Schools, which received advance Form J-13A pre-approval, will see reduced funding based on lower post-wildfire 2024-25 P-2 ADA.

Programs such as State Lottery and Special Education will eventually reflect ADA adjustments once Form J-13A submissions are approved. Federal programs and others based on enrollment counts, such as Arts and Music in Schools—Proposition 28, will reflect lower enrollment and therefore reduced funding in subsequent fiscal years.

Multi-Tiered System of Support

Section 20 of AB 121 redirects approximately $1.7 million in unused funds allocated to the Orange County Department of Education for the California Multi-Tiered System of Support (CA MTSS) to assist districts and schools impacted by the January 2025 wildfires. CA MTSS will provide funding and contracted services to support the educational and mental health needs of students and staff, including trauma-informed training and resources tailored to the unique needs of each school.

Risk Pooling and Insurance Coverage

Managing risk is an essential function for LEAs, particularly given their exposure to financial and legal liabilities. LEAs employ various insurance strategies to protect against property damage, employee-related claims, and other risks. While many participate in public entity risk pools, others are self-insured or purchase coverage directly from the commercial market through brokers. Some use a combination of these approaches. The structure of each LEA's insurance program reflects its unique needs, resources, and overall risk management strategy. The LEAs included in this review illustrate the diversity of insurance program models currently in use.

In recent years, market conditions have made it increasingly difficult for LEAs to secure and maintain affordable insurance. Rising claims related to natural disasters (particularly wildfires), cybersecurity breaches, and incidents involving childhood sexual assault have driven up costs and limited coverage options. These pressures affect both individual LEAs and the risk pools that serve them.

Public entity risk pools are cooperative arrangements in which multiple agencies share both resources to finance insurance coverage and the burden of risks. Pools are designed to be flexible, allowing adjustments to pricing, coverage terms, and loss control strategies in response to changing market conditions. To help stabilize member premiums and protect their financial health, risk pools often reinsure portions of their coverage by purchasing insurance from commercial carriers.

This process, essentially insuring the pool itself, transfers risk to external insurers and adds complexity to the overall coverage structure. Reinsurance often involves multiple carriers, especially for higher levels of coverage, which can complicate the claims process. In one case documented in this review, more than 10 insurers were involved in a single LEA's excess coverage, requiring approval from each before a claim could proceed. Several LEAs expressed frustration with the resulting delays and administrative burdens.

Details about the specific insurance arrangements and coverage structures for the LEAs included in this review are provided in the LEA impact sections.

Local Educational Agency Impacts

Before the January 2025 wildfires, LEAs across Los Angeles County were navigating a complex and increasingly strained fiscal landscape. Declining enrollment, inflationary cost pressures, and the expiration of COVID-19 relief funds had left many LEAs grappling with structural deficits, as ongoing expenditures were no longer supported by sustainable revenue sources.

Although the expansion of TK and a partial recovery in ADA following pandemic-related declines helped offset some revenue losses, LEAs continue to face rising costs. Insurance premiums, utility expenses, and special assessments related to childhood sexual assault claims are increasing. At the same time, uncertainty in federal policy and a shift toward more modest COLAs in the range of 2% to 3% are also contributing to mounting pressures on unrestricted general funds.

While most LEAs entered the current period with stronger reserves than during the Great Recession (fiscal years 2008-09 to 2012-13), many are now experiencing deteriorating cash positions due to persistent deficit spending. The sections below highlight the unique challenges facing the LEAs included in this review.

Los Angeles Unified School District

LAUSD, the largest public school district in California and the second largest in the United States, served more than 516,000 students in grades TK-12 across nearly 1,000 schools, including district-authorized charter schools, in the 2024-25 school year. Spanning approximately 710 square miles, LAUSD encompasses the city of Los Angeles as well as portions of Burbank, Culver City, Glendale, Inglewood, and several unincorporated areas of Los Angeles County. The district's schools are in neighborhoods ranging from dense urban centers to suburban communities and coastal areas, reflecting both the geographic and demographic diversity of the region.

In January 2025, the Palisades Fire destroyed two affiliated[4] charter elementary schools in the Pacific Palisades community, Marquez Charter and Palisades Charter Elementary, forcing the district to relocate their students to neighboring schools, Nora Sterry Elementary and Brentwood Elementary Science Magnet, respectively, for the remainder of the 2024-25 school year. Students remained at these sites for the start of the 2025-26 school year.

The fire also caused severe damage at Palisades Charter High, a non-affiliated charter school serving grades 9-12. Following the fire, the school transitioned students to online instruction and, by mid-April 2025, relocated them to a temporary site in a former Sears building in downtown Santa Monica, where classes continue into the 2025-26 school year.

LAUSD has installed temporary portable classrooms on the Marquez Charter campus, allowing students to return to the site at the end of September 2025. The site's size allowed for the placement of interim facilities without delaying the reconstruction of the permanent buildings, which is expected to be completed during the 2028-29 school year. Temporary portables have also been placed at Palisades Charter High to replace facilities that were destroyed or severely damaged, with the goal of returning students to campus after the upcoming winter break. Students from Palisades Charter Elementary are expected to remain at their relocation site until permanent rebuilding is complete, also expected to take three to four years.

The district is funding its rebuilding efforts through Measure US, a $9 billion bond approved by voters in November 2024, originally intended for infrastructure upgrades and modernization. These funds support both interim facilities and the reconstruction of permanent school buildings. In addition, the district plans to seek reimbursement through insurance claims, FEMA, and the California School Facilities Program administered by the Office of Public School Construction (OPSC).

Multiyear Financial Projection Analysis

In California, charter schools operate under varying funding and reporting structures. Some schools receive funding directly from the state, while others receive funding through their authorizer. These decisions influence how charter schools are financially integrated into district operations.

LAUSD's affiliated charter schools, including Marquez Charter and Palisades Charter Elementary, are funded through the district and treated similarly to traditional school sites for budgeting and reporting purposes. Their financial data is included in the district's general fund and fully reflected in the MYFP presented in Table B-1 in Appendix B.

4 In this report, affiliated charter schools are those that elect to receive funding through their authorizer and are governed by the authorizer's board. Non-affiliated charter schools are funded directly by the state and operate independently under governing boards separate from the authorizer.

Table B-1 presents FCMAT's MYFP analysis for LAUSD, covering fiscal years 2024-25 through 2027-28. This analysis is supported by key assumptions and adjustments related to enrollment, UPC, ADA, and revenue sources, including the fiscal impact of the Palisades Fire. FCMAT also evaluated expenditure trends, fund balance levels, reserves and cash position to assess fiscal sustainability and identify potential risks to solvency.

Because Marquez Charter and Palisades Elementary Charter are embedded in the district's financial structure, isolating the fiscal impact of the fire on these schools is challenging. Together, they represented less than 0.2% of LAUSD's total enrollment in 2024-25, which limits the visibility of their individual impact within broader district-level projections. The adjustments made in FCMAT's MYFP incorporate changes affecting both the district and its affiliated charter schools, ensuring that the financial implications of the fire are captured across the integrated budget.

Enrollment, UPC and ADA

Historical Trends

LAUSD has experienced more than a decade of steady enrollment decline. Between 2021-22 and 2024-25, it averaged a 2.2% annual decrease.

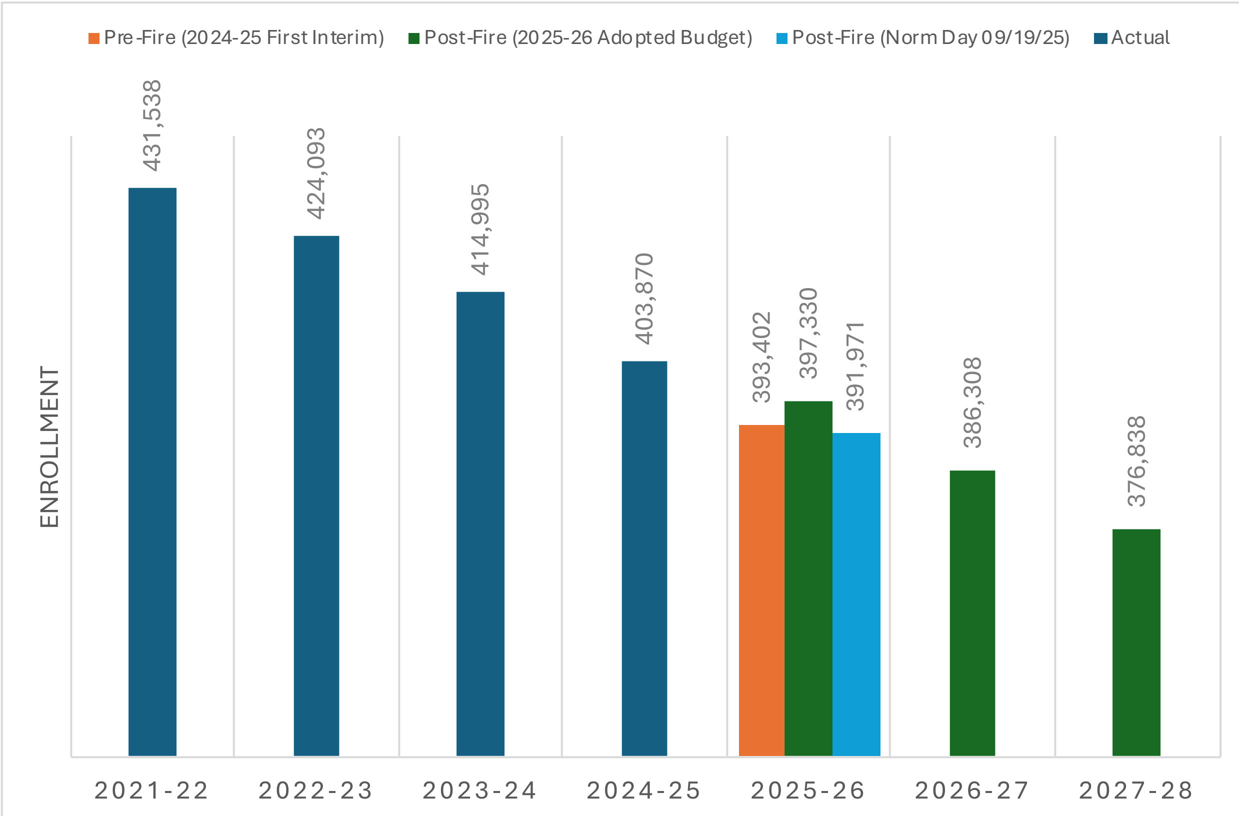
As shown in Figure 3, despite the disruption caused by the January wildfires, the district's 2025-26 enrollment projection increased from 393,402 in the December 2024 first interim to 397,330 in the June 2025 adopted budget. The district's actual TK-12 enrollment is closer to 391,971. This figure includes estimated "norm day[5]" enrollment as of September 19, 2025, plus nonpublic school enrollment from the 2025-26 adopted budget, and represents a 2.9% decline from 403,870 in 2024-25.

The most significant site-level losses occurred at Marquez Charter and Palisades Charter Elementary, which reported year-over-year declines of 59.9% and 24.5%, respectively, for the 2025-26 school year. As of September 19, 2025, Marquez Charter enrolled 126 students, while Palisades Charter Elementary enrolled 308. These sharp drops were directly tied to the January fire, which severely impacted both campuses and their surrounding communities.

In addition to the two destroyed campuses, the district reported enrollment losses at nearby middle schools and other sites due to community displacements. Although fire-related displacements affected nearby schools, these impacts were secondary to broader demographic trends. LAUSD's overall downward trajectory continues to be driven by long-term demographic shifts, including falling birth rates in Los Angeles County, increased outmigration, and fewer newcomer students entering the system.

5 "Norm day" is the day early in the school year when the district adjusts staffing allocations based on actual student enrollment.

Figure 3. Actual Data and Comparison of LAUSD Pre- and Post-Fire Enrollment Projections for 2021-22 – 2027-28



Sources: LAUSD for 2025-26 enrollment as of September 19, 2025; LAUSD 2024-25 First Interim and 2025-26 Adopted Budget MYFPs and Criteria and Standards Reviews.

Note: Enrollment figures, as reported in Form 01CS – School District Criteria and Standards Review (Criterion 2A: CALPADS Actual), include district and charter school enrollment that corresponds to financial data reported in the general fund, and reflect norm day plus nonpublic school enrollment totals.

Wildfire Impact

Like the district, both Marquez Charter and Palisades Charter Elementary have experienced enrollment declines over the past decade. Both schools reached peak enrollment in the 2015-16 school year, with 546 students at Marquez Charter and 525 at Palisades Charter Elementary. Since then, the annual decline in enrollment has averaged 5.6% at Marquez Charter and 2.6% at Palisades Charter Elementary.

The Palisades Fire introduced significant uncertainty into enrollment projections for both schools due to facility loss, community displacement, and the timeline for rebuilding the schools and surrounding neighborhoods.

To account for these variables, FCMAT developed two enrollment projection models using a weighted cohort survival method:

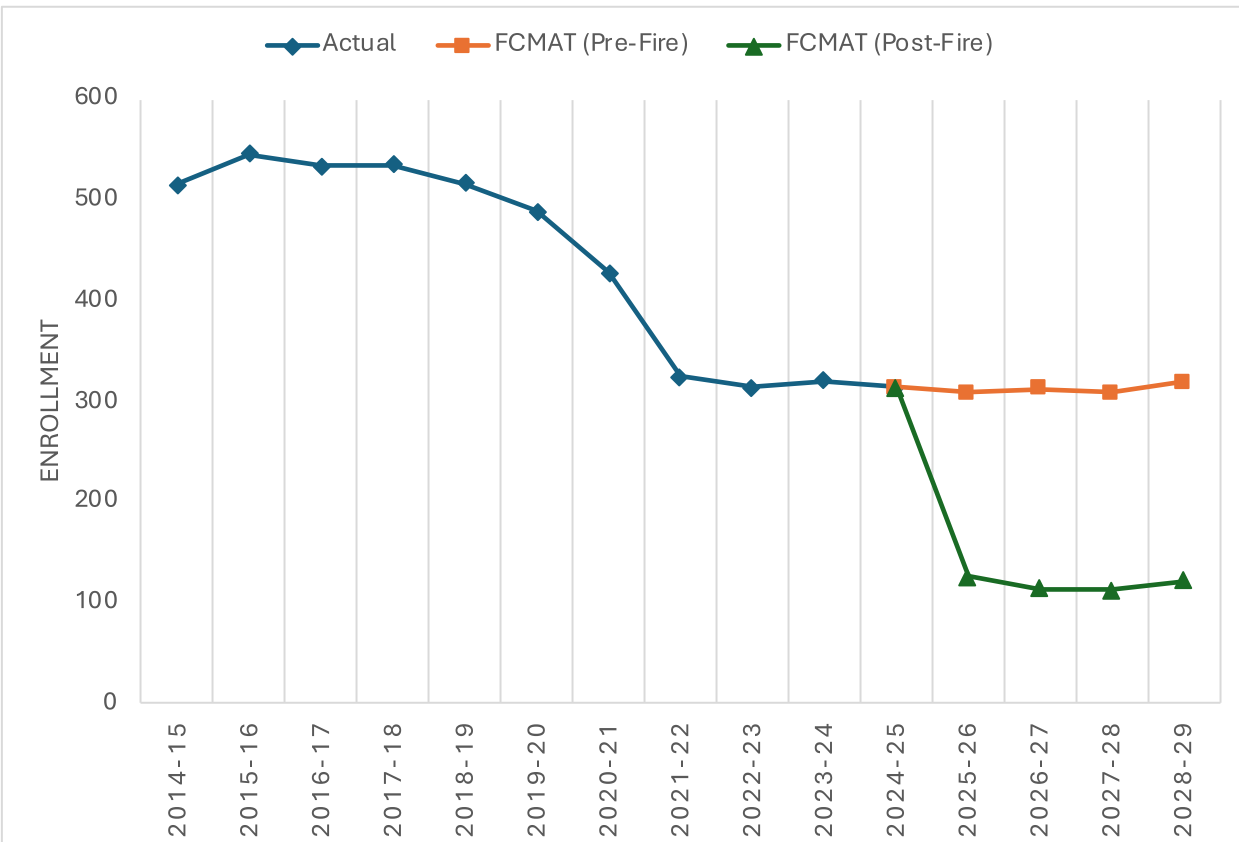
1. **Pre-Fire Trend Model**: Applies a three-year weighted historical average annual rate of decline to estimate funding as if the fire had not occurred.

2. **Post-Fire Model**: Uses actual enrollment as of September 19, 2025, as a new baseline, applying weighted enrollment changes from the three preceding years. This model reflects both immediate post-fire impacts and potential long-term shifts due to displacement and rebuilding.

Figures 4 and 5 compare historical enrollment trends and FCMAT's pre- and post-fire projections. This comparison illustrates both historical patterns and the direct impact of the wildfires, offering a range of potential future outcomes.

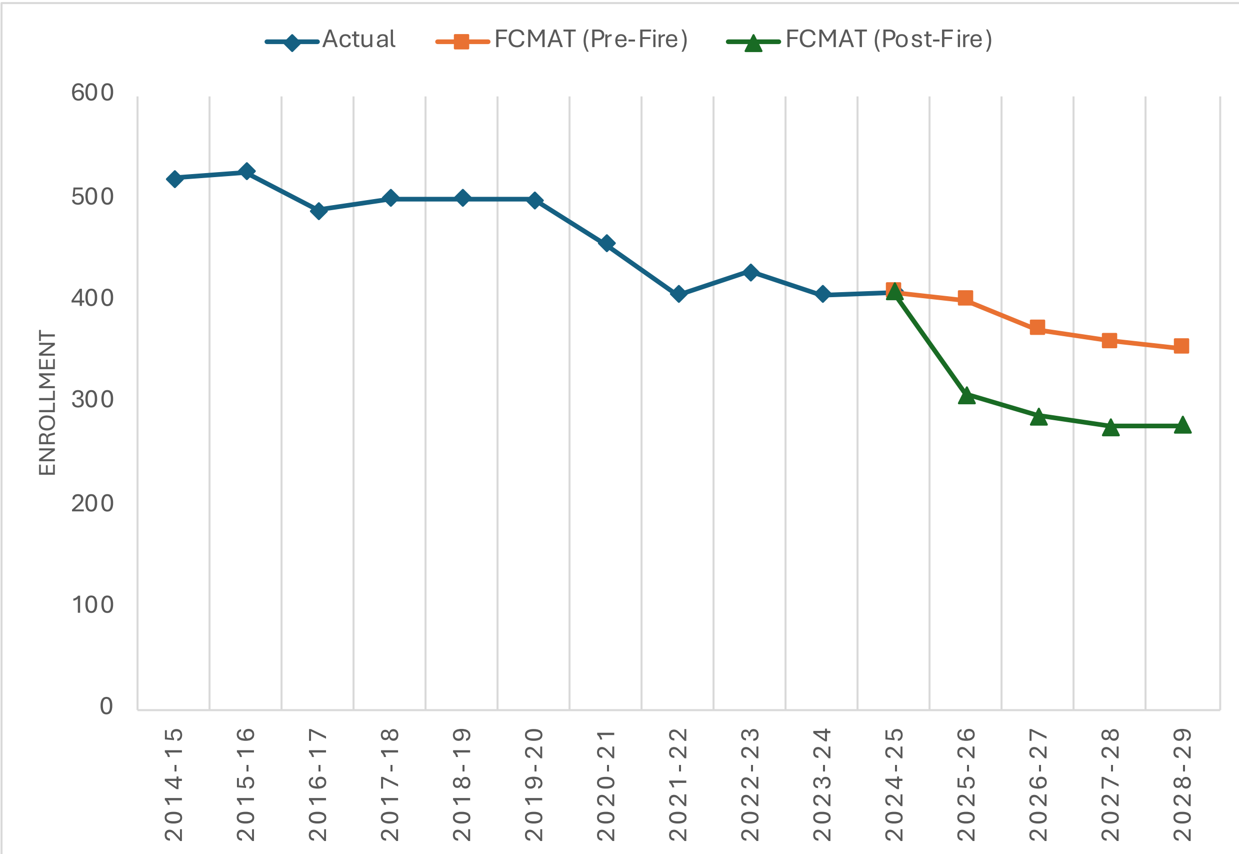
Additionally, Tables A-1 and A-2 in Appendix A provide historical enrollment, UPC and ADA data for each school and detail FCMAT's post-fire estimates used to calculate LCFF and other revenue sources. UPC and ADA were calculated using three-year historical averages to align with the enrollment methodology and exclude COVID-19 impacts from the 2020-21 and 2021-22 school years.

Figure 4. Actual Data and Comparison of Pre- and Post-Fire Enrollment Projections for 2014-15 – 2028-29, Marquez Charter



Sources: DataQuest; LAUSD; FCMAT's MYFP.

Figure 5. Actual Data and Comparison of Pre- and Post-Fire Enrollment Projections for 2014-15 – 2028-29, Palisades Charter Elementary



Sources: DataQuest; LAUSD; FCMAT's MYFP.

LCFF and Other Revenues

LCFF Entitlement Projections

Table 3 compares LAUSD, Marquez Charter, and Palisades Charter Elementary's LCFF entitlement projections for fiscal years 2025-26 through 2027-28, as reflected in the district's adopted budget, with FCMAT's post-fire scenarios. The district's projections include the TK add-on increase and exclude LCFF funding for its locally funded affiliated charter schools.

FCMAT's MYFP incorporates statutory hold-harmless provisions under AB 121 that apply to the two affiliated charter schools, reducing the district's 2025-26 LCFF entitlement projection by a net $81,787. Additionally, because LAUSD's LCFF projections for these schools did not account for fire-related enrollment losses, entitlement estimates in future years are overstated, exceeding $2.1 million for Marquez Charter and $1.4 million for Palisades Charter Elementary in 2027-28.

FCMAT's calculation of the district's LCFF entitlements for 2025-26 through 2027-28 resulted in a slightly lower funded average ADA for 2025-26, reducing the LCFF entitlement by $17.0 million in that year. After updating the 2025-26 enrollment as of September 19, 2025, FCMAT's LCFF entitlement estimates are lower than the district's by $75.8 million in 2026-27 and $147.4 million in 2027-28.

Table 3. Comparison of FCMAT and LAUSD LCFF Projections, 2025-26 – 2027-28

LCFF Entitlement	2025-26	2026-27	2027-28
Los Angeles Unified School District (non-charter schools)			
LAUSD – 2025-26 Adopted Budget	$5,935,844,457	$6,017,626,384	$6,056,072,505
FCMAT – Post-Fire Model	$5,918,821,720	$5,941,782,378	$5,908,719,869
Difference in LCFF, Post-Fire	($17,022,737)	($75,844,006)	($147,352,636)
Marquez Charter			
LAUSD – 2025-26 Adopted Budget	$3,327,932	$3,258,035	$3,355,399
FCMAT – Post-Fire Model	$3,238,399	$1,183,378	$1,207,734
Difference in LCFF, Post-Fire	($89,533)	($2,074,657)	($2,147,665)
Palisades Charter Elementary			
LAUSD – 2025-26 Adopted Budget	$4,207,933	$4,312,878	$4,440,101
FCMAT – Post-Fire Model	$4,215,679	$3,029,542	$3,009,581
Difference in LCFF, Post-Fire	$7,746	($1,283,336)	($1,430,520)

Sources: LAUSD LCFF Calculators for Marquez Charter, Palisades Charter Elementary, and district (non-charter schools); FCMAT's MYFPs.

Note: Charter schools' LCFF entitlements in 2025-26 include hold-harmless allocations pursuant to AB 121.

Hold-Harmless Provisions

Table 4 presents the LCFF and ADA data used to estimate the 2025-26 hold-harmless allocations for Marquez Charter and Palisades Charter Elementary.

Under AB 121, the 2025-26 LCFF hold-harmless allocation for charter schools affected by the January 2025 wildfires is calculated as the difference between the 2024-25 first principal apportionment and the 2025-26 annual principal apportionment. As a result, LAUSD's adopted budget for 2025-26 overstated the LCFF entitlement by $89,533 for Marquez Charter and understated it by $7,746 for Palisades Charter Elementary.

While AB 121 provides LCFF hold-harmless protections for impacted charter schools, these provisions do not apply to school districts. Districts are already covered under existing Education Code, which provides LCFF funding based on the highest of three ADA measures: current year, prior year, or the average of the three most recent years. Because of the district's continuing decline in enrollment, the district's LCFF entitlement is projected to be funded on the three-year average for the 2025-26 and two subsequent fiscal years.

Although the most significant impacts were concentrated at Marquez Charter and Palisades Charter Elementary, LAUSD will benefit from the statutory LCFF declining enrollment protection in 2025-26 for any districtwide enrollment losses related to the January fires, such as those at nearby middle schools. However, these losses are minor compared to historical declines and difficult to quantify given the district's size.

FCMAT's MYFP does not assume any additional hold-harmless or declining enrollment protections beyond those already provided for in statute.

Table 4: Estimated 2025-26 Hold-Harmless Allocation Based on LCFF and ADA Data, Marquez Charter and Palisades Charter Elementary

Charter School	2024-25 P-1 ADA[1]	2024-25 P-1 LCFF[1]	Projected 2025-26 P-2 ADA[2]	Projected 2025-26 P-2 LCFF[2]	Projected 2025-26 Hold-Harmless[3]
Marquez Charter	287.00	$3,238,399	108.01	$1,253,975	$1,984,424
Palisades Charter Elementary	373.39	$4,215,679	267.93	$3,150,120	$1,065,559

Sources:

1. CDE, 2024-25 P-1 Apportionment (Certified February 20, 2025).

2. FCMAT Post-Fire MYFP.

3. Difference between 2024-25 P-1 LCFF and 2025-26 P-2 LCFF.

Other Revenues

FCMAT used the CDE's 2025-26 allocation schedules to add new funding for the SSPDDBG and the restored Learning Recovery Emergency Block Grant (LREBG), both included in the enacted 2025-26 state budget. No other changes were made to federal, other state, or local revenues.

Marquez Charter and Palisades Charter Elementary did not receive advance approval for their Form J-13A requests. As a result, the funded ADA used in the 2024-25 second principal apportionment was not adjusted for attendance declines due to the wildfires. Table 5 compares reported ADA from the 2024-25 P-1 and P-2 apportionments.

Additionally, the schools have not yet applied for a material decrease allowance. If approved, the P-2 ADA will be revised and reflected in the next principal apportionment certification for 2024-25. The delay will affect certain categorical programs that rely on prior year ADA, such as the Lottery.

Table 5: Comparison of 2024-25 P-1 and P-2 ADA, Marquez Charter and Palisades Charter Elementary

Charter School	2024-25 P-1 ADA[1]	2024-25 P-2 ADA[2]	Net Change (ADA)	Net Change (%)
Marquez Charter	287.00	246.44	-40.56	-14.1%
Palisades Charter Elementary	373.39	338.10	-35.29	-9.5%

Sources:

1. CDE, 2024-25 P-1 Apportionment (Certified February 20, 2025).

2. CDE, 2024-25 P-2 Apportionment (Certified June 19, 2025).

Special Education

The CDE calculates AB 602 special education funding based on the highest ADA from the current year or the two prior years (i.e., the funded ADA). Distribution of this funding depends on the LEA's Special Education Local Plan Area (SELPA) allocation plan; LAUSD and its affiliated charter schools operate within a districtwide SELPA.

Assuming Form J-13A approvals for material decrease are secured for Marquez Charter and Palisades Charter Elementary, FCMAT expects only minor impacts to special education funding, with no effect on AB 602 allocations until 2027-28.

Expenditures

Staffing and Other Operating Costs

Despite significant enrollment losses due to the Palisades Fire, the district made no staffing or budget allocation reductions for Marquez Charter and Palisades Charter Elementary in the 2025-26 adopted budget, effectively holding both schools harmless from funding cuts. A review of school site budget summaries used in budget development, which include allocations for staffing, equipment, contract services and instructional materials and supplies, shows that staffing levels remained stable or increased slightly.

Although the district reported no major staffing adjustments for 2025-26, it's MYFPs indicate reductions in certificated and classified salary expenditures in the two subsequent years, largely due to changes in available restricted program funding. Certificated salaries are projected to decrease in total by $308.1 million in 2026-27 and $48.3 million in 2027-28, while classified salaries are expected to decline by $106.3 million and $10.8 million, respectively.

Overall district spending remained flat or declined across most budget categories, except for capital outlay, which increased by $81.9 million in 2026-27 and $9.8 million in 2027-28, and employee benefits, which rose by $160.6 million from 2026-27 to 2027-28. Although further reductions are anticipated to support long-term operational viability, FCMAT did not adjust expenditures in its MYFP.

Insurance

The district manages a range of risks, including damage or loss of property, liability claims, employee injuries, and natural disasters. To address these exposures, it has established separate funds to manage workers' compensation, liability, and health and welfare benefits programs. These funds cover uninsured losses and pay for insurance premiums, management fees, and related expenses.

Insurance costs have risen sharply in recent years, driven by market volatility, increased exposure to disaster-related risks, and increasing liability claims. Based on unaudited actuals, the district's insurance spending from the general fund, excluding employee benefits, increased from $32.9 million in 2021-22 to $271.4 million in 2024-25. This represents an increase of more than eightfold. The 2025-26 adopted budget projects $155.4 million for general fund insurance expenses, but this figure is likely understated given recent trends.

To protect against major property losses, the district has purchased excess insurance coverage that provides up to $500 million in protection above a $2.5 million self-insured retention. This coverage helps safeguard the district's physical assets in the event of significant damage or destruction. In June 2025, the district projected that the combined cost to rebuild the three schools destroyed or severely damaged in the Palisades fires would total $604.2 million, approximately $100 million more than the district's excess property coverage, highlighting a potential funding gap for full reconstruction. As of this report, staff reported having received approximately $100 million in fire-related insurance reimbursements.

Extraordinary Costs

The January 2025 wildfires introduced a range of unexpected costs and operational challenges for the district, including environmental safety measures, increased transportation services, and expanded student supports.

Based on accounts shared by district staff and in response to environmental concerns, the district initiated soil and air quality testing and committed to ongoing monitoring as debris removal and reconstruction progressed in surrounding neighborhoods. HVAC systems were updated to support higher-grade filtration, and thousands of air purifiers were distributed or repurposed.

As campuses were assessed and repaired, the district also faced challenges of relocating students. The district expanded transportation services to support students from Marquez Charter and Palisades Charter Elementary during their relocation to temporary campuses. When Marquez Charter students returned to interim facilities on their original site at the end of September, the district continued to offer transportation from relocation sites, including Nora Sterry Elementary and Brentwood Science Magnet, to ensure continued access.

The fires disrupted community services that many families depended on, including childcare, after school programs, and other supports. The impacted schools had long relied on local support, such as parent fundraising, volunteer networks, and community donations, to sustain enrichment programs, supplemental staffing, and campus improvements. These resources often filled gaps that were not covered by the school and were integral to the day-to-day functioning of the schools. With these communities displaced or disrupted by the fires, much of that support was lost. In response, the district expanded some of its own programs to fill service gaps.

Beyond the immediate damage, broader financial pressures stem from districtwide response decisions, such as implementing safety protocols, expanding student supports and maintaining equity across campuses. These efforts extend beyond the most severely affected sites, increasing the district's overall financial burden.

Given its regional influence, the district's actions often shape public expectations across neighboring LEAs, especially as communities compare disaster responses. In the absence of consistent statewide guidance, LEAs were left to make complex decisions about safety, reopening, and service continuity on their own. This dynamic added pressure to communicate clearly with families and staff, and to implement recovery efforts equitably across campuses.

General Fund Balance

Operating Deficit

After several years of operating surpluses, the district ended fiscal year 2024-25 with a combined general fund balance of $4.5 billion, a $1.9 billion decrease from the beginning balance of $6.4 billion, including a $1.0 billion reduction in the unrestricted general fund. This operating deficit was already anticipated prior to the January wildfires; in its 2024-25 first interim, the district projected operating deficits in the current and two subsequent fiscal years.

The district's 2025-26 adopted budget reflects an ongoing structural deficit, with expenditures exceeding revenues in the current and next two fiscal years. Contributing factors include declining enrollment, lower ADA, rising operational costs, and the expiration of one-time COVID-19 relief funds. Although revenues are projected to decline, spending has not adjusted at the same pace.

After accounting for updated enrollment figures as of September 19, 2025, and revenue adjustments tied to the 2025-26 enacted state budget, including the addition of one-time funds and hold-harmless provisions for Marquez Charter and Palisades Charter Elementary, FCMAT's MYFP continues to show deficit spending through 2027-28, with a projected deficit exceeding $1.7 billion as of June 30, 2028.

Maintaining fiscal solvency will require revising revenue assumptions and aligning expenditures with actual enrollment and funding. In April 2025, LACOE directed the district to address its deficit spending through the submission of a board-approved fiscal stabilization plan. The plan must identify specific expenditure reductions and revenue enhancements with associated cost savings and timelines to balance the budget prior to fiscal year 2027-28.

The district's plan outlines $1.6 billion in a combination of one-time and recurring solutions, scheduled to begin in 2026-27. These include revising school carryover policies, reducing central office operations, eliminating vacant or unfunded positions, consolidating campuses and programs, and using 10% of the balance held in the Special Reserve Fund for Other than Capital Outlay Projects (Fund 17), approximately $50.0 million.

Reserves for Economic Uncertainties

The adequacy of LAUSD's reserves is a key indicator of financial stability. For districts with ADA over 250,001, the state reserve requirement is 1% of total expenditures and other financing uses. Available reserves are calculated using designated components of the district's ending general fund balance, including unrestricted amounts in stabilization arrangements, the reserve for economic uncertainties, and unassigned/unappropriated accounts in the general fund and Fund 17.

According to the 2025-26 adopted budget, LAUSD is projected to meet the minimum reserve requirement in 2025-26 and 2026-27 but fall short in 2027-28 by $947.5 million, with a negative 8.8% reserve.

As of June 30, 2025, the district had $577.0 million in Fund 17 counted toward its reserve for economic uncertainties. In 2026-27, a $41.7 million transfer is planned from Fund 17 into the general fund.

FCMAT's MYFP shows the reserve shortfall could grow to $1.1 billion, a negative 10.3% in 2027-28, assuming no mitigating actions. This adjustment reflects LCFF entitlement reductions in the 2026-27 and 2027-28 fiscal years based on actual enrollment numbers through September 19, 2025, which were lower than projected.

Cash Position

While reserve levels provide insight into long-term financial stability, the district's ability to meet immediate obligations is best assessed through its year-end cash position. As of June 30, 2025, LAUSD reported a cash balance in county treasury of close to $5.0 billion.

Cash flow projections in the 2025-26 adopted budget show positive monthly cash balances through the end of 2026-27, with no reliance on temporary internal or external borrowing. According to the budget, the district does not plan to issue external debt, such as a tax and revenue anticipation note, to support cash flow in fiscal year 2025-26.

Pasadena Unified School District

During the 2024-25 school year, PUSD served nearly 15,000 students in grades TK-12 across 28 schools, including district-authorized charter schools. The district spans approximately 76 square miles and includes the city of Pasadena as well as the unincorporated communities of Altadena and Sierra Madre in Los Angeles County.

In January 2025, the Eaton Fire destroyed or significantly damaged five district campuses in Altadena. Three of the destroyed sites, Edison Elementary, Noyes Elementary, and Loma Alta Elementary, were occupied by non-affiliated charter schools. The affected charter schools were Aveson School of Leaders, OCS-South, and Pasadena Rosebud Academy. Franklin Elementary, which had been repurposed for training and meeting space, was also significantly damaged; it had been designated as a future swing site for modernization projects, which are now delayed until at least 2026.

Charles W. Eliot Middle, the district's arts magnet middle school, sustained extensive fire damage, and students were relocated to the McKinley TK-8 campus. Although not destroyed, the damage is expected to trigger seismic retrofit requirements, leading the district to consider full demolition as the most cost-effective option for rebuilding.

Altadena Arts Magnet Elementary was not physically damaged but was surrounded by burned structures, prompting safety concerns; students were relocated to Allendale Elementary, a previously unoccupied site. Other district campuses sustained minor damage related to ash, smoke and wind, which required additional cleaning and repairs but did not lead to student displacement.

Despite the scale of the disaster, the district was able to reopen its schools by the end of January after relocating affected students. The district identified facilities to relocate all displaced charter schools, with Aveson School of Leaders and Pasadena Rosebud Academy now co-located on the Cleveland Elementary campus. OCS-South relocated to a private site. These student relocations are expected to continue for multiple years as the district undertakes long-term rebuilding and modernization.

Multiyear Financial Projection Analysis

Table B-2 in Appendix B presents FCMAT's MYFP analysis for the district's general fund for fiscal years 2024-25 through 2027-28. This analysis incorporates key assumptions and adjustments related to enrollment, UPC, ADA, and revenue sources, including the fiscal impact of the Eaton Fire.

FCMAT also evaluated expenditure trends, fund balance levels, reserves, and cash flow to assess fiscal sustainability and identify potential risks to solvency.

Enrollment, UPC and ADA

Historical Trends

PUSD has experienced steady enrollment declines over the past decade, falling from a peak of 17,267 students in 2014-15 to 13,757 in 2024-25, a 20.3% decrease, which averages as a 2.2% annual decline. As of September 26, 2025, enrollment for the 2025-26 school year had decreased by 604 students, representing a 4.4% drop from the prior year. The district's most recent MYFP, presented with the adopted budget, projected a 2.0% decline, consistent with the 10-year trend. It estimates it lost roughly 500 students in 2025-26 due to the fires, and also anticipates continued enrollment decreases through 2027-28.

Wildfire Impact

The Eaton Fire has introduced additional uncertainty into enrollment projections due to facility constraints, community displacement, and the pace of rebuilding residential homes. This disruption affects the district's ability to return to pre-fire enrollment levels.

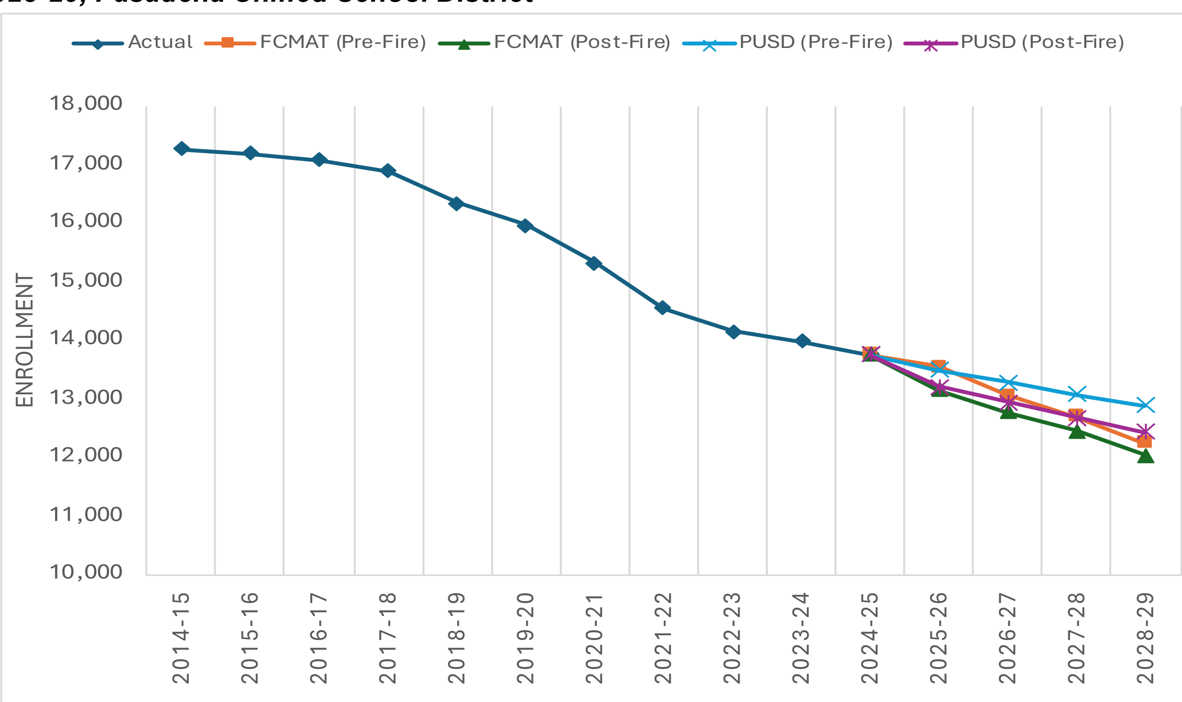
To account for these variables, FCMAT developed two enrollment projection models using a weighted cohort survival method:

1. **Pre-Fire Trend Model**: Applies a three-year weighted historical average annual rate of decline to estimate funding as if the fire had not occurred.
2. **Post-Fire Model**: Uses actual enrollment as of September 26, 2025, as a new baseline, applying weighted enrollment changes from the three preceding years. This model reflects both immediate post-fire impacts and potential long-term shifts resulting from displacement and rebuilding.

Figure 6 compares historical enrollment trends and FCMAT's pre- and post-fire projections, along with the district's 2024-25 first interim (pre-fire) and 2025-26 adopted budget (post-fire) projections. This comparison illustrates both historical patterns and the direct impact of the wildfires, offering a range of potential future outcomes.

Additionally, Tables A-3 and A-4 in Appendix A provide historical enrollment, UPC and ADA data for the district and detail FCMAT's post-fire estimates used to calculate LCFF and other revenue sources. UPC and ADA were calculated using three-year historical averages to align with the enrollment methodology and exclude COVID-19 impacts from the 2020-21 and 2021-22 school years.

Figure 6. Actual Data and Comparison of Pre- and Post-Fire Enrollment Projections for 2014-15 – 2028-29, Pasadena Unified School District



Sources: DataQuest; PUSD for 2025-26 enrollment as of September 26, 2025; PUSD's 2024-25 First Interim and 2025-26 Adopted Budget MYFPs; FCMAT's MYFPs.

LCFF and Other Revenues

LCFF Entitlement Projections

Table 6 compares the district's LCFF entitlement projections for fiscal years 2025-26 through 2027-28 with FCMAT's pre- and post-fire scenarios. The table also illustrates how the district's projections shifted between the 2024-25 first interim (pre-fire) and the 2025-26 adopted budget (post-fire) to account for wildfire-related impacts. The district's projections do not include the TK add-on increase effective in 2025-26. In developing its 2025-26 LCFF entitlement, the district assumed that hold-harmless provisions would apply at the ADA level, using the 2024-25 P-1 ADA as the basis for its projection.

This comparison highlights both pre-fire trends and the direct effects of the wildfire, offering a range of potential future LCFF outcomes.

Table 6. Comparison of FCMAT and PUSD LCFF Projections, 2025-26 – 2027-28

LCFF Entitlement	2025-26	2026-27	2027-28
Pre-Fire Projections			
PUSD – 2024-25 First Interim	$192,637,845	$194,362,481	$199,512,725
FCMAT – Pre-Fire Model	$191,471,097	$194,163,766	$197,036,648
Difference in LCFF, Pre-Fire	($1,166,748)	($198,715)	($2,476,077)
Post-Fire Projections			
PUSD – 2025-26 Adopted Budget	$190,386,744	$195,141,353	$199,517,688
FCMAT – Post-Fire Model	$191,020,429	$191,861,861	$193,349,094
Difference in LCFF, Post-Fire	$633,685	($3,279,492)	($6,168,594)

Sources: PUSD's 2024-25 First Interim and 2025-26 Adopted Budget MYFPs; FCMAT's MYFPs.

Hold-Harmless Provisions

While AB 121 provides LCFF hold-harmless protections for charter schools impacted by the January 2025 wildfires in the 2025-26 school year, these provisions do not apply to school districts. Districts are already protected under existing Education Code, which allows LCFF funding to be based on the highest of three ADA measures: current year, prior year, or average of the three most recent years. Because of the district's ongoing enrollment decline, its LCFF entitlement is projected to be funded on the three-year average for the 2025-26 and two subsequent fiscal years.

While the district will benefit from this statutory protection in 2025-26, the longer-term impact will emerge as pre-wildfire ADA is gradually phased out of the three-year average.

Table 7 shows how the district's funded ADA changed between FCMAT's pre-fire and post-fire projections. FCMAT's MYFP does not assume any additional protections beyond those already provided in statute.

Table 7: Comparison of FCMAT's Pre-Fire and Post-Fire LCFF Funded ADA for 2025-26 – 2028-29, Pasadena Unified School District

PUSD LCFF Funded ADA	2025-26	2026-27	2027-28	2028-29
Pre-Fire Trend Model	12,918.26	12,780.03	12,492.27	12,160.61
Post-Fire Model	12,918.26	12,660.84	12,284.62	11,876.27
Difference	0	-119.19	-207.65	-284.34

Source: FCMAT.

Federal Funds

FCMAT used the CDE's 2025-26 preliminary eligibility allocation schedules to estimate federal title program funding. For other federal programs, including Special Education, FCMAT reviewed the district's estimates against the CDE's schedules and prior year actuals and determined that no adjustments were necessary.

Other State Revenues

FCMAT used the CDE's 2025-26 advance apportionment schedule to estimate revenue for state programs such as ELOP, Special Education Mental Health Services, Arts and Music in Schools—Proposition 28, and new allocations from the SSPDDBG and the restored LREBG. FCMAT reviewed the district's estimates against the CDE's schedules and prior year actuals. Except for adjusting the Mandate Block Grant and Lottery projections based on post-fire ADA, FCMAT determined that no additional adjustments were necessary.

Neither FCMAT nor the district included 2024-25 carryover funds in the 2025-26 budget projections, as the district closed its prior year financial records on September 15, 2025. However, FCMAT adjusted ending fund balances to reflect differences in restricted program carryover between the June 2025 estimated actuals and the September 2025 unaudited actuals.

Because the district did not receive advance approval for its Form J-13A request, funded ADA in the 2024-25 second principal apportionment was not adjusted to account for wildfire-related attendance declines. Table 8 compares reported ADA from the 2024-25 P-1 and P-2 apportionments. Although adjustments will be reflected in the annual principal apportionment certified in February 2026, the delay will affect certain categorical programs that rely on prior year ADA, such as the Lottery.

Table 8: Comparison of 2024-25 P-1 and P-2 ADA, Pasadena Unified School District

	2024-25 P-1 ADA[1]	2024-25 P-2 ADA[2]	Net Change (ADA)	Net Change (%)
PUSD	12,810.13	12,646.68	-163.45	-1.28%

Sources:

1. CDE, 2024-25 P-1 Apportionment (Certified February 20, 2025).

2. CDE, 2024-25 P-2 Apportionment (Certified June 19, 2025).

Special Education

The CDE calculates AB 602 special education funding based on the highest ADA from the current year or the two prior years (i.e., the funded ADA). The district operates within its own districtwide SELPA. Assuming the Form J-13A approval for material decrease is secured for the district, FCMAT expects no effect to AB 602 allocations until 2027-28.

Local Revenues

The district receives local revenue sources such as community redevelopment funds, interest earnings, donations, rents and leases. FCMAT reviewed the district's estimates for reasonableness and did not make any adjustments.

As of June 30, 2025, the district had received $135.1 million in insurance reimbursements toward its total $600 million in coverage and anticipates using the full policy amount to cover extraordinary fire-related costs.

Although the district anticipates additional insurance and FEMA reimbursements, it has not included estimates for these funds in its current or subsequent fiscal years. Additionally, as noted in staff interviews, the district is engaged in litigation against Southern California Edison, whose equipment is suspected of contributing to the ignition of the Eaton Fire. While these efforts may result in further financial recovery, no projected revenue has been included in the MYFP at this time.

Expenditures

Staffing and Other Operating Costs

The district began implementing staffing reductions in 2024-25, with additional cuts planned for 2025-26. In a media release dated May 7, 2025, the district announced that although it had "rescinded layoff notices for 40 of 66 certificated employees" for 2025-26, 91 certificated full-time positions would still be eliminated as part of its plan to close a $37 million multiyear deficit.

According to the 2025-26 adopted budget assumptions and staff interviews, the district increased expenditures for fire-related repairs and textbook adoptions, while reducing other costs to reflect fiscal stabilization measures approved for the current year and two subsequent years.

These assumptions are reflected in the MYFPs, which anticipate flat staffing costs through 2027-28, except for reduced salary expenses in 2026-27 and 2027-28 due to the expiration of one-time funding sources. The district's projections also account for step and column salary increases, health and welfare cost adjustments, and associated statutory benefits.

FCMAT did not make any adjustments to the district's expenditure estimates.

Insurance

The district is self-insured and participates in a range of programs for additional coverage, including property, general and excess liability, cyber and excess cyber liability, and excess workers' compensation. Most coverage is secured through a broker representing the district.

For fiscal year 2024-25, property coverage was provided through Public Risk Innovation, Solutions, and Management (PRISM), a member-directed insurance risk-sharing pool. The policy included property as well as boiler and machinery coverage, with a total insured value of $940,714,558 and deductibles of $50,000 for property and $10,000 for boiler and machinery. The coverage period ran from March 31, 2024, to March 31, 2025, with an estimated annual premium exceeding $1.2 million.

In staff interviews, the district reported receiving approval for $300 million of its total $600 million property policy limit through PRISM. As of this report, the district has spent between $70 and $80 million of insurance proceeds. The district anticipates that total restoration costs will exceed the full coverage amount, leaving the district responsible for the repair and rebuilding expenses not covered by insurance or FEMA reimbursements.

For 2025-26, the district estimates that property coverage costs will increase to approximately $1.9 million.

Extraordinary Costs

The January wildfires placed significant demands on the district's central office, which had recently undergone restructuring as part of a fiscal stabilization plan. As of August 2025, the chief business officer left for another position, creating a critical vacancy during the recovery period. The district is actively recruiting to fill the role. In the meantime, staff from facilities, maintenance and operations, business services, and risk management continue to lead disaster response efforts, coordinate with FEMA, and manage insurance claims, an ongoing and complex process.

As discussed in interviews with staff, the district's insurance carriers declined to fully reimburse invoices for certain contracted services, including initial site cleanup. The carrier negotiated partial payments with several vendors; however, one vendor has threatened legal action against the district after insurance denied full reimbursement.

Staff reported that at the recommendation of the Pasadena Public Health Department, the district conducted additional environmental testing, including soil analysis. Of the 34 properties not directly burned, 18 were found to have contaminated soil, and approximately 10 require remediation involving the removal of one to four feet of soil. Contrary to initial assurances, staff reported that the USACOE did not conduct soil testing or remove the upper layers of soil as expected.

Environmental impacts persist at operational campuses. For example, San Rafael Elementary's soccer field was closed due to contamination. To address the scale of repairs, the district entered into a master services agreement with the California Department of Toxic Substances Control (DTSC), which recommended soil removal beginning in summer 2026. The district estimates remediation costs will reach several million dollars districtwide and is pursuing support through the OPSC hardship program.

The fire-damaged Charles W. Eliot Middle campus includes older buildings that likely require retrofitting to meet updated building codes. Although the district has a $50 million sublimit for code upgrades, staff anticipate that actual costs may exceed this amount.

Interior testing was also required to reopen schools. Classrooms were professionally cleaned and inspected by an industrial hygienist. However, some parents have requested additional testing, expressing concerns that nearby reconstruction activities could lead to contamination. Staff reported that the insurance adjuster has retained a consultant to monitor any further indoor testing.

Finally, modernization plans originally scheduled to begin in 2025 have been delayed by at least one year due to the fires and increased regional construction demand, including pressures related to the upcoming 2028 Olympics. Staff reported an 8% cost escalation resulting from the delay. In addition, extensive property damage within the district may reduce the overall assessed property valuation, which directly affects a district's ability to fund school modernization. Facility programs supported by voter-approved bonds are subject to a statutory cap, and a lower assessed valuation could cause the district to reach that cap sooner than anticipated. Reaching the cap would limit the district's ability to issue bond funds, potentially slowing or postponing planned projects.

General Fund Balance

Operating Deficit

The district reported operating deficits in both 2023-24 and 2024-25. In 2023-24, the deficit totaled $9.7 million. At the close of 2024-25, the district reported a much larger operating deficit of $101.0 million, which included extraordinary wildfire-related expenses. However, after receiving $135.1 million in insurance proceeds, the district ended the year with a surplus of $32.8 million.

PUSD's 2025-26 adopted budget and MYFP continue to show deficit spending in the current and two subsequent years. Projected deficits total $74.6 million in 2025-26, $48.2 million in 2026-27, and $27.9 million in 2027-28, reflecting ongoing fiscal instability.

Fiscal Stabilization Plan

The district has been working to address its structural deficit through a multiyear fiscal stabilization plan. Upon adopting the 2024-25 budget, PUSD's board approved a plan identifying $45.9 million in cost savings over three years through workforce reductions, operational expenditure cuts, and program evaluations for efficiency and sustainability. The plan also included $20.1 million in revenue enhancements, such as the use of Fund 17 reserves, attendance recovery efforts, and increased lease and rental income. In its budget approval letter, LACOE requested an updated plan with the first interim report.

In its review of the district's 2024-25 first interim, LACOE highlighted the district's continued operating deficit projections and required the submission of another board-approved fiscal stabilization plan with the second interim report. In response, the board reviewed additional budget recommendations at its February 27, 2025 meeting.

LACOE's April 21, 2025, evaluation letter following the second interim report, reiterated concerns about ongoing deficit spending and again required an updated fiscal stabilization plan to accompany the 2025-26 adopted budget.

On June 10, 2025, the district issued a community update outlining the upcoming budget process and the need for significant reductions to remain solvent. With its 2025-26 adopted budget, the board approved a fiscal stabilization plan including a combination of one-time and recurring solutions, totaling $83.1 million over three years. At its meeting on August 28, 2025, the board reviewed a revised fiscal stabilization process, establishing budget reduction workstreams, to prioritize and implement the solutions needed to meet the district's reduction target.

In a letter dated September 12, 2025, LACOE conditionally approved the district's 2025-26 adopted budget, contingent on the closure of the 2024-25 fiscal year and the resulting beginning fund balance for 2025-26. In its October 6, 2025 response, the district stated it continues to work with the superintendent's budget advisory committee, which includes site administrators, labor partners, community members, parents and students, to identify solutions to ensure long-term fiscal recovery.

In its October 17, 2025 letter, LACOE confirmed the district met the minimum condition for approval and formally approved the 2025-26 adopted budget. However, it expressed ongoing concerns about the district's fiscal health and required budget reductions to be submitted by November 2025, ahead of the first interim report in December.

Reserves for Economic Uncertainties

The adequacy of the district's reserves is a key indicator of its financial health. Available reserves are calculated using designated components of the ending general fund balance, including unrestricted amounts in stabilization arrangements, the reserve for economic uncertainties, and unassigned/unappropriated balances in both the general fund and Fund 17.

The 2025-26 adopted budget projects a 10.9% reserve, which includes $11.5 million from Fund 17. However, reserve levels are expected to fall below the state-required minimum in future years, with projected negative reserves of 3.2% in 2026-27 and 16.5% in 2027-28.

The January wildfires intensified the district's financial challenges by disrupting operations, reducing enrollment, and increasing expenditures. Without corrective action, FCMAT projects that the district could deplete its general fund balance and face cash insolvency by 2027-28.

Maintaining fiscal solvency will require the district to closely monitor revenue assumptions and align expenditures with actual enrollment and funding. Additional state support beyond the LCFF declining enrollment provisions would provide the district with more time to implement necessary adjustments and stabilize its financial position.

Cash Position

While reserve levels provide insight into long-term financial stability, the district's ability to meet its immediate obligations is best assessed by reviewing cash flow projections and year-end cash balances.

As of June 30, 2025, the district reported a cash in county treasury balance of $211.7 million. In its adopted budget, the district included a two-year cash flow projection, showing a beginning cash balance of $180.7 million as of July 1, 2025, and an ending cash balance of $86.9 million as of June 30, 2027. The district did not include any internal or external borrowing in its cash flow projections.

Although monthly cash balances appear positive throughout the projection period, this outlook is significantly impacted by the $135.1 million insurance reimbursement received in 2024-25. Without this reimbursement, the district's general fund would have shown a negative cash balance in March 2026, underscoring the critical role the insurance proceeds play in maintaining cash solvency during the recovery period.

Aveson Schools

Aveson Schools is a public charter school network comprising two non-affiliated charter schools authorized by PUSD. Aveson School of Leaders (Charter No. 0848) serves transitional kindergarten through grade 5 (elementary school), and Aveson Global Leadership Academy (Charter No. 0847) serves grades 6-12 (middle/high school). Both schools opened in September 2007 and operated in Altadena, an unincorporated area of Los Angeles County.

During the 2024-25 school year, Aveson Schools enrolled 479 students, including 279 in the elementary school and 200 in the middle/high school. Both schools primarily operate as in-person, classroom-based programs, with fewer than 20%[6] of students participating in independent study.

Prior to the Eaton Fire, Aveson School of Leaders was housed at Noyes Elementary, a previously closed and unoccupied PUSD site that was destroyed in the fire. Aveson Global Leadership Academy operated from a privately leased site a few miles away, which sustained minor external damage and smoke exposure but remained structurally intact. In addition to the primary leased site, the schools also rented two small

6 State law classifies a charter school as "non-classroom-based" if more than 20% of its ADA is generated through instruction offered outside of an in-person classroom setting.

commercial buildings across from the middle/high school campus to provide additional classroom and office space.

Before the fire, both campuses provided adequate space for operations. The elementary school occupied 107,662 square feet, which included 16 classrooms, a main office, multipurpose room, media center and library, playground and parking lot. The middle/high school had approximately 56,200 usable square feet, including a building with 16 classrooms comprising approximately 21,978 square feet. Post-fire, reunifying students on a single campus proved unfeasible when commercial lease rates for suitable facilities were not accepted by the schools' insurers.

Consequently, Aveson Schools and the district agreed to relocate students to other PUSD facilities. Initially, the elementary school was split between Cleveland Elementary and Washington Elementary, approximately one mile apart, and later consolidated at Cleveland Elementary for the 2025-26 school year. The school is co-located with Alma Fuerte Public, a non-affiliated charter school authorized by LACOE. The middle/high school was relocated to Woodrow Wilson Middle School, sharing space with district programs such as independent study and career technical education.

Aveson Schools report that current facility allocations do not support pre-fire enrollment levels. The elementary school's facilities use agreement is based on an in-district classroom ADA of 119, and the middle/high school on an ADA of 88.41. The elementary school now occupies 55,192 square feet including eight classrooms, nonclassroom areas (e.g., restrooms, offices, and storage), and shared spaces (e.g., playgrounds and parking lot), which are allocated based on a defined percentage of use. The middle/high school occupies 55,959 square feet, including six classrooms, nonclassroom areas, and shared facilities (e.g., parking lot, cafeteria, auditorium, gym and athletic spaces), also allocated according to a defined percentage of use.

To support independent study students displaced by the fire, Aveson Schools entered into an agreement with the YMCA during the 2024-25 school year to provide additional classroom space for the second half of the year. This arrangement was extended into 2025-26 due to limited capacity at the district-assigned campuses. Students in the independent study program, previously held on-site twice weekly, were not included in the district's Proposition 39 facility allocations, despite some being directly displaced by the fire.

At this time, the district has not committed to rebuilding Noyes Elementary, and no timeline has been provided for potential construction.

Multiyear Financial Projection Analysis

Tables B-3 and B-4 in Appendix B present FCMAT's MYFP analysis for Aveson Schools' general fund for fiscal years 2024-25 through 2027-28. This analysis is supported by key assumptions and adjustments related to enrollment, UPC, ADA, and revenue sources, including the fiscal impact of the Eaton Fire.

FCMAT also evaluated expenditure trends, fund balance levels, reserves, and cash position to assess fiscal sustainability and identify potential risks to solvency.

Enrollment, UPC and ADA

Historical Trends

Aveson Schools operate within PUSD, which has experienced steady enrollment declines over the past decade. The schools have followed similar patterns, though at varying rates.

Aveson Global Leadership Academy (AGLA) experienced a sharper decline than the district overall, with enrollment peaking at 464 students in 2016-17 and falling by 56.9% to 200 students in 2024-25, an average annual decline of 9.8%. Aveson School of Leaders (ASL) declined less steeply, from 458 students in 2016-17 to 279 in 2024-25, representing a 39.1% total decline and an average annual decrease of 5.8%.

As of September 23, 2025, actual enrollment for the 2025-26 school year reflects a combined loss of 157 students, a 32.8% decrease from the prior year. AGLA enrolled 162 students (a 19.0% decline), while ASL enrolled 160 students (a 42.7% decline). Because charter school enrollment is voluntary and draws from both public and private schools, primarily within PUSD, future trends are difficult to predict.

Both schools assumed flat enrollment in their most recent MYFPs. The 2024-25 first interim and 2025-26 adopted budget projections included no material changes in enrollment, UPC, or ADA through 2028-29.

Wildfire Impact

The Eaton Fire has introduced additional uncertainty into enrollment projections due to facility constraints, community displacement, and the pace of rebuilding both residential homes and school campuses. These factors affect Aveson Schools' ability to return to pre-fire enrollment levels.

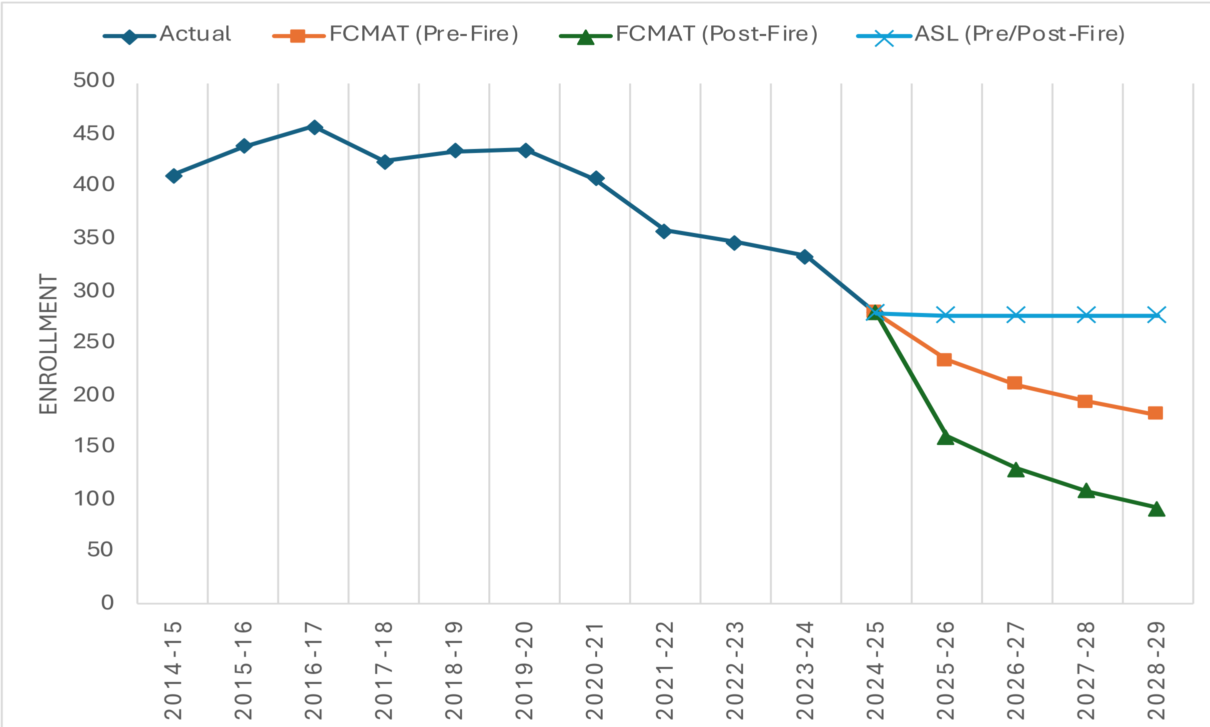
To account for these variables, FCMAT developed two enrollment projection models using a weighted cohort survival method:

1. **Pre-Fire Trend Model**: Applies a five-year weighted historical average annual rate of decline to estimate funding as if the fire had not occurred.
2. **Post-Fire Model**: Uses actual enrollment as of September 23, 2025, as a new baseline, applying weighted enrollment changes from the three preceding years. This model reflects both immediate post-fire impacts and potential long-term shifts resulting from displacement and rebuilding.

Figures 7 and 8 compare historical enrollment trends and FCMAT's pre- and post-fire projections, along with Aveson Schools' 2024-25 first interim (pre-fire) and 2025-26 adopted budget (post-fire) projections. This comparison illustrates both historical patterns and the direct impact of the wildfires, offering a range of potential future outcomes.

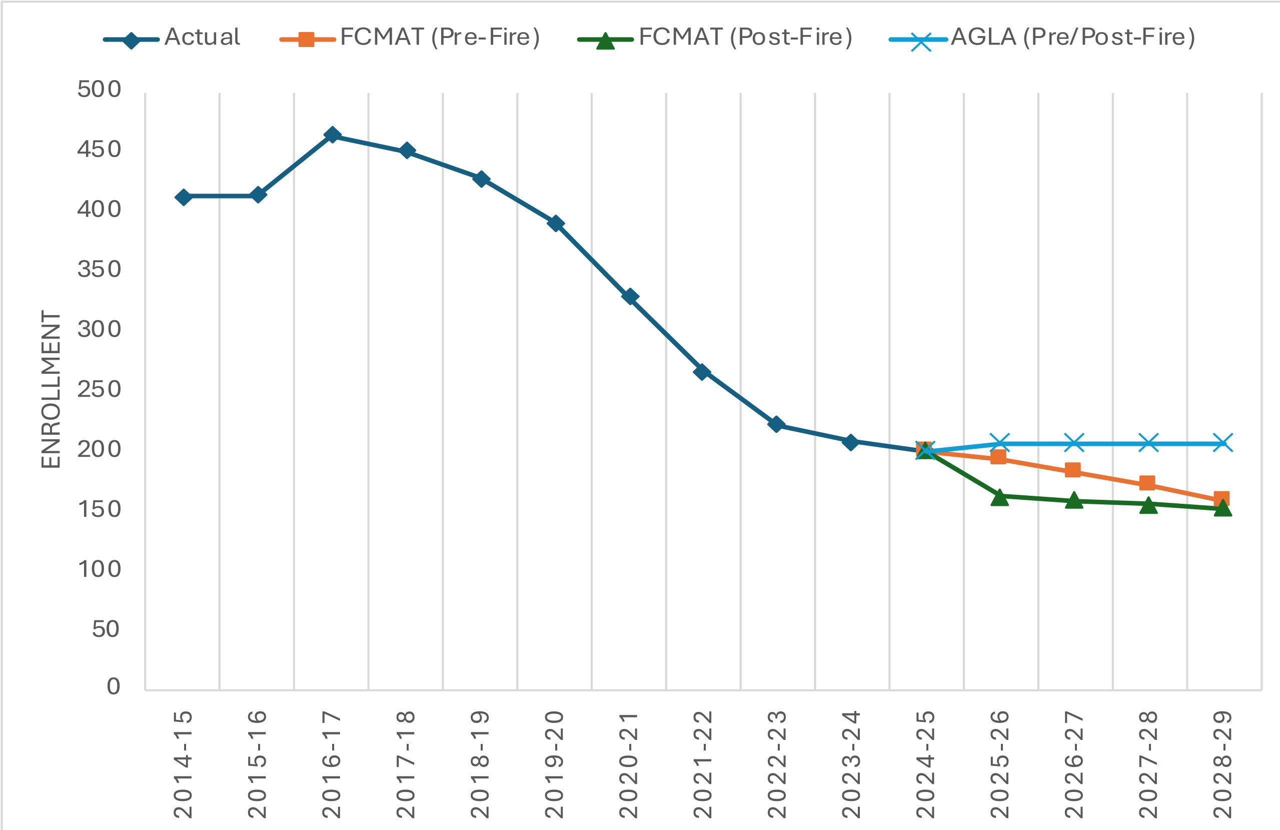
Additionally, Tables A-5 and A-6 in Appendix A provide historical enrollment, UPC and ADA data for each school and detail FCMAT's post-fire estimates used to calculate LCFF and other revenue sources. UPC and ADA were calculated using three-year historical averages to align with the enrollment methodology and exclude COVID-19 impacts from the 2020-21 and 2021-22 school years.

Figure 7. Actual Data and Comparison of Pre- and Post-Fire Enrollment Projections for 2014-15 – 2028-29, Aveson School of Leaders



Sources: DataQuest; ASL for 2025-26 enrollment as of September 23, 2025; ASL's 2024-25 First Interim and 2025-26 Adopted Budget MYFPs; FCMAT's MYFP.

Figure 8. Actual Data and Comparison of Pre- and Post-Fire Enrollment Projections for 2014-15 – 2028-29, Aveson Global Leadership Academy



Sources: DataQuest; AGLA for 2025-26 enrollment as of September 23, 2025; AGLA's 2024-25 First Interim and 2025-26 Adopted Budget MYFPs; FCMAT's MYFP.

LCFF and Other Revenues

LCFF Entitlement Projections

Table 9 compares Aveson Schools' LCFF entitlement projections for fiscal years 2025-26 through 2027-28 with FCMAT's pre- and post-fire scenarios, including statutory hold-harmless estimates under AB 121 that apply only to the 2025-26 fiscal year. The table also illustrates how Aveson Schools' projections shifted between the 2024-25 first interim (pre-fire) and the 2025-26 adopted budget (post-fire) to account for wildfire-related impacts.

This comparison highlights both pre-fire trends and the direct effects of the wildfire, offering a range of potential future LCFF outcomes.

Table 9. Comparison of FCMAT and Aveson Schools' LCFF Projections, 2025-26 – 2027-28

LCFF Entitlement	2025-26	2026-27	2027-28
Aveson School of Leaders			
Pre-Fire Projections			
Aveson – 2024-25 First Interim	$3,033,158	$3,126,646	n/a
FCMAT – Pre-Fire Model	$2,481,921	$2,281,090	$2,168,274
Difference in LCFF, Pre-Fire	($551,237)	($845,556)	n/a
Post-Fire Projections			
Aveson – 2025-26 Adopted Budget	$3,184,000	$3,284,120	$3,396,278
FCMAT – Post-Fire Model	$3,098,501	$1,401,929	$1,231,604
Difference in LCFF, Post-Fire	($85,499)	($1,882,191)	($2,164,674)
Aveson Global Leadership Academy			
Pre-Fire Projections			
Aveson – 2024-25 First Interim	$2,256,687	$2,326,192	n/a
FCMAT – Pre-Fire Model	$2,203,303	$2,135,908	$2,068,374
Difference in LCFF, Pre-Fire	($53,384)	($190,284)	n/a
Post-Fire Projections			
Aveson – 2025-26 Adopted Budget	$2,348,223	$2,421,979	$2,504,833
FCMAT – Post-Fire Model	$2,279,484	$1,848,663	$1,884,918
Difference in LCFF, Post-Fire	($68,739)	($573,316)	($619,915)

Sources: Aveson Schools' 2024-25 First Interim and 2025-26 Adopted Budget MYFPs; FCMAT's MYFP.

Note: Charter schools' LCFF entitlements in 2025-26 include hold-harmless allocations pursuant to AB 121.

Hold-Harmless Provisions

Table 10 presents the LCFF and ADA data used to estimate the 2025-26 hold-harmless allocation for Aveson Schools.

To estimate the allocation under the 2025-26 enacted budget, Aveson Schools assumed that the 2024-25 LCFF entitlement from the second principal apportionment, including requested Form J-13A adjustments for material attendance decreases, would carry forward into 2025-26. This amount was then adjusted using DOF COLAs for fiscal years 2026-27 and 2027-28.

However, AB 121 specifies that the hold-harmless allocation equals the difference between a school's 2024-25 first principal apportionment and its 2025-26 annual principal apportionment. As a result, Aveson Schools' 2025-26 adopted budget overstated LCFF entitlements by $85,499 for ASL and $68,739 for AGLA.

Table 10: Estimated 2025-26 Hold-Harmless Allocation Based on LCFF and ADA Data, Aveson Schools

Charter School	2024-25 P-1 ADA[1]	2024-25 P-1 LCFF[1]	Projected 2025-26 P-2 ADA[2]	Projected 2025-26 P-2 LCFF[2]	Projected 2025-26 Hold-Harmless[3]
Aveson School of Leaders	266.38	$3,098,501	137.17	$1,669,344	$1,429,157
Aveson Global Leadership Academy	186.33	$2,279,484	147.53	$1,831,881	$447,603

Sources:

1. CDE, 2024-25 P-1 Apportionment (Certified February 20, 2025).

2. FCMAT Post-Fire MYFP.

3. Difference between 2024-25 P-1 LCFF and 2025-26 P-2 LCFF.

Because Aveson Schools assumed the hold-harmless provisions would continue beyond 2025-26, their LCFF entitlement projections are overstated in subsequent years, exceeding $2.1 million for ASL and approaching $620,000 for AGLA by 2027-28. Without an extension of the hold-harmless allocation or offsetting actions to reduce expenditures or generate additional revenue, these overstatements will result in operating deficits severe enough to jeopardize the schools' fiscal solvency.

Federal Funds

FCMAT used the CDE's 2025-26 preliminary eligibility allocation schedules to estimate federal title program funding. For other federal programs, including Child Nutrition and Special Education, FCMAT based projections on prior year actual revenues. These amounts were adjusted proportionally to projected enrollment changes, resulting in reductions to federal fund estimates in the current and two subsequent fiscal years.

The schools received a $494,000 Project SERV grant from the U.S. Department of Education to support displaced students and staff, appoint a disaster relief coordinator, address learning loss, and hire transportation personnel. The grant is available for expenditure through August 31, 2026. FCMAT included this revenue in 2025-26 and excluded it from 2026-27 and 2027-28.

Other State Revenues

FCMAT used the CDE's 2025-26 advance apportionment schedule to estimate revenue for state programs such as ELOP, Special Education Mental Health Services, and Arts and Music in Schools—Proposition 28. For 2025-26, projections included both carryover funds (estimated from the unearned revenue balance in the 2024-25 unaudited actuals) and new allocations from the SSPDDBG and the restored LREBG.

Where current year allocations were unavailable, FCMAT estimated funding based on projected post-fire enrollment or ADA, depending on the program's funding methodology. Ongoing state revenues were adjusted for COLA increases in subsequent years.

FCMAT excluded carryover and one-time funds from projections for 2026-27 and 2027-28. The net adjustments resulted in an increase in 2025-26, followed by reductions in the two subsequent fiscal years.

Because ASL and AGLA did not receive advance approval for their Form J-13A requests, the funded ADA used in the 2024-25 second principal apportionment was not adjusted to reflect losses from school closures and attendance declines due to the wildfires. Table 11 compares the reported 2024-25 P-1 and P-2 ADA for both schools. Although adjustments will be reflected in the CDE's annual principal apportionment certified in February 2026, the delay will affect certain categorical programs that rely on prior year ADA, such as the Lottery.

Table 11: Comparison of 2024-25 P-1 and P-2 ADA, Aveson Schools

Charter School	2024-25 P-1 ADA1	2024-25 P-2 ADA2	Net Change (ADA)	Net Change (%)
Aveson School of Leaders	266.38	230.76	-35.62	-13.4%
Aveson Global Leadership Academy	186.33	179.99	-6.34	-3.4%

Sources:

1. CDE, 2024-25 P-1 Apportionment (Certified February 20, 2025).

2. CDE, 2024-25 P-2 Apportionment (Certified June 19, 2025).

Special Education

The CDE calculates AB 602 special education funding based on the highest ADA from the current year or the two prior years (i.e., the funded ADA). However, how that funding is distributed locally depends on the LEA's SELPA. Aveson Schools are part of the Desert Mountain Charter SELPA, which uses each school's funded ADA to allocate funding. After certain adjustments, the schools receive about 80% of their AB 602 base amount. Since 2024-25 has the highest ADA, FCMAT expects wildfire-related enrollment losses will not affect AB 602 funding until 2027-28.

Local Revenues

Aveson Schools have historically received local revenue from grants, donations, food sales, and after school program payments. In most cases, FCMAT used prior year actuals and adjusted future projections proportionally to projected enrollment changes.

In 2024-25, the schools received a total of $280,500 in insurance reimbursements, $218,300 allocated to ASL and $62,200 to AGLA, and shared a $100,000 grant from the California Charter Schools Association (CCSA) for fire-related support. The 2025-26 adopted budgets include grants totaling $810,000 from Save the Children and $271,665 from CCSA, both to be allocated between the two schools to support fire relief and recovery efforts.

FCMAT excluded these one-time funds from projections for 2026-27 and 2027-28. For ASL, the net adjustments resulted in a decrease in each year; for AGLA, the net adjustments resulted in an increase in 2025-26, followed by reductions in the two subsequent fiscal years.

Although Aveson Schools anticipate receiving additional insurance and FEMA reimbursements, they were unable to provide estimates for these funds for the current or future fiscal years. In addition, the schools are engaged in litigation against Southern California Edison, whose equipment is suspected of contributing to the ignition of the Eaton Fire. While these efforts may result in further financial recovery, no projected revenue has been included in the MYFPs at this time.

Expenditures

Staffing and Other Operating Costs

Aveson Schools began implementing staffing reductions in 2024-25, with further cuts in 2025-26. According to the 2025-26 adopted budgets and staff interviews, both schools reduced expenditures for salaries and benefits compared to the prior year. ASL reduced staffing costs by $850,430 and AGLA by $619,084. These reductions are maintained in the MYFPs, which hold staffing costs flat through the 2027-28 fiscal year.

In 2025-26, both schools reduced spending across nearly all budget categories, except for other operating expenditures, which increased slightly. Projections for 2025-26 through 2027-28 show expenditures remaining largely flat, with only a minor increase anticipated in 2027-28.

Although additional reductions are needed to maintain long-term operational viability, FCMAT did not adjust any expenditure categories unless otherwise noted in more detail below.

Facility Use and Rental Agreements

In 2025-26, Aveson Schools' total facility rental costs are projected to decrease by approximately $300,000 compared to the prior year. This reduction is largely due to changes in facilities use following the Eaton Fire, which forced both AGLA and ASL to relocate and restructure their space needs.

- **AGLA Facilities**: Before the fire, AGLA was in year 13 of a 15-year lease for a private facility, with monthly rent of $46,571, which increased annually by 3%. The site qualified for partial reimbursement through the SB 740 Charter School Facility Grant Program, which covered about 39% of lease costs in 2023-24. Had the lease continued through 2024-25, unreimbursed costs were projected at $286,263. However, AGLA terminated the lease early, paying only $298,332 for the year.

  To finish the 2024-25 school year, AGLA entered into a facility use agreement with the district for $32,283 based on a rate of $0.82 per square foot. For 2025-26, AGLA continued under a district facility use agreement, with costs increasing to $71,628 at a rate of $1.28 per square foot.

- **ASL Facilities**: In 2024-25, ASL operated under a district facility use agreement costing $199,175, based on a rate of $1.85 per square foot. The school also leased portable buildings for approximately $31,000 annually. After the fire, the district and ASL terminated the agreement early for the destroyed campus, and ASL relocated to two district elementary campuses from March to June 2025, at a cost of $17,756. For 2025-26, ASL moved to a shared district campus under a one-year agreement totaling $70,646.

- **Additional Leased Spaces**: Since 2015, Aveson Schools has leased two commercial offices for AGLA's middle/high school program, with 2025 rents totaling $92,766. These leases are set to expire in 2026 and include 3% annual increases.

  In response to the fires, Aveson added two new private facility agreements: 1) YMCA classroom space to support the independent study program with classroom access three days per week, costing $2,310 per week; and 2) kitchen facilities to replace the schools' previous ASL in-house food service operations, which were disrupted by the fire. The new kitchen space costs $6,060 monthly and supports meal preparation for Aveson students.

Unless noted otherwise, all current agreements are for one year and will require renewal for 2026-27 and beyond.

Depreciation Expenses

Capitalized improvements, such as building upgrades, renovations, or additions, are recorded as assets, and the costs are depreciated over time rather than expensed immediately.

Following the fire, the schools' damaged and destroyed capital assets were fully depreciated at the close of the 2024-25 fiscal year. Accordingly, FCMAT updated projected depreciation expenses for fiscal years 2025-26 through 2027-28 to reflect this adjustment.

Insurance

In fiscal year 2024-25, Aveson Schools obtained insurance coverage through a charter school risk pool at a total cost of $135,992, covering four leased sites and several vehicles and providing protection across various liability and property categories. Workers' compensation insurance was purchased separately through a broker for approximately $44,000.

Property coverage for the destroyed ASL site listed a total insurable value of $480,000, including $200,000 for tenant improvements, $65,000 for portable structures, $100,000 for contents, and $115,000 for electronic data processing equipment. The wildfire deductible for this site was $10,000. The policy also covered cleanup efforts at three additional locations: the AGLA school site and two office spaces. School leadership reported that the ASL site was significantly underinsured, estimating the value of campus improvements and content losses far exceeded the total amount insured.

Additional coverage included business interruption and extra expense protection, each with limits of $10 million per occurrence and a $1,000 deductible. These coverages extend for one year from the date of the fire and may apply to extraordinary costs such as lost fundraising revenue, environmental testing, and expenses related to securing temporary facilities. All claims are subject to insurer approval, and Aveson Schools' property policies are spread across 12 different insurance carriers.

Despite these coverage provisions, Aveson Schools was unable to secure adequate replacement facilities. The schools aimed to reunite students and staff from both campuses at a single location to support healing after the trauma and loss caused by the fires, as many members of the school community not only lost classrooms and learning spaces, but also their homes. However, efforts to lease a commercial site were denied by insurers due to cost, and proposals to place temporary portable buildings on the original ASL campus were not supported by PUSD.

As of June 30, 2025, Aveson Schools had received $280,500 in insurance reimbursements. Insurance claims often require detailed inventory lists and supporting information. The schools continue to work with insurers to substantiate losses and coordinate ongoing recovery efforts.

For 2025-26, the schools remain insured in the same risk pool. While premiums have remained stable, increases are anticipated in future years.

Extraordinary Costs

The fire placed significant demands on Aveson Schools' small administrative team, which has been responsible for managing disaster response, coordinating with FEMA, and processing insurance claims. The reimbursement process is ongoing, and it remains unclear which outstanding costs will be recovered by insurance or qualify for FEMA support. Any unreimbursed expenses will become the responsibility of the schools.

Although PUSD covered initial cleaning and environmental testing for its Proposition 39 facilities, Aveson Schools conducted additional testing to confirm the continued safety of the learning environment. In response to community concerns, the schools purchased air quality monitoring equipment, increased the frequency of air filter replacements, and deployed air purifiers.

Student records for the elementary school were destroyed, and the cost of replacement has not yet been determined. The schools also report responsibility for remediating and removing leased portables from the elementary campus, as well as making final lease payments. Copier leases for units destroyed in the fire remain outstanding, and vendors continue to expect payment.

The schools lost all but two vehicles in the fire, including its two school buses. Prior to the disaster, the schools had secured a grant to replace its diesel buses with electric models and had begun purchasing the vehicles and related infrastructure, including a high-speed charging station. The fire destroyed the charging equipment, and without a permanent school site for installation, the schools are reconsidering how to move forward with the bus replacement program.

General Fund Balance

Operating Deficit

At the close of fiscal year 2024-25, ASL and AGLA reported general fund balances of $208,215 and $160,023, respectively. These balances reflect a sharp decline from the beginning of 2023-24, when ASL held $1.8 million and AGLA held $2.3 million. These reductions are the result of sustained deficit spending driven by declining enrollment, reduced ADA, increasing costs, and the expiration of one-time COVID-era funding.

These challenges were exacerbated by the January wildfires, which disrupted operations and further reduced enrollment. Without corrective action, FCMAT projects that both schools may deplete their fund balances and face cash insolvency by 2026-27.

FCMAT's MYFPs show continued deficit spending through 2027-28. The 2025-26 adopted budgets rely on optimistic assumptions regarding enrollment, LCFF entitlements, and hold-harmless provisions, none of which are supported by current law or enrollment trends.

Maintaining fiscal solvency will require revising revenue assumptions and aligning expenditures with actual enrollment and funding. An extension of state hold-harmless provisions beyond 2025-26 would provide Aveson Schools with the necessary time to implement these adjustments and stabilize their financial position.

Reserves for Economic Uncertainties

The adequacy of Aveson Schools' reserves is a critical indicator of financial solvency. The 2024-25 first interim and 2025-26 adopted budget documents identify a 3% reserve threshold. However, the schools' charter petitions do not specify a minimum reserve requirement, and state regulations require comparable districts with ADA between 0 and 300 to maintain reserves of at least 5% of total expenditures or $88,000, whichever is greater.

Aveson Schools' internal policy guidance is more conservative. According to the Fiscal Policies and Procedures Manual (updated September 2025), Aveson Schools aim to maintain unrestricted reserves between 19% and 22% of general fund expenditures, equivalent to two to three months of operating costs. Despite this stated policy, current reserves fall short of both internal and external benchmarks.

As of June 30, 2025, ASL and AGLA reported unrestricted net positions of 3.3% and 3.5%, respectively. These levels are insufficient to cover even one month of payroll and benefits, raising concerns about short-term financial sustainability in the wake of recent disruptions.

Cash Position

While reserve levels provide insight into long-term financial stability, the school's ability to meet immediate obligations is best assessed through their year-end cash position. As of June 30, 2025, ASL reported a cash balance of $507,604 and AGLA reported $215,904, resulting in a combined total of $723,508. This amount equates to approximately 25 days of cash on hand, roughly $1.0 million short of the schools' target for 60 days.

FCMAT recommends that charter schools maintain a minimum cash reserve of 5% of total expenditures, given their limited access to short-term borrowing. ASL's cash balance represented 8.0% of total expenditures, while AGLA's amounted to 4.7%, exceeding or almost meeting this benchmark, respectively. The schools' cash balances consist primarily of restricted unearned revenues[7].

The schools' borrowing capacity remains limited, with only a $500,000 line of credit available. The 2025-26 adopted budget documents did not include cash flow projections. Nonetheless, the positive cash balances reported as of June 30, 2025, were achieved without drawing on the available credit line, indicating that the schools have thus far avoided short-term borrowing.

Odyssey Charter Schools

Odyssey Charter Schools is a charter network located in Altadena, an unincorporated area of Los Angeles County. The network includes two independently operated schools: Odyssey Charter (Charter No. 0249), authorized by LACOE, and OCS-South (Charter No. 1921), authorized by PUSD. Odyssey Charter opened in 1999, followed by OCS-South in 2018. Together, the schools served more than 850 students in grades TK-8 during the 2024-25 school year, with 463 enrolled at Odyssey Charter and 392 at OCS-South. Both schools offer fully classroom-based educational programs.

Prior to the January 2025 Eaton Fire, Odyssey Charter operated on PUSD's former Audubon Primary campus, while OCS-South occupied the former Edison Elementary campus about a mile away. The fire destroyed the Edison site, and the Audubon campus sustained modest wind and smoke damage.

In February 2025, both schools temporarily relocated students across three private sites: two local Boys & Girls Club (grades TK-5), and a neighboring arts college (grades 6-8). By March, the schools were located in a Boys & Girls Club, a commercial office building, and the arts college. All temporary facilities were vacated by June 2025.

For the 2025-26 school year, Odyssey Charter returned to its Audubon campus under a new one-year Proposition 39 agreement with the district, following the expiration of its prior 10-year lease. To accommodate OCS-South, the district agreed to install 10 portable classrooms at the Audubon site, though completion was still pending at the time of FCMAT's fieldwork. In the meantime, OCS-South was able to secure a 10-year lease at a private site, the former AGLA site, located less than a quarter mile from Audubon.

The district has not announced plans to rebuild Edison Elementary, and no timeline for possible reconstruction has been shared.

Multiyear Financial Projection Analysis

Tables B-5 and B-6 in Appendix B summarize FCMAT's MYFP analysis for Odyssey Charter Schools' general fund from 2024-25 through 2027-28. To support this analysis, the following subsections detail key assumptions and adjustments related to enrollment, ADA, UPC, and revenue sources, including the impact

7 Unearned revenue is cash received but not yet spent and is recorded as a liability until the related expenses are incurred.

of the fires. FCMAT also reviewed expenditure adjustments, fund balance levels, reserves, and cash position to assess fiscal sustainability and identify potential risks to solvency.

Enrollment, UPC and ADA

Historical Trends

Odyssey Charter Schools operate within PUSD. As noted previously, the district has experienced steady enrollment declines over the past decade. However, the Odyssey schools have not followed this trend.

Odyssey Charter (OC) enrollment has been relatively stable. Enrollment peaked at 484 students in 2018-19 and declined 4.3% over six years to 463 students in 2024-25, an average annual decline of 0.7%. OCS-South (OCSS) experienced growth during the same period, opening in 2018-19 as a K-3 school and adding grades each year until 2023-24, when the final two grade levels, TK and 8, were added. Since full implementation, OCSS has experienced an average annual growth of 7.1%, reaching its highest enrollment of 392 students in 2024-25.

As of September 1, 2025, actual enrollment for 2025-26 reflects a combined loss of 355 students, a 41.5% drop from the prior year. OC enrolled 311 students (a 32.8% decline from 2024-25), while OCSS enrolled 189 students (a 51.8% decline). Because charter school enrollment is voluntary and draws from both public and private schools, largely within PUSD, future trends are difficult to predict.

Both schools assumed flat enrollment in their 2025-26 adopted budgets, based on the assumption that hold-harmless funding would be provided. Comparing the 2024-25 adopted budget to the 2025-26 adopted budget MYFPs, both schools anticipate a quick recovery, nearly reaching pre-wildfire enrollment projections by 2028-29, with UPC and ADA trending accordingly.

Wildfire Impact

The recent wildfires have complicated projections due to constraints on school facilities, community displacement, and the pace of rebuilding both residential homes and school campuses, factors that collectively affect the schools' ability to return to pre-fire enrollment levels. To address these uncertainties, FCMAT developed two enrollment projection models using a weighted cohort survival method:

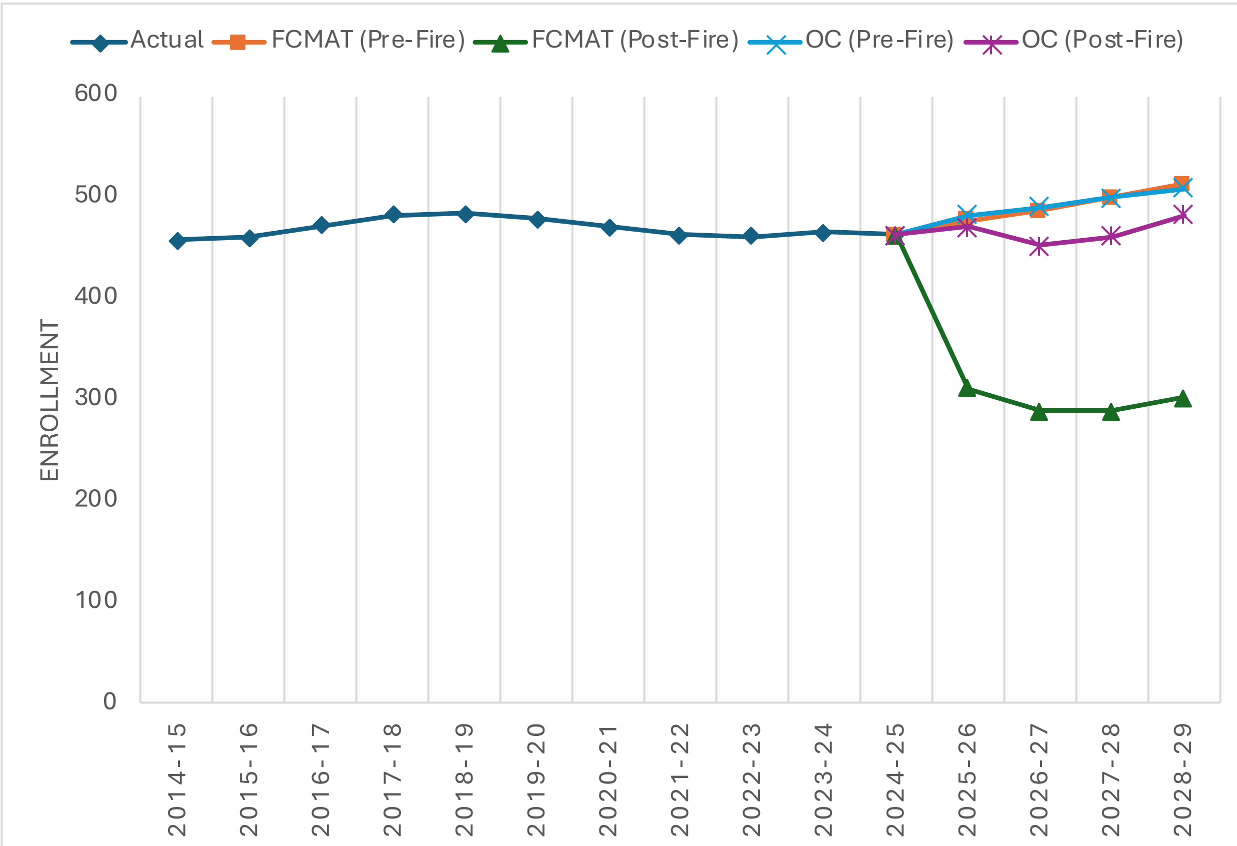
1. **Pre-Fire Trend Model**: Applies either a three-year (for OC) or a five-year (for OCSS) weighted historical average based on prior enrollment patterns to estimate enrollment absent the fire.

2. **Post-Fire Model**: Uses actual 2025-26 enrollment as of September 1, 2025, as a new baseline, applying weighted enrollment changes from the two prior years. This model reflects immediate post-fire impacts and potential long-term shifts due to displacement and rebuilding.

Figures 9 and 10 present historical enrollment trends and compare FCMAT's pre- and post-fire projections with Odyssey Charter Schools' 2024-25 adopted budget (pre-fire) and 2025-26 adopted budget (post-fire) MYFPs. This comparison illustrates both pre-fire enrollment patterns and the direct impact of the wildfires, offering a range of potential future outcomes.

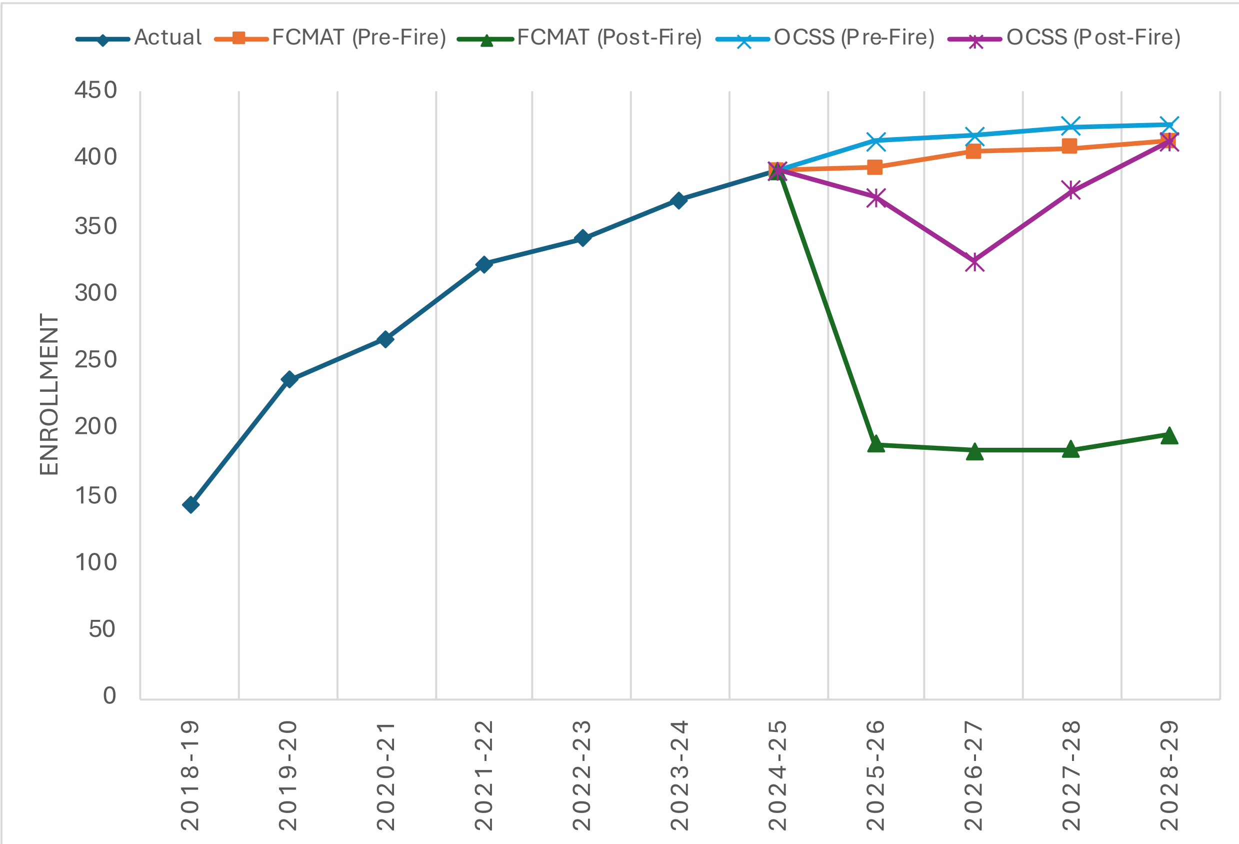
Tables A-7 and A-8 in Appendix A provide historical enrollment, UPC and ADA data for each school and detail FCMAT's post-fire estimates used to calculate LCFF and other funding sources. In both models, UPC and ADA were projected using three-year historical averages, except for the post-fire model for OC, which used a five-year average more aligned with the school's historic ADA-to-enrollment ratio.

Figure 9. Actual Data and Comparison of Pre- and Post-Fire Enrollment Projections for 2014-15 – 2028-29, Odyssey Charter



Sources: DataQuest; OC for 2025-26 enrollment as of September 1, 2025; OC's 2024-25 Adopted Budget and 2025-26 Adopted Budget MYFPs; FCMAT's MYFP.

Figure 10. Actual Data and Comparison of Pre- and Post-Fire Enrollment Projections for 2018-19 – 2028-29, OCS-South



Sources: DataQuest; OCSS for 2025-26 enrollment as of September 1, 2025; OCSS' 2024-25 Adopted Budget and 2025-26 Adopted Budget MYFPs; FCMAT's MYFP.

LCFF and Other Revenues

LCFF Entitlement Projections

Table 12 compares Odyssey Charter Schools' LCFF entitlement projections for fiscal years 2025-26 through 2028-29 with FCMAT's pre- and post-fire scenarios, including statutory hold-harmless estimates under AB 121 that apply only to the 2025-26 fiscal year. The table also shows how Odyssey Charter Schools' projections shifted between the 2024-25 adopted budget and the 2025-26 adopted budget to account for the wildfire's impact in their MYFPs. This comparison highlights both pre-fire trends and the direct effects of the wildfire, offering a range of potential future LCFF outcomes.

Table 12. Comparison of FCMAT and Odyssey Charter Schools' LCFF Projections, 2025-26 – 2028-29

LCFF Entitlement	2025-26	2026-27	2027-28	2028-29
Odyssey Charter (OC)				
Pre-Fire Projections				
OC – 2024-25 Adopted Budget	$5,265,249	$5,546,349	$5,889,363	$6,051,561
FCMAT – Pre-Fire Model	$5,205,960	$5,469,955	$5,805,985	$6,170,116
Difference in LCFF, Pre-Fire	($59,289)	($76,394)	($83,378)	$118,555
Post-Fire Projections				
OC – 2025-26 Adopted Budget	$5,128,758	$5,041,148	$5,278,341	$5,638,632
FCMAT – Post-Fire Model	$5,025,263	$3,230,767	$3,355,673	$3,626,069
Difference in LCFF, Post-Fire	($103,495)	($1,810,381)	($1,922,668)	($2,012,563)
OCS–South (OCSS)				
Pre-Fire Projections				
OCSS – 2024-25 Adopted Budget	$4,662,815	$4,848,287	$5,156,095	$5,338,067
FCMAT – Pre-Fire Model	$4,461,596	$4,732,888	$4,925,929	$5,144,212
Difference in LCFF, Pre-Fire	($201,219)	($115,399)	($230,166)	($193,855)
Post-Fire Projections				
OCSS – 2025-26 Adopted Budget	$4,318,005	$3,762,186	$4,500,272	$5,095,016
FCMAT – Post-Fire Model	$4,231,054	$2,125,235	$2,244,601	$2,492,020
Difference in LCFF, Post-Fire	($86,951)	($1,636,951)	($2,255,671)	($2,602,996)

Sources: Odyssey Charter Schools' 2024-25 Adopted Budget and 2025-26 Adopted Budget MYFPs; FCMAT's MYFP.

Note: Charter schools' LCFF entitlements in 2025-26 include hold-harmless allocations pursuant to AB 121.

Hold-Harmless Provisions

Table 13 shows the LCFF and ADA data used to estimate the 2025-26 hold-harmless allocation for Odyssey Charter Schools.

To estimate the allocation under the 2025-26 enacted budget, Odyssey Charter Schools assumed that the 2024-25 LCFF entitlement as of the second principal apportionment, including requested adjustments approved through the Form J-13A process, would carry forward into 2025-26. This amount was then adjusted using the DOF COLAs for 2026-27 through 2028-29 and updated assumptions for enrollment and ADA.

However, AB 121 specifies that the hold-harmless allocation equals the difference between a school's 2024-25 first principal apportionment and its 2025-26 annual principal apportionment. As a result, Odyssey Charter Schools' 2025-26 adopted budget overstated LCFF entitlement by $103,495 for OC and $86,951 for OCSS.

Table 13: LCFF and ADA Data and Projections to Estimate Charter School Funding Hold-Harmless Allocation in 2025-26, Odyssey Charter Schools

Charter School	2024-25 P-1 ADA[1]	2024-25 P-1 LCFF[1]	Projected 2025-26 P-2 ADA[2]	Projected 2025-26 P-2 LCFF[2]	Projected 2025-26 Hold-Harmless[3]
Odyssey Charter	449.64	$5,025,263	296.95	$3,385,593	$1,639,670
OCS–South	357.84	$4,231,054	174.10	$2,086,975	$2,144,079

Sources:

1. CDE, 2024-25 P-1 Apportionment (Certified February 20, 2025).

2. FCMAT Post-Fire MYFP.

3. Difference between 2024-25 P-1 LCFF and 2025-26 P-2 LCFF.

Federal Funds

FCMAT used the CDE's 2025-26 preliminary eligibility allocation schedules to estimate federal title program funding. For other federal programs, including Child Nutrition and Special Education, FCMAT based projections on prior year actual revenues, adjusting future amounts proportionally to projected enrollment changes, which resulted in reductions to federal fund estimates in the current and two subsequent fiscal years.

As of August 2025, the schools received $700,976 in Project SERV funding from the U.S. Department of Education. OC received $385,537, and OCSS received $315,439. FCMAT's projections include this revenue in 2025-26 and exclude it from 2026-27 and 2027-28.

Other State Revenues

FCMAT used the CDE's 2025-26 advance apportionment schedule to estimate revenue for state programs such as ELOP, Special Education Mental Health Services, and Arts and Music in Schools—Proposition 28. For 2025-26, projections included both carryover funds (recorded as restricted unearned revenue in the 2024-25 unaudited actuals) and new allocations from the SSPDDBG and the restored LREBG.

Where current year allocations were unavailable, FCMAT estimated funding based on projected post-fire enrollment or ADA, depending on the program's funding methodology. Ongoing state revenues were adjusted for COLA increases in subsequent years where applicable.

FCMAT excluded carryover and one-time funds from projections in 2026-27 and 2027-28. The net adjustments resulted in an increase in 2025-26, followed by reductions in 2026-27 and 2027-28.

Special Education

The CDE calculates AB 602 special education funding based on the highest ADA from the current year or the two prior years (i.e., the funded ADA). However, how that funding is distributed locally depends on the LEA's SELPA. OC and OCSS are part of the Desert Mountain Charter SELPA, which uses each school's funded ADA to allocate funding. After certain adjustments, OC and OCSS receive about 80% of their AB 602 base amount. Since 2024-25 has the highest ADA, FCMAT expects wildfire-related enrollment losses will not affect AB 602 funding until 2027-28.

Local Revenues

Odyssey Charter Schools has historically received local revenue from grants and donations. The network's parent group consistently raises funds for both schools. Odyssey Charter Schools received approximately $1.8 million in donations for wildfire recovery, mostly in fiscal year 2024-25.

For OC, FCMAT did not adjust projected local revenue, as its 2026-27 and 2027-28 projections were already below historical averages. The OCSS 2025-26 adopted budget reflects a pledged $500,000 donation. FCMAT excluded this one-time donation from 2026-27 but made no other adjustments, as the remaining projections were also below historical averages.

Although Odyssey Charter Schools anticipates receiving FEMA reimbursements, it was unable to provide estimates for the current or future fiscal years. In addition, the schools are engaged in litigation against Southern California Edison, whose equipment is suspected of contributing to the ignition of the Eaton Fire. While these efforts may result in further financial recovery, no projected revenue has been included in the MYFPs at this time.

Expenditures

Staffing and Other Operating Costs

To address the expiration of one-time funding sources, OCSS began implementing staffing reductions in fiscal year 2024-25, with further cuts planned for 2025-26. According to the 2025-26 adopted budget and staff interviews, OCSS has reduced salary and benefit expenditures by a combined $246,040 since 2023-24. These reductions are maintained in the MYFP through 2026-27, with a modest increase anticipated in 2027-28 due to projected enrollment growth. In 2025-26, OCSS reduced spending in certificated salaries, books and supplies, and other outgo; expenditures increased in all other expenditure classifications.

Similarly, OC reduced spending across nearly all expenditure categories, except for modest increases in certificated salaries and other outgo in 2025-26. Projections for 2026-27 show expenditures remaining largely flat. An increase is expected in 2027-28, consistent with the projection that enrollment will return to pre-wildfire levels.

Although additional reductions are likely necessary to maintain long-term operational viability if enrollment projections do not materialize, FCMAT did not adjust any expenditure categories.

Facility Use and Rental Agreements

Current estimates indicate that total facility use costs for Odyssey Charter Schools have increased significantly following the January wildfires, compared to pre-fire levels. Rental costs in 2025-26 are nearly 531% higher than in 2023-24 and 68% higher than in 2024-25, reflecting the need to secure new locations for both schools after the fires.

Before the fires, both schools operated at district sites under Proposition 39 agreements. OCSS was located at Edison Elementary under a three-year agreement that expired June 30, 2025. That campus was destroyed by the Eaton Fire.

As noted above, the OC campus at Audubon also sustained damage, requiring the temporary relocation of both schools for the remainder of the 2024-25 school year. For 2025-26, OC returned to its Audubon campus under a new one-year Proposition 39 agreement with the district, following the expiration of its prior 10-year lease. The annual payment is $201,627, based on a rate of $1.28 per square foot.

In 2025-26, the district offered OCSS Proposition 39 facilities spread across three sites, including the placement of 10 portables on the Audubon campus. OCSS accepted the offer for the portables and declined the remaining sites, instead securing a private facility under a 10-year lease. The annual cost for the portables is $71,525, and the lease payment for the private facility begins at $540,912 in 2025-26, with a 4% annual increase.

The school has applied to the SB 740 Charter School Facility Grant Program for the private facility. If eligible, the program may reimburse up to 75% of lease costs or a per-ADA amount, whichever is less. Based on the funding formula, FCMAT's projection assumes reimbursement at 75% of annual lease costs, although historical funding levels suggest the actual reimbursement could be lower.

Insurance

In 2024-25, Odyssey Charter Schools purchased standalone insurance for its two sites at a cost of $83,902, along with separate workers' compensation coverage for $90,130. Coverage included business personal property, with a limit of $372,305, as well as additional limits for items such as computers, electronics and outdoor property.

After the wildfire, the schools discovered they were underinsured and filed a claim only for the destroyed OCSS campus. As of August 2025, the schools received $415,961, with an additional $232,721 expected based on the adjuster's recommendation, for a total of $648,682, which is at least $400,000 less than the schools' estimated losses.

For 2025-26, the schools remained with the same insurer. While premiums have remained stable, increases are anticipated in future years.

Extraordinary Costs

The wildfire placed significant demands on Odyssey Charter Schools' small administrative team, which has managed disaster response, coordinated with FEMA, and handled insurance claims. While the insurance reimbursement process is ongoing, the schools expect costs to exceed the policy's maximum limits. However, it remains unclear which outstanding costs will qualify for FEMA support. Any unreimbursed expenses will remain the schools' responsibility.

Although PUSD covered initial cleaning and environmental testing for its Proposition 39 facilities, Odyssey Charter Schools conducted additional testing to confirm the continued safety of the learning environment and will likely need to continue doing so. In interviews, staff reported that testing ranges from $20,000 to $30,000 per school site, excluding costs for any needed remediation. In response to community concerns, the schools purchased air quality monitoring equipment, increased the frequency of air filter replacements, deployed air purifiers, and incurred other facility-related costs. The schools did not provide information on the additional costs for these items.

Through the Project SERV funding, Odyssey Charter Schools will be able to provide social emotional support through professional development on trauma informed practices, funding for an additional counselor and additional substitute teacher costs. For 2025-26, based on information provided by the schools, FCMAT estimates these costs are $251,000, of which approximately $210,000 may be ongoing. After 2025-26, if the schools want to continue these supports, these costs will need to be covered by another source or unrestricted general funds.

General Fund Balance

Operating Deficit

Prior to the wildfire, both schools maintained healthy fund balances and overall fiscal stability and had begun adjusting expenditures to align with the expiration of one-time state and federal revenues. By the close of fiscal year 2024-25, OC and OCSS reported general fund balances of $6.1 million and $1.9 million, representing 91.9% and 36.9% of total expenditures, respectively. While neither school has a history of deficit spending, both operated at a deficit in 2023-24, OC by $169,234 and OCSS by $162,664. These shortfalls prompted both schools to reduce expenditures in their 2024-25 adopted budgets, and both closed the year with a surplus.

While the schools are projecting a surplus in 2025-26, FCMAT's MYFPs show both schools returning to deficit spending in 2026-27 and 2027-28, following the expiration of the hold-harmless provisions. The schools' projections in the 2025-26 adopted budgets rely on optimistic assumptions about enrollment and LCFF entitlements that are not supported by current trends. As a result, projected revenues exceed FCMAT's post-fire estimates by nearly $4.0 million for OC and $5.9 million for OCSS by 2028-29.

To maintain fiscal solvency, the schools must revise revenue assumptions and align expenditures with actual enrollment and funding. An extension of state hold-harmless provisions beyond 2025-26 would provide Odyssey Charter Schools with the necessary time to implement these adjustments and stabilize their financial position.

Reserves for Economic Uncertainties

The adequacy of Odyssey Charter Schools' reserves is a key indicator of financial solvency. The petitions for the Odyssey Charter Schools set forth a reserve policy consistent with the criteria and standards established for districts, requiring reserve levels comparable to those of similar sized districts as shown in Table 14.

Table 14: Reserve Requirement for Odyssey Charter Schools

Reserve Requirement	Charter School
Greater of 4% or $88,000 for districts with 301 to 1,000 ADA	Odyssey Charter
Greater of 5% or $88,000 for districts with 0 to 300 ADA	OCS-South

Sources: Odyssey Charter and OCS–South charter petitions.

As of June 30, 2025, OC and OCSS reported unrestricted net positions of 91.9% and 36.9%, respectively, well above the required reserve levels. These figures indicate that, prior to the wildfire, both schools were financially stable and well-positioned to absorb short-term unexpected costs and revenue declines.

Cash Position

While reserve levels offer insight into long-term financial stability, a school's ability to meet immediate obligations is best assessed through its year-end cash position. As of June 30, 2025, OC reported a cash balance of $5.0 million, and OCSS reported $1.6 million, for a combined total of $6.6 million. This amount equates to approximately 203 days of cash on hand.

FCMAT recommends that charter schools maintain a minimum cash reserve of 5% of total expenditures, given their limited access to short-term borrowing; both schools exceed this benchmark. However, the schools' borrowing capacity remains limited, with only a $600,000 line of credit available.

The 2025-26 adopted budget documents did not include cash flow projections. Still, the positive cash balances reported as of June 30, 2025, were achieved without drawing on the available credit line, indicating that the schools have thus far avoided short-term borrowing.

Findings and Recommendations

Each of the eight LEAs reviewed by FCMAT faced distinct challenges prior to the Palisades and Eaton wildfires. While some post-fire impacts are shared, each LEA has experienced unique consequences. Unlike FCMAT's review of Paradise Unified School District nearly two years after the Camp Fire, this review was conducted only nine months after the January wildfires. Key areas, such as insurance payouts, FEMA reimbursements, enrollment trends, and litigation outcomes, remain unresolved and difficult to project with a high level of confidence.

Recovery from major wildfires is often slow and uneven, with timelines varying widely across communities. A recent analysis by the Los Angeles Times[8] found that of the 22,500 homes lost in California's most destructive wildfires between 2017 and 2020, only 38% had been rebuilt as of early 2025. These patterns highlight the need to assess the fiscal and operational needs of impacted LEAs over multiple years following such events.

Findings

This section summarizes the fiscal and operational impacts of the January wildfires on directly affected LEAs and identifies areas where additional support may be needed.

While the following findings are specific to the LEAs included in this report, they also apply to schools not formally reviewed, specifically Palisades Charter High, Pasadena Rosebud Academy, and Alma Fuerte Public. These nonaffiliated charter schools are direct-funded and operate independently of their authorizers. Both Palisades Charter High and Pasadena Rosebud Academy lost access to their facilities due to damage or destruction.

Funding Impacts and Hold-Harmless Provisions

Of the 11 LEAs most impacted by the Palisades and Eaton fires, nine were charter schools and two were school districts. Charter schools are funded based on current year ADA for LCFF entitlements, making them more immediately vulnerable to enrollment fluctuations. In contrast, school districts benefit from declining enrollment protections, as they are funded based on the highest ADA from the current year, the prior year, or the average of the three most recent years.

Following the January wildfires, all impacted charter schools experienced significant enrollment and ADA losses due to temporary school closures and widespread student displacement, triggering funding reductions under the current year ADA model. To mitigate these losses, statute provides a process (Form J-13A) through which the CDE may grant LEAs attendance credit for the year in which the emergency occurred. AB 121 also established a hold-harmless allocation for affected charter schools, ensuring that 2025-26 LCFF entitlements would not fall below 2024-25 levels, as certified in the first principal apportionment. However, this provision does not extend beyond 2025-26.

The hold-harmless provision also does not account for changes to the LCFF TK add-on. The 2025-26 enacted budget increased TK funding to support smaller class sizes, but this adjustment reduces the

8 "22,500 homes lost. Over five years later, only 38% rebuilt: What California fire survivors face," Los Angeles Times, September 30, 2025, by Liam Dillon, Ben Poston, Doug Smith and Jessica Garrison.

hold-harmless allocation since the comparison excludes this formula change. As a result, affected schools are not fully protected at their 2024-25 funding levels.

Without continued support, affected charter schools may face funding instability and challenges in maintaining programs and staffing. Meanwhile, the fiscal effects of wildfire-related enrollment losses for school districts are expected to phase in over several years, as the two impacted districts are projected to be funded based on the average of the three prior years' ADA, which reflects 2024-25 pre-wildfire ADA through 2027-28.

According to FCMAT's pre- and post-fire projections, all impacted LEAs experienced LCFF revenue losses following the January wildfires. Charter schools were particularly affected, with losses ranging from 16.9% at AGLA to as high as 59.4% at Marquez Charter. PUSD experienced a smaller decline of approximately 1.2%, equating to roughly $2.3 million in lost LCFF funding in 2026-27. These reductions occurred amid broader fiscal pressures already facing LEAs, including declining enrollment, the expiration of one-time resources, and rising operational costs. These trends, which were already contributing to structural deficits, have worsened in the aftermath of the fires due to extraordinary wildfire-related costs, compounding the financial strain on affected schools and districts.

Considerations for 2027-28 and Beyond

This report focuses on fiscal years 2025-26 through 2027-28, aligning with the 2025-26 adopted budget MYFPs, which typically cover the current year and two subsequent fiscal years. Although the AB 100 directive includes the 2028-29 fiscal year, it was difficult to analyze due to limited LEA budget data beyond 2027-28. Given the uncertainty around long-term recovery and funding needs, additional support may be required in 2028-29 and 2029-30 to help LEAs stabilize operations.

Among all evaluated LEAs, the fires affected a much larger share of PUSD's geographic area, resulting in the greatest number of facility losses. The district has already incurred substantial costs related to temporary facilities, environmental testing, and other recovery efforts, many of which may fall outside of the limits or scope of insurance coverage or FEMA reimbursement. As the reimbursement process remains unresolved, the district continues to face ongoing fiscal pressures with limited clarity on the extent of external support available.

Facility Disruptions and Need for Continued Flexibility

The Eaton Fire caused major facility disruptions for charter schools in PUSD, particularly Aveson Schools and Odyssey Charter Schools. While LAUSD has committed to rebuilding its impacted charter campuses, including the nonaffiliated Palisades Charter High, PUSD has not announced plans to reconstruct the affected charter school sites. The absence of a rebuilding timeline has prolonged uncertainty for schools relying on Proposition 39 facilities, impeding strategic planning and long-term recovery.

In response to the loss of facilities, some schools have made progress toward securing long-term solutions (e.g., OCS-South entered a 10-year private lease). However, most remain focused on short-term arrangements based on immediate needs, including co-location with other schools and programs, leasing commercial spaces at higher costs, and forming community partnerships to secure temporary instructional space. These efforts have allowed schools to continue operating, but they do not fully support long-term recovery goals. For example, Aveson Schools expressed a desire to reunify its elementary and secondary schools at a single location to promote community healing.

Post-fire Proposition 39 facility allocations are significantly smaller than pre-fire campuses, limiting the ability of some schools to accommodate all students at a single site. Independent study programs serving displaced students are excluded from these allocations, even though students receive weekly in-person support and some rely on this instructional model due to ongoing displacement.

Charter schools are subject to specific statutory and regulatory requirements regarding their instructional models and facility locations. Without continued flexibility, and given the continuing uncertainties in the recovery response, schools impacted by the fire may face challenges maintaining compliance with these requirements while serving displaced students and rebuilding their programs, which jeopardizes their operational status and funding.

Reopening Guidance and Facility Remediation Standards

Wildfires have had increasingly severe impacts on California communities and LEAs in recent years, and this trend is expected to continue. Several LEAs in this review described challenges in reopening schools after the January wildfires, citing a lack of state guidance to ensure consistency and best practices. Decisions about assessing and remediating facilities were left to local discretion, creating inconsistency and uncertainty regarding student safety. LEAs expressed that having state-defined minimum requirements, along with recommended practices, would have helped them make informed decisions, coordinate with local agencies, and communicate effectively with their communities.

Recommendations

The state should:

1. Revise the 2025-26 LCFF hold-harmless provision calculation to account for the TK add-on increase from 2024-25 to 2025-26, ensuring that impacted charter schools receive funding protection aligned with the LCFF model in effect during the emergency year (2024-25).
2. Provide a special allocation for all impacted charter schools, as outlined in Education Code 46392, through the 2028-29 fiscal year to address outstanding and ongoing recovery-related cost pressures as follows:
   - 2026-27: 30% of the charter's LCFF entitlement as of the 2024-25 first principal apportionment.
   - 2027-28: 20% of the charter's LCFF entitlement as of the 2024-25 first principal apportionment.
   - 2028-29: 10% of the charter's LCFF entitlement as of the 2024-25 first principal apportionment.
3. Direct FCMAT to conduct an update of this report by November 1, 2027, to evaluate the need for additional funding and statutory changes for the 2028-29 and 2029-30 fiscal years.
4. Provide the Pasadena Unified School District with a special allocation of $4.0 million for the 2026-27 fiscal year, which is consistent with the estimated LCFF funding losses resulting from the wildfires, and to help address outstanding and ongoing recovery-related costs.
5. Direct FCMAT to conduct an interim evaluation of the Pasadena Unified School District by November 1, 2026, to assess the need for additional financial support in 2027-28.

6. Extend the relevant provisions of Section 71 of AB 121 through the 2028-29 school year to address ongoing uncertainties related to charter school facilities, specifically paragraphs (2) and (3), which provide the following flexibilities:

   - Allow site-based charter schools in Los Angeles County whose facilities were destroyed, damaged or remain inaccessible to operate at alternative sites anywhere within the county and remain in compliance with Education Codes 47605(a)(5) and 47605.1(d).

   - Suspend requirements for classroom-based charter schools offering independent study due to facility damage or pupil displacement, eliminating the requirement for a funding determination or material revision to charter petitions to provide non-classroom-based instruction.

7. Develop formal state guidance to support LEAs in reopening and remediating school facilities after wildfire events. A multi-agency taskforce should be convened to establish clear criteria for determining when a school site can be safely cleared for occupancy. This guidance should include minimum requirements and recommended practices to support consistency, safety and transparency in future recovery efforts.

Sincerely,

Erin Lillibridge, CFE
FCMAT Intervention Specialist

CC: Brooks Allen, Executive Director, California State Board of Education
Abel Guillen, Deputy Superintendent of Public Instruction, California Department of Education
Tami Pierson, Director-School Fiscal Services Division, California Department of Education
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Appendices

Appendix A – Data Tables

Appendix B – General Fund MYFPs

Appendix C – Study Agreements

Appendix D – Supplemental Letter Dated March 4, 2026

Appendix A – Data Tables

Table A-1. Historical Data and FCMAT Projections of Enrollment and ADA by LCFF Grade Span, 2020-21 — 2027-28, Los Angeles Unified School District

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Marquez Charter								
Grade TK (for LCFF TK Add-On)								
ADA	N/A	N/A	N/A	21.70	10.70	6.00	6.75	7.50
Enrollment	N/A	N/A	N/A	29	25	8	9	10
ADA-to-Enrollment Ratio	N/A	N/A	N/A	74.83%	42.80%	75.00%	75.00%	75.00%
Grades TK-3								
ADA	300.09	183.22	181.43	194.14	163.74	58.96	65.70	69.06
Enrollment	261	194	194	213	214	70	78	82
ADA-to-Enrollment Ratio	114.98%	94.44%	93.52%	91.15%	76.51%	84.23%	84.23%	84.23%
Grades 4-5								
ADA	171.13	124.56	110.14	100.23	82.70	49.05	31.53	26.27
Enrollment	167	131	120	108	100	56	36	30
ADA-to-Enrollment Ratio	102.47%	95.08%	91.78%	92.81%	82.70%	87.58%	87.58%	87.58%
Grades TK-5								
ADA	471.22	307.78	291.57	294.37	246.44	108.01	97.23	95.33
Enrollment	428	325	314	321	314	126	114	112
ADA-to-Enrollment Ratio	110.10%	94.70%	92.86%	91.70%	78.48%	85.72%	85.29%	85.12%
Palisades Charter Elementary								
Grade TK (for LCFF TK Add-On)								
ADA	N/A	N/A	N/A	11.29	19.87	18.48	16.80	16.80
Enrollment	N/A	N/A	N/A	20	37	33	30	30
ADA-to-Enrollment Ratio	N/A	N/A	N/A	56.45%	53.70%	56.00%	56.00%	56.00%
Grades TK-3								
ADA	313.16	250.15	257.12	248.82	225.03	177.33	179.04	169.62
Enrollment	316	269	281	277	278	207	209	198
ADA-to-Enrollment Ratio	99.10%	92.99%	91.50%	89.83%	80.95%	85.67%	85.67%	85.67%
Grades 4-5								
ADA	163.84	126.66	136.60	118.92	113.07	90.60	69.97	69.97
Enrollment	139	137	147	129	130	101	78	78
ADA-to-Enrollment Ratio	117.87%	92.45%	92.93%	92.19%	86.98%	89.70%	89.70%	89.70%

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Grades TK-5								
ADA	477.00	376.81	393.72	367.74	338.10	267.93	249.01	239.59
Enrollment	455	406	428	406	408	308	287	276
ADA-to-Enrollment Ratio	104.84%	92.81%	91.99%	90.58%	82.87%	86.99%	86.76%	86.81%
Los Angeles Unified School District (Non-Charter Schools)								
Grade TK (for LCFF TK Add-On)								
ADA	N/A	N/A	N/A	9,165.58	10,398.45	10,507.01	10,476.00	10,444.98
Enrollment	N/A	N/A	N/A	14,512	14,080	14,227	14,185	14,143
ADA-to-Enrollment Ratio	N/A	N/A	N/A	63.16%	73.85%	73.85%	73.85%	73.85%
Grades TK-3								
ADA	139,115	119,272.21	112,518.40	113,220.47	111,711.72	105,620.64	102,789.48	101,010.43
Enrollment	137,926	128,709	128,057	126,212	122,674	117,254	114,111	112,136
ADA-to-Enrollment Ratio	100.86%	92.67%	87.87%	89.71%	91.06%	90.08%	90.08%	90.08%
Grades 4-6								
ADA	99,037.56	89,849.27	83,072.81	81,571.12	79,160.93	76,857.90	74,183.68	71,478.70
Enrollment	99,113	93,267	90,312	87,278	84,707	82,456	79,587	76,685
ADA-to-Enrollment Ratio	99.92%	96.34%	91.98%	93.46%	93.45%	93.21%	93.21%	93.21%
Grades 7-8								
ADA	60,142.80	54,095.25	48,992.07	49,093.72	48,049.99	46,097.53	44,676.49	43,211.39
Enrollment	60,316	56,285	54,057	53,458	52,136	50,216	48,668	47,072
ADA-to-Enrollment Ratio	99.71%	96.11%	90.63%	91.84%	92.16%	91.80%	91.80%	91.80%
Grades 9-12								
ADA	115,737.70	111,358.36	103,407.66	101,685.71	98,257.06	93,213.12	90,593.37	87,861.54
Enrollment	122,088	119,322	116,994	114,168	110,313	104,786	101,841	98,770
ADA-to-Enrollment Ratio	94.80%	93.33%	88.39%	89.07%	89.07%	88.96%	88.96%	88.96%
Grades TK-12								
ADA	414,033.06	374,575.09	347,990.94	345,571.02	337,179.70	321,789.19	312,243.02	303,562.06
Enrollment	419,443	397,583	389,420	381,116	369,830	354,712	344,207	334,663
ADA-to-Enrollment Ratio	98.71%	94.21%	89.36%	90.67%	91.17%	90.72%	90.71%	90.71%

Source: FCMAT's MYFP.

Notes: Minor discrepancies in reported figures are the result of rounding applied during calculations. In 2020-21, LEAs used the 2019-20 ADA and did not report actual ADA since most remained closed to in-person instruction for most of the year.

Table A-2. Historical Data and FCMAT Projections of Enrollment and Unduplicated Pupil Count (UPC) and Percentage (UPP), 2020-21 — 2027-28, Los Angeles School District

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Marquez Charter								
UPC	68	53	49	55	56	22	20	19
Total Enrollment	428	325	314	321	314	126	114	112
Single-Year UPP	15.89%	16.31%	15.61%	17.13%	17.83%	17.23%	17.23%	17.23%
Three-Year Rolling LCFF UPP	14.65%	15.14%	15.93%	16.46%	17.27%	18.01%	18.23%	17.33%
Palisades Charter Elementary								
UPC	50	52	48	60	72	48	45	43
Total Enrollment	455	406	428	406	408	308	287	276
Single-Year UPP	10.99%	12.81%	11.22%	14.78%	17.65%	15.62%	15.62%	15.62%
Three-Year Rolling LCFF UPP	10.32%	11.11%	11.64%	12.99%	14.74%	16.35%	16.67%	15.61%
Los Angeles Unified School District (Non-Charter Schools)								
UPC	357,737	336,007	331,830	321,358	317,965	302,558	293,597	285,457
Total Enrollment	419,443	397,583	389,420	381,116	369,830	354,712	344,207	334,663
Single-Year UPP	85.29%	84.51%	85.21%	84.32%	85.98%	85.30%	85.30%	85.90%
Three-Year Rolling LCFF UPP	85.16%	85.59%	85.95%	85.64%	86.00%	85.69%	85.69%	85.24%

Sources: CDE Apportionment Funding Exhibits-Unduplicated Pupil Percentage, FCMAT's MYFP, and LCFF Calculator (version 26.2).

Table A-3. Historical Data and FCMAT Projections of Enrollment and ADA by LCFF Grade Span, 2020-21 — 2027-28, Pasadena Unified School District

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Pasadena Unified School District								
Grade TK (for LCFF TK Add-On)								
ADA	N/A	N/A	N/A	283.28	402.00	510.00	485.00	461.00
Enrollment	N/A	N/A	N/A	332	453	552	525	499
ADA-to-Enrollment Ratio	N/A	N/A	N/A	85.33%	88.74%	92.39%	92.38%	92.38%
Grades TK-3								
ADA	4,769.91	4,069.90	3,835.55	3,971.85	3,992.34	3,879.79	3,800.50	3,646.53
Enrollment	4,533	4,271	4,214	4,282	4,329	4,208	4,122	3,955
ADA-to-Enrollment Ratio	105.23%	95.29%	91.02%	92.76%	92.22%	92.20%	92.20%	92.20%
Grades 4-6								
ADA	3,615.88	3,139.64	2,845.34	2,855.13	2,834.02	2,735.32	2,637.93	2,552.72
Enrollment	3,553	3,298	3,073	3,037	3,023	2,921	2,817	2,726
ADA-to-Enrollment Ratio	101.77%	95.20%	92.59%	94.01%	93.75%	93.64%	93.64%	93.64%
Grades 7-8								
ADA	2,313.16	2,204.65	2,000.38	1,979.98	1,857.84	1,765.19	1,754.99	1 ,765.19
Enrollment	2,373	2,287	2,163	2,128	2,005	1,903	1,892	1,903
ADA-to-Enrollment Ratio	97.48%	96.40%	92.48%	93.04%	92.66%	92.76%	92.76%	92.76%
Grades 9-12								
ADA	4,410.35	4,361.32	4,239.18	4,109.18	4,024.29	3,749.57	3,580.33	3,509.36
Enrollment	4,854	4,686	4,702	4,531	4,400	4,121	3,935	3,857
ADA-to-Enrollment Ratio	90.86%	93.07%	90.16%	90.69%	91.46%	90.99%	90.99%	90.99%
Grades TK-12								
ADA	15,109.30	13,775.51	12,920.45	12,916.14	12,708.49	12,129.87	11,773.75	11,473.80
Enrollment	15,313	14,542	14,152	13,978	13,757	13,153	12,766	12,441
ADA-to-Enrollment Ratio	98.67%	94.73%	91.30%	92.40%	92.38%	92.22%	92.23%	92.23%

Source: FCMAT's MYFP.

Notes: Minor discrepancies in reported figures are the result of rounding applied during calculations. In 2020-21, LEAs used the 2019-20 ADA and did not report actual ADA since most remained closed to in-person instruction for most of the year.

Table A-4. Historical Data and FCMAT Projections of Enrollment and Unduplicated Pupil Count (UPC) and Percentage (UPP), 2020-21 — 2027-28, Pasadena Unified School District

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Pasadena Unified School District								
UPC	10,262	10,285	10,207	9,980	9,295	9,155	8,885	8,659
Total Enrollment	15,313	14,542	14,152	13,978	13,757	13,153	12,766	12,441
Single-Year UPP	67.02%	70.73%	72.12%	71.40%	67.57%	69.60%	69.60%	69.60%
Three-Year Rolling LCFF UPP	65.72%	68.59%	69.76%	71.30%	70.28%	69.40%	68.73%	69.42%

Sources: CDE Apportionment Funding Exhibits-Unduplicated Pupil Percentage, FCMAT's MYFP, and LCFF Calculator (version 26.2).

Table A-5. Historical Data and FCMAT Projections of Enrollment and ADA by LCFF Grade Span, 2020-21 — 2027-28, Aveson Schools

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Aveson School of Leaders								
Grade TK (for LCFF TK Add-On)								
ADA	N/A	N/A	N/A	21.65	22.44	13.95	13.95	13.95
Enrollment	N/A	N/A	N/A	24	28	15	15	15
ADA-to-Enrollment Ratio	N/A	N/A	N/A	90.21%	80.14%	93.00%	93.00%	93.00%
Grades TK-3								
ADA	294.65	223.08	222.56	202.12	154.21	88.32	70.48	67.94
Enrollment	283	235	245	236	187	104	83	80
ADA-to-Enrollment Ratio	104.12%	94.93%	90.84%	85.64%	82.47%	84.92%	84.92%	84.92%
Grades 4-5								
ADA	118.66	109.19	92.54	89.67	76.55	48.85	40.12	24.42
Enrollment	125	123	102	98	92	56	46	28
ADA-to-Enrollment Ratio	94.93%	88.77%	90.73%	91.50%	83.21%	87.22%	87.22%	87.22%
Grades TK-5								
ADA	413.31	332.27	315.10	291.79	230.76	137.17	110.60	92.36
Enrollment	408	358	347	334	279	160	129	108
ADA-to-Enrollment Ratio	101.30%	92.81%	90.81%	87.36%	82.71%	85.73%	85.74%	85.52%
Aveson Global Leadership Academy								
Grade 6								
ADA	63.57	32.54	36.83	30.37	26.03	27.16	23.54	19.92
Enrollment	42	36	41	33	29	30	26	22
ADA-to-Enrollment Ratio	151.36%	90.39%	89.83%	92.03%	89.76%	90.53%	90.53%	90.53%
Grades 7-8								
ADA	134.96	88.96	64.24	66.92	64.71	57.52	54.69	49.98
Enrollment	138	101	71	69	69	61	58	53
ADA-to-Enrollment Ratio	97.80%	88.08%	90.48%	96.99%	93.78%	94.30%	94.30%	94.30%
Grades 9-12								
ADA	169.35	113.93	95.20	95.59	89.25	62.85	65.51	70.82
Enrollment	148	129	110	105	102	71	74	80
ADA-to-Enrollment Ratio	114.43%	88.32%	86.55%	91.04%	87.50%	88.52%	88.52%	88.52%
Grades 6-12								
ADA	367.88	235.43	196.27	192.88	179.99	147.53	143.74	140.72

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Enrollment	328	266	222	207	200	162	158	155
ADA-to-Enrollment Ratio	112.16%	88.51%	88.41%	93.18%	90.00%	91.07%	90.97%	90.79%

Source: FCMAT's MYFP.

Notes: Minor discrepancies in reported figures are the result of rounding applied during calculations. In 2020-21, LEAs used the 2019-20 ADA and did not report actual ADA since most remained closed to in-person instruction for most of the year.

Table A-6. Historical Data and FCMAT Projections of Enrollment and Unduplicated Pupil Count (UPC) and Percentage (UPP), 2020-21 — 2027-28, Aveson Schools

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Aveson School of Leaders								
UPC	70	70	76	90	80	43	35	29
Total Enrollment	408	358	347	334	279	160	129	108
Single-Year UPP	17.16%	19.55%	21.90%	26.95%	28.67%	26.97%	26.97%	26.97%
Three-Year Rolling LCFF UPP	19.31%	19.10%	19.42%	22.76%	25.71%	27.63%	27.87%	26.95%
Aveson Global Leadership Academy								
UPC	94	79	65	79	80	61	59	58
Total Enrollment	328	266	222	207	200	162	158	155
Single-Year UPP	28.66%	29.70%	29.28%	38.16%	40.00%	37.60%	37.60%	37.60%
Three-Year Rolling LCFF UPP	31.56%	30.46%	29.17%	32.09%	35.61%	38.66%	38.46%	37.47%

Sources: CDE Apportionment Funding Exhibits-Unduplicated Pupil Percentage, FCMAT's MYFP, and LCFF Calculator (version 26.2).

Table A-7. Historical Data and FCMAT Projections of Enrollment and ADA by LCFF Grade Span, 2020-21 — 2027-28, Odyssey Charter Schools

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Odyssey School								
Grades K-3								
ADA	204.68	179.67	177.91	182.23	179.91	102.89	104.76	115.05
Enrollment	202	192	193	196	193	110	112	123
ADA-to-Enrollment Ratio	101.33%	93.58%	92.18%	92.97%	93.22%	93.53%	93.53%	93.53%
Grades 4-6								
ADA	165.07	149.74	150.81	158.69	163.04	106.00	107.89	91.80
Enrollment	162	160	161	169	172	112	114	97
ADA-to-Enrollment Ratio	101.90%	93.59%	93.67%	93.90%	94.79%	94.64%	94.64%	94.64%
Grades 7-8								
ADA	93.79	102.76	101.28	97.07	106.42	88.06	62.33	68.27
Enrollment	107	111	107	101	98	89	63	69
ADA-to-Enrollment Ratio	87.65%	92.58%	94.65%	96.11%	108.59%	98.94%	98.94%	98.94%
Grades K-8								
ADA	463.54	432.17	430.00	437.99	449.37	296.95	274.98	275.12
Enrollment	471	463	461	466	463	311	289	289
ADA-to-Enrollment Ratio	98.42%	93.34%	93.28%	93.99%	97.06%	95.48%	95.15%	95.20%
OCS-South								
Grade TK (for LCFF TK Add-On)								
ADA	N/A	N/A	N/A	39.61	46.95	14.05	18.45	24.59
Enrollment	N/A	N/A	N/A	43	57	16	21	28
ADA-to-Enrollment Ratio	N/A	N/A	N/A	92.12%	82.37%	87.81%	87.86%	87.82%
Grades TK-3								
ADA	183.40	188.50	172.88	195.62	190.47	81.69	84.32	90.47
Enrollment	193	205	191	213	226	93	96	103
ADA-to-Enrollment Ratio	95.03%	91.95%	90.51%	91.84%	84.28%	87.84%	87.84%	87.84%
Grades 4-6								
ADA	70.70	110.17	118.26	111.10	129.41	72.80	56.52	52.69
Enrollment	74	118	130	120	130	76	59	55
ADA-to-Enrollment Ratio	95.54%	93.36%	90.97%	92.58%	99.55%	95.80%	95.80%	95.80%
Grades 7-8								
ADA	0.00	0.00	17.46	35.06	37.87	19.61	28.43	26.47

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Enrollment	0	0	21	37	36	20	29	27
ADA-to-Enrollment Ratio	0.00%	0.00%	83.14%	94.76%	105.19%	98.04%	98.04%	98.04%
Grades TK-8								
ADA	254.10	298.67	308.60	341.78	357.75	174.10	169.27	169.63
Enrollment	267	323	342	370	392	189	184	185
ADA-to-Enrollment Ratio	95.17%	92.47%	90.23%	92.37%	91.26%	92.12%	91.99%	91.69%

Source: FCMAT's MYFP.

Notes: Minor discrepancies in reported figures are the result of rounding applied during calculations. In 2020-21, LEAs used the 2019-20 ADA and did not report actual ADA since most remained closed to in-person instruction for most of the year.

Table A-8. Historical Data and FCMAT Projections of Enrollment and Unduplicated Pupil Count (UPC) and Percentage (UPP), 2020-21 — 2027-28, Odyssey Charter Schools

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28
Odyssey School								
UPC	138	113	114	128	123	83	77	77
Total Enrollment	471	463	461	466	463	311	289	289
Single-Year UPP	29.30%	24.41%	24.73%	27.47%	26.57%	26.56%	26.56%	26.56%
Three-Year Rolling LCFF UPP	30.64%	28.54%	26.16%	25.54%	26.26%	26.94%	26.62%	26.66%
OCS-South								
UPC	72	90	107	114	119	58	56	57
Total Enrollment	267	323	342	370	392	189	184	185
Single-Year UPP	26.97%	27.86%	31.29%	30.81%	30.36%	30.66%	30.66%	30.66%
Three-Year Rolling LCFF UPP	27.51%	27.85%	28.92%	30.08%	30.85%	30.63%	30.50%	30.65%

Sources: CDE Apportionment Funding Exhibits-Unduplicated Pupil Percentage, FCMAT's MYFP, and LCFF Calculator (version 26.2).

Appendix B – General Fund MYFPs

Table B-1. FCMAT Combined General Fund Summary, 2024-25 — 2027-28, Los Angeles Unified School District

Description	Object Code	2024-25	2025-26	2026-27	2027-28
A. Revenues and Other Financing Sources					
LCFF Sources	8010-8099	$6,431,575,138	$6,435,410,646	$6,530,473,458	$6,582,590,919
Adjust to 2024-25 P-1 LCFF Apportionment per AB 121 and for FCMAT's ADA and UPP Projections (Marquez/Palisades)		$0	($81,787)	($3,357,993)	($3,578,185)
Adjust based on 2025-26 enrollment as of 09/19/25 (LAUSD)		$0	($17,022,737)	($75,844,006)	($147,352,636)
Federal Revenues	8100-8299	$741,902,340	$843,826,366	$645,217,470	$646,507,321
Other State Revenues	8300-8599	$1,864,368,797	$1,726,074,183	$1,764,990,823	$1,693,904,448
Add new 2025-26 one-time funds (SSPDDBG, LREBG) (all locally funded charter schools)		$0	$12,873,714	$0	$0
Add new 2025-26 one-time funds (SSPDDBG, LREBG) (LAUSD)		$0	$140,636,670	$0	$0
Other Local Revenues	8600-8799	$623,132,407	$331,558,016	$276,400,236	$237,698,458
Transfers In	8900-8929	$30,157,012	$47,325,000	$71,660,000	$30,000,000
Other Sources	8930-8979	$132,759,650	$10,000	$10,000	$10,000
Contributions	8980-8999	$0	$0	$0	$0
Total, Revenues and Other Financing Sources		**$9,823,895,345**	**$9,520,610,071**	**$9,209,549,988**	**$9,029,780,325**
B. Expenditures and Other Financing Uses					
Certificated Salaries	1000-1999	$4,087,934,605	$4,019,027,095	$3,710,975,579	$3,662,677,299
Classified Salaries	2000-2999	$1,619,442,747	$1,545,658,781	$1,439,388,357	$1,428,634,900
Employee Benefits	3000-3999	$3,154,422,590	$3,260,431,434	$3,258,103,805	$3,418,676,688
Books and Supplies	4000-4999	$460,479,462	$1,474,327,447	$966,559,418	$951,877,656
Services and Other Operating Expenditures	5000-5999	$1,675,209,370	$1,155,378,907	$1,116,076,475	$1,116,119,985
Capital Outlay	6000-6999	$146,090,730	$62,822,180	$144,757,320	$154,539,184
Other Outgo (excluding Transfers of Indirect Costs)	7100-7299 7400-7499	$40,877,500	$7,653,474	$7,653,474	$7,653,474
Other Outgo-Transfers of Indirect Costs	7300-7399	($39,278,013)	($49,016,868)	($27,268,350)	($32,410,845)
Transfers Out	7600-7629	$642,766,422	$28,513,404	$54,410,487	$59,349,004

Description	Object Code	2024-25	2025-26	2026-27	2027-28
Other Uses	7630-7699	$0	$0	$0	$0
Total, Expenditures and Other Financing Uses		**$11,787,965,413**	**$11,504,795,853**	**$10,670,656,565**	**$10,767,117,345**
C. Net Increase (Decrease) in Fund Balance		**($1,964,070,068)**	**($1,984,185,782)**	**($1,461,106,577)**	**($1,737,337,020)**
D. Fund Balance					
Beginning Fund Balance, July 1	9791	$6,413,618,717	$4,457,862,602	$2,473,676,820	$1,012,570,243
Audit Adjustments / Restatements	9793, 9795	$8,313,953	$0	$0	$0
Adjusted Beginning Fund Balance		$6,421,932,671	$4,457,862,602	$2,473,676,820	$1,012,570,243
Ending Fund Balance, June 30		$4,457,862,602	$2,473,676,820	$1,012,570,243	($724,766,777)
Components of Ending Fund Balance					
Nonspendable	9711-9719	$50,874,631	$49,471,344	$49,471,344	$49,471,344
Adjust for 2024-25 Unaudited Actuals balance		$0	$1,403,287	$1,403,287	$1,403,287
Restricted	9740	$889,387,473	$78,638,217	$104,404,627	$97,795,284
Adjust for 2024-25 Unaudited Actuals balance		$0	$19,178,615	$19,178,615	$19,178,615
Adjust for 2025-26 added restricted funds (SSPDDBG/LREBG)		$0	$153,510,384	$153,510,384	$153,510,384
Stabilization Arrangements	9750	$0	$0	$0	$0
Other Commitments	9760	$0	$46,110,802	$46,110,802	$46,110,802
Assigned	9780	$1,373,615,833	$413,009,949	$448,621,249	$476,840,780
Adjust for 2024-25 Unaudited Actuals balance		$0	$67,955,082	$67,955,082	$67,955,082
Unassigned/Unappropriated	9790	$2,011,234,666	$1,433,041,503	($81,052,784)	($1,840,969,992)
Adjust for 2024-25 Unaudited Actuals balance		$0	$96,157,638	$96,157,638	$96,157,638
Reserve for Economic Uncertainties	9789	$132,750,000	$115,200,000	$106,810,000	$107,780,000
Available Reserve					
Unassigned/Unappropriated	9790	$2,011,234,666	$1,529,199,140	$15,104,853	($1,744,812,355)
Reserve for Economic Uncertainties	9789	$132,750,000	$115,200,000	$106,810,000	$107,780,000
Special Reserve Fund – Noncapital Outlay (Fund 17)	9789	$577,007,955	$575,200,000	$533,540,000	$538,470,000
Adjust for 2024-25 Unaudited Actuals balance (Fund 17)		$0	($15,517,045)	($15,517,045)	($15,517,045)
Total Available Reserve		**$2,720,992,621**	**$2,204,082,095**	**$639,937,808**	**($1,114,079,400)**
Available Reserve as % of Total Expenditures and Other Financing Uses		**23.1%**	**19.2%**	**6.0%**	**-10.3%**

Sources: LAUSD 2024-25 Unaudited Actuals and 2025-26 Adopted Budget MYFP, with FCMAT noted adjustments.

Table B-2. FCMAT Combined General Fund Summary, 2024-25 — 2027-28, Pasadena Unified School District

Description	Object Code	2024-25	2025-26	2026-27	2027-28
A. Revenues and Other Financing Sources					
LCFF Sources	8010-8099	$191,218,289	$190,386,744	$195,141,353	$199,517,688
Adjust to FCMAT's ADA and UPP Projections		$0	$633,685	($3,279,492)	($6,168,594)
Federal Revenues	8100-8299	$15,222,006	$16,607,806	$17,568,472	$13,272,358
Other State Revenues	8300-8599	$55,367,304	$49,374,050	$48,529,740	$48,548,888
Adjust for P-2 ADA and enrollment changes (Mandate Block Grant, Lottery)		$0	($555,464)	$17,739	$72,782
Add new 2025-26 one-time funds (SSPDDBG, LREBG)		$0	$5,049,787	$0	$0
Other Local Revenues	8600-8799	$37,578,566	$35,298,014	$34,667,976	$34,492,970
Transfers In	8900-8929	$0	$0	$0	$0
Other Sources	8930-8979	$135,082,111	$0	$0	$0
Contributions	8980-8999	$0	$0	$0	$0
Total, Revenues and Other Financing Sources		**$434,468,276**	**$296,794,622**	**$292,645,788**	**$289,590,528**
B. Expenditures and Other Financing Uses					
Certificated Salaries	1000-1999	$108,554,374	$105,003,947	$103,487,566	$102,095,112
Classified Salaries	2000-2999	$52,241,456	$53,418,231	$53,770,499	$54,010,671
Employee Benefits	3000-3999	$83,209,997	$85,802,061	$85,607,669	$88,309,570
Books and Supplies	4000-4999	$16,849,372	$15,723,323	$12,623,071	$9,831,168
Services and Other Operating Expenditures	5000-5999	$133,611,525	$101,759,502	$83,759,310	$67,962,859
Capital Outlay	6000-6999	$4,595,495	$3,454,892	$3,777,755	$452,490
Other Outgo (excluding Transfers of Indirect Costs)	7100-7299 7400-7499	$2,156,590	$1,363,688	$1,363,688	$1,363,688
Other Outgo-Transfers of Indirect Costs	7300-7399	($846,902)	($1,173,343)	($1,195,602)	($1,220,743)
Transfers Out	7600-7629	$1,289,941	$935,000	$935,000	$935,000
Other Uses	7630-7699	$0	$0	$0	$0
Total, Expenditures and Other Financing Uses		**$401,661,849**	**$366,287,301**	**$344,128,956**	**$323,739,815**
C. Net Increase (Decrease) in Fund Balance		**$32,806,426**	**($69,492,679)**	**($51,483,168)**	**($34,149,287)**
D. Fund Balance					
Beginning Fund Balance, July 1	9791	$115,565,253	$148,011,255	$78,518,576	$27,035,408
Audit Adjustments / Restatements	9793, 9795	($360,424)	$0	$0	$0
Adjusted Beginning Fund Balance		$115,204,829	$148,011,255	$78,518,576	$27,035,408
Ending Fund Balance, June 30		$148,011,255	$78,518,576	$27,035,408	($7,113,879)
Components of Ending Fund Balance					

Description	Object Code	2024-25	2025-26	2026-27	2027-28
Nonspendable	9710-9719	$425,792	$431,627	$428,092	$428,092
Adjust for 2024-25 Unaudited Actuals balance		$0	($5,834)	($5,834)	($5,834)
Restricted	9740	$41,243,336	$21,513,548	$24,330,828	$27,507,756
Adjust for 2024-25 Unaudited Actuals balance		$0	$12,373,480	$12,373,480	$12,373,480
Adjust for 2025-26 added restricted funds (SSPDDBG/ LREBG)		$0	$5,049,787	$5,049,787	$5,049,787
Stabilization Arrangements	9750	$0	$0	$0	$0
Other Commitments	9760	$0	$0	$0	$0
Assigned	9780	$0	$0	$0	$0
Unassigned/Unappropriated	9790	$94,292,271	$17,674,173	($35,957,990)	($72,672,531)
Adjust for 2024-25 Unaudited Actuals balance		$0	$10,070,243	$10,070,243	$10,070,243
Reserve for Economic Uncertainties	9789	$12,049,855	$10,988,619	$10,323,869	$9,712,194
Adjust for 2024-25 Unaudited Actuals balance		$0	$422,934	$422,934	$422,934
Available Reserve					
Unassigned/Unappropriated	9790	$94,292,271	$27,744,416	($25,887,747)	($62,602,288)
Reserve for Economic Uncertainties	9789	$12,049,855	$10,988,619	$10,323,869	$9,714,194
Special Reserve Fund – Noncapital Outlay (Fund 17)	9750	$11,192,327	$11,489,506	$11,489,506	$11,489,506
Adjust for 2024-25 Unaudited Actuals balance (Fund 17)		$0	$52,821	$52,821	$52,821
Total Available Reserve		**$117,534,454**	**$50,275,362**	**($4,021,551)**	**($41,347,766)**
Available Reserve as % of Total Expenditures and Other Financing Uses		29.3%	13.7%	-1.2%	-12.8%

Sources: PUSD 2024-25 Unaudited Actuals and 2025-26 Adopted Budget MYFP, with FCMAT noted adjustments.

Table B-3. FCMAT Combined General Fund Summary, 2024-25 — 2027-28, Aveson School of Leaders

Description	Object Code	2024-25	2025-26	2026-27	2027-28
A. Revenues					
LCFF Sources	8010-8099	$3,145,247	$3,184,000	$3,284,120	$3,396,278
Adjust to 2024-25 P-1 LCFF Apportionment per AB 121 and for FCMAT's ADA and UPP Projections		$0	($85,499)	($1,882,191)	($2,164,674)
Federal Revenues	8100-8299	$213,693	$153,814	$153,814	$153,814
Adjust for enrollment reductions (Title I-IV, Child Nutrition, Special Education)		$0	($31,221)	($75,767)	($90,079)
Add Project SERV grant		$0	$247,000	$0	$0
Other State Revenues	8300-8599	$979,018	$923,167	$923,167	$698,670
Adjust for P-2 ADA and enrollment reductions (Special Education, Mental Health, Mandate Block Grant, Lottery, Child Nutrition)		$0	($515,830)	($618,721)	($470,714)
Adjust to ELOP minimum allocation		$0	($16,932)	($16,932)	($16,932)
Add new 2025-26 one-time funds (SSPDDBG, LREBG)		$0	$90,826	$0	$0
Adjust for prior year carryover (2024-25 unearned revenues)		$0	$497,492	$0	$0
Other Local Revenues	8600-8799	$1,003,873	$1,155,889	$645,224	$645,224
Add new expected one-time grant for fire support		$0	$50,000	$0	$0
Adjust for enrollment reductions (food service sales, field trips, after-school programs, donations, fundraising)		$0	($349,861)	($424,422)	($460,366)
Total, Revenues		**$5,341,831**	**$5,302,845**	**$1,988,292**	**$1,691,221**
B. Expenditures					
Certificated Salaries	1000-1999	$2,211,308	$1,849,798	$1,849,798	$1,868,296
Noncertificated Salaries	2000-2999	$1,312,229	$945,944	$945,944	$955,403
Employee Benefits	3000-3999	$654,236	$531,601	$529,709	$533,105
Books and Supplies	4000-4999	$458,069	$453,168	$453,168	$450,993
Services and Other Operating Expenditures	5000-5999	$1,168,948	$1,434,459	$1,434,459	$1,416,543
Capital Outlay	6000-6999	$527,612	$63,129	$63,129	$63,129
Adjust to reflect remaining capital asset (vehicle)		$0	($52,504)	($52,504)	($52,504)
Other Outgo	7100-7499	$0	$0	$0	$0
Total, Expenditures		**$6,332,402**	**$5,225,595**	**$5,223,703**	**$5,234,965**
C. Excess (Deficiency) of Revenues Over Expenditures		($990,571)	$77,250	($3,235,411)	($3,543,744)
D. Other Financing Sources / Uses					
Other Sources	8930-8979	$0	$0	$0	$0

Description	Object Code	2024-25	2025-26	2026-27	2027-28
Less: Other Uses	7630-7699	$0	$0	$0	$0
Contributions Between Unrestricted / Restricted		$0	$0	$0	$0
Total, Other Financing Sources / Uses		**$0**	**$0**	**$0**	**$0**
E. Net Increase (Decrease) in Fund Balance / Net Position		**($990,571)**	**$77,250**	**($3,235,411)**	**($3,543,744)**
F. Fund Balance / Net Position					
Beginning Fund Balance / Net Position, July 1	9791	$1,194,223	$208,215	$285,465	($2,949,946)
Audit Adjustments / Restatements	9793, 9795	$4,553	$0	$0	$0
Adjusted Beginning Fund Balance / Net Position		$1,198,776	$208,215	$285,465	($2,949,946)
Ending Fund Balance / Net Position, June 30		$208,215	$285,465	($2,949,946)	($6,493,690)
Components of Ending Net Position					
Net Investment in Capital Assets	9796	$0	$0	$0	$0
Restricted Net Position	9797	$0	$0	$0	$0
Unrestricted Net Position	9790	$208,215	$285,465	($2,949,946)	($6,493,690)
Available Reserve as % of Total Expenditures		**3.3%**	**5.5%**	**-56.5%**	**-124.0%**

Sources: ASL 2024-25 Unaudited Actuals and 2025-26 Adopted Budget MYFP, with FCMAT noted adjustments.

Table B-4. FCMAT Combined General Fund Summary, 2024-25 — 2027-28, Aveson Global Leadership Academy

Description	Object Code	2024-25	2025-26	2026-27	2027-28
A. Revenues					
LCFF Sources	8010-8099	$2,272,185	$2,348,223	$2,421,979	$2,504,833
Adjust to 2024-25 P-1 LCFF Apportionment per AB 121 and for FCMAT's ADA and UPP Projections		$0	($68,739)	($573,316)	($619,915)
Federal Revenues	8100-8299	$157,264	$137,589	$137,589	$137,666
Adjust for enrollment reductions (Title I-IV, Child Nutrition, Special Education)		$0	($15,971)	($33,431)	($35,890)
Add Project SERV grant		$0	$247,000	$0	$0
Other State Revenues	8300-8599	$760,101	$417,055	$433,161	$395,635
Adjust for P-2 ADA and enrollment reductions (Special Education, Mental Health, Mandate Block Grant, Lottery, Child Nutrition)		$0	($141,256)	($178,950)	($154,064)
Adjust to ELOP minimum allocation		$0	$50,000	$50,000	$50,000
Add new 2025-26 one-time funds (SSPDDBG, LREBG)		$0	$66,498	$0	$0
Adjust for prior year carryover (2024-25 unearned revenues)		$0	$121,714	$0	$0
Other Local Revenues	8600-8799	$547,889	$878,148	$327,148	$327,148
Add new expected one-time grant for fire support		$0	$50,000	$0	$0
Adjust for enrollment reductions (food service sales, field trips, donations, fundraising)		$0	($26,796)	($34,212)	($39,774)
Total, Revenues		**$3,737,440**	**$4,063,465**	**$2,549,968**	**$2,565,639**
B. Expenditures					
Certificated Salaries	1000-1999	$1,593,836	$1,374,407	$1,374,407	$1,383,908
Noncertificated Salaries	2000-2999	$801,096	$526,235	$526,235	$528,674
Employee Benefits	3000-3999	$489,000	$364,207	$361,752	$363,393
Books and Supplies	4000-4999	$473,688	$329,627	$329,627	$330,903
Services and Other Operating Expenditures	5000-5999	$961,318	$1,003,690	$1,003,689	$988,922
Capital Outlay	6000-6999	$281,888	$37,467	$37,467	$37,467
Adjust to reflect full depreciation in 2024-25		$0	($37,467)	($37,467)	($37,467)
Other Outgo	7100-7499	$0	$0	$0	$0
Total, Expenditures		**$4,600,827**	**$3,598,166**	**$3,595,711**	**$3,595,800**
C. Excess (Deficiency) of Revenues Over Expenditures		($863,387)	$465,299	($1,045,743)	($1,030,161)

Description	Object Code	2024-25	2025-26	2026-27	2027-28
D. Other Financing Sources / Uses					
Other Sources	8930-8979	$0	$0	$0	$0
Less: Other Uses	7630-7699	$0	$0	$0	$0
Contributions Between Unrestricted / Restricted		$0	$0	$0	$0
Total, Other Financing Sources / Uses		**$0**	**$0**	**$0**	**$0**
E. Net Increase (Decrease) in Fund Balance / Net Position		**($863,387)**	**$465,299**	**($1,045,743)**	**($1,030,161)**
F. Fund Balance / Net Position					
Beginning Fund Balance / Net Position, July 1	9791	$1,010,344	$160,023	$625,322	($420,421)
Audit Adjustments / Restatements	9793, 9795	$13,066	$0	$0	$0
Adjusted Beginning Fund Balance / Net Position		$1,023,410	$160,023	$625,322	($420,421)
Ending Fund Balance / Net Position, June 30		$160,023	$625,322	($420,421)	($1,450,582)
Components of Ending Net Position					
Net Investment in Capital Assets	9796	$0	$0	$0	$0
Restricted Net Position	9797	$0	$0	$0	$0
Unrestricted Net Position	9790	$160,023	$625,322	($420,421)	($1,450,582)
Available Reserve as % of Total Expenditures		**3.5%**	**17.4%**	**-11.7%**	**-40.3%**

Sources: AGLA 2024-25 Unaudited Actuals and 2025-26 Adopted Budget MYFP, with FCMAT noted adjustments.

Table B-5. FCMAT Combined General Fund Summary, 2024-25 — 2027-28, Odyssey Charter

Description	Object Code	2024-25	2025-26	2026-27	2027-28
A. Revenues					
LCFF Sources	8010-8099	$5,022,397	$5,128,758	$5,041,148	$5,278,341
Adjust to 2024-25 P-1 LCFF Apportionment per AB 121 and for FCMAT's ADA and UPP Projections		$0	($103,495)	($1,810,381)	($1,922,668)
Federal Revenues	8100-8299	$238,488	$253,471	$249,709	$246,109
Adjust for enrollment reductions (Title I-IV, Child Nutrition, Special Education)		$0	($71,738)	($124,355)	($158,625)
Add Project SERV grant		$0	$385,537	$0	$0
Other State Revenues	8500-8599	$951,874	$882,369	$859,667	$864,965
Adjust for ADA and enrollment reductions (Special Education, Mental Health, Mandate Block Grant, Lottery, ELOP)		$0	$208,828	($182,449)	($364,089)
Add new 2025-26 one-time funds (SSPDDBG, LREBG)		$0	$154,914	$0	$0
Adjust for prior year carryover (2024-25 unearned revenues)		$0	($90,788)	$0	$0
Other Local Revenues	8600-8799	$1,139,984	$333,162	$191,998	$216,998
Total, Revenues		**$7,352,744**	**$7,081,018**	**$ 4,225,337**	**$4,161,031**
B. Expenditures					
Certificated Salaries	1000-1999	$2,263,851	$2,352,377	$2,387,662	$2,423,477
Noncertificated Salaries	2000-2999	$967,835	$910,277	$903,925	$917,484
Employee Benefits	3000-3999	$1,292,399	$1,190,674	$1,232,230	$1,282,649
Books and Supplies	4000-4999	$460,437	$378,845	$382,497	$393,972
Services and Other Operating Expenditures	5000-5999	$1,521,380	$1,518,909	$1,507,041	$1,552,252
Capital Outlay	6000-6999	$166,703	$160,315	$160,315	$160,315
Other Outgo	7100-7499	$0	$1,472	$1,472	$1,472
Total, Expenditures		**$6,672,606**	**$6,512,869**	**$6,575,142**	**$6,731,621**
C. Excess (Deficiency) of Revenues Over Expenditures		$680,137	$568,149	($2,349,805)	($2,570,590)
D. Other Financing Sources / Uses					
Other Sources	8930-8979	$0	$0	$0	$0
Less: Other Uses	7630-7699	$0	$0	$0	$0

Description	Object Code	2024-25	2025-26	2026-27	2027-28
Contributions Between Unrestricted / Restricted		$0	$0	$0	$0
Total, Other Financing Sources / Uses		**$0**	**$0**	**$0**	**$0**
E. Net Increase (Decrease) in Fund Balance / Net Position		**$680,137**	**$568,149**	**($2,349,805)**	**($2,570,590)**
F. Fund Balance / Net Position					
Beginning Fund Balance / Net Position, July 1	9791	$5,321,941	$6,129,336	$6,697,485	$4,347,680
Audit Adjustments / Restatements	9793, 9795	$127,258	$0	$0	$0
Adjusted Beginning Fund Balance / Net Position		$5,449,199	$6,129,336	$6,697,485	$4,347,680
Ending Fund Balance / Net Position, June 30		$6,129,336	$6,697,485	$4,347,680	$1,777,090
Components of Ending Net Position					
Net Investment in Capital Assets	9796	$0	$0	$0	$0
Restricted Net Position	9797	$0	$0	$0	$0
Unrestricted Net Position	9790	$6,129,336	$6,697,485	$4,347,680	$1,777,090
Available Reserve as % of Total Expenditures		**91.9%**	**102.8%**	**66.1%**	**26.4%**

Sources: OC 2024-25 Unaudited Actuals and 2025-26 Adopted Budget MYFP, with FCMAT noted adjustments.

Table B-6. FCMAT Combined General Fund Summary, 2024-25 — 2027-28, OCS-South

Description	Object Code	2024-25	2025-26	2026-27	2027-28
A. Revenues					
LCFF Sources	8010-8099	$4,115,858	$4,318,005	$3,762,186	$4,500,272
Adjust to 2024-25 P-1 LCFF Apportionment per AB 121 and for FCMAT's ADA and UPP Projections		$0	($86,951)	($1,636,951)	($2,255,671)
Federal Revenues	8100-8299	$269,716	$202,325	$194,507	$183,598
Adjust for enrollment reductions (Title I-IV, Child Nutrition, Special Education)		$0	($37,592)	($111,876)	($139,321)
Add Project SERV grant		$0	$315,439	$0	$0
Other State Revenues	8500-8599	$799,505	$1,300,432	$1,215,943	$1,220,498
Adjust for ADA and enrollment reductions (Special Education, Mental Health, Mandate Block Grant, Lottery, ELOP)		$0	$106,428	($672,575)	($896,586)
Add new 2025-26 one-time funds (SSPDDBG, LREBG)		$0	$121,569	$0	$0
Adjust for prior year carryover (2024-25 unearned revenues)		$0	($59,101)	$0	$0
Adjust estimated SB 740 reimbursement		$0	($16,898)	$0	$0
Other Local Revenues	8600-8799	$737,261	$994,442	$600,000	$100,000
Remove expected 2025-26 one-time donation		$0	$0	($500,000)	$0
Total, Revenues		**$5,922,341**	**$7,158,098**	**$2,851,234**	**$2,712,790**
B. Expenditures					
Certificated Salaries	1000-1999	$1,998,598	$1,853,852	$1,775,997	$1,844,798
Noncertificated Salaries≠	2000-2999	$830,383	$835,004	$838,719	$855,494
Employee Benefits	3000-3999	$889,344	$1,107,903	$1,131,922	$1,188,629
Books and Supplies	4000-4999	$439,560	$318,664	$328,224	$338,070
Services and Other Operating Expenditures	5000-5999	$1,037,894	$1,629,094	$1,677,967	$1,728,306
Capital Outlay	6000-6999	$0	$121,029	$121,029	$121,029
Other Outgo	7100-7499	$0	$925	$925	$925
Total, Expenditures		**$5,195,780**	**$5,866,471**	**$5,874,783**	**$6,077,251**
C. Excess (Deficiency) of Revenues Over Expenditures		$726,561	$1,291,627	($3,023,549)	($3,364,461)
D. Other Financing Sources / Uses					

Description	Object Code	2024-25	2025-26	2026-27	2027-28
Other Sources	8930-8979	$0	$0	$0	$0
Less: Other Uses	7630-7699	$0	$0	$0	$0
Contributions Between Unrestricted / Restricted		$0	$0	$0	$0
Total, Other Financing Sources / Uses		**$0**	**$0**	**$0**	**$0**
E. Net Increase (Decrease) in Fund Balance / Net Position		**$726,561**	**$1,291,627**	**($3,023,549)**	**($3,364,461)**
F. Fund Balance / Net Position					
Beginning Fund Balance / Net Position, July 1	9791	$1,404,959	$1,916,846	$3,208,473	$184,924
Audit Adjustments / Restatements	9793, 9795	($214,675)	$0	$0	$0
Adjusted Beginning Fund Balance / Net Position		$1,190,284	$1,916,846	$3,208,473	$184,924
Ending Fund Balance / Net Position, June 30		$1,916,846	$3,208,473	$184,924	($3,179,537)
Components of Ending Net Position					
Net Investment in Capital Assets	9796	$0	$0	$0	$0
Restricted Net Position	9797	$0	$0	$0	$0
Unrestricted Net Position	9790	$1,916,846	$3,208,473	$184,924	($3,179,537)
Available Reserve as % of Total Expenditures		**36.9%**	**54.7%**	**3.1%**	**-52.3%**

Sources: OCSS 2024-25 Unaudited Actuals and 2025-26 Adopted Budget MYFP, with FCMAT noted adjustments.

Appendix C – Study Agreements

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
FOR MANAGEMENT ASSISTANCE

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

1. BASIS OF AGREEMENT

FCMAT provides a variety of services to local education agencies (LEAs) as authorized by Education Code (EC) 42127.8(d). In accordance with Assembly Bill 100 (Chapter 2, Statutes of 2025), FCMAT has been requested to 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.

FCMAT will notify the Client's county superintendent of schools of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

1. Provide technical assistance to evaluate the Client's need for additional funding and statutory changes for the 2026-27, 2027-28, and 2028-29 fiscal years as a result of the state of emergency declared by the governor in January 2025.

B. Services and Products to be Provided

1. Orientation Meeting
The Team will conduct an orientation session 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 in person at the Client's office and/or remotely via telephone or videoconferencing services, as needed.

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

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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. At FCMAT's option, one combined report for multiple local education agencies may be prepared.

6. Final Report
FCMAT will provide recommendations to the Department of Finance, the Legislature, and the Superintendent of Public Instruction by November 1, 2025. An electronic copy of the final report will be delivered to the Client's point of contact and to the Client's county superintendent of schools following completion of the study. FCMAT's work products are public, and all final reports are published on the FCMAT website.

3. PROJECT PERSONNEL

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

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

4. PROJECT COSTS

Costs for the study will be covered by a specific state appropriation. FCMAT will not charge the Client for any costs.

5. RESPONSIBILITIES OF THE CLIENT

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

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

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

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

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

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

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

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

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

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

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

6. PROJECT SCHEDULE

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

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

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

ACTION	TIMELINE
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 5 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.

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

8. INDEPENDENT CONTRACTOR

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

9. RECORDS

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

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

10. CONTACT WITH PUPILS

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

11. INSURANCE

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

12. **HOLD HARMLESS**

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

13. **PUBLIC SAFETY CONSIDERATIONS**

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

A. Orientation and exit meetings, interviews and other information-gathering activities may be conducted remotely via telephone, videoconferencing, or other means. References to fieldwork shall be interpreted appropriately given the circumstances.

B. Activities performed remotely that are normally performed in the field shall be billed hourly as if performed in the field (excluding out-of-pocket costs that can otherwise be avoided).

C. The Client may be relieved of its duty to provide conference and other work area facilities for the Team.

14. **FORCE MAJEURE**

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

15. **EVALUATION**

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

16. **CLIENT CONTACT PERSON**

The Client's contact person designated below shall be the primary contact person for FCMAT to use in communicating with the Client on matters related to this Agreement. At any time when this Agreement or FCMAT's process requires that FCMAT send information, document request lists, draft report or final report, or when FCMAT makes other requests for the Client to act upon, this is the person whom FCMAT will contact. The Client may change the contact person upon written notice to FCMAT's job lead assigned to the study.

Name: Ian McFeat

Telephone: (626) 797-1438

Email: ianmcfeat@aveson.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:

Ian McFeat Digitally signed by Ian McFeat
Date: 2025.08.29 10:00:34 -07'00'

Ian McFeat Date
Executive Director
Aveson Charter Schools

For FCMAT:

Michael H. Fine Digitally signed by Michael H. Fine
Date: 2025.09.02 10:34:30 -07'00'

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

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
FOR MANAGEMENT ASSISTANCE

This study agreement, hereinafter referred to as Agreement, is made and entered into by and between the Fiscal Crisis and Management Assistance Team, hereinafter referred to as the Team or FCMAT, and the Los Angeles Unified School District, 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). In accordance with Assembly Bill 100 (Chapter 2, Statutes of 2025), FCMAT has been requested to 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.

FCMAT will notify the Client's county superintendent of schools of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

1. Provide technical assistance to evaluate the Client's need for additional funding and statutory changes for the 2026-27, 2027-28, and 2028-29 fiscal years as a result of the state of emergency declared by the governor in January 2025.

B. Services and Products to be Provided

1. Orientation Meeting
   The Team will conduct an orientation session 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 in person at the Client's office and/or remotely via telephone or videoconferencing services, as needed.

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. At FCMAT's option, one combined report for multiple local education agencies may be prepared.

6. Final Report
   FCMAT will provide recommendations to the Department of Finance, the Legislature, and the Superintendent of Public Instruction by November 1, 2025. An electronic copy of the final report will be delivered to the Client's point of contact and to the Client's county superintendent of schools following completion of the study. FCMAT's work products are public, and all final reports are published on the FCMAT website.

3. PROJECT PERSONNEL

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

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

4. PROJECT COSTS

Costs for the study will be covered by a specific state appropriation. FCMAT will not charge the Client for any costs.

5. RESPONSIBILITIES OF THE CLIENT

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

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

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

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

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

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

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

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

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

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

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

6. PROJECT SCHEDULE

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

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

ACTION	TIMELINE
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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.
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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.

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

8. **INDEPENDENT CONTRACTOR**

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

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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.

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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.

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

12. HOLD HARMLESS

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

13. PUBLIC SAFETY CONSIDERATIONS

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

A. Orientation and exit meetings, interviews and other information-gathering activities may be conducted remotely via telephone, videoconferencing, or other means. References to fieldwork shall be interpreted appropriately given the circumstances.

B. Activities performed remotely that are normally performed in the field shall be billed hourly as if performed in the field (excluding out-of-pocket costs that can otherwise be avoided).

C. The Client may be relieved of its duty to provide conference and other work area facilities for the Team.

14. FORCE MAJEURE

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

15. EVALUATION

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

16. CLIENT CONTACT PERSON

The Client's contact person designated below shall be the primary contact person for FCMAT to use in communicating with the Client on matters related to this Agreement. At any time when this Agreement or FCMAT's process requires that FCMAT send information, document request lists, draft report or final report, or when FCMAT makes other requests for the Client to act upon, this is the person whom FCMAT will contact. The Client may change the contact person upon written notice to FCMAT's job lead assigned to the study.

Name: Pedro Salcido

Telephone: (213) 241-1000

Email: pedro.salcido@lausd.net

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: Matthew Friedman
Chief Procurement Officer 8/19/2025

(Client Representative) 8/19/25

Pedro Salcido Date
Deputy Superintendent of Business Services and Operations
Los Angeles Unified School District

For FCMAT:

Michael H. Fine Digitally signed by Michael H. Fine
Date: 2025.08.24 08:51:03 -07'00'

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

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
FOR MANAGEMENT ASSISTANCE

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

1. BASIS OF AGREEMENT

FCMAT provides a variety of services to local education agencies (LEAs) as authorized by Education Code (EC) 42127.8(d). In accordance with Assembly Bill 100 (Chapter 2, Statutes of 2025), FCMAT has been requested to 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.

FCMAT will notify the Client's county superintendent of schools of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

1. Provide technical assistance to evaluate the Client's need for additional funding and statutory changes for the 2026-27, 2027-28, and 2028-29 fiscal years as a result of the state of emergency declared by the governor in January 2025.

B. Services and Products to be Provided

1. Orientation Meeting
The Team will conduct an orientation session 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 in person at the Client's office and/or remotely via telephone or videoconferencing services, as needed.

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. At FCMAT's option, one combined report for multiple local education agencies may be prepared.

6. Final Report
   FCMAT will provide recommendations to the Department of Finance, the Legislature, and the Superintendent of Public Instruction by November 1, 2025. An electronic copy of the final report will be delivered to the Client's point of contact and to the Client's county superintendent of schools following completion of the study. FCMAT's work products are public, and all final reports are published on the FCMAT website.

3. PROJECT PERSONNEL

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

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

4. PROJECT COSTS

Costs for the study will be covered by a specific state appropriation. FCMAT will not charge the Client for any costs.

5. RESPONSIBILITIES OF THE CLIENT

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

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

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

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

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

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

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

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

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

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

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

6. PROJECT SCHEDULE

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

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Name: Carlos Garcia Saldana

Telephone: (626) 209-5635

Email: carlosg@ocsmail.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:

Carlos Garcia Saldaña

Dr. Carlos Garcia Saldana Date
Executive Director
Odyssey Charter Schools

For FCMAT:

Michael H. Fine Digitally signed by Michael H. Fine
Date: 2025.08.24 08:49:10 -07'00'

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

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT FOR MANAGEMENT ASSISTANCE

This study agreement, hereinafter referred to as Agreement, is made and entered into by and between the Fiscal Crisis and Management Assistance Team, hereinafter referred to as the Team or FCMAT, and the Pasadena Unified School District, 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). In accordance with Assembly Bill 100 (Chapter 2, Statutes of 2025), FCMAT has been requested to 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.

FCMAT will notify the Client's county superintendent of schools of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

1. Provide technical assistance to evaluate the Client's need for additional funding and statutory changes for the 2026-27, 2027-28, and 2028-29 fiscal years as a result of the state of emergency declared by the governor in January 2025.

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

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5. RESPONSIBILITIES OF THE CLIENT

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

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

13. PUBLIC SAFETY CONSIDERATIONS

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

A. Orientation and exit meetings, interviews and other information-gathering activities may be conducted remotely via telephone, videoconferencing, or other means. References to fieldwork shall be interpreted appropriately given the circumstances.

B. Activities performed remotely that are normally performed in the field shall be billed hourly as if performed in the field (excluding out-of-pocket costs that can otherwise be avoided).

C. The Client may be relieved of its duty to provide conference and other work area facilities for the Team.

14. FORCE MAJEURE

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

15. EVALUATION

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

16. CLIENT CONTACT PERSON

The Client's contact person designated below shall be the primary contact person for FCMAT to use in communicating with the Client on matters related to this Agreement. At any time when this Agreement or FCMAT's process requires that FCMAT send information, document request lists, draft report or final report, or when FCMAT makes other requests for the Client to act upon, this is the person whom FCMAT will contact. The Client may change the contact person upon written notice to FCMAT's job lead assigned to the study.

Name: Saman Bravo-Karimi

Telephone: (626) 396-3600

Email: bravokarimi.saman@pusd.us

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:

Saman Bravo-Karimi Digitally signed by Saman Bravo-Karimi Date: 2025.08.19 09:25:14 -07'00'

Saman Bravo-Karimi Date
Chief Business Official
Pasadena Unified School District

For FCMAT:

Michael H. Fine Digitally signed by Michael H. Fine Date: 2025.08.24 08:50:22 -07'00'

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

Appendix D – Supplemental Letter Dated March 4, 2026

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

March 4, 2026

Honorable Tony Thurmond
State Superintendent of Public Instruction
1430 N Street, Suite 5602
Sacramento, CA 95814-5901

Honorable Joe Stephenshaw, Director
Department of Finance
1021 O Street, Suite 3110
Sacramento, CA 95814

Honorable Jesse Gabriel, Chair
California State Assembly Committee on Budget
1021 O Street, Suite 8230
Sacramento, CA 95814

Honorable John Laird, Chair
California State Senate Committee on Budget and Fiscal Review
1021 O Street, Room 502
Sacramento, CA 95814

Dear Superintendent Thurmond, Director Stephenshaw, Chairperson Gabriel, Chairperson Laird, and Committee Members:

Following the issuance of the Fiscal Crisis and Management Assistance Team's (FCMAT's) Assembly Bill 100 (Chapter 2, Statutes 2025) report on November 1, 2025, FCMAT contacted the three charter schools that did not participate in the initial analysis. Despite multiple outreach efforts, Pasadena Rosebud Academy was not available to schedule a meeting. FCMAT met with operations staff from Palisades Charter High School on December 22, 2025, and with the executive director of Alma Fuerte Public School on December 23, 2025.

Based on these discussions, FCMAT is not proposing changes to its original recommendations. Common concerns continue to include community displacement, environmental safety and monitoring, campus remediation and reconstruction, and pending insurance and Federal Emergency Management Agency (FEMA) reimbursements. The following sections provide updated information on Palisades Charter High School and Alma Fuerte Public School, including enrollment, recovery efforts, and ongoing operational challenges.

Palisades Charter High School

As noted in the original report, Palisades Charter High School (Charter No. 0037) completed the 2024-25 school year by relocating students to a vacant Sears building in Santa Monica for in-person instruction. Students began the 2025-26 school year at the same temporary site, with the expectation of returning to the Palisades campus after winter break. Los Angeles Unified School District (LAUSD) delays pushed

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the return and reopening to January 27, 2026, compressing the relocation timeline and increasing costs because the move occurred over several days rather than during the winter break.

LAUSD, the school's authorizer and the owner of the Palisades campus, has committed to rebuilding the structures lost in the January wildfires. In the meantime, the district has installed portable classrooms on the school's athletic fields to support the return of students.

The charter school's enrollment has declined from 2,920 students in 2024-25 to approximately 2,389 students in 2025-26, a loss of 531 students, or 18.2%. This decline is expected to result in a significant loss of state revenue. Before the Palisades Fire, the school's enrollment had remained stable at roughly 3,000 students, with a 10-year average annual change of 0.01%.

The school participates in a charter school risk pool for its insurance coverage. Its policies are expected to cover improvements to the temporary Santa Monica site as well as repairs or replacement of the damaged Palisades campus aquatic center, track, and turf field. The school anticipates fully exhausting its available coverage and continues to work through both insurance and FEMA reimbursement processes.

Although insurance is expected to reimburse preparation costs for the temporary Sears facility, monthly operating expenses, including the lease, utilities, temporary bathrooms, security and operations staffing, parking charges, and student transportation, are projected to exceed coverage limits. The school also reports additional costs for off-site athletic and arts facilities needed to maintain student programs.

The school's administrative team continues to oversee recovery efforts, insurance coordination, and compliance activities. However, administrative capacity is strained. The school no longer employs a dedicated chief business officer and, as of July 1, 2025, has contracted with a back-office service provider to manage its financial operations.

Alma Fuerte Public School

Alma Fuerte Public School (Charter No. 1859), authorized by the Los Angeles County Office of Education, shares its campus with Aveson School of Leaders, a Pasadena Unified School District (PUSD) authorized charter school, which was displaced by the Eaton Fire. Previously, the campus, formerly Cleveland Elementary School, was shared with PUSD's preschool program.

Enrollment has grown from 227 in 2024-25 to approximately 232 in 2025-26, based on the school's 2025-26 first interim report. Since opening in 2017, Alma Fuerte has gradually expanded grade levels and, as of 2023-24, serves TK through grade 8. From 2023-24 to 2024-25, the school increased its enrollment by 22.7%. The school reported no nonclassroom-based average daily attendance (ADA) in 2024-25.

Administrators indicate that further enrollment growth is unlikely without either reducing the space allocated to Aveson School of Leaders or adding portable classrooms to the campus. PUSD has not committed to rebuilding any Proposition 39 charter school facilities destroyed in the Eaton Fire, leaving long-term facility planning uncertain.

As shown in Table S-1, Alma Fuerte serves a substantially higher percentage of students with disabilities and students identified as English learners, foster youth, or eligible for free or reduced-price meals (unduplicated pupil count) compared to other fire-impacted charter schools operating within PUSD.

Table S-1: Comparison of Unduplicated Pupil Count and Students with Disabilities (SWD) as % of Total Enrollment for Charter Schools Located in Pasadena Unified School District, 2024-25

School Name	Authorizer	School Type	Census Day Enrollment	Unduplicated Pupil Count %	SWD %
Alma Fuerte Public	Los Angeles County Office of Education	Elementary	227	81.9%	23.3%
Aveson Global Leadership Academy	Pasadena Unified	K-12	200	40.0%	20.0%
Aveson School of Leaders	Pasadena Unified	Elementary	279	28.8%	12.9%
Pasadena Rosebud Academy	Pasadena Unified	Elementary	169	58.2%	8.9%
OCS - South	Pasadena Unified	Elementary	392	30.4%	16.1%
Odyssey Charter	Los Angeles County Office of Education	Elementary	463	26.6%	17.5%

Source: Ed-Data.

FCMAT remains committed to supporting state leaders and impacted communities as they navigate the ongoing recovery and rebuilding process.

Sincerely,

Erin Lillibridge, CFE
FCMAT Chief Analyst

CC: Brooks Allen, Executive Director, California State Board of Education
Abel Guillen, Deputy Superintendent of Public Instruction, California Department of Education
Tami Pierson, Director-School Fiscal Services Division, California Department of Education
Jessica Holmes, Program Budget Manager, California Department of Finance
Edgar Cabral, Deputy Legislative Analyst, Legislative Analyst's Office
Rebecca Kirk, Executive Officer, Office of Public School Construction
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee
Yong Salas, Consultant, Senate Budget and Fiscal Review Committee
Christian Griffith, Chief Consultant, Assembly Committee on Budget
Erin Gabel, Consultant, Assembly Committee on Budget
Kara Woodruff, Chief of Staff, Senator John Laird
Abram Diaz, Chief of Staff, Assemblymember Jesse Gabriel
Debra Duardo, County Superintendent of Schools, Los Angeles County Office of Education
Pedro Salcido, Deputy Superintendent of Business Services and Operations, LAUSD
Saman Bravo-Karimi, Chief Financial Officer, LAUSD
Elizabeth Blanco, Superintendent, Pasadena Unified
Kate Bean, Interim Executive Director, Aveson Charters
Lauren O'Neill, Executive Director, Odyssey Charter Schools
Pam Magee, Executive Director, Palisades Charter High School
Laurilie Keay, Executive Director, Alma Fuerte Public School