FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Fiscal Health Risk Analysis

May 14, 2026

Antioch Unified School District

Michael H. Fine
Chief Executive Officer

FCMAT
FISCAL CRISIS &
MANAGEMENT
ASSISTANCE TEAM

May 14, 2026

Darnise Williams, Ed.D., Superintendent
Antioch Unified School District
510 G St.
Antioch, CA 94509

Dear Superintendent Williams

In March 2026, the Antioch Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a FCMAT Fiscal Health Risk Analysis of the district.

The agreement stated that FCMAT would perform the following:

1. Prepare an analysis using the 20 factors in FCMAT's Fiscal Health Risk Analysis (FHRA) and identify the Client's specific risk rating for fiscal insolvency.

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

FCMAT appreciates the opportunity to assist the Antioch Unified School District and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

Michael H. Fine
Chief Executive Officer

Michael H. Fine • Chief Executive Officer
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About FCMAT

Purpose and Services

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

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

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

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

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

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

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

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

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

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

History

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

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

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

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

Introduction

Background

The Antioch Unified School District serves 15,159 students in transitional kindergarten through grade 12 (TK-12) in Contra Costa County and is located in the East Bay region of the San Francisco Bay Area. The district has 14 elementary schools, four middle schools, six high schools (including alternative and continuation high schools), one K-8 virtual academy, and one adult education school.

The district is governed by a board consisting of five elected members.

As of the 2025-26 first principal apportionment period, 82.22% of the district's students were eligible for free or reduced price meals, were English learners, or were foster youth. The district's student population is approximately 51% Hispanic or Latino, 22% African American, 9% white, 5% Asian, 5% Filipino, 5% two or more races, 1.6% Pacific Islander, and 0.6% American Indian or Alaska Native.

In December 2025, the district certified its 2025-26 first interim financial status as positive; however, the Contra Costa County superintendent of schools downgraded the certification to qualified because the report relied on unspecified reductions of $14.7 million in 2026-27 and 2027-28 to balance the budget. This action by the county superintendent prompted FCMAT to perform this fiscal health risk analysis (FHRA). Because the county superintendent also asked FCMAT to provide technical assistance to the district regarding its multiyear financial projection and cash flow, this FHRA will be based on the district's March 2026 second interim financial report instead of the first interim financial report.

After FCMAT's fieldwork, the county superintendent downgraded the district's 2025-26 second interim certification from qualified to negative because of increasing deficit spending, a lack of a plan to reduce expenditures, and an inability to meet the minimum reserve requirement (the projected unspecified reductions grew from $14.7 million per year at first interim 2025-26 reporting to $31.5 million for 2026-27 and $29 million for 2027-28 at second interim 2025-26 reporting). The county superintendent has assigned a fiscal expert to provide the district with fiscal advice and technical assistance.

Fiscal Health Risk Analysis Guidelines

FCMAT entered into a study agreement with the Antioch Unified School District on March 26, 2026, and a study team visited the district on April 7-9, 2026 to conduct interviews, collect data and review documents. After the fieldwork, the study team continued to analyze the gathered documents and data. This report summarizes the team's findings and conclusions from those activities.

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. In writing its reports, FCMAT uses the Associated Press Stylebook and its own short internal style guide, which emphasize plain language, capitalize relatively few terms, and strive for conciseness, clarity and simplicity.

FCMAT relies on publicly available, authoritative data sources and provides direct links to sources where appropriate; however, sources sometimes differ in the data they provide, or their data may be revised over time due to various factors. FCMAT always strives to use the most accurate data available at the time of reporting.

Study Team

The team was composed of the following members:

Elizabeth Dearstyne
FCMAT Intervention Specialist

Tami Montero
FCMAT Chief Analyst

John Lotze
FCMAT Technical Writer

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

Fiscal Health Risk Analysis
For TK-12 School Districts

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Date(s) of fieldwork: April 7-9, 2026

School District: Antioch Unified School District

Summary

The Antioch Unified School District has been operating with a structural deficit since 2023-24, and its fiscal stress has been compounded by the expiration of one-time state and federal revenues, declining enrollment, increases in employee compensation, increased special education costs, and rising utility costs.

The district was without a permanent superintendent for the 2024-25 school year. The current superintendent began her tenure at the beginning of the 2025-26 school year, but the district is currently without two key members of the four-person executive cabinet: a chief business official (CBO) and an associate superintendent of education services. The district has experienced turnover in all senior leadership positions over the last couple of years, which has affected its operations, financial instability, and organizational climate.

FCMAT conducted this fiscal health risk analysis (FHRA) because the county superintendent downgraded the district's budget certification from positive to qualified at first interim 2025-26, but the basis of the analysis is the district's 2025-26 second interim report (see the Background section above for additional details). The district is facing a structural deficit of $32.6 million and does not have a board-approved plan to remedy this. The district is still identifying the expenditure reductions needed to close the budget gap. The district has identified the need to make expenditure reductions of $31.5 million in 2026-27 and $29 million in 2027-28 if it is to remain fiscally solvent. At the time of fieldwork, district staff reported to FCMAT that for next year the district has identified reductions totaling $17 million, which is far short of the $31.5 million in reductions needed to meet the minimum reserve requirement of 3% next year. To assist the district, the county superintendent has assigned a fiscal expert to the district to provide technical assistance and financial advice.

Because of its downgraded budget certification, the district has one of the conditions identified in the "Budget and Fiscal Status" section below, so its overall fiscal risk level is elevated to high. The district's risk score of 46.4% is also elevated because of significant weaknesses in collective bargaining agreements, leadership and stability, fund balance and reserves, budget monitoring and updates, and the current year general fund.

Collective Bargaining Agreements

The district's collective bargaining disclosures in recent years have consistently indicated that budget reductions would be needed to ensure the long-term affordability of the agreements. In January 2026, the district's governing board approved collective bargaining agreements with the district's labor groups that included a 3.3% salary increase (including step and column), and the disclosure noted, "The district is proactively restructuring its budget and implementing substantial reductions in the subsequent years to fully support this proposal."

For transparency and to clearly represent the cost of the agreements, the board should have made the specific budget reductions needed when the agreements were approved, thus making the agreements affordable.

Additionally, Government Code 3547.5 requires a district's superintendent and CBO to certify in writing that the district can meet the costs incurred under a tentative agreement during the term of the agreement. The agreements that went before the board were not signed by the superintendent or CBO. The district did provide FCMAT with a copy of the disclosure signed by the superintendent and dated after board approval, but the disclosure did not include a signature of the CBO.

Leadership and Stability

The governing board has a fiduciary responsibility to protect the district's financial health. This means ensuring that the district maintains a balanced budget, including adequate reserves. The district's board does not receive regular, consistent budget and governance training to help them perform their fiduciary duties. Board members should receive governance and budget training at least annually. Effective communication from the board in the form of newly adopted and updated board policies and administrative regulations that reflect the law and the district's vision and goals should occur regularly. The board has not regularly adopted policies and administrative regulations, but the district has recently formed a policy committee and brought before the board at the April 15, 2026 meeting several proposed updates to board policies and administrative regulations for a first reading.

The district's administration, including the superintendent and CBO, is responsible for maintaining the integrity of the district's systems, securing its assets, and providing accurate and reliable information for the board to consider when making decisions to protect the district's fiscal solvency.

The district's CBO has been on leave since October 2025, leaving a critical role unfilled. The district's director of fiscal services is serving as interim CBO, essentially fulfilling two roles for the district, which is unmanageable given the district's fiscal challenges. The lack of a CBO during this critical time is hindering the district's ability to identify realistic solutions and guide the superintendent and board through the decision-making process. Proposed expenditure solutions and the associated savings are being identified without the input of the Business Services Department. The Business Services Department is then asked to verify the numbers after the fact, at which time it often finds the savings are much less than expected.

As noted above, the district has experienced significant turnover in executive management positions. This instability has led to a void in leadership, barriers to decision making, departmental isolation, and a lack of cohesive communication. Many district employees expressed dissatisfaction with the organizational climate and expressed a concern that open communication and alternative ideas are not welcomed. This lack of cohesion is affecting morale, organizational structure, and a clear understanding of the authority of roles and the authorizations needed to initiate various processes.

Fund Balance and Reserve for Economic Uncertainties

The district's 2025-26 second interim financial report projects substantial unrestricted general fund deficit spending for the current and two subsequent fiscal years. Although the district will meet its 3% minimum reserve requirement in 2025-26, it will fall below the minimum reserve in 2026-27 and 2027-28 when the projections are adjusted for the unspecified reductions in 2026-27 and 2027-28.

Budget Monitoring and Updates

Budget monitoring is inconsistent, so actual revenues and expenditures do not align with budget expectations. Restricted funds are not consistently used before unrestricted funds, and the full allowable indirect costs are not charged to restricted programs, which contributes to ongoing underreporting of districtwide costs. District staff also reported two instances of expenditures for restricted programs that may not align with program requirements. To avoid any potential findings of noncompliance that could require the return of funds, the district should ensure all the requirements of restricted funding sources are being met.

General Fund – Current Year

The unrestricted general fund is being affected by the expiration of one-time restricted funds that were used for ongoing expenditures such as salaries and benefits. As these funds expire, the district has moved those expenditures to the unrestricted general fund without evaluating their affordability, which has increased deficit spending. Additionally, the historical increase in the contribution amount expected from the time of budget adoption to the actual amount at the end of the fiscal year continues to grow, which means the impact on the unrestricted general fund is understated at the time of budget adoption. This increase is largely due to special education costs, which have increased 28.91% since 2023-24.

Subsequent Events

After FCMAT's fieldwork, the Contra Costa County superintendent of schools downgraded the district's 2025-26 second interim certification from qualified to negative because of increasing deficit spending, a lack of a plan to reduce expenditures, and an inability to meet the minimum reserve requirement. The county superintendent's April 17, 2026 letter to the district also notes that of the $31.5 million in expenditure reductions needed for 2026-27, the district has identified expenditure reductions totaling $22 million (an increase from the $17 million identified at the time of FCMAT's fieldwork).

On May 6, 2026, the district presented its governing board with proposed reductions totaling $18,759,069 for the 2026–27 school year, including reductions in both personnel and nonpersonnel expenditures. The board did not approve the expenditure reductions.

At the May 13, 2026 board meeting, the district brought back to its governing board the expenditure reductions. The board approved resolutions 2025-2026-62, 2025-26-66, 2025-2026-67, and 2025-26-68 to implement the expenditure and staffing reductions, with adjustments to exclude certain certificated and classified positions. At the time of this report the value of those positions and their exclusion's impact on the total reductions of $18.8 million is not known. Although these reductions fall short of the approximately $31.5 million needed to meet the minimum reserve requirement and maintain a positive fund balance (based on the district's 2025–26 second interim financial report), they represent meaningful progress toward balancing the budget.

District Fiscal Solvency Risk Level: High

About the Analysis

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

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

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

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

Areas of High Risk

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

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

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

Material Weakness Questions

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

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

Score Breakdown by Section

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

1.	Annual Independent Audit Report	0.0%
2.	Budget Development and Adoption	3.6%
3.	Budget Monitoring and Updates	4.0%
4.	Cash Management	1.0%
5.	Charter Schools	0.3%
6.	Collective Bargaining Agreements	5.0%
7.	Contributions and Transfers	2.0%
8.	Deficit Spending (Unrestricted General Fund)	3.6%
9.	Employee Benefits	0.6%
10.	Enrollment and Attendance	3.2%
11.	Facilities	0.1%
12.	Fund Balance and Reserve for Economic Uncertainty	4.0%
13.	General Fund - Current Year	3.8%
14.	Information Systems and Data Management	1.0%
15.	Internal Controls and Fraud Prevention	1.2%
16.	Leadership and Stability	4.8%
17.	Multiyear Projections	3.0%
18.	Non-Voter-Approved Debt and Risk Management	0.0%
19.	Position Control	3.0%
20.	Special Education	2.0%
Score		**46.4%**

Fiscal Health Risk Analysis Questions

1. Annual Independent Audit Report

		Yes	No	N/A
1.1	**Has the district recorded findings from the most recent and prior two years' audits without negatively affecting its fiscal health?**	✓	☐	☐
1.2	**Has the audit report for the most recent fiscal year been completed and presented to the board within the statutory timeline per Education Code (EC) 41020?**	✓	☐	☐
1.3	**Were the district's most recent and prior two audit reports free of findings of material weakness?**	✓	☐	☐
1.4	**Has the district corrected all audit findings from the most recent and prior two audits?**	☐	✓	☐

The district's 2023-24 audit identified a finding related to improper attendance reporting that was not corrected, resulting in a repeat attendance finding in the 2024-25 audit. Although, the attendance finding was minor (less than 1 average daily attendance), it is important to correct the district's internal processes and procedures to prevent a more substantive finding in this critical area in future audits.

2. Budget Development and Adoption

		Yes	No	N/A
2.1	**Does the district develop and use written budget assumptions and multiyear projections that are reasonable, are aligned with the county superintendent of schools' instructions, and have been clearly articulated?**	☐	✓	☐

The district's budget assumptions for cost of living adjustment (COLA), enrollment, and average daily attendance (ADA) were reasonable; however, the district's 2025-26 adopted budget multiyear projection (Form MYP) included adjustments to unspecified expenditures in Line B-10, without sufficient detail or explanation to support the adjustments (for additional detail see the response to question 17.4).

		Yes	No	N/A
2.2	**Does the district use a budget development method other than a prior-year rollover budget and if so, does that method include tasks such as reviewing prior year estimated actuals by major object code and removing one-time revenues and expenses?**	✓	☐	☐
2.3	**Does the district use position control data for budget development?**	✓	☐	☐
2.4	**Does the district calculate its Local Control Funding Formula (LCFF) revenue correctly?**	✓	☐	☐
2.5	**Has the district's budget been approved unconditionally by September 15th by the county superintendent of schools in the current and two prior fiscal years?**	✓	☐	☐
2.6	**Does the budget development process include input from staff, administrators, the governing board, the community, and the budget advisory committee (if there is one)?**	✓	☐	☐
2.7	**Does the district budget and expend restricted funds before unrestricted funds?**	☐	✓	☐

The district does not consistently spend restricted funds before using unrestricted funds. In 2023-24, the district's combined unrestricted and restricted ending fund balance reached a high of $88.8 million ($30.6 million unrestricted and $58.2 million restricted) and for 2025-26 is projected to decrease to $37.2 million in 2025-26 ($10.8 million unrestricted and $26.4 million restricted).

Although restricted ending fund balances increased statewide because of restricted one-time state and federal funding in response to the COVID-19 pandemic, the district's restricted ending fund balance should be declining, especially as the availability of federal and state funding is ending. However, the district is projecting to end 2025-26 with restricted funds making up 71% of its ending fund balance. Table 1 shows the district's restricted ending fund balances as a percentage of the total ending fund balance for 2021-22 through 2025-26.

Table 1: Restricted Funds as a Percentage of Total Ending Fund Balance

Fiscal Year	Restricted % of Ending Fund Balance
2021-22	25%
2022-23	50%
2023-24	66%
2024-25	61%
2025-26	71%

Source: Antioch Unified School District unaudited actuals for 2021-22 through 2024-25, and 2025-26 second interim report

The district reported that a large portion of the restricted ending fund balance is associated with the Expanded Learning Opportunities Program and that these funds are being expended in full compliance with all program requirements and managed in a strategic manner to ensure sustainability.

2.8	**Have the district's Local Control and Accountability Plan (LCAP) and budget been adopted within the statutory timelines established by EC 42103 and filed with the county superintendent of schools no later than five days after adoption or by July 1, whichever occurs first, for the current and prior fiscal year?**	✓	☐	☐
2.9	**Has the district refrained from including carryover funds in its adopted budget?**	☐	✓	☐

Interviews with staff indicated that the district has included carryover in the budget for a program as soon as the district anticipates not expending the carryover rather than waiting until the first interim to build the carryover for the program. Including estimated carryover funds before the prior year's books are closed and audited can overstate available resources and lead to overcommitment of expenditures. Additionally, if both the original allocation and the carryover are included without a clear distinction between the two, there is a risk of double counting, which can result in funds being duplicated in the district's budget.

2.10	**Other than objects in the 5700s and 7300s, does the district avoid using negative expense or contra expenditure accounts in its budget?**	☐	✓	☐

For budget purposes, the district uses negative expense or contra expenditure accounts to capture projected savings.

2.11	**Does the district have and follow a documented standard procedure for evaluating both the proposed acceptance of grants and other restricted funds and the potential multiyear impact on the district's unrestricted general fund?**	☐	✓	☐

The district does not have a form or procedure for evaluating either the proposed acceptance of grants and other restricted funds or their potential multiyear impact on its unrestricted general fund.

2.12 Does the district adhere to a budget calendar that includes statutory due dates, major budget development tasks and deadlines, and the staff members and departments responsible for completing them? . . . . ☐ ✓ ☐

The district provided evidence of a budget calendar, but it lacked detail and only showed tasks associated with budget development, not the major fiscal tasks for the full fiscal year. In addition, it did not include the statutory deadlines for budget adoption, unaudited actuals, interim reports, attendance reporting, and the annual audit.

3. Budget Monitoring and Updates

		Yes	No	N/A
3.1	**Are actual revenues and expenses consistent with the most current budget?**	☐	✓	☐

A review of the district's 2025-26 second interim fund 01 report shows several instances where the actuals to date exceed the projected budget, including the following: State Aid – Prior Year, Secured Roll Taxes, Mandated Costs Reimbursements, and OPEB – Allocated.[1] This indicates potential weaknesses in budget monitoring, because projected amounts do not reflect current spending and revenue trends.

The report also shows negative actuals to date for the following revenue categories: Special Education Entitlement, Special Education Discretionary Grants, All Other Federal Revenue, After School Education and Safety, and Drug/Alcohol/Tobacco Funds. It is uncommon for these resources to have negative actuals to date.

		Yes	No	N/A
3.2	**Are budget revisions posted in the financial system at each interim reporting period, at a minimum?**	✓	☐	☐
3.3	**Are clearly written and articulated budget assumptions that support budget revisions communicated to the board at each interim reporting period, at a minimum?**	✓	☐	☐
3.4	**Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with EC 42142?**	✓	☐	☐
3.5	**Do the district's responses fully explain the variances identified in the SACS Criteria and Standards Review form?**	☐	✓	☐

The district's responses to variances in the Criteria and Standards are brief, lack sufficient detail and support, and in some instances do not address the specific item. Responses for increases in revenue should be supported with additional details, such as the amount of the increase and the programs or specific resources involved. Similarly, expenditure reductions should specify the basis for the decrease beyond stating that staffing reductions are expected.

		Yes	No	N/A
3.6	**Has the district addressed any deficiencies the county superintendent of schools has identified in its oversight letters to the district in the most recent and two prior fiscal years?**	☐	✓	☐

1. The acronym OPEB stands for other post-employment benefits. These are typically certain health and welfare benefits for retirees.

The Contra Costa County superintendent of schools identified the district's pattern of deficit spending in oversight letters for the most recent and two prior fiscal years and cautioned the district to take steps to eliminate the deficit spending. The district recorded deficit spending in its unrestricted general fund in 2023-24 and 2024-25 and is projected to do so in 2025-26 as well.

Although the district has begun working to reduce its budget, failure to act sooner combined with additional expenditure impacts, including those related to collective bargaining, have increased its projected deficit for 2026-27 in the unrestricted general fund from $16.3 million at 2025-26 first interim to $32.6 million at second interim when the unspecified reductions are removed.

		Yes	No	N/A
3.7	**Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure?**	☐	✓	☐

Interviewees indicated and district documents confirmed that the district can process requisitions or purchase orders when the budget line item for them is insufficient, provided there is still funding available in the overall resource.

		Yes	No	N/A
3.8	**Does the district encumber funds for salaries and benefits and adjust those encumbrances as needed?**	✓	☐	☐
3.9	**For the most recent and two prior fiscal years, have the district's interim financial reports and unaudited actuals been adopted and filed with the county superintendent of schools within the timelines established in Education Code?**	✓	☐	☐

4. Cash Management

		Yes	No	N/A
4.1	**Are accounts held by the county treasurer reconciled with the district's and county office of education's (COE) reports monthly?**	✓	☐	☐
4.2	**Does the district reconcile all bank (cash and cash equivalent) accounts with each statement in a timely manner?**	✓	☐	☐
4.3	**Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known?**	☐	✓	☐

The district does not prepare cash flow reports for more than the current year, as verified in its 2025-26 adopted budget, 2025-26 first interim, and the 2025-26 second interim.

Additionally, while preparing this FHRA report, FCMAT noted that the cash flow report generated from the Contra Costa County Office of Education's financial system, MUNIS, for the actual cash outflows to date was not reflective of the cash advance of property taxes each August provided by the Contra Costa County auditor controller. The county office of education is modifying the cash reports in MUNIS to correct this.

		Yes	No	N/A
4.4	**If the district's cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to meet its cash flow needs for the current and subsequent year?**	☐	☐	✓
4.5	**Does the district have sufficient cash resources in its other funds to support its current and projected obligations in those funds?.**	✓	☐	☐
4.6	**If the district uses interfund borrowing, is it complying with EC 42603?**	☐	☐	✓

		Yes	No	N/A
4.7	**If the district is managing cash in any fund(s) through external borrowing, does the district's cash flow projection include repayment based on the terms of the loan agreement?**	☐	☐	✓

5. Charter Schools

		Yes	No	N/A
5.1	**Does the district have a board policy, memorandum of understanding (MOU), or other written document(s) regarding charter oversight?**	✓	☐	☐
5.2	**Has the district fulfilled, and does it have evidence showing fulfillment of, its oversight responsibilities in accordance with EC 47604.32?**	☐	✓	☐

The district uses a checklist to ensure that the items required per the memorandum of understanding between the district and the charter have been satisfied. There is a column for the district staff member responsible to record notes about the items, but there is no analysis of the documents provided.

		Yes	No	N/A
5.3	**Are all charters authorized by the district going concerns and not in fiscal distress?**	✓	☐	☐
5.4	**Has the district identified specific employees in its various departments (e.g., human resources, business, instructional, and others) to be responsible for oversight of all approved charter schools?**	☐	✓	☐

The district has identified one individual to be responsible for oversight of all approved charter schools. This person has not been fully trained in all the various aspects of proper oversight. Having one person in charge of charter school oversight is not a best practice and can lead to areas not being properly reviewed.

		Yes	No	N/A
5.5	**Does the district monitor charter school audits for timeliness, completeness, and exceptions?**	☐	✓	☐

In interviews, staff indicated that a review of the charter school audits has not been performed.

6. Collective Bargaining Agreements

		Yes	No	N/A
6.1	**Has the district settled with all its bargaining units for the past two fiscal years?**	✓	☐	☐
6.2	**Has the district settled with all its bargaining units for the current year?**	✓	☐	☐
6.3	**Does the district accurately quantify the effects of collective bargaining agreements and include complete disclosure documents that show the impact on its budget and multiyear projections?**	✓	☐	☐
6.4	**Based on the presettlement analysis, did the district identify related costs or savings, and did it identify ongoing revenue sources or expenditure reductions to support the agreement in the current and subsequent years?**	☐	✓	☐

Although the district prepared a presettlement analysis, it did not identify sufficient reductions to support the costs of the agreement. Subsequent to the settlement, the district is facing the need to make more than $30 million in reductions.

		Yes	No	N/A
6.5	**In the current and prior two fiscal years, has the total cost of the district's bargaining agreement settlements, including step-and-column increases, been at or under the funded cost-of-living adjustment (COLA)?**	☐	✓	☐

For the last two years, the district has settled for more than the funded COLA. In 2023-24, the funded COLA was 8.22% and the district settled for 9.26% (including 1% for step-and-column). In 2024-25, the funded COLA was 1.07% and the district settled for 3.76% (including 1% for step-and-column). In 2025-26, the funded COLA was 2.30% and the district settled for 3.30% (including 1% for step-and-column).

		Yes	No	N/A
6.6	**If settlements have not been reached in the past two years, has the district identified resources to cover the costs of the district's proposal(s)?**	☐	☐	✓
6.7	**Did the district comply with public disclosure requirements under Government Codes 3540.2 and 3547.5, and EC 42142?.**	☐	✓	☐

The district completed the documents to comply with the public disclosure requirements, but the versions provided to the board were not signed by the superintendent and the CBO (or other lead business staff member). The superintendent signed the disclosure after board approval. The signatures of both individuals certifying that the settlement agreement is affordable for the duration of the contract are a key component of such disclosures and are required by law.

		Yes	No	N/A
6.8	**Did the superintendent and CBO certify the public disclosure of collective bargaining agreement before board approval?**	☐	✓	☐

The superintendent and the CBO (or other lead business staff member) did not sign the collective bargaining disclosures before board approval, as evidenced by the attachment in the board packets.

		Yes	No	N/A
6.9	**Is the governing board's action consistent with the superintendent's and CBO's certification?**	☐	✓	☐

Because the disclosures that went to the board were not signed by the superintendent and CBO, it is not possible to determine if the board's action was consistent with the certification. Interviews with business office staff revealed that the business office did not find the settlements affordable.

7. Contributions and Transfers

		Yes	No	N/A
7.1	**Does the district have an active, board-approved plan to eliminate, reduce or control any contributions/transfers from its unrestricted general fund to other restricted programs and funds?**	☐	✓	☐

Table 2 below shows the contributions made from the unrestricted general fund to restricted programs in 2023-24 and 2024-25, and the projected amount for 2025-26.

Table 2: Contributions from the Unrestricted General Fund to Restricted Programs

Fiscal Year	Report	Contribution Amount
2023-24	Unaudited Actuals	$50,213,343
2024-25	Unaudited Actuals	$52,248,048
2025-26	Second Interim	$59,370,000 (projected)

Source: District-provided documents.

The district's largest contributions from the unrestricted general fund are to the special education program and the required contribution to the routine restricted maintenance account. The district's contributions are projected to have increased by $9,156,657 since 2023-24, with the bulk of the increase attributed to rising special education costs, which are projected to increase by 29%.

The district does not have a board-approved plan to eliminate, reduce or control contributions from its unrestricted general fund to restricted programs and/or funds.

		Yes	No	N/A
7.2	**If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection sufficient transfers from the unrestricted general fund to cover any projected negative fund balance?**	☐	☐	✓
7.3	**If any contributions or transfers were required for restricted programs and/or other funds in either of the two prior fiscal years, and there is a need in the current year, did the district budget for them at reasonable levels?**	☐	✓	☐

Table 3 below shows the district's contribution from the unrestricted general fund to restricted programs for the current and two prior fiscal years. The variances shown below indicate that the district's adopted budget does not accurately reflect the contribution amount that will be required by the end of the fiscal year, so the impact on the unrestricted general fund is understated when the district's budget is adopted.

Table 3: General Fund Contributions to Restricted Programs at Budget, Estimated Actuals, and Unaudited Actuals

Fiscal Year	Contribution Amount at Adopted Budget	Contribution Amount at Estimated Actuals	Contribution Amount at Unaudited Actuals	Variance Adopted Budget to Unaudited Actuals	Variance Estimated Actuals to Unaudited Actuals
2023-24	$43,580,000	$43,910,000	$50,213,343	15%	14%
2024-25	$48,010,000	$50,210,000	$52,248,048	9%	4%
2025-26	$51,900,000	$59,370,000	$59,370,000	14%	-

Source: District-provided documents.

Note: The 2025-26 estimated actuals and unaudited actuals reflect the contribution amount projected as of 2025-26 second interim.

8. Deficit Spending (Unrestricted General Fund)

		Yes	No	N/A
8.1	**Is the district avoiding deficit spending in the current fiscal year?**	☐	✓	☐

The district's 2025-26 second interim financial report projects unrestricted general fund deficit spending of $13 million for the current fiscal year.

		Yes	No	N/A
8.2	**Is the district projected to avoid deficit spending in both of the two subsequent fiscal years?**	☐	✓	☐

After removing the district's unspecified reductions of $31.5 million for 2026-27 and $29 million for 2027-28, the district's 2025-26 second interim financial report projects unrestricted general fund deficits of $32.6 million in 2026-27 and $28.9 million in 2027-28.

		Yes	No	N/A
8.3	**If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency?**	☐	✓	☐

The district adopted board resolutions 2025-26-44 and 2025-26-45 to initiate a reduction of approximately 300 certificated and classified staff; however, at the time of FCMAT's fieldwork the district did not have a detailed board-approved plan beyond these resolutions.

8.4	**Has the district decreased deficit spending over the past two fiscal years and is there evidence of this in its unaudited actuals reports?**	☐	✓	☐

The district's deficit spending in the unrestricted general fund decreased in 2024-25, but it is projecting an increase in deficit spending for 2025-26, as shown in Table 4 below.

Table 4: Unrestricted General Fund Deficit, 2023-24 through 2025-26

Fiscal Year	Report	Deficit Amount
2023-24	Unaudited Actuals	$11,819,045
2024-25	Unaudited Actuals	$6,747,830
2025-26	Second Interim	$13,044,842 (projected)

9. Employee Benefits

		Yes	No	N/A
9.1	**Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board requirements to determine its unfunded liability for other post-employment benefits (OPEB)?**	✓	☐	☐
9.2	**Does the district have a plan to fund its OPEB liabilities for the current and two subsequent years such that the total of annual required service payments (whether legally or contractually required, or locally defined such as pay-as-you-go premiums, trust agreement obligations or a board adopted commitment) are no greater than 2% of the district's unrestricted general fund revenues?**	✓	☐	☐
9.3	**Within the last five years, has the district conducted a verification and determination of eligibility for benefits for all active and retired employees and dependents?**	☐	✓	☐

The district's provider for vision and dental coverage, California's Valued Trust, requires a verification and determination of eligibility for benefits every two years, so a verification has been conducted for vision and dental insurance. However, the California Public Employee Retirement System (CalPERS), which is the district's provider for primary health insurance, requires verification only at the time of enrollment, and the district has conducted no subsequent verifications.

9.4	**Does the district track, reconcile and report employees' compensated leave balances?**	✓	☐	☐
9.5	**Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?**	✓	☐	☐

10. Enrollment and Attendance

		Yes	No	N/A
10.1	**Has the district's enrollment been increasing or remained stable for the current and two prior years?**	☐	✓	☐

With the exception of a small increase in 2024-25, the district's enrollment has been declining since 2019-20. Table 5 shows this trend.

Table 5: District Enrollment, 2019-20 Through 2025-26

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Enrollment	16,923	15,652	15,198	15,192	15,034	15,253	15,159
% Change	N/A	-4.10%	-2.99%	-0.04%	-1.05%	1.44%	-0.62%

Sources: DataQuest.

10.2 Does the district monitor and analyze enrollment and average daily attendance (ADA) data at least monthly through the second attendance reporting period (P-2)? . . . . . . ☐ ✓ ☐

The district did not provide evidence that it monitors and analyzes enrollment and ADA monthly through P-2.

10.3 Does the district track historical enrollment and ADA data to project future trends? . . . . ✓ ☐ ☐

10.4 Do schools maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the school and district levels? . . . . ✓ ☐ ☐

10.5 Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable factors? . . . . ✓ ☐ ☐

10.6 Has the district planned for enrollment losses to any charter schools? . . . . ✓ ☐ ☐

10.7 Do all applicable schools and departments review and verify their respective California Longitudinal Pupil Achievement Data System (CALPADS) data and correct it as needed before the report submission deadlines? . . . . ☐ ✓ ☐

The district provided evidence that prior to certification of the CALPADS data to the CDE, requests were made to various district departments to verify the accuracy of the data. However, the district did not provide documentation of departmental approval of the data. In interviews, district staff stated departments often did not respond to these requests.

10.8 Has the district certified its CALPADS data (most recent Fall 1, Fall 2, and end-of-year reports) by the required deadlines? . . . . ✓ ☐ ☐

10.9 Does the district follow established board policy to limit outgoing interdistrict transfers and ensure that only students who meet the required qualifications are approved? . . . . ☐ ✓ ☐

In 2024-25, the district approved requests from 1,270 students that reside within the district's boundaries to attend schools outside of the district, but the district provided no evidence to ensure the requests complied with its Board Policy 5117 and corresponding administrative regulations governing approval for such transfers. Additionally, district staff reported that there is a long history of approving all interdistrict transfer requests, indicating that board policy may not being followed.

10.10 Does the district adhere to the average TK-3 class enrollment limits at each school, the adult-to-student ratio for each TK class, and the credentialing requirements for teachers assigned to TK classes as defined in the Education Code? . . . . ✓ ☐ ☐

11. Facilities

		Yes	No	N/A
11.1	**If the district participates in the state's School Facility Program, has it made the required contribution to its Routine Restricted Maintenance Account?**	✓	☐	☐
11.2	**Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects?**	✓	☐	☐
11.3	**Does the district properly track and account for facility-related projects?**	✓	☐	☐
11.4	**Does the district use its facilities fully (districtwide) in accordance with the Office of Public School Construction's loading standards?**	✓	☐	☐
11.5	**Does the district include facility needs (maintenance, repair, and operating requirements) when adopting a budget?**	☐	✓	☐

For the maintenance and operations budget, the process has been to provide the department with the amount of funding equivalent to the routine restricted maintenance account minimum contribution. Staff indicated that this amount is not sufficient and that after the budgeted amount runs out, requests for additional budget authority must be made. Approval of such requests depends on the severity of the need, and sometimes they are not approved.

		Yes	No	N/A
11.6	**Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues?**	✓	☐	☐
11.7	**If the district passed a Proposition 39 general obligation bond, has it met the requirements for audit, reporting, and a citizens' bond oversight committee?**	✓	☐	☐
11.8	**Does the district have a board-approved long-range facilities master plan completed within the last five years that reflects its current and projected facility needs?**	☐	✓	☐

The district does not have a board-approved long-range facilities master plan that was completed in the last five years. The most recent facilities master plan was completed in 2018.

12. Fund Balance and Reserve for Economic Uncertainties

		Yes	No	N/A
12.1	**Is the district able to maintain the minimum reserve for economic uncertainties in the current year (including Fund 01 and Fund 17) as defined by the State Standards and Criteria for Fiscal Solvency?**	✓	☐	☐
12.2	**Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years?**	☐	✓	☐

The district's 2025-26 multiyear projection indicates that it will meet the required minimum reserve, but the projection contains more than $60 million in unspecified reductions in 2026-27 and 2027-28. A detailed plan to realize these reductions had not been approved by the governing board at the time of FCMAT's fieldwork. Without these reductions, the district will be unable to meet its minimum reserve for economic uncertainties in 2026-27 and 2027-28.

		Yes	No	N/A
12.3	**If the district is not able to maintain the minimum reserve for economic uncertainties, does the district's multiyear projection include a board-approved plan to restore the reserve?**	☐	✓	☐

As stated above, a detailed plan to realize the reductions included in the 2025-26 multiyear projection had not been approved by the governing board at the time of FCMAT's fieldwork. Without these reductions, the district will be unable to meet its minimum reserve for economic uncertainties in 2026-27 and 2027-28.

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

Table 6 below shows the dollar change and percentage change in the projected ending fund balance in the district's unrestricted general fund as of the 2025-26 second interim financial reporting period. It shows a projected decrease of $14,036,923 from 2024-25 unaudited actuals to 2027-28 unaudited actuals, which is a decline of 26%.

Table 6: Unrestricted Ending Fund Balance

Fiscal Year	Projected Ending Fund Balance	Change	% Change
2024-25	$23,844,842	-	-
2025-26 (projected)	$10,800,000	($13,044,842)	-55%
2026-27 (projected)	$9,710,317	($1,089,683)	-10%
2027-28 (projected)	$9,809,919	($97,602)	1%

Source: District-provided documents.

The district's 2025-26 second interim financial report includes unspecified expenditure reductions of $31.5 million in 2026-27 and $29 million in 2027-28, which is assumed in the ending fund balance numbers in the table above for these years. Removing the unspecified reduction of $31.5 million in 2026-27 brings the ending fund balance to negative $21.8 million, and removing the $29 million in unspecified reductions for 2027-28 brings the ending fund balance to negative $19.2 million.

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

The district does not have sufficient assigned or committed reserves above the recommended 3% reserve level to cover any potential unfunded or contingent liabilities or one-time costs. In interviews, district personnel noted liabilities related to childhood sexual assault claims and litigation from former employees. As noted in prior responses, the district's projected unrestricted general fund balance in 2026-27 and 2027-28 relies on unspecified reductions; if these reductions do not materialize, the district will not have additional reserves available for these potential obligations.

13. General Fund – Current Year

Yes No N/A

13.1 Does the district ensure that one-time revenues do not pay for ongoing expenditures? . . ☐ ✓ ☐

The district is using one-time revenue sources to pay for ongoing expenditures.

		Yes	No	N/A
13.2	**Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the prior year statewide average?**	☐	✓	☐

According to the district's 2025-26 second interim financial report, 87.2% of its unrestricted general fund budget is allocated to salaries and benefits, which exceeds the 2024-25 statewide average of 86% for unified school districts.

		Yes	No	N/A
13.3	**Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below that of the prior two years?**	☐	✓	☐

According to the district's 2025-26 second interim financial report, salaries and benefits in the current year account for 87.2% of its unrestricted general fund budget, which is less than its 2024-25 percentage of 89.5% but more than its 2023-24 percentage of 82%.

		Yes	No	N/A
13.4	**If the district has received any uniform complaints or legal challenges regarding local use of supplemental and concentration grant funding in the current or prior two years, is the district addressing the complaint(s)?**	✓	☐	☐
13.5	**For positions supported with one-time or restricted funding, does the district either ensure that these funds are sufficient to pay for these staff or have a plan to pay for the positions with unrestricted funds?**	☐	✓	☐

Interviewees indicated that staff in positions paid for with one-time funds were not advised when they were hired that the funding sources for their positions were one-time revenues. As these one-time funds expire, the district has moved those expenditures to the unrestricted general fund without evaluating affordability, which has increased deficit spending.

		Yes	No	N/A
13.6	**Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time?**	✓	☐	☐
13.7	**Does the district account for all program costs, including the maximum allowable indirect costs, for each restricted resource and other funds?**	☐	✓	☐

The district's 2025-26 second interim financial report does not show that the district is charging any program the district's 2025-26 maximum approved indirect cost rate of 5.73%, and a review of the district's 2024-25 unaudited actuals shows only one instance where the district charged the 2024-25 maximum approved rate of 5.70%. Most programs are charged less than allowed. For example, the Learning Recovery Emergency Block Grant was charged 3.64% in 2024-25 but the maximum allowed rate was 5.70%. In addition, the district does not charge any indirect costs to special education.

The California Department of Education website lists the approved indirect rates for state and federal programs by resource code.

		Yes	No	N/A
13.8	**Are all balance sheet accounts in the general ledger reconciled at least at each interim reporting period and at year-end close?**	✓	☐	☐

14. Information Systems and Data Management

		Yes	No	N/A
14.1	**Does the district use an integrated financial and human resources system?**	✓	☐	☐
14.2	**Does the district use the system(s) to provide key financial and related data, including personnel information, to help the district make informed decisions?**	☐	✓	☐

Interviews with staff indicate that, until the recent leadership change at the district, key information about enrollment and attendance was not used to make informed decisions. While there is a current initiative to increase the district's enrollment-to-attendance ratio, the past practice has not included using data to inform decisions.

In addition, the district is not using key financial data, such as the multiyear projection, to make decisions related to fiscal solvency, as evidenced by its approval of the recent salary settlement agreements without formally adopting reductions to balance the budget.

Note: At the time of this report, the district was still falling short of making budget reductions to address deficit spending in 2026-27 and 2027-28.

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

15. Internal Controls and Fraud Prevention

		Yes	No	N/A
15.1	Does the district have controls that limit access to its financial system and include multiple levels of authorization?	✓	☐	☐
15.2	Are the district's financial system's access and authorization controls reviewed and updated upon employment actions (e.g., resignations, terminations, promotions, or demotions) and at least annually?	✓	☐	☐
15.3	Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?:			
	• Accounts payable (AP).	✓	☐	☐
	• Accounts receivable (AR)..	✓	☐	☐
	• Purchasing and contracts.	✓	☐	☐
	• Payroll..	✓	☐	☐
	• Human resources (i.e., duties related to position control and payroll processes).	✓	☐	☐
15.4	Are beginning balances for the new fiscal year posted and reconciled with the ending balances for each fund from the prior fiscal year?	✓	☐	☐
15.5	Does the district review and work to clear prior year accruals throughout the year?.	✓	☐	☐
15.6	Has the district reconciled and closed the general ledger (books) within the time prescribed by the county superintendent of schools?	✓	☐	☐
15.7	Does the district have processes and procedures to discourage and detect fraud?	☐	✓	☐

The district has adequate internal controls, but it does not have specific policies or a culture in place to discourage and detect fraud.

		Yes	No	N/A
15.8	**Does the district have a process for collecting reports of possible fraud (such as an anonymous fraud reporting hotline) and for following up on such reports?**	☐	✓	☐

In interviews, staff indicated that the district does not have a process for collecting reports of possible fraud, such as an anonymous fraud reporting hotline.

		Yes	No	N/A
15.9	**Does the district have an internal audit process?**	✓	☐	☐

16. Leadership and Stability

		Yes	No	N/A
16.1	**Does the district have a chief business official who has been in this position with the district for more than two years?**	☐	✓	☐

The district has been without a CBO since October 2025.

		Yes	No	N/A
16.2	**Does the district have a superintendent who has been in this position with the district for more than two years?**	☐	✓	☐

The current superintendent has been with the district since July 2025.

		Yes	No	N/A
16.3	**Does the superintendent schedule and hold meetings regularly with all members of their administrative cabinet?**	✓	☐	☐
16.4	**Is training on financial management and budget provided to school and department administrators who are responsible for budget management?**	☐	✓	☐

Interviewees indicated that the Business Services Department holds meetings and has an open-door policy to accommodate questions and provide support for schools and departments. However, the Business Services Department does not have a written manual or provide formal training to school and department administrators who are responsible for budget management.

		Yes	No	N/A
16.5	**Does the governing board adopt and revise policies and administrative regulations annually?.**	☐	✓	☐

According to interviews with district staff, an annual process to update and revise board policies and administrative regulations has been lacking. However, the district is now updating all its outdated policies; a first reading was scheduled for the April 15, 2026 board meeting, and a second reading was planned for the May 6, 2026 meeting. The district stated that updates will be taken to the board annually from now on.

		Yes	No	N/A
16.6	**Are newly adopted or revised policies and administrative regulations implemented, communicated, and available to staff?**	☐	✓	☐

The district did not provide evidence that it communicates with staff regarding updates to board policies and administrative regulations.

		Yes	No	N/A
16.7	**Do all board members attend training on the budget and governance at least every two years?**	☐	✓	☐

In September 2025, a board governance workshop was provided by external consultants, and over the course of the year the district has held a few internal study sessions and workshops focused on the budget. However, no formal training on the budget has occurred, and the district does not have a formal policy or practice to ensure that board members receive ongoing training on governance and budget.

		Yes	No	N/A
16.8	Is the superintendent's evaluation performed according to the terms of the contract?	☐	☐	✓
16.9	Is the district avoiding relying on consultants to prepare financial reports (e.g. SACS) or other primary fiscal activities?	✓	☐	☐

17. Multiyear Projections

		Yes	No	N/A
17.1	Has the district developed multiyear projections that include detailed assumptions aligned with industry standards?	☐	✓	☐

The 2025-26 second interim financial report presentation included many but not all of the key revenue assumptions used to develop the multiyear financial projections. For example, the board presentation did not provide details such as the consumer price index, or workers' compensation and unemployment insurance rates. Additionally, the CalPERS employer contribution rate was not updated to reflect the most recent estimates for 2026-27 and 2027-28.

The multiyear financial projections rely on expenditure reductions of $31.5 million in 2026-27 and $29 million in 2027-28 to balance the budget in the out years but provide no detail on how those expenditure reductions will be achieved.

		Yes	No	N/A
17.2	To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation that includes multiyear considerations?	✓	☐	☐
17.3	Does the district use its most current multiyear projection when making financial decisions?	☐	✓	☐

Although the district prepares and updates multiyear projections, it has not used them effectively to guide recent financial decisions. The multiyear financial projections as of the 2025-26 first interim showed a significant structural deficit in the unrestricted general fund; however, the district approved additional ongoing obligations, including employee compensation increases in January 2026, without implementing measures to address the deficit. This action indicates that the district disregarded its own financial projections and took action that worsened its fiscal condition.

		Yes	No	N/A
17.4	If the district uses a broad adjustment category in its multiyear projection (such as line B10, B1d, B2d Other Adjustments, in the SACS Form MYP/MYPI), is there a detailed list of what is included in the adjustment amount and are the adjustments reasonable?	☐	✓	☐

In the district's 2025-26 second interim financial report, Form MYP included expenditure adjustments, specifically in line B10, of $31.5 million for 2026-27 and $29 million for 2027-28; however, a detailed list of reductions that total these amounts was not provided. These unspecified reductions made the district's budget appear balanced in its multiyear financial projections. At the time of fieldwork, district staff reported to FCMAT that for 2026-27 the district has identified reductions totaling $17 million, which is far short of the $31.5 million in reductions needed to meet the minimum reserve requirement of 3% next year.

18. Non-Voter-Approved Debt and Risk Management

		Yes	No	N/A
18.1	Are the sources of repayment for non-voter-approved debt {such as certificates of participation (COPs), bridge financing, bond anticipation notes (BANS), revenue anticipation notes (RANS) and others} stable, predictable, and other than the unrestricted general fund?	✓	☐	☐
18.2	If the district has issued non-voter-approved debt, has its credit rating remained stable or improved during the current and two prior fiscal years?	✓	☐	☐
18.3	If the district is self-insured, has it completed an actuarial valuation as required and does it have a plan to pay for any unfunded liabilities?	☐	☐	✓
18.4	If the district has non-voter-approved debt (such as COPs, bridge financing, BANS, RANS and others), is the total of annual debt service payments no greater than 2% of the district's unrestricted general fund revenues?	✓	☐	☐

19. Position Control

		Yes	No	N/A
19.1	Does the district account for all positions and costs (including substitutes, overtime, stipends, and employer-paid benefits) in position control?	☐	✓	☐

Substitutes, overtime and stipends are not included in the position control system. This can lead to underbudgeting for expenditures in these areas.

		Yes	No	N/A
19.2	Does the district analyze and adjust staffing based on staffing ratios and enrollment?.	✓	☐	☐
19.3	Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim financial reporting periods?	✓	☐	☐
19.4	Does the district identify a budget source for each new position before the position is authorized by the governing board?.	✓	☐	☐
19.5	Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted?	☐	✓	☐

Staff indicated that the hiring process for new positions and extra assignments is to take the position and the candidate for the position to the board after the position has been posted and a candidate selected. It is best practice to take a new position to the board for approval and then bring it back to the board once a candidate has been selected for hire.

		Yes	No	N/A
19.6	Do managers and staff responsible for the district's human resources, payroll and budget functions meet at least monthly to discuss issues and improve processes?	☐	✓	☐

In interviews, staff indicated that when the district had a CBO these types of meetings happened frequently but not monthly. Since the vacancy in the CBO position, these extremely important meetings have not been happening.

20. Special Education

		Yes	No	N/A
20.1	**For special education classrooms and support services, does the district use staffing ratios that align with statutory requirements and industry standards, and are students' support needs also considered? If so, are those needs documented and evaluated at each budget cycle?**	☐	✓	☐

The district has done a good job of matching its related services caseloads to the students it serves. Some special day classes have caseloads well below the industry standard and others have caseloads well above the industry standard. Staff did not indicate that they were evaluating these needs at each budget cycle.

		Yes	No	N/A
20.2	**Does the district access all available funding sources for costs related to special education (e.g., state excess cost pool, legal fees, mental health)?**	✓	☐	☐
20.3	**Does the district use appropriate tools to help it make informed decisions about whether to add services (e.g., special circumstance instructional assistance process and form, transportation decision tree)?**	✓	☐	☐
20.4	**Does the district budget and account correctly for all costs related to special education (e.g., transportation, due process hearings, indirect costs, nonpublic schools and/or nonpublic agencies)?**	☐	✓	☐

The district is charging transportation, due process and nonpublic schools and nonpublic agencies correctly to the special education program and not to other resources, but it is not charging indirect costs to the special education program. This means the district is not recording and tracking the true cost of special education.

		Yes	No	N/A
20.5	**Does the district monitor contributions from the unrestricted general fund and adjust to trends in the special education program?**	☐	✓	☐

The contribution to special education in the past year has fluctuated as the district has struggled to correctly budget for large changes in the costs for nonpublic schools. Because of this fluctuation, the district has been unable to fully monitor or project what the contribution will be.

		Yes	No	N/A
20.6	**Is the district's rate of identification of students as eligible for special education at or below the countywide and statewide average rates?**	☐	✓	☐

The district has identified 2,370 students with disabilities out of a total enrollment of 15,159. This is an identification rate 18.01%; by contrast, the statewide average rate in 2025-26 is 15.05%, excluding charter schools.

		Yes	No	N/A
20.7	**Does the district analyze whether it will meet the maintenance of effort requirement at each interim financial reporting period?**	☐	✓	☐

Staff indicated that the maintenance of effort requirement is monitored only at year-end closing, not at the interim reporting periods.

Risk Score, 20 numbered sections only:	**46.4%**

Key to Risk Score from 20 numbered sections only:

High Risk: 40% or more

Moderate Risk: 25-39.9%

Low Risk: 24.9% and lower

District Fiscal Solvency Risk Level, all FHRA factors:	**High**

(The existence of any condition from the “Budget and Fiscal Status” section, and/or a material weakness, supersedes the score above because it elevates the district’s risk level. The district has both a condition from the “Budget and Fiscal Status” section and several material weaknesses.)

Appendix

Study Agreement

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
FOR TRIGGERED FISCAL HEALTH RISK ANALYSIS

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 Antioch 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) and 84041. In accordance with state budget act provisions, FCMAT will study the Client's fiscal health because the county superintendent of schools downgraded the Client's 2025-26 first interim financial report from positive to qualified in accordance with EC 42131.

   FCMAT will assign professionals to conduct the study. The professionals will include FCMAT staff and may include professionals from county offices of education, school districts, charter schools, community colleges, other public agencies or private contractors. All professionals assigned shall work under the direction of FCMAT. All work shall be performed in accordance with the terms and conditions of this Agreement.

   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

      Prepare an analysis using the 20 factors in FCMAT's Fiscal Health Risk Analysis (FHRA) and identify the Client's specific risk rating for fiscal insolvency.

   B. Services and Products to be Provided

      1. Orientation Meeting
         The Team will conduct an orientation session at the Client's location to brief the Client's management and supervisory personnel on the Team's procedures and the purpose and schedule of the study. This orientation meeting is normally held at the beginning of fieldwork for the study.

      2. Fieldwork
         The Team will conduct fieldwork at the Client's office and/or school site(s), or other locations as needed. Limited fieldwork may also be conducted remotely via telephone or videoconferencing services, in addition to the Public Safety Considerations outlined in Section 13 below.

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

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

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

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

7. Board Presentation
   Presentations to the Client's board will be made depending on the Client's risk rating. If the risk rating is low, the board presentation is optional and will be considered at the request of the Client. If the risk rating is moderate or high, the Team will make a board presentation at the Client's first regularly scheduled board meeting following the issuance of the final report. If the Team is unable to present at the first regularly scheduled board meeting following the issuance of the final report, the Team will make a board presentation at a regularly scheduled board meeting that is mutually agreeable to the Parties.

3. PROJECT PERSONNEL

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

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

4. PROJECT COSTS

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

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5. RESPONSIBILITIES OF THE CLIENT

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

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

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

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

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

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

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

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

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

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

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

6. PROJECT SCHEDULE

Time is of the essence. The Parties acknowledge that the goal of the scope and objectives of the study under this Agreement is to produce a timely and thorough report that adds value for the Client. This goal is especially important given that the Client has experienced an event described under Basis of Agreement that may indicate fiscal distress. To accomplish this goal, the Parties agree to communicate and mutually agree to honor established time commitments. These commitments include the Client providing requested documents, setting and keeping interview appointments and returning comments on the draft report consistent with the established project schedule.

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

ACTION	TIMELINE
FCMAT provides Client with a draft Agreement.	Draft Agreements are usually provided within 20 business days of the Client's triggered event.
Client returns partially executed Agreement to FCMAT along with the applicable organizational chart and the name and email of the person who will be responsible for collecting and uploading documents requested by FCMAT.	Draft Agreements are valid for 30 business days.
FCMAT returns a fully executed Agreement to the Client and identifies the project schedule and the lead and other personnel assigned to the job.	Within five business days of the Client's return of the signed Agreement.
Client uploads initial requested documents and data to FCMAT's online SharePoint repository.	Within five business days of the Client's receipt of the FCMAT document and data request list.
Fieldwork	Mutually agreed upon; usually, to commence within five business days of FCMAT's receipt of requested documents and data.
Orientation meeting	First day of fieldwork
Exit meeting	Last day of fieldwork
Follow up fieldwork, if needed (e.g., rescheduled interview, additional interviews).	Mutually agreed upon; usually, within five business days of FCMAT's request.
Client uploads supplemental documents and data to FCMAT's online SharePoint repository.	Within two business days of the Client's receipt of FCMAT's supplemental document and data request(s).
Draft report submitted to the Client.	To be determined, usually, within four weeks of the conclusion of fieldwork and receipt of all documents and data requested.
Client comments on draft report	Within five business days of FCMAT providing a draft report to the Client.

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

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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 FHRA elements for which data was collected and a conclusion could be reached.

8. **INDEPENDENT CONTRACTOR**

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

9. **RECORDS**

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

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

10. **CONTACT WITH PUPILS**

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

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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.

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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: Darnise Williams Ed.D., Superintendent

Telephone: (925) 779-7500

Email: darnisewilliams@antiochschools.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:

Darnise R. Williams 3/24/26

Darnise Williams Ed.D., Superintendent Date
Antioch Unified School District

For FCMAT:

Michael H. Fine Digitally signed by Michael H. Fine
Date: 2026.03.26 12:36:10 -07'00'

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

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