



FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Fiscal Health Risk Analysis

February 15, 2022



Golden Valley Unified School District

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Chief Executive Officer

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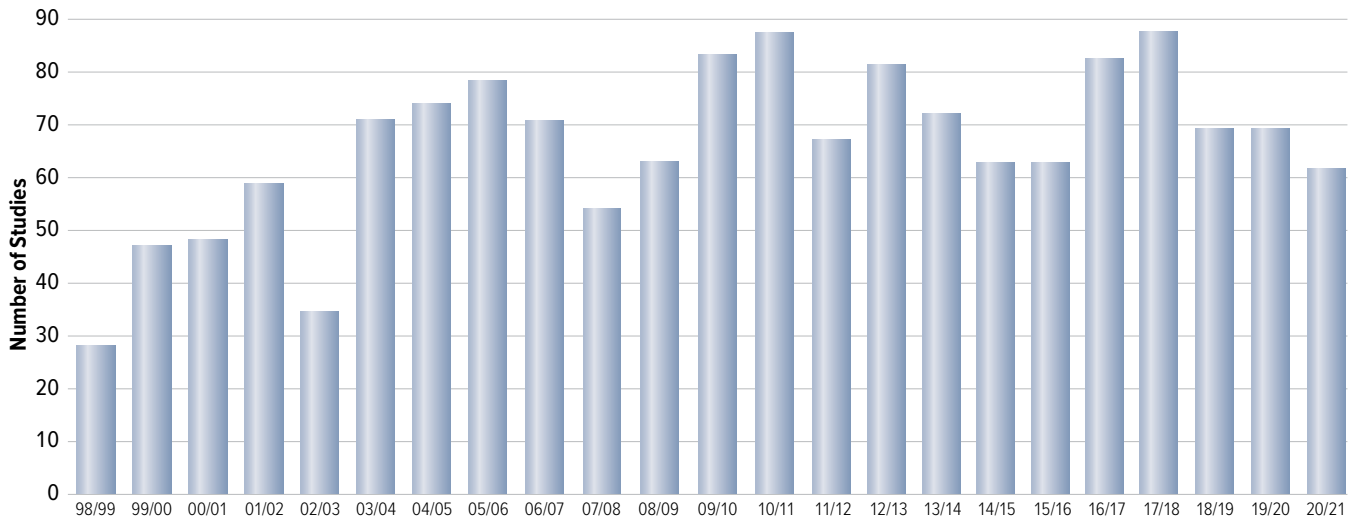
About FCMAT

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

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

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

Studies by Fiscal Year



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

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

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

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

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

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

Introduction

Background

Historically, FCMAT has not engaged directly with school districts showing distress until it has been invited to do so by the district or the county superintendent. The state's 2018-19 Budget Act provides for FCMAT to offer more proactive and preventive services to fiscally distressed school districts by automatically engaging with a district under the following conditions:

- 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

Under these conditions, FCMAT will perform a fiscal health risk analysis to determine the level of risk for insolvency. FCMAT has updated its Fiscal Health Risk Analysis (FHRA) tool that weights each question based on high, moderate and low risk. The analysis will not be performed more than once in a 12-month period per district, and the engagement will be coordinated with the county superintendent and build on their oversight process and activities already in place per Assembly Bill (AB) 1200. There is no cost to the county superintendent or to the district for the analysis.

This fiscal health risk analysis is being conducted because the district received a "lack of going concern" designation, under which an analysis is required by the 2018-19 State Budget Act. This FHRA is based on the district's 2021-22 adopted budget.

Located in Madera County, the Golden Valley Unified School District has a five-member governing board and serves approximately 2,285 students at three elementary schools, one intermediate school and one comprehensive high school. The district also has five alternative educational offerings that serve K-12 students. According to data from the California Department of Education (CDE), student enrollment has increased steadily since 2015-16, and in 2020-21 the district's unduplicated pupil count (that is, students who are English learners, foster youth, or qualify for free or reduced-price meals) was 43.75% of enrollment.

In a letter dated June 30, 2021, the county superintendent identified the district as a lack of going concern, citing concerns outlined in the June 22, 2021 FCMAT report on the district's business and human resources processes and procedures. The letter also cited concerns that all business office positions and some key staff positions in other areas would be vacant after June 30, 2021, leaving the district with no internal controls or fraud prevention.

The district is on the same financial system as the Madera County Superintendent of Schools and has been working closely with the county office during this transition in business office leadership.

FCMAT performed a fiscal health risk analysis to determine the district's level of risk for insolvency.

Fiscal Health Risk Analysis Guidelines

FCMAT entered into a study agreement with the Golden Valley Unified School District on October 12, 2021, and a study team visited the district on November 8-10, 2021 to conduct interviews, collect data and review documents. Following fieldwork, the study team continued to review and analyze documents. This report is the result of those activities.

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

Study Team

The team was composed of the following members:

Shayleen Harte
FCMAT Deputy Executive Officer

Robbie Montalbano, CFE
FCMAT Intervention Specialist

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 K-12 School Districts



FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Dates of fieldwork: November 8-10, 2021

District: Golden Valley Unified School District

Summary

The Golden Valley Unified School District was established in 1998. In its short history, the district has experienced a great deal of turnover in key positions. Specifically, since 2012-13, five individuals have served as the district's chief business official (CBO) (or equivalent), with the most recent individual hired in August 2021. This means the department has experienced a leadership change almost every two years. Although there was stability in the district's early years, there have been two superintendents and one interim superintendent since 2018. In addition, the entire staff and management of the business office are new as of the summer of 2021. Instability within the district has created an environment in which the risk of fiscal insolvency is high.

The current superintendent and CBO are both new to their roles. The superintendent is a long-time district employee, but the CBO is new to the position, the district and K-12 finance. This, combined with the fact that all of the district's business office employees are new, contributes to many areas of high risk noted in this report.

One major concern is the inability of the district's key leadership to answer questions about the district's finances and multiyear financial projections. In interviews, individuals expressed a low confidence in the district's current financial reports.

Cash flow is also an area of concern. District staff stated that they quickly realized that interfund borrowing would be needed to fund payroll in late fall 2021. Good cash flow projections should have identified this so the district could have planned and perhaps avoided the borrowing.

Also of concern was collective bargaining. Information from interviews revealed that no presettlement analysis is publicly disclosed prior to settlements, and that many tentative agreements are handled through a memorandum of understanding (MOU) process rather than regularly using a standard form from the Madera County Superintendent of Schools office that certifies in writing the costs incurred by the district under the agreement, with signatures from both the superintendent and CBO certifying that the district can meet the costs of the agreement. Information provided shows that the district often approves tentative agreements in the consent agenda portion of a board meeting rather than using a separate agenda item that would allow discussion and public comment.

The district is showing stable or slightly increasing enrollment, which is good because student attendance determines most of the district's revenues. However, the district does not regularly monitor and analyze enrollment and attendance.

Significant deficiencies in internal controls exist. Often, a single employee controls the vendor payment process from start to finish. Although small districts typically have fewer staff, separating duties among the employees both within and outside of the Business Department will help create internal controls and prevent fraud.

The governing board is ultimately responsible for the district's fiscal solvency. Management has the responsibility of presenting sound financial information based on current and accurate data so the board can make informed decisions. The district's failure to act decisively on accurate information may result in fiscal insolvency and the loss of local control.

District Fiscal Solvency Risk Level: High

About the Analysis

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

The FHRA includes 20 sections, each of which contains specific questions. Each section and specific question is included based on FCMAT's work since the inception of AB 1200; they are the common indicators of risk or potential insolvency for districts that have neared insolvency and needed assistance from outside agencies. Each section of this analysis is critical, and lack of attention to these critical areas will eventually lead to a district's failure. The analysis focuses on essential functions and processes to determine the level of risk at the time of assessment.

The greater the number of "no" answers to the questions in the analysis, the greater the potential risk of insolvency or fiscal issues for the district. Not all sections in the analysis and not all questions within each section carry equal weight; some areas

carry higher risk and thus count more heavily in calculating a district’s fiscal stability. To help the district, narratives are included for responses that are marked as a “no” so the district can better understand the reason for the response and actions that may be needed to obtain a “yes” answer.

Identifying issues early is the key to maintaining fiscal health. Diligent planning will enable a district to better understand its financial objectives and strategies to sustain a high level of fiscal efficiency and overall solvency. A district should consider completing the FHRA annually to assess its own fiscal health risk and progress over time.

Areas of High Risk

The following sections on this page and the next duplicate certain questions and answers given in the Fiscal Health Risk Analysis Questions later in this document and identify conditions that create significant risk of fiscal insolvency. The existence of an identified budget or fiscal status or a material weakness indicated by a “no” answer to any of these items supersedes all other scoring and will elevate the district’s overall risk level.

Budget and Fiscal Status: Is district currently <i>without</i> the following?:	Yes	No
Disapproved budget	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Negative interim report certification	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three consecutive qualified interim report certifications	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Downgrade of an interim certification by the county superintendent	<input checked="" type="checkbox"/>	<input type="checkbox"/>
“Lack of going concern” designation	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Material Weakness Questions	Yes	No	N/A
2.5 Has the district’s budget been approved unconditionally by its county office of education in the current and two prior fiscal years?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 Education Code Section 42142?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.6 Has the district addressed any deficiencies the county office of education has identified in its oversight letters in the most recent and two prior fiscal years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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 address its cash flow needs for the current and subsequent year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5.2 Has the district fulfilled and does it have evidence showing fulfillment of its oversight responsibilities in accordance with Education Code Section 47604.32?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5.3 Are all charters authorized by the district going concerns and not in fiscal distress?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6.3 Does the district accurately quantify the effects of collective bargaining agreements and include them in its budget and multiyear projections?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.4 Did the district conduct a presettlement analysis and identify related costs or savings, if any (e.g., statutory benefits, and step and column salary increase), for the current and subsequent years, and did it identify ongoing revenue sources or expenditure reductions to support the agreement?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

- 7.2 If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection any 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? ✓
- 10.6 Are the district’s enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable considerations? ✓
- 11.2 Does the district have sufficient and available capital outlay and/or bond funds to cover all contracted obligations for capital facilities projects? ✓
- 12.1 Is the district able to maintain the minimum reserve for economic uncertainty in the current year (including Fund 01 and Fund 17) as defined by criteria and standards? ✓
- 12.2 Is the district able to maintain the minimum reserve for economic uncertainty in the two subsequent years? ✓
- 12.3 If the district is not able to maintain the minimum reserve for economic uncertainty, does the district’s multiyear financial projection include a board-approved plan to restore the reserve? ✓
- 19.1 Does the district account for all positions and costs? ✓

Score Breakdown by Section

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

1.	Annual Independent Audit Report	0.0%
2.	Budget Development and Adoption	3.3%
3.	Budget Monitoring and Updates	3.9%
4.	Cash Management	8.0%
5.	Charter Schools	0.0%
6.	Collective Bargaining Agreements	7.6%
7.	Contributions and Transfers	1.0%
8.	Deficit Spending (Unrestricted General Fund)	2.5%
9.	Employee Benefits	0.6%
10.	Enrollment and Attendance	4.7%
11.	Facilities	0.2%
12.	Fund Balance and Reserve for Economic Uncertainty	0.0%
13.	General Fund - Current Year	1.2%
14.	Information Systems and Data Management	0.0%
15.	Internal Controls and Fraud Prevention	3.9%
16.	Leadership and Stability	3.5%
17.	Multiyear Projections	3.9%
18.	Non-Voter-Approved Debt and Risk Management	1.6%
19.	Position Control	3.5%
20.	Special Education	1.6%
Score		51.1%

Fiscal Health Risk Analysis Questions

Budget and Fiscal Status: Is the district currently <i>without</i> the following?:	Yes	No
Disapproved budget	✓	<input type="checkbox"/>
Negative interim report certification	✓	<input type="checkbox"/>
Three consecutive qualified interim report certifications	✓	<input type="checkbox"/>
Downgrade of an interim certification by the county superintendent	✓	<input type="checkbox"/>
“Lack of going concern” designation	<input type="checkbox"/>	✓

1. Annual Independent Audit Report	Yes	No	N/A
1.1 Has the district corrected the most recent and prior two years’ audit findings without affecting its fiscal health?	✓	<input type="checkbox"/>	<input type="checkbox"/>
1.2 Has the audit report for the most recent fiscal year been completed and presented to the board within the statutory timeline? (Extensions of the timeline granted by the State Controller’s Office should be explained.)	✓	<input type="checkbox"/>	<input type="checkbox"/>
1.3 Were the district’s most recent and prior two audit reports free of findings of material weaknesses?	✓	<input type="checkbox"/>	<input type="checkbox"/>
1.4 Has the district corrected all reported audit findings from the most recent and prior two audits?	✓	<input type="checkbox"/>	<input type="checkbox"/>

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 office of education instructions, and have been clearly articulated?	<input type="checkbox"/>	✓	<input type="checkbox"/>
<p><i>The district uses industry standard assumptions to determine the cost-of-living adjustment (COLA) and the California State Teachers’ Retirement System (CalSTRS) and California Public Employees’ Retirement System (CalPERS) contribution rates; however, assumptions are not well articulated. The budget documents contain no explanation of large increases or decreases in out years for expenditures.</i></p> <p><i>For example, for the general fund (01), the budget narrative includes \$75,000 for science textbook adoption in 2022-23, but the overall increase to the 4000 object codes (books and supplies) in the multiyear financial projection (MYFP) (unrestricted) is more than \$1 million. The narrative includes no information for 2023-24, yet the MYFP (unrestricted) includes an additional increase of \$560,000.</i></p> <p><i>Similar changes are included for other services and operating expenses, indirect costs and transfers out.</i></p> <p><i>For Fund 25, developer fee collections are reduced significantly in the 2021-22 adopted budget without explanation.</i></p> <p><i>Given the number of capital projects, the budget narrative and supporting documents should include an update of project budgets and timelines for completion.</i></p>			
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 review of prior year estimated actuals by major object code and removal of one-time revenues and expenses?	✓	<input type="checkbox"/>	<input type="checkbox"/>

- 2.3 Does the district use position control data for budget development? ✓
Information from interviews indicates the adopted budget was created using a spreadsheet of positions rather than position control data from the financial system. The district is reviewing position control data in the financial system for accuracy.
- 2.4 Does the district calculate the Local Control Funding Formula (LCFF) revenue correctly? . . . ✓
- 2.5 Has the district’s budget been approved unconditionally by its county office of education 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)? . . . ✓
Information from interviews indicates administrators and the business office have some discussions prior to budget adoption, but there are no formal input sessions from staff, administrators or the governing board. Community input is limited to the Local Control and Accountability Plan (LCAP) process, and the district has no budget advisory committee.
- 2.7 Does the district budget and expend restricted funds before unrestricted funds? ✓
- 2.8 Have the Local Control and Accountability Plan (LCAP) and the budget been adopted within statutory timelines established by Education Code Sections 42103 and 52062 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 one prior fiscal year? ✓
- 2.9 Has the district refrained from including carryover funds in its adopted budget? ✓
- 2.10 Other than objects in the 5700s and 7300s and appropriate abatements in accordance with the California School Accounting Manual, does the district avoid using negative or contra expenditure accounts? ✓
- 2.11 Does the district have a documented policy and/or procedure for evaluating the proposed acceptance of grants and other types of restricted funds and the potential multiyear impact on the district’s unrestricted general fund? ✓
The district did not provide evidence of a documented policy or procedure, and information from interviews indicates that the district does not have a procedure for evaluating the potential multiyear impact of proposed grants on the district’s unrestricted general fund before grants are accepted.
- 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/departments responsible for completing them? ✓
The district lacks a budget calendar that includes all of the major budget development tasks, such as enrollment and staffing projections and the person responsible for completing each task by a certain deadline.

3. Budget Monitoring and Updates

Yes No N/A

- 3.1 Are actual revenues and expenses consistent with the most current budget? ✓
According to a financial report provided by the Madera County Superintendent of Schools, the district’s budget includes several object codes with negative budget balances. Although major object ranges (e.g., 1000-1999, 2000-2999) do not have negative balances, several individual object codes have negative budget balances. Based on the encumbrances and actuals in the report, salaries and benefits appear to be overbudgeted.

- 3.2 Are budget revisions posted in the financial system at each interim report, at a minimum? . . . ✓
- 3.3 Are clearly written and articulated budget assumptions that support budget revisions communicated to the board at each interim report, at a minimum? ✓
Although the documents provided to the board include major assumptions and some notable changes, the overall information is not sufficient for a complete understanding of what budget revisions were made and why.
- 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 Education Code Section 42142? ✓
- 3.5 Do the district’s responses fully explain the variances identified in the criteria and standards? . ✓
The district does not adequately explain the variances identified in the criteria and standards.
Examples:
In 8. CRITERION: Deficit Spending, the explanation states that the use of unrestricted fund balance is due to using carryover COVID funds. However, COVID funds were restricted.
In S5. Contributions and transfers out, the explanation states that the district needs to contribute more to special education due to rising costs, but then shows lower expenses in the following years.
In S5. Contributions and transfers out, the explanation states that the district refinanced the 2010 certificate of participation (COP) and obtained a loan for projects, which affected transfer out amounts. However, in reality the district increased its non-voter-approved debt, which resulted in an increase to the amount that the general fund is transferring to Fund 56 for repayment of the debt.
- 3.6 Has the district addressed any deficiencies the county office of education has identified in its oversight letters in the most recent and two prior fiscal years? ✓
- 3.7 Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure? ✓
- 3.8 Does the district encumber and adjust encumbrances for salaries and benefits? ✓
- 3.9 Are all balance sheet accounts in the general ledger reconciled at least at each interim report and at year end close? ✓
Information from interviews indicates that while some reconciliation has been done in accounts payable and accounts receivable, there is no evidence that suspense accounts, such as the health and welfare clearing account, have been reconciled.
- 3.10 For the most recent and two prior fiscal years, have the interim reports and the 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 reports monthly? ✓
District staff indicated that they do not reconcile cash with the county treasurer or the county office of education.

- 4.2 Does the district reconcile all bank (cash and investment) accounts with bank statements monthly?
Although information from interviews indicates that bank accounts are reconciled regularly, no documents were provided to FCMAT for verification.
- 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's 2020-21 adopted budget did not include a cash flow projection, and its first and second interim financial reports for 2020-21 included a one-year cash flow. Its 2021-22 adopted budget included a one-year cash flow projection.
- 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 address its cash flow needs for the current and subsequent year?
Although the district's cash flow projection did not show insufficient cash, the general fund did run out of cash, which necessitated emergency borrowing from other funds in the district. The district indicated it is working to be more accurate in its cash projections and will monitor so that if borrowing is required, it can occur before running out of cash.
- 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 interfund borrowing is occurring, does the district comply with Education Code Section 42603?
Information from interviews indicates that the district made a cash flow loan to the general fund and that personnel understand the EC 42603 repayment requirements; however, the loan is not properly accounted for as temporary borrowing in the financials, and the repayment is not accounted for in the district's cash flow projections.
- 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 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 Education Code Section 47604.32?
- 5.3 Are all charters authorized by the district going concerns and not in fiscal distress?
- 5.4 Has the district identified specific employees in its various departments (e.g., human resources, business, instructional, and others) to be responsible for oversight of all approved charter schools?

6. Collective Bargaining Agreements		Yes	No	N/A
6.1	<p>Has the district settled with all its bargaining units for the past two fiscal years? <input type="checkbox"/></p> <p><i>At its August 10, 2021 meeting, the district’s board of trustees approved a tentative agreement for the Golden Valley Teachers Association (GVTA) that included a 1% salary increase retroactive to July 1, 2020 and a one-time off-schedule payment of \$1,500. The agreement also contained an MOU with contingency language that agreed to the following:</i></p> <p><i>An additional \$500 off of the salary schedule stipend for 2020-21 bargaining unit members if the September 15, 2021 Unaudited Actuals budget reporting reflects \$520,000 in unrestricted money added to the ending fund balance for the 2020-21 school year.</i></p> <p><i>This was approved on the consent agenda without using a public disclosure document as outlined in Government Code Section 3547.5.</i></p> <p><i>The district provided FCMAT with a Public Disclosure of Collective Bargaining Agreement document (a Madera County Superintendent of Schools form) that was approved by the board on August 24, 2021 for the California School Employees Association (CSEA) classified bargaining unit. The disclosure includes a 1% salary increase retroactive to July 1, 2020 and a one-time off-schedule payment of \$1,500. It also contains contingency language stating, “An additional \$500 per unit member will be paid if the 2020-21 Unaudited Actuals show an increase in ending fund balance of \$520,000 or more.” Although the board approved the disclosure on the consent agenda, and the second page of the disclosure was signed stating that the board acted, FCMAT did not find evidence that the board approved the tentative agreement as a separate agenda item. Information from interviews suggests the agreement was implemented, except for the contingency language, because the interpretation of that language was still being discussed at the time of FCMAT’s fieldwork.</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.2	<p>Has the district settled with all its bargaining units for the current year? <input type="checkbox"/></p> <p><i>The 2021-22 adopted budget states on Form 01CS that the district has not started negotiations for 2021-22 for either the certificated or classified bargaining units. Information from interviews confirmed this.</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.3	<p>Does the district accurately quantify the effects of collective bargaining agreements and include them in its budget and multiyear projections? <input type="checkbox"/></p> <p><i>The district provided FCMAT with only one public disclosure document related to the 2020-21 settlement with the CSEA classified bargaining unit that disclosed any fiscal impact of the proposed agreement. Information from interviews indicates that the prior CBO would provide information to the board about proposed agreements, but not in a public disclosure document such as the county office form used in item 6.1 above.</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.4	<p>Did the district conduct a presettlement analysis and identify related costs or savings, if any (e.g., statutory benefits, and step and column salary increase), for the current and subsequent years, and did it identify ongoing revenue sources or expenditure reductions to support the agreement? <input type="checkbox"/></p> <p><i>The district did not provide evidence that a presettlement analysis was performed for the certificated settlement in item 6.1 above.</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

- 6.5 In the current and prior two fiscal years, has the district settled the total cost of the bargaining agreements including step and column increases at or under the funded cost of living adjustment (COLA)?
- FCMAT was not provided with information related to settlements for the 2019-20 year. For 2020-21, information provided to FCMAT indicates the district settled with both the certificated and classified bargaining units for more than the 0% funded COLA (see item 6.1 above).*
- 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)?
- The district has not identified resources to cover the cost of the contingency language in the tentative agreements mentioned in item 6.1 above.*
- 6.7 Did the district comply with public disclosure requirements under Government Code Sections 3540.2 and 3547.5, and Education Code Section 42142?
- Information from interviews suggests that public disclosures are not made regarding collective bargaining and that some agreements in the past have been handled through an MOU process. The one public disclosure document provided to FCMAT was approved on the consent agenda of a board of trustees meeting.*
- The intent of a public disclosure document is to publicly disclose the true and actual costs of an agreement; any such agreement should be approved as an action item independent of the consent agenda. This will allow the public to comment and the board to discuss the item in a public portion of a meeting before voting for its approval.*
- 6.8 Did the superintendent and CBO certify the public disclosure of collective bargaining agreement prior to board approval?
- The public disclosure document related to the 2020-21 CSEA classified agreement was signed by the superintendent and by a fiscal consultant (because the district did not have a CBO at that time). Information from interviews indicates that there was no public disclosure related to the certificated agreement mentioned in item 6.1 above.*
- 6.9 Is the governing board’s action consistent with the superintendent’s and CBO’s certification? .
- In the one public disclosure document provided to FCMAT, the board’s action is consistent with the superintendent’s and fiscal consultant’s certifications. However, the district did not provide a public disclosure document to the board related to the certificated agreement mentioned in item 6.1 above, so it is unknown if the board’s action was consistent with the superintendent’s and CBO’s recommendation.*

7. Contributions and Transfers

Yes No N/A

- 7.1 Does the district have a board-approved plan to eliminate, reduce or control any contributions/transfers from the unrestricted general fund to other restricted programs and funds?
- The district did not provide a detailed list of contributions/transfers from the unrestricted general fund to restricted programs; however, the 2020-21 unaudited actuals report shows that the district contributed \$2,687,487 from the unrestricted general fund to restricted programs and/or funds. The board does not have a plan to eliminate, reduce or control any contributions/transfers from the unrestricted general fund to restricted programs and funds.*

7.2	If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection any transfers from the unrestricted general fund to cover any projected negative fund balance?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7.3	If any contributions/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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Deficit Spending (Unrestricted General Fund) **Yes** **No** **N/A**

8.1	Is the district avoiding deficit spending in the current fiscal year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>According to the 2021-22 adopted budget, the district is projected to deficit spend \$254,116.</i>			
8.2	Is the district projected to avoid deficit spending in both of the two subsequent fiscal years? . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>The district has no board-approved plan to reduce and/or eliminate deficit spending in the current fiscal year.</i>			
8.4	Has the district decreased deficit spending over the past two fiscal years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>The district's 2019-20 unaudited actuals report shows a \$442,409 increase to the unrestricted general fund balance; however, the 2020-21 unaudited actuals report shows deficit spending of \$84,227, and the 2021-22 adopted budget projects deficit spending of \$254,116.</i>			

9. Employee Benefits **Yes** **No** **N/A**

9.1	Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board (GASB) requirements to determine its unfunded liability for other post-employment benefits (OPEB)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9.2	Does the district have a plan to fund its liabilities for retiree health and welfare benefits with the total of annual required service payments (legal, contractual or locally defined such as pay-as-you-go premiums, trust agreement obligations, or a board adopted commitment) no greater than 2% of the district's unrestricted general fund revenues?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9.3	Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.4	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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>Information from interviews indicates the district has not conducted a benefits eligibility audit or review within the last five years.</i>			
9.5	Does the district track, reconcile and report employees' compensated leave balances? . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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- 10.2 Does the district monitor and analyze enrollment and average daily attendance (ADA) data at least monthly through the second attendance reporting period (P2)? ✓
Information from interviews indicates the district does not monitor and analyze enrollment and ADA at least monthly.
- 10.3 Does the district track historical enrollment and ADA data to establish future trends? ✓
Information from interviews indicates the district does not track historical enrollment and ADA data.
- 10.4 Do school sites maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the site and district levels? ✓
No evidence was provided that indicates enrollment and attendance data is reconciled monthly at the school site and district levels.
- 10.5 Has the district certified its California Longitudinal Pupil Achievement Data System (CALPADS) data by the required deadlines (Fall 1, Fall 2, EOY) for the current and two prior years? ✓
- 10.6 Are the district’s enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable considerations? ✓
Information from interviews indicates that the district advances each grade level to create enrollment projections for future years; however, there was no explanation of how transitional kindergarten and kindergarten enrollment were projected.
An industry-standard method of enrollment projection is to use local demographic information in addition to historical data correlations to project enrollment. This would include using county birthrate statistics to estimate transitional kindergarten and kindergarten enrollment and using an industry-standard projection method such as simple age through, linear regression or cohort survival.
- 10.7 Do all applicable sites and departments review and verify their respective CALPADS data and correct it as needed before the report submission deadlines? ✓
The district does not have processes and procedures for school sites and departments to review and verify their respective CALPADS data and correct it as needed before the report submission deadline.
- 10.8 Has the district planned for enrollment losses to charter schools? ✓
- 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? ✓
Administrative Regulation 5117, pertaining to interdistrict attendance agreements, states: “The district shall post on its web site the procedures and timelines for requesting an interdistrict transfer permit, including a link to BP 5117 – Interdistrict Attendance.” It goes on to state the information that should be included in the posted notice. In FCMAT’s search of the district’s website, no information related to interdistrict transfers was found.
A review of the 2021-22 list of interdistrict transfers found that the district enrolls more out-of-district students than it loses to other districts.
- 10.10 Does the district meet the student-to-teacher ratio requirement of no more than 24-to-1 for each school in grades TK-3 classes, or, if not, does it have and adhere to an alternative collectively bargained agreement? ✓

11. Facilities		Yes	No	N/A
11.1	If the district participates in the state’s School Facilities Program, has it met the required contribution for the Routine Restricted Maintenance Account?	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.2	Does the district have sufficient and available capital outlay and/or bond funds to cover all contracted obligations for capital facilities projects?	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.3	Does the district properly track and account for facility-related projects?	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.4	Does the district use its facilities fully in accordance with the Office of Public School Construction’s loading standards?	<input type="checkbox"/>	✓	<input type="checkbox"/>
	<i>Information from interviews indicates that all school sites have empty classrooms. The district recently opened a new school and expects to fill empty classrooms as enrollment increases.</i>			
11.5	Does the district include facility needs (maintenance, repair and operating requirements) when adopting a budget?	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.6	Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues?	✓	<input type="checkbox"/>	<input type="checkbox"/>
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?	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.8	Does the district have a long-range facilities master plan that reflects its current and projected facility needs?	<input type="checkbox"/>	✓	<input type="checkbox"/>
	<i>The district does not have a current long-range facilities master plan. The previous plan was created in April 2016. The district should update its plan with the projects completed, updated demographic information, and any other revisions it deems necessary.</i>			

12. Fund Balance and Reserve for Economic Uncertainty		Yes	No	N/A
12.1	Is the district able to maintain the minimum reserve for economic uncertainty in the current year (including Fund 01 and Fund 17) as defined by criteria and standards?	✓	<input type="checkbox"/>	<input type="checkbox"/>
12.2	Is the district able to maintain the minimum reserve for economic uncertainty in the two subsequent years?	✓	<input type="checkbox"/>	<input type="checkbox"/>
12.3	If the district is not able to maintain the minimum reserve for economic uncertainty, does the district’s multiyear financial projection include a board-approved plan to restore the reserve?	<input type="checkbox"/>	<input type="checkbox"/>	✓
12.4	Is the district’s projected unrestricted fund balance stable or increasing in the two subsequent fiscal years?	✓	<input type="checkbox"/>	<input type="checkbox"/>
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?	✓	<input type="checkbox"/>	<input type="checkbox"/>

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?	✓	<input type="checkbox"/>	<input type="checkbox"/>

- 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 statewide average for the current year? . . .
According to the district’s 2021-22 adopted budget, 93.1% of its general fund unrestricted expenditure budget is allocated to salaries and benefits. The statewide average for unified districts as of 2019-20 (the latest data available) was 88.0%. The district indicates in its criteria and standards that additional costs are included using one-time funds from pandemic relief sources.
- 13.3 Is the percentage of the district’s general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the statewide average for the two prior years? . . .
- 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 two prior years, is the district addressing the complaint(s)? . . .
- 13.5 Does the district either ensure that restricted dollars are sufficient to pay for staff assigned to restricted programs or have a plan to fund these positions with unrestricted funds? . . .
- 13.6 Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time? . . .
- 13.7 Does the district account for program costs, including the maximum allowable indirect costs, for each restricted resource and other funds? . . .
According to documents provided by the district, indirect costs are not charged to special education.

14. Information Systems and Data Management

Yes No N/A

- 14.1 Does the district use an integrated financial and human resources system? . . .
- 14.2 Does the district use the system(s) to provide key financial and related data, including personnel information, to help the district make informed decisions? . . .
- 14.3 Has the district accurately identified students who are eligible for free or reduced-price meals, English learners, and foster youth, in accordance with the LCFF and its LCAP? . . .
- 14.4 Is the district using the same financial system as its county office of education? . . .
- 14.5 If the district is using a separate financial system from its county office of education, is there an automated interface that allows data to be sent and received by both the district and county financial systems? . . .
- 14.6 If the district is using a separate financial system from its county office of education, has the district provided the county office with direct access so the county office 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) ✓
Information from interviews indicates that the district does not have adequate internal controls for the accounts payable process. One individual can control the process from beginning to end: add a vendor, make payments, receive checks, and mail checks to vendors. No one compares the warrant register to the warrant prelist or verifies that all checks have been received.
- Accounts receivable (AR) ✓
- Purchasing and contracts. ✓
- Payroll ✓
Interviews indicated that no one compares the warrant register to the payroll prelist or verifies that all printed checks have been received.
- Human resources (i.e., duties relative 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? ✓
Based on the general ledger data provided by the district and the county office of education, as well as information from interviews, FCMAT could not determine whether the district clears 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 office of education? ✓
- 15.7 Does the district have processes and procedures to discourage and detect fraud? ✓
The district does not have an established process for collecting and following up on reports of possible fraud. Staff interviewed consistently stated they would report any suspected fraud to their supervisor.
- 15.8 Does the district have a process for collecting reports of possible fraud (such as an anonymous fraud reporting hotline) and for following up on such reports? ✓
The district does not have a process for collecting and following up on reports related to possible fraud.
- 15.9 Does the district have an internal audit process? ✓
The district does not have a formal internal audit department or process.

16. Leadership and Stability

Yes No N/A

- 16.1 Does the district have a chief business official who has been with the district as chief business official for more than two years? ✓
The chief business official started with the district in August 2021.
- 16.2 Does the district have a superintendent who has been with the district as superintendent for more than two years? ✓
The superintendent has been with the district a number of years in various roles but began as superintendent in August 2021.
- 16.3 Does the superintendent meet on a scheduled and regular basis with all members of their administrative cabinet? ✓

- 16.4 Is training on financial management and budget provided to site and department administrators who are responsible for budget management? ✓
No evidence was provided that indicates budget training has been provided to school site and department administrators who are responsible for budget management.
- 16.5 Does the governing board adopt and revise policies and administrative regulations annually? . ✓
- 16.6 Are newly adopted or revised policies and administrative regulations implemented, communicated and available to staff? ✓
- 16.7 Do all board members attend training on the budget and governance at least every two years? ✓
Information from interviews indicates that not all board members attend training on the budget and governance at least every two years.
- 16.8 Is the superintendent’s evaluation performed according to the terms of the contract? ✓

17. Multiyear Projections

Yes No N/A

- 17.1 Has the district developed multiyear projections that include detailed assumptions aligned with industry standards? ✓
Other than COLA, CalSTRS and CalPERS rates, enrollment increases, and staffing increases, the district has no documented assumptions for its multiyear projections. In the 2021-22 unrestricted general fund, books and supplies increase by more than \$1 million in subsequent year one and by more than an additional \$500,000 in subsequent year two, with no explanation; services and other operating expenditures decrease by approximately \$250,000 in subsequent year one and increase by more than \$300,000 in subsequent year two, also with no explanations.
- 17.2 To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation with multiyear considerations? ✓
The district-provided LCFF calculation has no enrollment growth in future years. Information from interviews with board members and staff and a review of other materials, including the most recent MYFP, provided by the district, indicates that the district expects significant enrollment increases in the coming years.
- 17.3 Does the district use its most current multiyear projection in making financial decisions? . . . ✓
Information from interviews with the board and staff indicates that there is a general lack of confidence in the current projections.
- 17.4 If the district uses a broad adjustment category in its multiyear projection (such as line B10, B1d, B2d Other Adjustments, in the SACS Form MYP/MYPI), is there a detailed list of what is included in the adjustment amount and are the adjustments reasonable? ✓
The 2021-22 adopted budget included an MYFP with adjustments to line B1d with an explanation that, “Additional teachers were added in fiscal years 22/23 and 23/24 to support the additional [sic] 150 students projected each year.” No information was included to indicate how many teachers were added.

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 unrestricted general fund?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>Based on the 2019-20 audit and a review of district financial reports, the district has approximately \$6 million in COPs and municipal leases that are secured by the general fund. The 2021-22 adopted budget criteria and standards identifies \$7.2 million in COPs and municipal leases. All payments are either made from the general fund, or funds are transferred to Fund 56 for payment.</i>			
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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18.3	If the district is self-insured, has the district completed an actuarial valuation as required and have a plan to pay for any unfunded liabilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>Based on the district's 2021-22 adopted budget, the district anticipates debt service payments of \$554,433, or 2.48% of its unrestricted general fund revenues. Although the payment is made from Fund 56, the funds are transferred from the general fund to Fund 56 for expenditure.</i>			

19. Position Control		Yes	No	N/A
19.1	Does the district account for all positions and costs?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>At the time of FCMAT's fieldwork, the district acknowledged that the data in position control was inaccurate and was working to verify and correct this by providing the information to each school principal and asking them to verify or make changes as needed. The best practice is to routinely send position control reports to sites and departments to have them verify the data.</i>			
19.2	Does the district analyze and adjust staffing based on staffing ratios and enrollment?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.3	Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim reporting periods?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>In interviews, staff recognized the importance of regular communication to reconcile budget, payroll and position control regularly; however, this process had not yet occurred.</i>			
19.4	Does the district identify a budget source for each new position before the position is authorized by the governing board?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.5	Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>Information from interviews indicates that some stipends are not board approved.</i>			

19.6 Do managers and staff responsible for the district's human resources, payroll and budget functions meet regularly to discuss issues and improve processes?

Although they communicate frequently, the district's managers and staff responsible for human resources, payroll and budget functions do not meet regularly to discuss issues and improve processes.

20. Special Education

Yes No N/A

20.1 Does the district monitor, analyze and adjust staffing ratios, class sizes and caseload sizes to align with statutory requirements and industry standards?

At the time of FCMAT's fieldwork there was no special education director, and other district staff were not aware of the district monitoring, analyzing or adjusting staffing ratios or class and caseload sizes to align with statutory requirements and industry standards.

20.2 Does the district access available funding sources for costs related to special education (e.g., 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)?

No indirect costs were charged to the special education resources for fiscal years 2019-20 and 2020-21. It is unknown whether other costs existed that should have been charged to the special education program. Charging all allowable expenses to programs would provide the district with a full understanding of the resources needed to run each program, and possibly provide opportunities to increase cost efficiency.

20.5 Is the district's contribution rate to special education at or below the statewide average contribution rate?

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

The district's 2020-21 identification rate was 11.8%, which was higher than the countywide rate of 9.9% but lower than the statewide rate of 12.5% for the same period.

20.7 Does the district analyze whether it will meet the maintenance of effort requirement at each interim reporting period?

Information from interviews indicates that the district performs the maintenance of effort calculations only at the end of each fiscal year.

Risk Score, 20 numbered sections only:

51.1%

Key to Risk Score from 20 numbered sections only:

High Risk: 40% or more

Moderate Risk: 25-39.9%

Low Risk: 24.9% and lower

District Fiscal Solvency Risk Level, all FHRA factors:

High

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