FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Annual Review

March 9, 2026

Los Angeles County Office of Education

Michael H. Fine
Chief Executive Officer

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

March 9, 2026

Debra Duardo, Ed.D., Superintendent
Los Angeles County Office of Education
9300 Imperial Highway
Downey, CA 90242

Dear Superintendent Duardo,

In July 2025, the Los Angeles County Office of Education entered into an agreement with the Fiscal Crisis and Management Assistance Team (FCMAT) for a study to perform the following:

A. Conduct an annual follow-up evaluation of the county superintendent of school's fiscal oversight provided to the Inglewood Unified School District using FCMAT's County Superintendent of Schools Oversight Evaluation Tool, and make recommendations for improvement, if any.

This final report contains the study team's findings and recommendations.

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

Sincerely,

Michael H. Fine
Chief Executive Officer

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About FCMAT

Purpose and Services

FCMAT was created in 1991 by the California Legislature to help California's 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 office of education, 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; provides LEAs with training and leadership in data management; 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 K-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, the LCFF Calculator, 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 (AB) 1200 in 1991. In 1997, AB 107 charged FCMAT with responsibility for CSIS and its statewide data management work, and AB 1115 in 1999 codified CSIS' mission.

AB 1200 created 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) gave FCMAT specific responsibilities for 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 include these 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 oversight responsibilities from the state to the local county office of education to be more consistent with the principles of local control, and giving FCMAT new responsibilities associated with the process.

Introduction

Background

On September 17, 2018, Assembly Bill (AB) 1840 (Chapter 426, Statutes of 2018) was signed, introducing a significant change in the administration of insolvent school districts that receive state emergency appropriations. Under this legislation, codified in Education Code (EC) 41326(l), the Fiscal Crisis and Management Assistance Team (FCMAT) is tasked with reviewing the fiscal oversight performed by the county superintendent of schools for any school district receiving an emergency apportionment. FCMAT must report its findings to the Legislature and provide a copy of the oversight evaluation report to the Department of Finance, the superintendent of public instruction (SPI), and the State Board of Education president or their designee. Each report must include findings regarding the fiscal oversight actions that were or were not taken and may contain recommendations for legislative measures to improve fiscal oversight of school districts.

In the years following the initial FCMAT report on the fiscal oversight performed by the county superintendent, FCMAT will conduct annual reviews until the school district exits receivership. These reviews will assess the effectiveness of the county superintendent's oversight and their involvement with the school district, including during the period that led to the district's declaration of insolvency.

In February 2012, the Inglewood Unified School District governing board declared the district fiscally insolvent. On September 14, 2012, the governor approved Senate Bill 533 (Chapter 325, Statutes of 2012), bringing the district under state receivership and authorizing a state-approved emergency appropriation of $55 million. This declaration of insolvency followed years of fiscal strife and oversight by the Los Angeles County superintendent of schools. Numerous issues contributed to the district's insolvency, including consistently overstated revenue forecasts and understated expenditure projections, leading to uncontrolled deficit spending. During this time, the district also endured instability in senior administration and poor management of its operations. The governing board and administration made expenditure reductions too late to overcome years of deficit spending and budget imbalance, and cash flow projections indicated it would become cash insolvent at the end of March 2013. To overcome this cash shortfall, between November 2012 and February 2013 the district drew $29 million of the $55 million emergency appropriation and began addressing its budget imbalance. The district has made no further drawdowns to date; rather, it has been paying down the balance. As of February 2026, $16.8 million remains to be repaid, with the balance due by November 2034.

Historically, when a school district has entered state receivership, the SPI has assumed all the legal rights, duties, and powers of the district's governing board and appointed a state administrator to act as both the governing board and superintendent. This practice changed with the passage of AB 1840, which transferred these responsibilities from the SPI to the local county superintendent of schools. Under AB 1840, the governing boards of insolvent school districts continue in an advisory role and are referred to as "advisory boards."

About This Study and Report

FCMAT entered into a study agreement with the Los Angeles County superintendent of schools on February 4, 2020, to conduct both the initial and annual evaluations required by EC 41326(l). A study team visited the county superintendent's office on October 30, 2025 for the current evaluation 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 analysis related to the current evaluation.

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:

John F Von Flue
FCMAT Chief Analyst

Misty Key
FCMAT Consultant

Nicolas Schweizer
FCMAT Consultant

Sheldon Smith
FCMAT Consultant

John Lotze
FCMAT Technical Writer

Members of this study team who are otherwise employed by a local education agency were not representing their respective employers but were working solely as independent contractors for FCMAT.

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

County Superintendent of Schools Oversight Evaluation Tool

The Fiscal Crisis and Management Assistance Team (FCMAT) has developed the County Superintendent of Schools Oversight Evaluation Tool for both initial and annual evaluations. This tool is designed to help assess the effectiveness of a county superintendent of schools' fiscal oversight and support of school districts that have received emergency apportionments.

The annual oversight evaluation tool comprises 23 questions and is intended to satisfy the requirements of Education Code (EC) 41326(l) for reviewing and assessing the county superintendent's fiscal oversight and support related to a school district's recovery from insolvency. This tool focuses on the status of the district's recovery, the ongoing implementation of its long-range recovery plan (LRRP), its multiyear projection, the role of the administrator or trustee, and how the county superintendent is addressing elements that received an answer of "No" in the initial evaluation. FCMAT used the annual oversight evaluation tool during interviews with multiple staff members from both the district and the county superintendent's office, as well as the administrator.

The oversight evaluation tool identifies the key oversight responsibilities of the county superintendent in their fiscal oversight and support of the district, as well as their ability to communicate effectively with the administrator, district staff, and advisory board. FCMAT also gathered information through an initial document request before the on-site interviews. The team's conclusions are compiled in the report as a narrative, with recommendations included where appropriate. In addition, the team addressed questions related to the overall implementation of EC 41326(l) and made recommendations to support that process, including a restatement of the administrator's specific roles and responsibilities.

The county superintendent's objective, supported by the administrator and other components of an insolvency recovery team (including FCMAT, the California Collaborative for Educational Excellence, and the Los Angeles County superintendent of schools' staff), is to facilitate the full recovery of the Inglewood Unified School District. This involves addressing the major elements of the LRRP to ensure the district can govern independently, maintain solvency, and effectively support the education of its students.

County Office Name: Los Angeles County Office of Education

Date of Fieldwork: October 30, 2025

Summary

The Los Angeles County Superintendent of Schools provides fiscal oversight to all the county's school districts, pursuant to Assembly Bill 1200, which was signed into law in 1991. This responsibility is outlined in Article 2, Chapter 6 of Part 24 of the Education Code (EC), beginning with Section 42120 and/or Section 1240(b).

During the initial evaluation in 2019 under EC 41326(l), FCMAT assessed the county superintendent's involvement with the district throughout the course of their normal oversight responsibilities, up to and including the date of evaluation, and specifically during the period leading up to the district's declaration of insolvency. This assessment involved analyzing historical and current documents prepared by county office staff, as well as asking a series of questions related to the time leading up to the insolvency. FCMAT also reviewed the county superintendent's oversight practices and conducted interviews with district staff and other key individuals involved in the oversight process.

The annual evaluation focuses on the status of the district's recovery, assessing the progress made since the last review and evaluating the county superintendent's effectiveness in supporting the district's staff, advisory board, and administrator in their efforts to help the district return to fiscal solvency. In addition, the annual evaluation examines any areas that were marked as "No" on the initial evaluation to determine if those issues are being addressed.

FCMAT's findings indicate that the fiscal oversight actions taken by the county superintendent during the study period in question complied with Education Code. The county superintendent's process for reviewing budget and interim financial reports is thorough and well documented and complies with the state Criteria and Standards for Fiscal Solvency.

Inglewood Unified School District's full recovery continues to be a priority for the Los Angeles County superintendent of schools. When oversight shifted to the county superintendent, a comprehensive support model was implemented that included providing county support beyond what is required for normal oversight responsibilities. The county superintendent's intense engagement, which included assigning staff to work closely alongside district staff full time, has relaxed as competency and capacity have grown at the district. The county superintendent continues to hold regular meetings with the county administrator; county superintendent staff meet regularly with and support district staff; and the county superintendent provides additional support and guidance in response to statutory fiscal reports and fiscal recovery plans, and in general fiscal oversight activities.

The current county administrator started in 2023 and began efforts to stabilize the district leadership team. The current district team members are longtime district employees. They have gained the trust of the community, staff and students, and they consistently express a commitment to helping the district recover.

Since the last review, the district has made substantial progress in developing and implementing its fiscal recovery plans, and proposed plans identify aggressive reductions in expenditures; however, the district's projections continue to include deficit spending. Continued efforts will be needed to adopt and implement solutions sufficient to balance the district's budget.

The district's recovery is also measured by the FCMAT comprehensive review. The July 2025 comprehensive review report showed district progress toward meeting standards in all areas. The district has met sustainability goals in the areas of community relations and governance, personnel management, and pupil achievement, so these areas will not be assessed in future reviews. As of the July 2025 report, the areas of financial management and facilities management will continue to be reviewed.

As the district works toward balancing its budget and addressing the recommendations of the comprehensive review, the county superintendent and the county administrator must next consider a plan for the eventual transfer of authority back to the district board. The county administrator is involving the district advisory board in decision making whenever possible to prepare them to eventually resume governance. In addition, the board is being provided with governance and ethics training and being kept up to date on the district's operations, education requirements, and laws.

Findings

This section focuses on FCMAT's review of the Los Angeles County superintendent of schools' fiscal oversight actions. Each assessed area is listed below along with an associated narrative and, where applicable, recommendations for improvement. Any material deficits identified in these areas are noted in the narrative.

1) Did the administrator develop the long-range recovery plan (LRRP) within the statutory timelines? Alternatively, did the county superintendent of schools adopt the FCMAT Comprehensive Review in lieu of the LRRP?

The Los Angeles County superintendent of schools and the Inglewood Unified School District adopted the FCMAT comprehensive review in lieu of the LRRP.

Since the last evaluation, FCMAT performed its 13th comprehensive review and released its report in July 2025. The report is organized around five operational areas that are essential for sound, fiscally solvent and well-run school districts. As of the 13th review, the district has sufficiently implemented the standards in the operational areas of community relations and governance, personnel management, and pupil achievement, so these areas are no longer reviewed.

The areas of financial management and facilities management will continue to be reviewed until they reach adequate progress as scored in the FCMAT comprehensive review.

2) What role has the county superintendent played in supporting the district with the LRRP or comprehensive review? What process has the county superintendent used to monitor the progress of implementing the recommendations from the LRRP or comprehensive review?

The current administrator appointed by the county superintendent has been in place since January 2023 and has successfully led efforts to implement the corrective recommendations identified in FCMAT's annual comprehensive review. The administrator has strong leadership skills and has established credibility among the staff, advisory board and community that allows him to address the district's recovery needs.

The county superintendent has continued to support and remains in regular communication with the administrator. In addition, county superintendent of schools staff meet regularly with the district to provide support, monitor whether the district is maintaining adherence to the comprehensive standards it has met, and assess its progress in fully meeting remaining standards. District staff have created spreadsheets to track efforts and share this information with the county superintendent staff.

3) Does the county superintendent have a plan for restoring governance authority to the district's advisory board?

While no formal plan or timeline have been defined, the administrator's 2024-25 evaluation indicates a goal of exiting receivership in 2028. Governance authority will not be restored until 1) the district shows adequate progress in implementing the comprehensive review recommendations and 2) the county superintendent, with concurrence from the state superintendent and the president of the State Board of Education, determines that the district has built sufficient capacity to self-govern. Interviews with the county superintendent and county administrator revealed that preparations for a gradual restoration of authority may begin if the progress achieved is sustained and improvement is made in the unmet standards. In preparation for this, the administrator has been treating the board more as a governing body by including them in processes to allow them to observe and gain understanding of decision-making and governance. In addition, each member of the board has completed the California School Board Association's Masters in Governance program. Because three of the current advisory board members' terms end in 2026, and one of these three members will reach the term limit of 12 years, it will be important for the district to ensure that any new members joining the board receive the same training and certification so they are prepared for their governance role.

4) **Has the administrator developed a multiyear financial recovery plan for the district in collaboration with the county superintendent? Has this plan been implemented?**

The district has developed fiscal stabilization plans (FSPs) for each reporting period as required by the county superintendent. The FSPs report the district's status and the assumptions and projected solvency in the district's multiyear projections. In prior reviews, FCMAT found that the district had not fully implemented the FSPs. Recognizing this, the current chief business official (CBO) and administrator worked together to develop structural expense reductions for 2024-25 and beyond. In 2025, the district completed several school consolidations and program adjustments that are expected to create greater efficiencies. The FSP presented at 2025-26 budget adoption showed reductions of $1.2 million in 2026-27 and another $756,000 in 2027-28. Interviewees indicated that asset management and finance committees are actively working on recommendations to reduce the district's structural deficit, with the goal of $5 million in expenditure reductions per year through 2028-29. Progress in eliminating the structural deficit is overdue and insufficient. Past FSPs have not been fully implemented. Achieving a balanced budget should be a priority goal but has not been viewed as such.

5) **What is the status of the district's budget concerning deficit spending, fund balance, and reserve for economic uncertainties?**

The district budget has been certified as positive in the last several fiscal years, indicating that it maintains reserves sufficient to satisfy the minimum reserve required for economic uncertainties. The county office review of the district's 2025-26 budget indicated that the district has healthy reserve balances but is deficit spending in its unrestricted general fund, mainly because of declining enrollment, increased special education costs, and efforts to offer competitive compensation.

6) **What process does the county superintendent use to assess the district's cash flow, and how frequently do they perform this assessment?**

The county office staff have a thorough process in place to assess district cash flow. For all districts in the county, including Inglewood USD, the county office identifies cash availability through the financial system daily, reviews it weekly, and reconciles it monthly. In addition, cash flow projections are reviewed for reasonableness at each fiscal reporting period.

7) **In the prior year, did the county superintendent, in coordination with other state agencies, authorize additional draws against the district's emergency appropriation? If so, how were the draws used?**

No drawdowns from the district's emergency appropriation have occurred since 2013. According to both the district and the county office, the district has sufficient cash to operate, so no drawdown will be needed in the foreseeable future.

8) **If the district authorized additional draws against the emergency appropriation, is the receipt of the additional cash aligned with the cash flow projections?**

This is not applicable because no draws have occurred.

9) **Has the county superintendent performed a thorough examination of the district's adopted budget and interim reports for compliance with the State Criteria and Standards for Fiscal Solvency, as evidenced by fiscal oversight review checklists or other documentation? Does the county superintendent identify and communicate to the district any necessary technical corrections?**

The county superintendent analyzes the district's budget and interim submissions for compliance with the state Criteria and Standards for Fiscal Solvency. The county superintendent has an established process and system it uses for fiscal oversight of the district.

To perform the reviews, the county superintendent staff use a form called Fiscal Solvency Evaluation Work Program, on which the staff document key fiscal data, identify trends, and record areas of concern. Technical corrections are communicated directly to the CBO. Once each review is completed, the Los Angeles County superintendent of schools issues a letter to the county administrator to report its observations, areas of concern, and any recommended or required actions.

10) **Does the county superintendent evaluate whether the district's budget aligns with its financial recovery plan and will enable the district to meet its financial obligations? This includes ensuring the budget will allow the district to satisfy its multiyear financial commitments and maintain a combined assigned and unassigned ending fund balance that meets or exceeds the minimum recommended reserve for economic uncertainties.**

The county superintendent has required the district to submit an updated financial recovery plan with each budget and interim report. Each fiscal report, including any AB1200 collective bargaining disclosure, is reviewed for its alignment with the recovery plan and its impact on the district's fiscal condition. In each budget and interim review letter, the county superintendent notes the district's fiscal stabilization plan and how it relates to the district's status — including projected financials, fund balances and reserve levels — and communicates any concerns.

11) **If the district is deficit spending, does the county superintendent note the levels of deficit spending and communicate their concerns to the district advisory board through the budget and/or interim report letters?**

The county superintendent submits review letters for each reporting period to the county administrator and copies the district advisory board president, district CBO, and district executive director of fiscal services. The letters document the county superintendent's observations regarding deficit spending, fund balance projections, and enrollment and attendance trends. Based on these observations, areas of concern and recommendations are communicated.

Budget letters for fiscal years 2024-25 and 2025-26 indicated that, despite healthy reserve balances, the district's level of deficit spending was unsustainable. The 2025-26 budget review letter points out that the district's unrestricted general fund is projected to decrease from $70.53 million in 2025-26 to $7.62 million in 2027-28, a decline of $62.91 million over the three-year period.

12) **Does the county superintendent verify whether the district's budgeted expenditures are sufficient to implement its Local Control Accountability Plan (LCAP)?**

As part of its fiscal oversight, the county superintendent reviews the district's LCAP to ensure there are sufficient expenditures in budget to implement it, and that it adheres to expenditure regulations and includes and implements proper calculations of carryover. The county superintendent’s 2025-26 LCAP and budget approval letter states that the LCAP met all criteria and was approved.

13) **Does the county superintendent verify whether the district identified the amount of carryover of prior year supplemental and concentration grant funds in its LCAP? If these funds are being carried over, does the county superintendent verify whether the district has either included their expenditure in the LCAP for the subsequent year and in its budget and multiyear projection, or reserved the funds in its fund balance?**

The district continues to have, and its LCAP identifies, a large carryover of supplemental and concentration grant funds that accumulated due to the use of pandemic relief funding. The county superintendent reviews carryover calculations and ensures its identification and implementation. The county superintendent’s 2025-26 LCAP and budget approval letter indicates that the calculation and implementation of carryover funds were verified and approved. Further, the letter states, “it is expected that S&C grant funds, including any calculated carryover, be fully expended in each fiscal year.”

14) **Does the county superintendent review the accuracy of the district’s public disclosures of collective bargaining agreements, provide comments on their viability and affordability of these agreements, and verify whether the district has adopted all necessary budget revisions in the current fiscal year to meet the costs of the agreements?**

The county superintendent reviews each AB1200 collective bargaining disclosure submitted by the district and responds with an opinion via letter to the county administrator on the impact and affordability of the proposed agreement. The letter reminds the district of Education Code 42142, which requires the district to submit any budget revisions needed to fulfill the settlement within 45 days of adoption.

At each budget and interim reporting period, the county superintendent completes a Fiscal Solvency Evaluation Work Program sheet that includes the status of negotiations and their impact.

15) **Does the county superintendent review information provided by the district regarding the issuance of non-voter-approved debt and provide comment to the district advisory board on the district’s ability to repay its obligations within 15 days of receiving the information?**

The district has not issued any non-voter-approved debt.

16) **Has the county superintendent performed timely evaluations of the administrator?**

The county superintendent did a timely performance evaluation of the county administrator for fiscal year 2024-25.

The latest evaluation, signed on June 12, 2025, included the following positive remarks about the administrator and the district’s progress:

> This year reflects a remarkable period of progress for IUSD – due in large part to the steady, strategic, and courageous leadership demonstrated by Dr. Morris. Under his direction, the district has significantly reduced the number of FCMAT standards below benchmark, maintained positive budget certifications, and implemented major instructional and operational improvements—all while navigating complex challenges with clarity and purpose. His ability to lead a strong cabinet, build community trust, and drive results has laid a solid foundation for long-term recovery. The successful execution of school consolidations, facilities upgrades, and fiscal

planning reflects a deep commitment to student outcomes and a bold vision for the district's future.

17) **Has the administrator, in collaboration with the county superintendent, created a plan to develop the governing capacity of the district advisory board? Is this plan being implemented?**

The county superintendent and county administrator do not have a formal plan but have been discussing a plan to restore authority over time based on the district's ability to meet performance review standards and maintain improvements. The county superintendent plans to start this process if the next comprehensive review indicates that the district was able to sustain the progress it made in the last comprehensive review. In preparation for this, the county administrator is treating the district advisory board as much like an actual governing board as possible to prepare them to resume governance. This includes providing them with weekly board informational memos, including them in closed sessions, and involving them in sensitive decisions.

In addition, the district advisory board members have earned ethics certifications, and attended trainings in conflicts of interest and governance.

18) **Has the county superintendent submitted the district's adopted budget and interim reports to the State Superintendent of Public Instruction (SPI), the State Board of Education president or their designee, the Legislature, and the Director of Finance in accordance with Education Code (EC) 41327.2? Has the county superintendent documented the district's fiscal and administrative status, particularly regarding the implementation of the LRRP or comprehensive review?**

The county superintendent maintains a thorough process for reviewing the district's budget and interim reports. For each review, the county superintendent completes a review checklist and a Fiscal Solvency Evaluation Work Program form on which the staff document key fiscal data, identify trends, and record areas of concern.

At each budget and interim reporting period, the county superintendent submits status reports (Status of School District Budget Approvals, Notice of Interim Certifications) for the districts it oversees to the California Department of Education and the State Controller's Office as required.

Annually, the county superintendent has provided a report on the district's financial condition to the president of the California State Board of Education, the director of the California Department of Finance, and the chairperson and vice chairperson of the California State Senate Committee on Budget and Fiscal Review. The most recent report, dated October 1, 2025, provided a brief review of the district's accomplishments over the past year and, as stated in the report cover letter, included documents providing information on the following:

- The most recent FCMAT comprehensive review used as the LRRP.
- Plans or documents that are being used by the district and administrator that focus on the original recommendations from the LRRP.
- Reports, evaluations, progress reports and/or analyses prepared by the administrator that address issues or progress related to the district's recovery.
- The most recent version of the district's multiyear financial recovery plan.
- The Standardized Account Code Structure (SACS) Summary Form 01 and MYP for the three most recent fiscal years.

- The most recent annual cash flow.
- Completed checklists/files used to review each reporting period for the preceding 12 months.
- Correspondence related to oversight, including LCAP and budget approval letters, and interim certification letters.
- Communication from the county superintendent to the CDE and/or State Controller's Office regarding district fiscal solvency.
- Copy of district audit and resolution of findings, including county superintendent correspondence regarding findings.
- County superintendent review and correspondence with the district regarding public disclosure of collective bargaining agreements.
- A list of specific training and/or work that the administrator is doing or has done with the advisory board to help build governance capacity and facilitate recovery.
- Administrator evaluation.
- A copy of the report on the financial condition of the school district.

19) Has the administrator prepared or obtained a multiyear financial recovery plan for the district by July 1, including a plan to repay any state loans owed by the district, and secured the county superintendent's approval for the plan in accordance with EC 41327(a)(2)?

No evidence of annual preparation of a multiyear financial recovery and loan repayment plan was provided. Rather, the county superintendent requires that the district prepare and submit a fiscal stabilization plan (FSP) with each budget and interim report. The FSPs contain information on the district's fiscal status, identified cost reduction opportunities, action plan for the identified cost reductions, and resulting impact on multiyear projections.

With each submission, the county superintendent completes a Fiscal Solvency Evaluation Work Program form that evaluates and documents the district's multiyear fiscal projection, including the status of the state loan and plan for repayment. The county superintendent then sends a letter to the district acknowledging receipt of the report, stating approval of and concurrence with the report, documenting any observations and concerns, and providing required actions based on the district's financial report and FSP submission. In the past, FSPs have not been fully implemented and lack sufficient detail.

20) Has the administrator prepared an annual report on the district's financial condition that includes all the elements required by EC 41327(a)(3)?

As stated in response to question 18 above, the county administrator prepares and submits an FSP with each budget and interim report. The FSP contains specific actions to help stabilize the district's fiscal status and eliminate its structural deficit. It is accompanied by a budget/interim report that includes the district's most recent budget, reserve amounts, status of employee contracts, and current and forecasted fiscal assumptions.

Using the county administrator's fiscal reports and FSPs, the county superintendent provided an annual report, dated October 1, 2025, on the district's financial condition to the president of the California State Board of Education, the director of the California Department of Finance, and the chairperson and vice chairperson of the California State Senate Committee on Budget and Fiscal Review. The submission included all documents needed to meet the requirements of EC 41327(a)(3).

21) Has the administrator, with the county superintendent's approval, entered into agreements and contractual obligations for the district, and/or changed existing district rules, regulations, policies or practices, to implement the district's recovery plan in accordance with EC 41327(c)?

The county administrator continues efforts to stabilize the district, correct its structural deficit, and improve operational, educational and student support services. Approved advisory board minutes since the last evaluation identified contracts for professional services related to strategic planning, school consolidation, instructional support, the FCMAT comprehensive assessment, and numerous policies that contribute to the district's recovery efforts.

22) What is the status of the district's recovery?

The district continues progress toward recovery.

The district has benefited in the last year and will continue to benefit from strong and stable leadership. The county administrator, who joined the district on January 23, 2023, remains committed to working with the district until governance is returned and recovery is achieved. The leadership team (assistant superintendents of educational, business, and human resource services) have signed three-year contracts, taking them through 2028. This team continues to gain credibility with and earn the confidence of the community.

The district continues to deficit spend. As of first interim 2025-26, the district projected that it will deficit spend from its unrestricted general fund by $13.29 million in 2025-26, $21.22 million in 2026-27, and $26.38 million in 2027-28, for a total of $60.90 million over three years. However, the district maintains a sufficient fund balance to meet its required reserve over the current and two subsequent years, as well as a certified positive budget status with the county superintendent's concurrence. The FSP included in the first interim financial reporting proposes expenditure reductions of $5 million per year in 2026-27 and 2027-28, which would reduce deficit spending to $16.22 million and $16.38 million, respectively. As the district works to address its structural deficit spending, sufficient reserve funds are available to continue operations in the near term without any additional drawdown of the emergency appropriation. The annual debt service payment of $1.83 million is scheduled to continue until end of the loan term in 2035 unless additional payment is made to pay the loan off earlier.

Previous FSPs have not been fully implemented, contributing to unsustainable deficit spending and unnecessary consumption of reserves. The district and county superintendent supported unsuccessful legislation during the 2024-25 legislative session to lower the interest rate on the outstanding state general fund emergency advanced apportionment from 2.307% to zero. The parties should recognize that the district holds sufficient reserves to pay off the entire outstanding balance early and thus eliminate both the interest expense and ongoing debt service expenditures, as well as facilitate the elimination of the next phase of receivership. However, continued deficit spending will deprive the district of this opportunity by lowering fund balance and cash balance levels to the minimum.

Continued progress has been made in all operational areas studied in the FCMAT comprehensive review. The comprehensive review initially covered five operational areas: community relations and governance, personnel management, pupil achievement, financial management, and facilities management. In the July 2025 review, FCMAT did not review community relations and governance because the district had already met the criteria to discontinue review in that area. In the areas of personnel management and pupil achievement, the district met the criteria of an average score above 6 and no standard under a score of 4 for the second consecutive year, so these areas will not be reviewed again. In the area of financial management, the district received an average score of 5.35 (up from 4.49) and had seven standards (down from 14) with scores of less than 4. In the area of facilities management, the district received an average score of 6.65 (up from 5.81) and had two standards (down from five) with scores of less than 4. Therefore, the areas of financial and facilities management will be reviewed again in 2026.

Since the last comprehensive review in July 2025, the district reports it has made further progress in the areas of financial and facilities management. The Business Department has updated and adopted a new procedural manual that incorporates items recommended by the FCMAT comprehensive review and codifies the district's business processes and procedures. As previously noted, the FSPs have identified additional cost reduction measures. And the district reports making further progress on school site consolidation, which helps its improvement efforts to become more efficient as they focus on maintaining fewer school sites.

23) How has the county superintendent addressed the fiscal oversight actions that were designated as "No" on the initial evaluation?

All the elements identified as "No" on the initial evaluation have been addressed. The county superintendent's oversight continues to evolve and strengthen, as evidenced by its fiscal review checklists and oversight documents.

Conclusions and Recommendations

The Inglewood Unified School District continues under state receivership and county administration. After years of leadership instability, the district has seen consistent and effective leadership in the past few years, particularly since the current county administrator started in 2023 and began efforts to address this concern. The current district leadership team members are all longtime district employees, have gained the trust of the community, staff, and students, and have expressed a commitment to serve the district's recovery.

Since the last review, the district has made substantial progress in developing and implementing its fiscal recovery plans, and its proposed plans identify more aggressive expenditure reductions. However, deficit spending remains in the district's projections. Continued efforts by county administrator and team, along with the support of the county superintendent, will be needed to adopt and implement solutions sufficient to balance the district's budget.

The district's recovery is also measured by the FCMAT comprehensive review. The July 2025 comprehensive review report showed progress toward meeting all the standards. In the areas of community relations and governance, personnel management, and pupil achievement, the district has met the required implementation and sustainability scores, so these areas will not be assessed in future reviews. As of the July 2025 report, the areas of financial management and facilities management will continue to be reviewed.

While no plan has yet been developed to restore local governance to the district, the county administrator is involving the district advisory board in governance functions as much as possible to prepare them to eventually resume governance. As part of this preparation, they are provided with weekly board informational memos, included in closed sessions, involved in sensitive decisions, and kept up to date with governance and ethics training.

To continue progress, the county superintendent should support the county administrator's work and progress toward the following:

1. Stable leadership and continuity of fiscal recovery plans.
2. Addressing the district's structural deficit through immediate expenditure reductions.
3. Implementation of the recommendations made in the comprehensive review, with the goal of maintaining the progress already made and continuing progress in the areas of financial management and facilities management.
4. Creating, and implementing as appropriate, a formal plan to develop and transition the district board's role from advisory to governance.

The county superintendent and staff have been supportive of the county administrator and the district's leadership team members. With their continued support, the district should be able to achieve local governance within the next few years.

The next annual review will assess the district's progress toward these goals.

The purpose of these annual reviews, in part, is to clarify the roles and responsibilities of all involved educational partners so they can assist and support the district's recovery. This report attempts to assess the district's recovery status and the essential support and oversight provided by the county superintendent of schools, and to establish a baseline for the next annual review, which will occur approximately one year from the publication of this report.

Appendix

Study Agreement

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
FOR COUNTY SUPERINTENDENT OF SCHOOLS EVALUATION

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

1. **BASIS OF AGREEMENT**

FCMAT provides a variety of services to local education agencies (LEAs) as authorized by Education Code (EC) 42127.8(d) and 84041. In accordance with state budget act provisions and Education Code Section 41326(1), FCMAT will study the Client's fiscal oversight specific to the Inglewood Unified School District receiving an emergency apportionment. FCMAT is required to report its findings to the Legislature and to provide a copy of the report to the Department of Finance, the superintendent of public instruction, and the president of the State Board of Education.

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.

2. **SCOPE OF THE WORK**

A. Scope and Objectives of the Study

Conduct an annual follow-up evaluation of the county superintendent of school's fiscal oversight provided to the Inglewood Unified School District using FCMAT's County Superintendent of Schools Oversight Evaluation Tool, and make recommendations for improvement, if any.

B. Services and Products to be Provided

1. Orientation Meeting
The Team will conduct an orientation session at the 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 Public Safety Considerations outlined in Section 13 below.

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.

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.

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 of 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.

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, and 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 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.

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 indicating applicable insurance coverages.

12. HOLD HARMLESS

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

13. PUBLIC SAFETY CONSIDERATIONS

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

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

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

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

14. FORCE MAJEURE

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

15. EVALUATION

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

16. CLIENT CONTACT PERSON

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

Telephone: (562) 922-6111

Email: Duardo_Debra@lacoe.edu

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:

Debra Duardo 07/23/2025

Debra Duardo, Ed.D. Date
County Superintendent
Los Angeles County Office of Education

For FCMAT:

Michael H. Fine Digitally signed by Michael H. Fine
Date: 2025.07.24 10:40:35 -07'00'

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

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