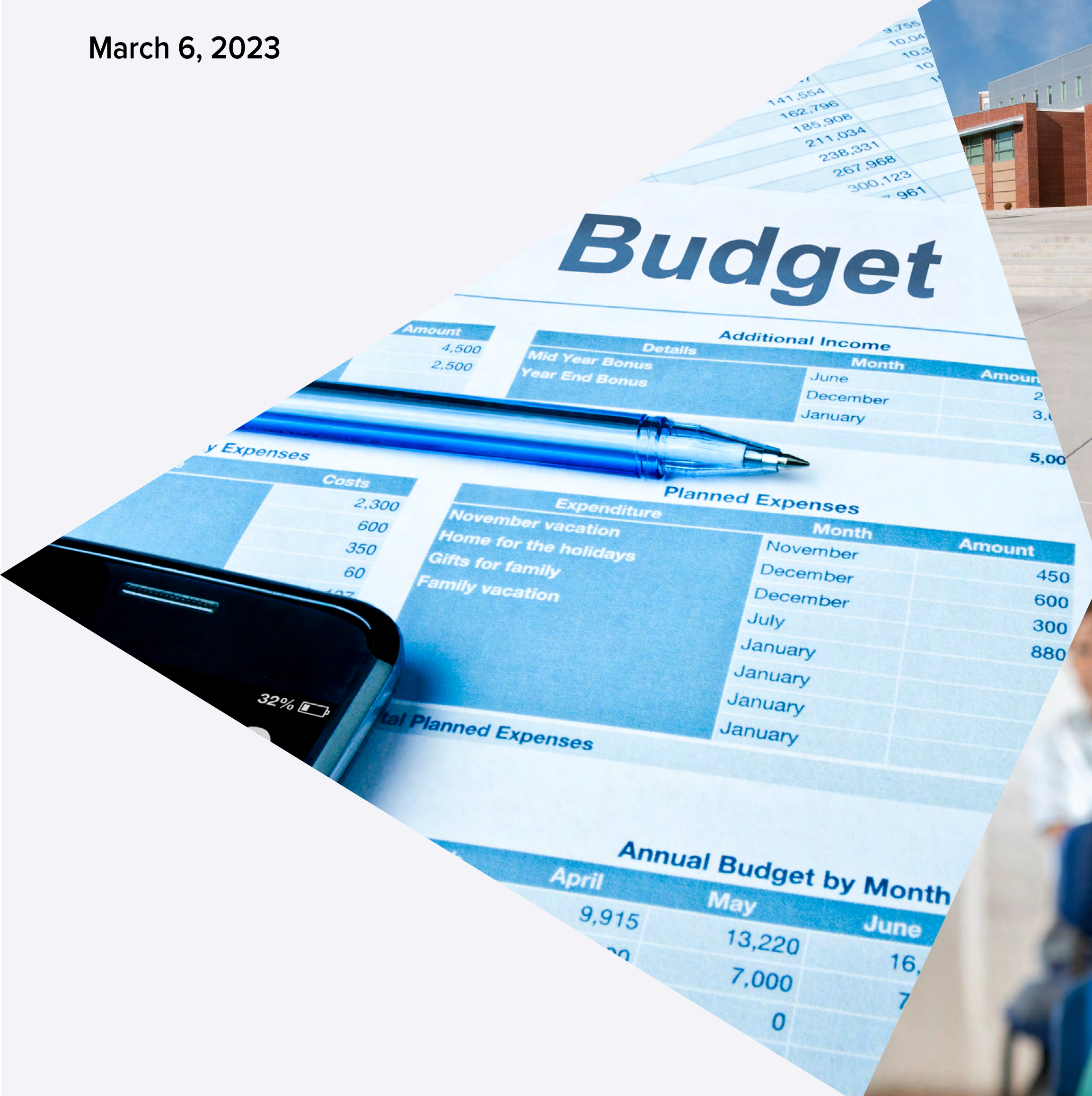
FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Annual Review

March 6, 2023



Monterey County Office of Education

Michael H. Fine
Chief Executive Officer

FCMAT FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

March 6, 2023

Deneen Guss, Ed.D., Superintendent
Monterey County Office of Education
901 Blanco Circle
Salinas, CA 93901

Dear Superintendent Guss:

In February 2020, the Monterey County Office of Education and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to perform the following:

> Prepare an initial analysis of the county office fiscal oversight provided to the South Monterey County Joint Union High School District using FCMAT's County Office Evaluation Tool, and make recommendations for improvement, if any.

The February 2020 study agreement also covers annual follow-up evaluations.

This report contains the FCMAT study team's findings and recommendations from the second annual evaluation of the county superintendent's oversight of the South Monterey County Joint Union High School District.

FCMAT appreciates the opportunity to serve the Monterey 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

Michael H. Fine • Chief Executive Officer
1300 17th Street – City Centre, Bakersfield, CA 93301-4533 • Tel. 661-636-4611 • Fax 661-636-4647
www.fcmat.org

Table of Contents

Introduction

Background

In September 2018, Governor Brown signed Assembly Bill (AB) 1840, making a significant change in how insolvent school districts are administered after they receive a state emergency appropriation. As part of that legislation, codified in Education Code Section 41326(l), the Fiscal Crisis and Management Assistance Team (FCMAT) was given the responsibility of reviewing the fiscal oversight performed by the county superintendent of schools for any district receiving an emergency apportionment. FCMAT is required to report its findings to the Legislature and provide a copy of that report to the Department of Finance, the superintendent of public instruction (SPI), and the president of the State Board of Education (SBE). This report is required to include findings regarding fiscal oversight actions that were or were not taken and may include recommendations for an appropriate legislative response to improve fiscal oversight of school districts.

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

On July 23, 2009, Senate Bill (SB) 130 (Denham, co-author Assembly Member Caballero) was signed into law, authorizing the appointment of a state administrator and providing a $13 million emergency state loan or line of credit to the King City Joint Union High School District (later renamed the South Monterey County Joint Union High School District). This insolvency occurred after several years of financial struggles that were punctuated by significant issues related primarily to collective bargaining. At the core of the district's struggles was a difference in interpretation of a signed and approved collective bargaining agreement that was negotiated in 2007. After a series of attempts to solve the dispute, the case was forwarded to the Public Employee Relations Board (PERB) to adjudicate. As a result of PERB's final decision, the district found itself in severe financial distress, which eventually led to fiscal insolvency. Had the PERB decision not reversed the district's position on the collective bargaining issue, the district might have remained solvent, although the county office had communicated fiscal issues and concerns related to the cost of total compensation for all staff prior to the declaration of insolvency.

County Office Evaluation Guidelines

FCMAT entered into a study agreement with the Monterey County Office of Education on February 15, 2020 for both the initial and annual evaluations required by Education Code Section 41326(l). A study team visited the county office on March 9, 2020 for the initial evaluation, on October 20, 2021 for the first annual evaluation, and on January 19, 2023 for the current evaluation, 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 and actions related to the annual 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, 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:

Michelle Giacomini
FCMAT Deputy Executive Officer

Nicolas Schweizer
FCMAT Consultant

Misty Key
FCMAT Consultant

Sheldon Smith
FCMAT Consultant

John Lotze
FCMAT Technical Writer

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

County Office Evaluation Tool

The Fiscal Crisis and Management Assistance Team (FCMAT) has developed the County Office Evaluation Tool (COET) for the initial and annual evaluations to help assess the effectiveness of a county superintendent of schools' fiscal oversight and support of school districts that have received an emergency apportionment.

The annual COET includes 12 questions and is intended to satisfy the requirements of Education Code Section 41326(l) for review and assessment of the county superintendent of schools' fiscal oversight and support related to a school district's recovery. The tool is focused on the status of the district's recovery, the continuing implementation of the long-range recovery plan (LRRP), the role of the administrator or trustee, the multiyear financial projection, and how the county superintendent is addressing elements that received an answer of "No" in the initial evaluation. FCMAT used the annual COET during interviews with multiple staff from both the district and the county office, and the trustee.

The COET identifies the key review elements performed by the county superintendent of schools in its fiscal oversight and support of the district and their ability to communicate effectively with the trustee, district staff and board. FCMAT also gathered information through an initial document request before the on-site interviews. The FCMAT team's conclusions are compiled in the report as a narrative, with recommendations noted as appropriate. In addition, the team addressed questions related to the overall implementation of Education Code Section 41326(l) and made recommendations to support that process, including a restatement of the specific roles and responsibilities of the trustee.

The county superintendent of schools' objective, supported by the trustee and other components of a recovery team (FCMAT, the California Department of Education and SBE), is to facilitate the full recovery and address the major elements of the LRRP of the South Monterey County Joint Union High School District so that it can govern independently, maintain solvency, and effectively support the education of all students.

County Office Name: Monterey County Office of Education

Date of Fieldwork: January 19, 2023

Summary

The Monterey County Superintendent of Schools provides fiscal oversight to all the county's school districts as a result of the original AB 1200 legislation, which was signed into law in 1991 and is expressed in Article 2, Chapter 6 of Part 24 of the California Education Code, starting with Section 42120 and/or Section 1240(b).

During the initial 41326(l) evaluation, FCMAT assessed the county superintendent of schools' involvement with the district during its normal oversight responsibilities and specifically during the period that led to the district's declaration of insolvency and beyond, up to and including the date of the evaluation. To do so, FCMAT reviewed documents prepared by county office staff and asked a series of questions relating to the time leading up to the insolvency in addition to reviewing oversight practices employed by the county office.

The annual evaluation focuses on the status of the district's recovery, whether the district has made progress since the last review, and how effectively the county superintendent of schools supports the district's staff, board, and trustee in that process. In addition, the annual review evaluates any area from the initial review listed as a "No" on the tool and determines if those issues continue to be addressed.

The team's findings indicate the county superintendent of schools is effective in supporting the full recovery of the district within the guidelines in the California Education Code and the findings and recommendations in the LRRP. Since FCMAT's last visit, the county superintendent of schools has further increased its engagement with the district, and the Comprehensive Review and Recovery Plan has become the guiding document and measurement tool for the district's recovery. In addition to its normal oversight responsibilities and duty to oversee the district's implementation of the LRRP, the county superintendent of schools has assigned a lead county office staff member to each of their district counterparts for additional support, organized around the five comprehensive plan areas. The county superintendent also clarified the county trustee's role and interaction with the school district so that the trustee can interface with district staff and the board on all aspects of district operational improvement. There is significant communication between the district and the county superintendent of schools, which provides direction to the district while monitoring its progress. The county superintendent is requiring the district to perform a self-evaluation, and the county superintendent's office has developed a spreadsheet for each area of the comprehensive review for the district to complete, itemizing the actions district staff have taken and providing evidence to demonstrate progress. The self-evaluation and spreadsheet will become a focal point in the meetings between the county superintendent and the district as the district begins to use the tool more effectively.

FCMAT found that communication among the county superintendent of schools, county office staff and county trustee in the current model of oversight was timely and consistent with a focus on district recovery.

Concerns remain about providing programs and services for students at the expense of a conservative budget mindset. The high turnover of the district superintendent position has created an unstable environment, causing a lack of progress on increasing student academic achievement and creating a leadership void, resulting in inadequate support to meet the needs of all students. Because the indicators of student performance continue to demonstrate a need for improvement, the county superintendent of schools should ensure that the district focuses on increasing services to students while maintaining a balanced budget, and that it invests in multiple leadership positions to lead its instructional programs and increase student achievement.

The following section of this report focuses on FCMAT's implementation of the annual COET, including general findings and, in some cases, recommendations for improvement. All the areas assessed are listed below with an associated narrative. If a deficiency in the area is material, it is noted in the narrative.

Findings

1. **Was the Long-Range Recovery Plan (LRRP) developed by the administrator within the statutory timelines? Alternatively, has the county office of education (COE) adopted the FCMAT comprehensive review in lieu of the LRRP? Have the plans been consistently updated by the trustee and/or COE?**

   The district uses the FCMAT Comprehensive Review in lieu of an LRRP.

   The county superintendent of schools indicated that a process similar to Western Association of Schools and Colleges (WASC) accreditation is being used that includes district self-evaluations and requires the district to demonstrate evidence of progress on the comprehensive review standards. Although the district has plans to address deficiencies identified in the comprehensive review and has developed a District Recovery Plan to reflect their action, it has failed to keep the plan updated. This is in part due to turnover in the district superintendent position over the last year. In addition, the district's governing board has not made implementation of the plans a priority. Although the board is given updates at board meetings through the district superintendent's Recovery Plan Update, more attention and accountability is needed.

   The trustee should report the district's progress toward implementing the outstanding findings and recommendations in the LRRP to the county superintendent and other interested parties at least annually. The District Recovery Plan could be used to support the report if the plan is maintained. FCMAT could then use the trustee's annual report in subsequent annual evaluations to help assess progress related to the district's recovery.

2. **What role has the COE played in supporting the district with the Long-Range Recovery Plan?**

   The county superintendent of schools' office has continued its monthly meetings with district staff and the trustee to track progress in addressing deficiencies identified in the comprehensive review and to support the district. Since FCMAT's last visit, the county superintendent of schools has implemented a number of strategies that engender engagement and communication with the school district. Primary to the increased engagement is the county superintendent assigning county superintendent personnel to the district. The county superintendent assigned a lead county office staff member to each of their district counterparts, organized around the five comprehensive plan areas, with a directive to meet at least monthly with them. The county superintendent also clarified the county trustee's role and interaction with the school district so the trustee can communicate with district staff and the board on all aspects of operational improvement, not exclusively finance. In addition, the district superintendent now has a standing Recovery Plan Update item on each board of trustees meeting agenda.

   The area of greatest need for the district is to increase student achievement. Despite the county superintendent's support, the lack of a permanent district superintendent has hampered the progress being made in this area.

   These initiatives by the county superintendent have increased interaction with the district, helped district recovery, and increased trust among the parties. The interviews revealed that more frequent and systematic interaction with the district (including instructional) helps district staff focus on recovery throughout the year rather than only when an oversight visit is impending.

3. What process has the COE used to monitor the progress of implementing the LRRP or the FCMAT Comprehensive Review for the district?

There is regular, ongoing communication between the district and the county superintendent of schools that provides direction to the district while also monitoring its progress, including monthly meetings between the county superintendent of schools and key staff, as well as meetings between the trustee and the district superintendent. The county superintendent is requiring the district to perform a self-evaluation, and the spreadsheets that the county superintendent's office has developed for each area of the comprehensive review are designed for the district to itemize evidence and the actions that district staff have taken to address the deficiencies to demonstrate progress. This information will become more of a focus in the meetings as the district begins to use the self-evaluation more effectively. The county superintendent of schools is creating and implementing processes that support the use of the most recent comprehensive review as the measuring tool and guidance mechanism. The county superintendent has set up systems and processes with checklists and files to maintain progress checks and documentation to follow the district and ensure detailed monitoring is occurring and progress is being made toward financial recovery.

4. What role has the trustee played in maintaining the financial recovery plan in cooperation with the COE?

Since FCMAT's last visit, the trustee has greater access to all operational areas of the district, not just finance, so that he can assess the needs in all five operational areas of the comprehensive review, monitor all district operations, and support the continuing focus on long-term recovery. The trustee has been included in all governing board closed sessions and can provide input and support through the discussions and meetings he attends. The district staff and governing board understand the trustee's role and are supportive of his involvement in all district operations and as the point of contact with the county superintendent of schools. The trustee did not use stay or rescind authority in the last year. The comprehensive review is now on the monthly board agendas.

The trustee plans to use FCMAT's Fiscal Health Risk Analysis (FHRA) tool to guide his work with the district. Using the FHRA will provide actionable areas to monitor and report to the district's business services department as well as to the county superintendent of schools to focus on in their daily oversight of the district.

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

The district's budget is sound. At 2022-23 first interim, in addition to fund designations for capital outlay and other district priorities, it includes budget surpluses, a large unrestricted fund balance of $10,673,048, and a reserve for economic uncertainties of 10.62% of general fund expenditures, which is well in excess of the minimum requirement of 3%. The district has a positive financial certification. Because of its role related to fiscal oversight, the county office monitors the levels of fund balance to ensure that services to students are fully supported and that the district is meeting its goals, objectives and actions in its Local Control and Accountability Plan (LCAP) to support improved student outcomes and achievement.

However, the district is not investing as heavily in programs and services for students as it could to increase academic achievement. The lack of stable leadership has hindered progress on the district's student outcomes. It is recommended the district invest in several high-level administrator positions to lead and increase the focus on academic achievement, with the goal of stable leadership to make progress on increasing outcomes for students.

6. What process does the COE use to assess cash flow?

The county superintendent's staff monitors cash balances daily, and reviews district cash flow projections and balances cash monthly for all districts. Given the district's significant fund balance, cash flow is not an issue.

The Monterey County treasurer collects school dollars using a process in which schools can be negative in cash if the fund supporting those dollars is in a positive position.

7. Has the COE fulfilled all of the statutory requirements for fiscal oversight in accordance with all applicable sections of the Education Code?

The county office continues to fulfill all the statutory requirements for fiscal oversight in accordance with the applicable Education Code sections. In performing standard AB 1200/AB 2756 oversight functions, the county superintendent has demonstrated that its process and procedures are at or above industry standard among the 57 other county offices of education.

8. Has the COE performed timely evaluations of the trustee?

The trustee was evaluated in May 2022. The growth goals set by the county superintendent of schools are specific: use the FHRA and create a tool to monitor district recovery plan progress as well as be more involved in staff training.

The tool being used is a standard evaluation tool and easy to follow. Including the FHRA is a good example of the concept that work that is measured gets accomplished. The FHRA provides direction to the trustee to examine functions and processes that if not followed could result in risk to the district's fiscal health.

9. Is the trustee present at board meetings and closed sessions? Has the trustee used stay or rescind authority and, if so, regarding what issue?

The trustee is present at all board meetings and closed sessions.

The trustee has a good working relationship with the district board, district administration, and county superintendent of schools. Consequently, the trustee can provide direction and insight early in the decision making process to help prevent issues that would require the use of stay or rescind authority. Stay or rescind authority is typically used when a district's board or its staff have not cooperated with the trustee's direction or have approved actions that are not in the district's operational or fiscal best interests. The trustee has not had to use stay or rescind authority since FCMAT's last visit, which indicates the effectiveness of the trustee and the willingness of the district's board and superintendent to exit from receivership.

10. What is the status of the district's recovery?

The district's financial and personnel management processes are strong and continue to evolve. The district, trustee, and county superintendent of schools all acknowledge that the district has not effectively addressed its low pupil achievement.

The county superintendent of schools has clearly organized district oversight in the five interrelated areas that caused the receivership and has fostered open communication with the district in each of these areas. The district continues to be well positioned financially, and fund balance and reserves are at more than the minimums. The district has processes for projecting revenues, average daily attendance, and expenditures. If the district's governing board continues to follow the chief business official's recommendations regarding fiscal matters and collective bargaining affordability, the district's fiscal status should remain positive and strong.

Concerns remain about providing programs and services for students at the expense of a conservative budget mindset. The high turnover in the district superintendent position has created an unstable environment, creating a leadership void and causing a lack of progress on increasing student academic achievement. This has resulted in inadequate support to meet the needs of all students. Because the indicators of student performance continue to demonstrate a need for improvement, the district should focus on increasing services to students while maintaining a balanced budget. The district should invest in multiple leadership positions to lead its instructional programs and increase student achievement.

11. On or before October 31, has the governing board of the school district prepared a report on the financial condition of the school district, which the trustee has reviewed and the county superintendent of schools has subsequently received a copy of? (Education Code Section 41321).

The district completed a report, which was reviewed by the trustee and subsequently received by the county superintendent of schools. FCMAT provided a sample of a report for future reference, which the district and county superintendent will use for future reporting.

12. How has the county office addressed elements in the initial review that were designated as a "No" and were included in the final report?

County superintendent of schools staff have continued to ensure that the areas identified as deficiencies in the initial review continue to be addressed in the fiscal review checklists and oversight documents. Internal procedures and areas of focus were modified after FCMAT's last visit, which resulted in increased engagement with the school district.

General Conclusions and Recommendations

The Monterey County Superintendent of Schools is leading a focused effort to support the district in achieving long-term financial solvency and has increased its focus, attention, and efforts since FCMAT’s last annual visit. A process has been clearly articulated for the district to monitor and support implementation of actions to address deficiencies identified in the comprehensive review. The district’s financial condition has remained sound. Unfortunately, the district has struggled with stable leadership and has experienced high turnover in the superintendent position. This has unintended consequences, including a lack of improved academic achievement.

Because of this, the county superintendent of schools should:

1. Continue to implement its process to support and monitor the district's implementation of the comprehensive review.
2. Focus the district on improving pupil achievement.
3. Support the district in its process to recruit, hire and retain a qualified permanent superintendent.
4. Encourage the district to invest in multiple instructional leaders: one to oversee policy and governance and others to manage instructional practices, improve student academic achievement, and increase outcomes for students.
5. Request that the trustee report the district’s progress toward implementing the outstanding findings and recommendations in the comprehensive review to the county superintendent and other interested parties at least annually.
6. Request that the trustee use FCMAT’s FHRA tool to guide his work with the district.

The transition from state to county administration due to changes in law (AB 1840) is continuing to evolve. In part, the purpose of these annual evaluations is to clarify the roles and responsibilities of all the concerned and involved parties so that they can assist and support the district’s recovery and thereby appropriately focus the organization on providing the best and most equitable educational experience for every child. This report attempts to assess the district’s recovery status and the essential support provided by the county superintendent’s office and establish a baseline for the next annual evaluation, which will occur approximately one year from the publication of this report.

Appendices

Appendix A: Trustee Roles and Responsibilities

Appendix B: Study Agreement

Appendix A: Trustee Roles and Responsibilities

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Trustee

Roles and Responsibilities

Acceptance by a district of an emergency state apportionment made pursuant to Section 41320 constitutes an agreement by the district that a trustee will be appointed to ensure the district's fiscal recovery and solvency per Education Code Section 41320.1. The trustee shall be appointed jointly by the county superintendent, the Superintendent of Public Instruction (SPI), and the president of the State Board of Education. The trustee should have recognized expertise in management and finance, shall report directly to the county superintendent, and shall serve until the district has adequate fiscal systems and controls in place and the SPI has determined that the district's future compliance with the fiscal plan approved for the district pursuant to Section 41320 is probable.

The trustee shall monitor and review the operations of the district, and shall perform the following functions:

1. Serve in a fiscal oversight capacity until the district has adequate fiscal systems and controls in place, and future compliance with the approved recovery plan is probable.

2. Provide advice and make recommendations to district staff and governing board members regarding budgetary, fiscal, or other issues that may affect the financial condition of the district.

3. Attend all meetings of the governing board and review all governing board materials prior to each board meeting to determine if any items or intended action will have a negative fiscal impact on the district's financial condition.

4. Stay or rescind an action of the governing board of the district or of the personnel commission where, in the judgment of the trustee, the action may adversely affect the financial condition of the district or be contrary to the district's approved recovery plan.

5. Notify the county superintendent of schools when a stay or rescind of a governing board decision is made. The county superintendent then shall notify the Superintendent and the president of the state board or his or her designee within five business days.

6. Monitor the financial projections and cash balances of all district funds for the current and two subsequent fiscal years, and, if necessary, assist district staff in preparing these projections.

7. Monitor all collective bargaining activity and review all proposals being considered, including the resulting fiscal impact.

1/17/2022

8. Regularly meet with the district superintendent and chief business officer to obtain updates on the district's efforts to reduce expenditures or enhance revenues.

9. Assist the county superintendent with establishing timelines and prescribing formats for reports and other materials to be used to monitor and review the operations of the district.

10. Communicate openly and timely with the county superintendent, district staff, governing board, and community, and promptly inform the county superintendent of critical issues or incidents.

11. Review and approve the district's required annual report of the financial condition of the district, including all of the following information:

    (1) Specific actions taken to reduce expenditures or increase income, and the cost savings and increased income resulting from those actions, to ensure the revisions are consistent with the district's needs and recovery plan.
    (2) The adopted budget for the current fiscal year.
    (3) Reserves for economic uncertainties.
    (4) Status of employee contracts.
    (5) Obstacles to the implementation of the adopted recovery plan.

12. Using the Fiscal Crisis and Management Assistance Team's (FCMAT's) Fiscal Health Risk Analysis, annually evaluate the district's risk of insolvency in the current and two subsequent fiscal years and communicate findings to the county superintendent.

13. Determine, with concurrence from the county superintendent and SPI, that future compliance by the district with the approved recovery plan is probable so that the district can meet its future financial obligations.

14. Provide regular updates to the county superintendent regarding the progress of the district toward fiscal stability.

15. Consult with, and seek recommendations from, the county superintendent, the SPI, and FCMAT in ensuring the fiscal recovery and solvency of the district.

16. With approval from the county superintendent, the SPI, and the president of the state board, retain the authority and responsibilities of an administrator, as set forth in Education Code Section 41325.

17. Assist in related matters as needed regarding the district's fiscal recovery and solvency, in accordance with Education Code Sections 41320.1, 41321, and 41322.

18. Review the financial and budgetary conditions of the district, including an analysis of internal controls, and determine if it may be unable to meet its financial obligations for the current or two subsequent fiscal years, or should receive a qualified or negative interim financial certification.

19. Meet with appropriate district staff, as needed, to assess fiscal health, organizational structure and staffing, effectiveness of internal controls, and other related concerns.

1/17/2022

20. Consult with the governing board on fiscal and budgetary matters, facilities projects, debt obligations and other operational areas, as needed.

21. Provide recommendations for improvements in district processes related to the budget, including position control, areas for cost containment, reducing unrestricted contributions from the general fund, etc.

22. Confirm that the district conducts its business operations in compliance with statutory requirements and within acceptable legal and professional standards.

23. Advise county superintendent regarding potential action to improve or protect the fiscal solvency of the district.

24. Provide additional support, technical assistance, professional learning, and advice outlined in the five operational areas defined by Education Code Section 41327.1 in the Long Range Recovery Plan (LRRP). Focus on assisting the district in addressing recommendations identified in the LRRP to support maintaining future solvency, organizational effectiveness and recovery. Report annually to the county superintendent regarding the progress made by the district in implementing LRRP.

Related Education Code Sections: 41320, 41320.1, 41322

1/17/2022

Appendix B: Study Agreement

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
February 4, 2020

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Monterey County Office of Education, hereinafter referred to as the COE, mutually agree as follows:

1. **BASIS OF AGREEMENT**

The team provides a variety of services to local education agencies (LEAs). In accordance with Education Code Section 41326(1), the team has been assigned to review the fiscal oversight performed by the COE specific to the district receiving an emergency apportionment. The team may include staff from FCMAT, county offices of education, the California Department of Education, or private contractors. All work shall be performed in accordance with the terms, standards and conditions of this agreement.

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. The county superintendent will receive a copy of the final report. The final report will also be published on the FCMAT website.

2. **SCOPE OF THE WORK**

A. Scope and Objectives of the Study

Prepare an initial analysis of the county office fiscal oversight provided to the South Monterey County Joint Union High School District using FCMAT's County Office 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 COE to brief COE management and supervisory personnel on the team's procedures and the purpose and schedule of the study.
2. On-site Review – The team will conduct an on-site review at the COE office and at the South Monterey County Joint Union High School District if necessary.
3. Draft Report – Electronic copies of a draft report will be delivered to the county superintendent for review and comment.

1

4. Final Report – Electronic copies of the final report will be delivered to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.

3. **PROJECT PERSONNEL**

The FCMAT study team will include:

A. Joel Montero	***FCMAT Retired CEO***
B. Nick Schweizer	***FCMAT Consultant***
C. Sheldon Smith	***FCMAT Consultant***
D. Misty Key	***FCMAT Consultant***

Other equally qualified staff or consultants will be substituted in the event one of the above individuals is unable to participate in the study.

4. **PROJECT COSTS**

Pursuant to Education Code 41326(1) , costs for the study shall be as follows:

A. All staff member and consultant daily rates and expenses will be covered by FCMAT's state apportionment.

B. **Based on the elements noted in section 2A, the total cost of the services is $0.**

5. **RESPONSIBILITIES OF THE COE**

A. The COE will provide office and conference room space during on-site reviews.

B. The COE will provide the following items:

1. Current or proposed detailed organizational charts.
2. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the COE and sent to FCMAT in electronic format.
3. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the COE will upload all requested documents.

C. The county superintendent will review a draft copy of the report resulting from the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report. All such comments should be provided to the team within five working days after receipt of the draft.

Pursuant to Education Code (EC) 45125.1(c), representatives of FCMAT will have limited contact with pupils. The COE shall take appropriate steps to comply with EC 45125.1(c).

6. **PROJECT SCHEDULE**

Fieldwork will occur March 9, 2020.

7. **COMMENCEMENT AND COMPLETION OF WORK**

The FCMAT team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the COE and any other 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 draft report and a final report. The COE understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the COE shall not request that it do so.

8. **INDEPENDENT CONTRACTOR**

FCMAT is an independent contractor and is not an employee or engaged in any manner with the COE. 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 COE in any manner without prior express written authorization from an officer of the COE.

9. **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 COE, automobile liability insurance in the amount required under California state law, and workers' compensation as required under California state law. FCMAT shall provide certificates of insurance, with Monterey County Office of Education named as additional insured, indicating applicable insurance coverages upon request prior to the commencement of on-site work.

10. **HOLD HARMLESS**

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

3

shall hold FCMAT, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement.

11. CONTACT PERSON

Name: Dr. Deneen Guss
Telephone: (831) 755-0300
E-Mail: superintendent@montereycoe.org

Deneen Guss 2-6-2020

Dr. Deneen Guss, County Superintendent Date
Monterey COE

February 4, 2020

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

4