

Fiscal Health Risk Analysis

March 17, 2026



Pleasanton Unified School District

Michael H. Fine
Chief Executive Officer

March 17, 2026

Maurice Ghysels, Superintendent
Pleasanton Unified School District
5758 W. Las Positas Blvd
Pleasanton, CA 94588

Dear Superintendent Ghysels:

In December 2025, the Pleasanton Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a FCMAT Fiscal Health Risk Analysis of the district.

The agreement stated that FCMAT would perform the following:

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

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

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

Sincerely,



Michael H. Fine
Chief Executive Officer

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About FCMAT

Purpose and Services

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

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

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

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

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

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

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

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

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

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

History

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

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

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

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

Introduction

Background

The Pleasanton Unified School District serves 13,020 students in grades transitional kindergarten (TK) through 12 and is in Alameda County, which is in the East Bay area of California. The district has 17 schools: one preschool, nine elementary schools, three middle schools, three high schools and one TK-12 virtual academy.

In 2024-25, the district reported an unduplicated pupil count of 16.32%. Unduplicated pupils comprise English learners, foster youth, and students who qualify for free or reduced-price meals. Less than 9% of the district's students are English learners.

The district is governed by a board consisting of five elected members and one student member.

The district has been deficit spending from its unrestricted general fund for the past four years and has a reserve of approximately 2.02% as of the 2025-26 first interim budget report. The statutory minimum reserve for the district is 3% of total general fund expenditures and uses, or approximately \$6.8 million. The district submitted a negative budget certification for first interim 2025-26 because of its inability to meet the statutory minimum reserve requirement for the current and two subsequent years. The Alameda County superintendent of schools concurred with the district's self-certification.

The district is on the same financial accounting system as the county office of education. Because of the district's negative certification and the county superintendent's concurrence with it, the county office offered the support of a fiscal expert to help the district address deficit spending and return its reserves to a level that meets the statutory requirement.

FCMAT performed a fiscal health risk analysis to determine the district's level of risk of insolvency, using the financial data from the first interim report for 2025-26 as the basis for the analysis.

Fiscal Health Risk Analysis Guidelines

FCMAT entered into a study agreement with the Pleasanton Unified School District on December 19, 2025, and a study team visited the district on February 3-5, 2026 to conduct interviews, collect data and review documents. After the fieldwork, the study team continued to analyze the gathered documents and data. This report summarizes the team's findings and conclusions from those activities.

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

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

Study Team

The team was composed of the following members:

Tami Montero
Chief Analyst

Elizabeth Dearstyne
Intervention Specialist

John Lotze
FCMAT Technical Writer

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

Fiscal Health Risk Analysis

For TK-12 School Districts

Date(s) of fieldwork: February 3-5, 2026

School District: Pleasanton Unified School District

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Summary

Over the past year, the Pleasanton Unified School District has faced significant fiscal challenges driven by structural deficits, declining enrollment, rising personnel costs, rising special education costs, and the expiration of one-time funding sources. The district has taken substantial corrective actions to stabilize its financial position, but fiscal pressure remains ongoing.

The district's board of trustees identified and approved approximately \$11.2 million in budget reductions for the 2026-7 fiscal year. Cost-saving measures include reductions to school and department budgets, adjustments to administrative workdays, position reclassifications, reductions in specialist and support positions, and operational efficiencies. These reductions have been included in the 2025-26 first interim budget. The district's total general fund budget is \$220 million, making the necessary reductions equivalent to almost 5% of the total budgeted expenditures. If the district board and administration fail to fully implement the \$11.2 million in reductions, the district will be heading toward insolvency.

Approximately \$11 million from the sale of district property on Vineyard Avenue was transferred into reserves. Although this transfer increases short-term liquidity, these funds are one-time in nature and do not resolve the budget's structural imbalances. Without the inclusion of these funds in the reserve calculation, the district would have an unrestricted ending fund balance of negative \$2.5 million. The district will need to implement the reductions mentioned above to remain solvent, as this one-time infusion of cash will not remedy its ongoing structural imbalance.

This fiscal health risk analysis indicates that the areas of highest fiscal risk for the district are fund balance and reserve for economic uncertainties, leadership and stability, and position control. Following is a summary of concerns about each area.

Fund Balance and Reserve for Economic Uncertainties

Because of deficit spending that depleted reserves, the district projected it would be unable to meet the statutory minimum reserve requirement in the two subsequent years. If the district does not implement budget reductions, it will remain unable to meet the statutory minimum reserve requirement.

Leadership and Stability

The district has had turnover in the superintendent position in the last two years, and it has not provided training on budget and governance for its board at least every two years.

Position Control

The district does not account for non-positional costs in position control, such as substitute, overtime and stipend costs. During development of its original 2024-25 budget, an error occurred that omitted the non-positional costs. Because the district does not regularly reconcile position control with budget and payroll (see item 19.3), the error went undetected until 2024-25 estimated actuals were prepared and also affected the 2025-26 budget once the non-positional costs were included. The impact of these adjustments resulted in approximately \$5 million in deficit spending in both 2024-25 and 2025-26.

District Progress To Date

The district is addressing its structural fiscal imbalance by making significant budget reductions, working to better manage cash, and exploring new revenue sources. Although recent actions improve short-term stability, long-term fiscal sustainability will likely depend on continued diligence in expenditure controls, enrollment stabilization, and/or securing additional recurring revenue.

The district remains under fiscal pressure but has taken substantial corrective steps to restore financial stability over the next budget cycle. Implementing the \$11.2 million expenditure reduction plan adopted by the board will be essential to the district's recovery.

District Fiscal Solvency Risk Level: High

About the Analysis

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

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

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

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

Areas of High Risk

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

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

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

Material Weakness Questions

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

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

Score Breakdown by Section

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

1.	Annual Independent Audit Report	0.0%
2.	Budget Development and Adoption	2.1%
3.	Budget Monitoring and Updates	1.0%
4.	Cash Management	1.0%
5.	Charter Schools	0.2%
6.	Collective Bargaining Agreements	2.1%
7.	Contributions and Transfers	1.0%
8.	Deficit Spending (Unrestricted General Fund)	2.5%
9.	Employee Benefits	0.6%
10.	Enrollment and Attendance	1.6%
11.	Facilities	0.0%
12.	Fund Balance and Reserve for Economic Uncertainty	2.9%
13.	General Fund - Current Year	2.7%
14.	Information Systems and Data Management	0.0%
15.	Internal Controls and Fraud Prevention	1.4%
16.	Leadership and Stability	3.1%
17.	Multiyear Projections	0.0%
18.	Non-Voter-Approved Debt and Risk Management	0.6%
19.	Position Control	2.9%
20.	Special Education	0.0%
Score		25.7%

Fiscal Health Risk Analysis Questions

1. Annual Independent Audit Report

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

2. Budget Development and Adoption

	Yes	No	N/A
2.1 Does the district develop and use written budget assumptions and multiyear projections that are reasonable, are aligned with the county superintendent of schools' instructions, and have been clearly articulated?	✓	☐	☐
2.2 Does the district use a budget development method other than a prior-year rollover budget and if so, does that method include tasks such as reviewing prior year estimated actuals by major object code and removing one-time revenues and expenses?	✓	☐	☐
2.3 Does the district use position control data for budget development?	✓	☐	☐
2.4 Does the district calculate its Local Control Funding Formula (LCFF) revenue correctly? . . .	✓	☐	☐
2.5 Has the district's budget been approved unconditionally by September 15th by the county superintendent of schools in the current and two prior fiscal years?	☐	✓	☐
The district's 2024-25 budget received conditional approval, pending adjustments for declining enrollment and budget balancing solutions.			
2.6 Does the budget development process include input from staff, administrators, the governing board, the community, and the budget advisory committee (if there is one)? . . .	✓	☐	☐
2.7 Does the district budget and expend restricted funds before unrestricted funds?	☐	✓	☐

The combined unrestricted and restricted ending fund balance has decreased from more than \$30 million in 2021-22 to approximately \$12 million in 2024-25, while the restricted balance has remained at approximately \$10 million during that entire time. In contrast, the unrestricted general fund ending balance was approximately \$20 million in 2021-22 but decreased significantly to \$2.5 million in 2024-25.

A district that spends restricted funds before unrestricted funds will maintain a stable restricted ending fund balance that does not increase over time as a percentage of the total ending fund balance. In contrast, the percentage of the district's total ending fund balance that is restricted funds has increased over the last four years, likely because unrestricted funds had to be expended to balance the budget.

Table 1: Percentage of Total Ending Fund Balance That is Restricted Funds, 2021-2025.

Fiscal Year	Restricted % of Ending Fund Balance
2021-22	33%
2022-23	41%
2023-24	60%
2024-25	80%

Source: Pleasanton Unified School District Unaudited Actuals

- 2.8** Have the district's Local Control and Accountability Plan (LCAP) and budget been adopted within the statutory timelines established by EC 42103 and filed with the county superintendent of schools no later than five days after adoption or by July 1, whichever occurs first, for the current and prior fiscal year? ✓ ☐ ☐
- 2.9** Has the district refrained from including carryover funds in its adopted budget? ✓ ☐ ☐
- 2.10** Other than objects in the 5700s and 7300s, does the district avoid using negative expense or contra expenditure accounts in its budget? ✓ ☐ ☐
- 2.11** Does the district have and follow a documented standard procedure for evaluating both the proposed acceptance of grants and other restricted funds and the potential multiyear impact on the district's unrestricted general fund? ☐ ✓ ☐
- The district does not have a form or procedure for evaluating either the proposed acceptance of grants and other restricted funds or their potential multiyear impact on its unrestricted general fund.
- 2.12** Does the district adhere to a budget calendar that includes statutory due dates, major budget development tasks and deadlines, and the staff members and departments responsible for completing them? ✓ ☐ ☐

3. Budget Monitoring and Updates

- | | Yes | No | N/A |
|---|--------------------------|--------------------------|-----|
| 3.1 Are actual revenues and expenses consistent with the most current budget? ✓ | ☐ | ☐ | |
| 3.2 Are budget revisions posted in the financial system at each interim reporting period, at a minimum? ✓ | ☐ | ☐ | |
| 3.3 Are clearly written and articulated budget assumptions that support budget revisions communicated to the board at each interim reporting period, at a minimum? ✓ | ☐ | ☐ | |
| 3.4 Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with EC 42142? ✓ | ☐ | ☐ | |
| 3.5 Do the district's responses fully explain the variances identified in the <u>SACS Criteria and Standards Review form</u> ? ✓ | ☐ | ☐ | |
| 3.6 Has the district addressed any deficiencies the county superintendent of schools has identified in its oversight letters to the district in the most recent and two prior fiscal years? ☐ | ✓ | ☐ | |

During the district's 2024-25 budget adoption period, the county superintendent

identified deficiencies related to low reserves. At 2024-25 first interim, the county superintendent noted that more reductions were needed, that the district used a higher cost-of-living adjustment (COLA) than provided for in its funding, and expressed concerns about enrollment assumptions that were higher than what may occur. The district is working on these concerns but has not yet addressed them fully.

- | | | | | |
|-----|--|---|--------------------------|--------------------------|
| 3.7 | Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure? | ✓ | ☐ | ☐ |
| 3.8 | Does the district encumber funds for salaries and benefits and adjust those encumbrances as needed? | ✓ | ☐ | ☐ |
| 3.9 | For the most recent and two prior fiscal years, have the district's interim financial reports and unaudited actuals been adopted and filed with the county superintendent of schools within the timelines established in Education Code? | ✓ | ☐ | ☐ |

4. Cash Management

- | | Yes | No | N/A |
|--|--------------------------|--------------------------|--------------------------|
| 4.1 Are accounts held by the county treasurer reconciled with the district's and county office of education's (COE) reports monthly? | ✓ | ☐ | ☐ |
| 4.2 Does the district reconcile all bank (cash and cash equivalent) accounts with each statement in a timely manner? | ✓ | ☐ | ☐ |
| 4.3 Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known? | ☐ | ✓ | ☐ |
| The district did not forecast beyond the current year at the time of 2025-26 first interim reporting. | | | |
| 4.4 If the district's cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to meet its cash flow needs for the current and subsequent year? | ☐ | ☐ | ✓ |
| 4.5 Does the district have sufficient cash resources in its other funds to support its current and projected obligations in those funds? | ✓ | ☐ | ☐ |
| 4.6 If the district uses interfund borrowing, is it complying with EC 42603? | ✓ | ☐ | ☐ |
| 4.7 If the district is managing cash in any fund(s) through external borrowing, does the district's cash flow projection include repayment based on the terms of the loan agreement? | ✓ | ☐ | ☐ |

5. Charter Schools

- | | Yes | No | N/A |
|--|--------------------------|--------------------------|--------------------------|
| 5.1 Does the district have a board policy, memorandum of understanding (MOU), or other written document(s) regarding charter oversight? | ☐ | ✓ | ☐ |
| Although the district has not authorized any charter schools, FCMAT recommends that governing boards have a policy in place in case a charter school petition is submitted rather than wait until a charter school petition is received. | | | |
| 5.2 Has the district fulfilled, and does it have evidence showing fulfillment of, its oversight responsibilities in accordance with EC 47604.32? | ☐ | ☐ | ✓ |
| 5.3 Are all charters authorized by the district going concerns and not in fiscal distress? | ☐ | ☐ | ✓ |

- 5.4** Has the district identified specific employees in its various departments (e.g., human resources, business, instructional, and others) to be responsible for oversight of all approved charter schools? ☐ ☐ ✓
- 5.5** Does the district monitor charter school audits for timeliness, completeness, and exceptions? ☐ ☐ ✓

6. Collective Bargaining Agreements

- | | Yes | No | N/A |
|---|--------------------------|--------------------------|--------------------------|
| 6.1 Has the district settled with all its bargaining units for the past two fiscal years? | ✓ | ☐ | ☐ |
| 6.2 Has the district settled with all its bargaining units for the current year? | ☐ | ✓ | ☐ |
| At the time of this report, the district has not settled with any bargaining units for the 2025-26 fiscal year. | | | |
| 6.3 Does the district accurately quantify the effects of collective bargaining agreements and include complete disclosure documents that show the impact on its budget and multiyear projections? | ✓ | ☐ | ☐ |
| 6.4 Based on the presettlement analysis, did the district identify related costs or savings, and did it identify ongoing revenue sources or expenditure reductions to support the agreement in the current and subsequent years? | ☐ | ✓ | ☐ |
| The district provided evidence that presettlement analyses were completed for its most recent agreements. However, neither the analyses nor the disclosure documents identified expenditure reductions to ensure the district remains fiscally solvent for the period covered by its multiyear projections. | | | |
| 6.5 In the current and prior two fiscal years, has the total cost of the district's bargaining agreement settlements, including step-and-column increases, been at or under the funded cost-of-living adjustment (COLA)? | ☐ | ✓ | ☐ |
| For salary increases only, according to district-provided documents, the district settled higher than the statutory COLA in 2023-24 but slightly lower than the statutory COLA in 2024-25, as shown in the table below. However, when the 1.12% cost for step-and-column movement is factored in, these agreements often exceed the statutory COLA. | | | |

Table 2. Cost of District Bargaining Agreement Settlements Compared to Statutory COLA

Fiscal Year	Association of Pleasanton Teachers	California School Employees, Pleasanton Chapter 155	Statutory COLA
2023-24	10.00%	10.00%	8.22%
2024-25	1.00%	1.00%	1.07%
2025-26	TBD	TBD	2.30%

Source: District documents.

- 6.6** If settlements have not been reached in the past two years, has the district identified resources to cover the costs of the district's proposal(s)? ☐ ☐ ✓

- | | | | | |
|-----|--|---|--------------------------|--------------------------|
| 6.7 | Did the district comply with public disclosure requirements under Government Codes 3540.2 and 3547.5, and EC 42142? | ✓ | ☐ | ☐ |
| 6.8 | Did the superintendent and CBO certify the public disclosure of collective bargaining agreement before board approval? | ✓ | ☐ | ☐ |
| 6.9 | Is the governing board's action consistent with the superintendent's and CBO's certification? | ✓ | ☐ | ☐ |

7. Contributions and Transfers

- | | Yes | No | N/A |
|-----|---|--------------------------|--------------------------|
| 7.1 | Does the district have an active, board-approved plan to eliminate, reduce or control any contributions/transfers from its unrestricted general fund to other restricted programs and funds? | | |
| | ☐ | ✓ | ☐ |
| | The district makes contributions from its unrestricted general fund to the special education program and as required to the Routine Restricted Maintenance Program. Although the district does not have a board-approved plan to reduce its contribution to the special education program, the district reported that it had an evaluation of its special education program from an outside vendor and that it used the results of the evaluation to help contain special education costs by increasing stipends for hard-to-fill positions, thus reducing costs compared to contracting out these functions. | | |
| 7.2 | If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection sufficient transfers from the unrestricted general fund to cover any projected negative fund balance? | | |
| | ☐ | ☐ | ✓ |
| 7.3 | If any contributions or transfers were required for restricted programs and/or other funds in either of the two prior fiscal years, and there is a need in the current year, did the district budget for them at reasonable levels? | | |
| | ✓ | ☐ | ☐ |

8. Deficit Spending (Unrestricted General Fund)

- | | Yes | No | N/A |
|-----|---|--------------------------|--------------------------|
| 8.1 | Is the district avoiding deficit spending in the current fiscal year? | | |
| | ✓ | ☐ | ☐ |
| 8.2 | Is the district projected to avoid deficit spending in both of the two subsequent fiscal years? | | |
| | ☐ | ✓ | ☐ |
| | The district projects unrestricted general fund deficit spending of \$25,783 and \$1,642,683 in 2026-27 and 2027-28, respectively. This projection assumes the district will implement the planned and board-approved \$11.2 million in expenditure reductions. Failure to implement these reductions will increase these deficits significantly. | | |
| 8.3 | If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency? | | |
| | ☐ | ✓ | ☐ |
| | The administration and board have been proactive in developing a plan that includes backup options in case the primary actions fail; however, the \$11.2 million reduction plan has not been fully implemented yet. | | |
| 8.4 | Has the district decreased deficit spending over the past two fiscal years and is there evidence of this in its unaudited actuals reports? | | |
| | ☐ | ✓ | ☐ |

The district has had severe deficit spending in the past two fiscal years. The unrestricted ending fund balance was \$14,080,577 in 2023-24 but decreased to \$2,479,337 in 2024-25.

9. Employee Benefits

	Yes	No	N/A
9.1 Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board requirements to determine its unfunded liability for other post-employment benefits (OPEB)?	✓	☐	☐
9.2 Does the district have a plan to fund its OPEB liabilities for the current and two subsequent years such that the total of annual required service payments (whether legally or contractually required, or locally defined such as pay-as-you-go premiums, trust agreement obligations or a board adopted commitment) are no greater than 2% of the district's unrestricted general fund revenues?	✓	☐	☐
9.3 Within the last five years, has the district conducted a verification and determination of eligibility for benefits for all active and retired employees and dependents?	☐	✓	☐
The district has not performed a verification in the last five years.			
9.4 Does the district track, reconcile and report employees' compensated leave balances? . . .	✓	☐	☐
9.5 Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?	✓	☐	☐

10. Enrollment and Attendance

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

The district's enrollment has been declining since 2019-20. Table 3 shows this trend.

Table 3: District Enrollment, 2019-20 Through 2025-26

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Enrollment	14,878	14,469	14,084	13,876	13,696	13,338	13,012
% Change	-	-2.75%	-2.66%	-1.48%	-1.30%	-2.61%	-2.44%

Sources: DataQuest for prior years; district 2025-26 first interim report for current year.

10.2 Does the district monitor and analyze enrollment and average daily attendance (ADA) data at least monthly through the second attendance reporting period (P-2)?	✓	☐	☐
10.3 Does the district track historical enrollment and ADA data to project future trends? . . .	✓	☐	☐
10.4 Do schools maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the school and district levels?	✓	☐	☐
10.5 Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable factors?	✓	☐	☐
10.6 Has the district planned for enrollment losses to any charter schools?	☐	✓	☐

The district has not built into its enrollment assumptions any losses to charter schools.

10.7	Do all applicable schools and departments review and verify their respective California Longitudinal Pupil Achievement Data System (CALPADS) data and correct it as needed before the report submission deadlines?	✓	☐	☐
10.8	Has the district certified its CALPADS data (most recent Fall 1, Fall 2, and end-of-year reports) by the required deadlines?	✓	☐	☐
10.9	Does the district follow established board policy to limit outgoing interdistrict transfers and ensure that only students who meet the required qualifications are approved?	✓	☐	☐
10.10	Does the district adhere to the average TK-3 class enrollment limits at each school, the adult-to-student ratio for each TK class, and the credentialing requirements for teachers assigned to TK classes as defined in the Education Code?	✓	☐	☐

11. Facilities

		Yes	No	N/A
11.1	If the district participates in the state's School Facility Program, has it made the required contribution to its Routine Restricted Maintenance Account?	✓	☐	☐
11.2	Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects?	✓	☐	☐
11.3	Does the district properly track and account for facility-related projects?	✓	☐	☐
11.4	Does the district use its facilities fully (districtwide) in accordance with the Office of Public School Construction's loading standards?	✓	☐	☐
11.5	Does the district include facility needs (maintenance, repair, and operating requirements) when adopting a budget?	✓	☐	☐
11.6	Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues?	✓	☐	☐
11.7	If the district passed a Proposition 39 general obligation bond, has it met the requirements for audit, reporting, and a citizens' bond oversight committee?	✓	☐	☐
11.8	Does the district have a board-approved long-range facilities master plan completed within the last five years that reflects its current and projected facility needs?	✓	☐	☐

12. Fund Balance and Reserve for Economic Uncertainties

		Yes	No	N/A
12.1	Is the district able to maintain the minimum reserve for economic uncertainties in the current year (including Fund 01 and Fund 17) as defined by the <u>State Standards and Criteria for Fiscal Solvency</u> ?	☐	✓	☐
	The district is not meeting the minimum reserve requirement in any of the three years in its multiyear projection.			
12.2	Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years?	☐	✓	☐
	The district's statutorily required minimum reserve is 3%. In its 2025-26 first interim report, the district projects that its minimum reserve will be 2.02%, 2.66% and 1.87% in 2025-26, 2026-27 and 2027-28, respectively.			

- 12.3** If the district is not able to maintain the minimum reserve for economic uncertainties, does the district's multiyear projection include a board-approved plan to restore the reserve? ☒ ☐ ☐
- 12.4** Is the district's projected unrestricted fund balance stable or increasing in the two subsequent fiscal years without unsubstantiated revenue increases or expenditure reductions? ☐ ☒ ☐

The district has been diligent in seeking reductions to address the deficit spending that has been eroding its unrestricted ending fund balance. Although the district has developed a plan with multiple options to address the deficit, some components of the plan are not fully detailed at the time of this report. The district is still projecting deficit spending in the current and two subsequent years. This results in a decrease in ending fund balance for the current plus two years, as shown in Table 4 below.

Table 4: District Ending Fund Balance, 2025-26 Through 2027-28

Year	Ending Balance
2025-26	\$8,820,190
2026-27	\$8,794,407
2027-28	\$7,151,724

Source: Pleasanton Unified School District First Interim Multiyear Projection

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

13. General Fund – Current Year

- | | Yes | No | N/A |
|---|--------------------------|-------------------------------------|--------------------------|
| 13.1 Does the district ensure that one-time revenues do not pay for ongoing expenditures? | ☐ | ☒ | ☐ |
| <p>The district's first interim report shows that the Student Support and Professional Development Discretionary Block Grant, which is one-time funding, is being used to offset the unrestricted general fund contribution to special education in the current year. In addition, district interviews indicated the district is using Learning Recovery Emergency Block Grant funding to pay for ongoing costs.</p> <p>The district is also drawing down other post-employment benefit (OPEB) funds to pay for retiree health care costs instead of using money from the unrestricted general fund. The district is drawing down approximately \$2 million in the current year, and drawdowns for 2026-27 and 2027-28 are budgeted at \$1 million each. This funding source is finite, and once depleted the district will need to fund these obligations in another manner.</p> <p>Additionally, district staff reported that the district will need to begin replacing technology infrastructure next year, including updating software licensing for technology installed districtwide and paid for using Measure I1 bond funds. The district's multiyear projections do not account for these upcoming expenditures.</p> | | | |
| 13.2 Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the prior year statewide average? | ☐ | ☒ | ☐ |

According to the district's 2025-26 first interim report, 91.1% of its unrestricted general fund budget is allocated to salaries and benefits. This exceeds the 2023-24 statewide average of 86% for unified school districts (the latest data available).

- 13.3 Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below that of the prior two years?** ☐ ☒ ☐

According to the district's 2025-26 first interim report, salaries and benefits accounted for 92% of the unrestricted general fund in 2024-25 and 90.6% in 2023-24, compared with 91.1% in the current year.

- 13.4 If the district has received any uniform complaints or legal challenges regarding local use of supplemental and concentration grant funding in the current or prior two years, is the district addressing the complaint(s)?** ☒ ☐ ☐

- 13.5 For positions supported with one-time or restricted funding, does the district either ensure that these funds are sufficient to pay for these staff or have a plan to pay for the positions with unrestricted funds?** ☒ ☐ ☐

- 13.6 Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time?** ☒ ☐ ☐

- 13.7 Does the district account for all program costs, including the maximum allowable indirect costs, for each restricted resource and other funds?** ☐ ☒ ☐

The district's 2023-24 and 2024-25 indirect cost rate report from the unaudited actuals shows some programs to which the district did not charge the maximum allowable indirect cost rate. For example, in 2024-25 the district's approved indirect cost rate for Title I, Part A was 6.83%, but the district charged only 3.27%. In addition, staff indicated that indirect costs were not charged until the end of the fiscal year, by which time some grants had already been fully expended. The district is working to correct this practice.

- 13.8 Are all balance sheet accounts in the general ledger reconciled at least at each interim reporting period and at year-end close?** ☐ ☒ ☐

The district does not have a process to reconcile the general ledger at interim reporting periods or year-end closing. In interviews, staff indicated that this is a goal for the business department.

14. Information Systems and Data Management

- | | Yes | No | N/A |
|---|-------------------------------------|--------------------------|-------------------------------------|
| 14.1 Does the district use an integrated financial and human resources system? | ☒ | ☐ | ☐ |
| 14.2 Does the district use the system(s) to provide key financial and related data, including personnel information, to help the district make informed decisions? | ☒ | ☐ | ☐ |
| 14.3 Has the district accurately identified students who are eligible for free or reduced-price meals, English learners, and foster youth, in accordance with the LCFF and its LCAP? . . . | ☒ | ☐ | ☐ |
| 14.4 Is the district using the same financial system as its COE? | ☒ | ☐ | ☐ |
| 14.5 If the district is using a separate financial system from its COE, is there an automated interface that allows data to be sent and received by both the district's and COE's financial systems? | ☐ | ☐ | ☒ |

- 14.6** If the district is using a separate financial system from its COE, has the district provided the COE with direct access so the COE can provide oversight, review and assistance? ☐ ☐ ✓

15. Internal Controls and Fraud Prevention

- | | Yes | No | N/A |
|--|--------------------------|--------------------------|--------------------------|
| 15.1 Does the district have controls that limit access to its financial system and include multiple levels of authorization? | ✓ | ☐ | ☐ |
| 15.2 Are the district's financial system's access and authorization controls reviewed and updated upon employment actions (e.g., resignations, terminations, promotions, or demotions) and at least annually? | ✓ | ☐ | ☐ |
| 15.3 Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?: | | | |
| • Accounts payable (AP). | ✓ | ☐ | ☐ |
| • Accounts receivable (AR).. | ✓ | ☐ | ☐ |
| • Purchasing and contracts. | ✓ | ☐ | ☐ |
| • Payroll.. | ✓ | ☐ | ☐ |
| • Human resources (i.e., duties related to position control and payroll processes). | ✓ | ☐ | ☐ |
| 15.4 Are beginning balances for the new fiscal year posted and reconciled with the ending balances for each fund from the prior fiscal year? | ✓ | ☐ | ☐ |
| 15.5 Does the district review and work to clear prior year accruals throughout the year? | ✓ | ☐ | ☐ |
| 15.6 Has the district reconciled and closed the general ledger (books) within the time prescribed by the county superintendent of schools? | ✓ | ☐ | ☐ |
| 15.7 Does the district have processes and procedures to discourage and detect fraud? | ☐ | ✓ | ☐ |
| The district does not have any processes or procedures to discourage and detect fraud. | | | |
| 15.8 Does the district have a process for collecting reports of possible fraud (such as an anonymous fraud reporting hotline) and for following up on such reports? | ☐ | ✓ | ☐ |
| The district lacks a process for collecting reports of possible fraud and for following up on such reports. | | | |
| 15.9 Does the district have an internal audit process? | ☐ | ✓ | ☐ |
| Some internal audit processes are being carried out in certain departments, but the district does not have a formal internal audit process. | | | |

16. Leadership and Stability

- | | Yes | No | N/A |
|---|--------------------------|--------------------------|--------------------------|
| 16.1 Does the district have a chief business official who has been in this position with the district for more than two years? | ✓ | ☐ | ☐ |
| 16.2 Does the district have a superintendent who has been in this position with the district for more than two years? | ☐ | ✓ | ☐ |
| The district superintendent was appointed as an interim superintendent on July 1, | | | |

2024 and was made permanent superintendent in October of 2024.

- | | | | | |
|------|--|--------------------------|--------------------------|--------------------------|
| 16.3 | Does the superintendent schedule and hold meetings regularly with all members of their administrative cabinet? | ✓ | ☐ | ☐ |
| 16.4 | Is training on financial management and budget provided to school and department administrators who are responsible for budget management? | ✓ | ☐ | ☐ |
| 16.5 | Does the governing board adopt and revise policies and administrative regulations annually? | ✓ | ☐ | ☐ |
| 16.6 | Are newly adopted or revised policies and administrative regulations implemented, communicated, and available to staff? | ✓ | ☐ | ☐ |
| 16.7 | Do all board members attend training on the budget and governance at least every two years? | ☐ | ✓ | ☐ |
| | <p>The district's board handbook requires all new board members to complete the California School Boards Association's Masters in Governance training in their first five years as a board member. However, the district has no ongoing training requirement or process for board members, and no board members have attended trainings in the last two years.</p> | | | |
| 16.8 | Is the superintendent's evaluation performed according to the terms of the contract? . . . | ☐ | ☐ | ✓ |
| 16.9 | Is the district avoiding relying on consultants to prepare financial reports (e.g. SACS) or other primary fiscal activities? | ✓ | ☐ | ☐ |

17. Multiyear Projections

- | | | Yes | No | N/A |
|------|---|--------------------------|--------------------------|--------------------------|
| 17.1 | Has the district developed multiyear projections that include detailed assumptions aligned with industry standards? | ✓ | ☐ | ☐ |
| 17.2 | To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation that includes multiyear considerations? | ✓ | ☐ | ☐ |
| 17.3 | Does the district use its most current multiyear projection when making financial decisions? | ✓ | ☐ | ☐ |
| 17.4 | If the district uses a broad adjustment category in its multiyear projection (such as line B10, B1d, B2d Other Adjustments, in the SACS Form MYP/MYPI), is there a detailed list of what is included in the adjustment amount and are the adjustments reasonable? | ☐ | ☐ | ✓ |

18. Non-Voter-Approved Debt and Risk Management

- | | | Yes | No | N/A |
|------|--|--------------------------|--------------------------|--------------------------|
| 18.1 | Are the sources of repayment for non-voter-approved debt (such as certificates of participation (COPs), bridge financing, bond anticipation notes (BANS), revenue anticipation notes (RANS) and others) stable, predictable, and other than the unrestricted general fund? | ✓ | ☐ | ☐ |
| 18.2 | If the district has issued non-voter-approved debt, has its credit rating remained stable or improved during the current and two prior fiscal years? | ☐ | ✓ | ☐ |

On February 2, 2026, Moody's Investors Service downgraded the rating on the district's certificates of participation (COPs) from A1 to A2.

- | | | | | |
|------|--|--------------------------|--------------------------|--------------------------|
| 18.3 | If the district is self-insured, has it completed an actuarial valuation as required and does it have a plan to pay for any unfunded liabilities? | ☐ | ☐ | ✓ |
| 18.4 | If the district has non-voter-approved debt (such as COPs, bridge financing, BANS, RANS and others), is the total of annual debt service payments no greater than 2% of the district's unrestricted general fund revenues? | ✓ | ☐ | ☐ |

19. Position Control

- | | Yes | No | N/A |
|--|--------------------------|--------------------------|--------------------------|
| 19.1 Does the district account for all positions and costs (including substitutes, overtime, stipends, and employer-paid benefits) in position control? | ☐ | ✓ | ☐ |
| <p>The district does not account for non-positional costs in position control such as substitute, overtime and stipend costs. During development of its original 2024-25 budget, an error occurred that omitted the non-positional costs. Because the district does not regularly reconcile position control with budget and payroll (see item 19.3), the error went undetected until the 2024-25 estimated actuals were prepared and also affected the 2025-26 budget once the non-positional costs were included. The impact of these adjustments resulted in approximately \$5 million in deficit spending in both 2024-25 and 2025-26.</p> | | | |
| 19.2 Does the district analyze and adjust staffing based on staffing ratios and enrollment? . . . | ✓ | ☐ | ☐ |
| 19.3 Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim financial reporting periods? | ☐ | ✓ | ☐ |
| <p>Interviews with staff revealed that the district lacks a formal process for regularly reconciling budget, payroll, and position control data after budget adoption. District staff reported they are working on implementing a new process for reconciling position control regularly.</p> | | | |
| 19.4 Does the district identify a budget source for each new position before the position is authorized by the governing board? | ✓ | ☐ | ☐ |
| 19.5 Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted? | ☐ | ✓ | ☐ |
| <p>Interviewees indicated that the governing board does not authorize new positions or extra assignments before the positions are posted for recruitment.</p> | | | |
| 19.6 Do managers and staff responsible for the district's human resources, payroll and budget functions meet at least monthly to discuss issues and improve processes? | ✓ | ☐ | ☐ |

20. Special Education

- | | Yes | No | N/A |
|---|-----|--------------------------|--------------------------|
| 20.1 For special education classrooms and support services, does the district use staffing ratios that align with statutory requirements and industry standards, and are students' support needs also considered? If so, are those needs documented and evaluated at each budget cycle? | ✓ | ☐ | ☐ |
| 20.2 Does the district access all available funding sources for costs related to special education (e.g., state excess cost pool, legal fees, mental health)? | ✓ | ☐ | ☐ |

20.3	Does the district use appropriate tools to help it make informed decisions about whether to add services (e.g., special circumstance instructional assistance process and form, transportation decision tree)?	✓	☐	☐
20.4	Does the district budget and account correctly for all costs related to special education (e.g., transportation, due process hearings, indirect costs, nonpublic schools and/or nonpublic agencies)?	✓	☐	☐
20.5	Does the district monitor contributions from the unrestricted general fund and adjust to trends in the special education program?.	✓	☐	☐
20.6	Is the district's rate of identification of students as eligible for special education at or below the countywide and statewide average rates?	✓	☐	☐
20.7	Does the district analyze whether it will meet the maintenance of effort requirement at each interim financial reporting period?	✓	☐	☐

Risk Score, 20 numbered sections only:	25.7%
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Key to Risk Score from 20 numbered sections only:

High Risk: 40% or more

Moderate Risk: 25-39.9%

Low Risk: 24.9% and lower

District Fiscal Solvency Risk Level, all FHRA factors:	High
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(The existence of any condition from the "Budget and Fiscal Status" section, and/or a material weakness, will supersede the score above because it elevates the district's risk level.)

Appendix

Study Agreement



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

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

1. BASIS OF AGREEMENT

FCMAT provides a variety of services to local education agencies (LEAs) as authorized by Education Code (EC) 42127.8(d) and 84041. In accordance with state budget act provisions, FCMAT will study the Client's fiscal health because the county superintendent of schools designated the Client as a lack of going concern in accordance with EC 42127.6.

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

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

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

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

B. Services and Products to be Provided

1. Orientation Meeting

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

2. Fieldwork

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

3. Exit Meeting

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

4. Exit Letter

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

5. Draft Report

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

6. Final Report

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

7. Board Presentation

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

3. PROJECT PERSONNEL

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

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

4. PROJECT COSTS

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

5. RESPONSIBILITIES OF THE CLIENT

- A. Return current organizational chart(s) that show the Client's management and staffing structure with the signed copy of this Agreement. Organizational charts should be relevant to the scope of this Agreement.
- B. Provide private office or conference room space for the Team's use during fieldwork.
- C. Provide for a Client employee to upload all requested documents and data to FCMAT's online SharePoint repository per FCMAT's instructions. Provide FCMAT with the name and email of the person who will be responsible for collecting and uploading documents requested by FCMAT with the signed copy of this Agreement.
- D. Provide documents and data requested on the Team's initial and supplementary document request list(s) by the date requested.

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

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

- E. Ensure appropriate senior-level staff are available for the orientation and exit meetings.
- F. Facilitate access to requested board members, officers and staff for interviews.
- G. Facilitate access to requested information and facilities to include, but not be limited to, files, sites, classrooms and operational areas for observation.
- H. Review a draft of the report and return it to FCMAT by the date FCMAT requests with any comments regarding the accuracy of the report's data or the practicability of its recommendations. The Team will review this feedback in a timely manner and make any adjustments it deems necessary before issuing the final report.
- I. Return the requested evaluation survey to FCMAT as described below.

6. PROJECT SCHEDULE

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

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

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

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

FCMAT acknowledges that the Client has an educational program to administer, is balancing many priorities, and in some cases may have records management difficulties, staffing capacity issues, staff on various types of leave, or other circumstances, all of which will affect the project schedule.

The Parties commit to regular communication and updates about the study schedule and work progress. FCMAT may modify the usual timelines as needed.

7. COMMENCEMENT, TERMINATION AND COMPLETION OF WORK

FCMAT will commence work as soon as it has assembled an available and appropriate study team, taking into consideration other jobs FCMAT has previously undertaken, assignments from the state, and higher priority assignments due to fiscal distress. The Team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the Client and any other related parties from which, in the Team's judgment, it must obtain information. Once the Team has completed its fieldwork, it will proceed to prepare a report. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a final report once fieldwork has been completed.

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

8. INDEPENDENT CONTRACTOR

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

9. RECORDS

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

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

10. CONTACT WITH PUPILS

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

11. INSURANCE

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

12. HOLD HARMLESS

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

13. PUBLIC SAFETY CONSIDERATIONS

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

- A. Orientation and exit meetings, interviews and other information-gathering activities may be conducted remotely via telephone, videoconferencing, or other means. References to fieldwork shall be interpreted appropriately given the circumstances.
- B. Activities performed remotely that are normally performed in the field shall be billed hourly as if performed in the field (excluding out-of-pocket costs that can otherwise be avoided).
- C. The Client may be relieved of its duty to provide conference and other work area facilities for the Team.

14. FORCE MAJEURE

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

15. EVALUATION

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

16. CLIENT CONTACT PERSON

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

Name: Maurice Ghysels, Superintendent

Telephone: (925) 462-5500

Email: mghysels@pleasantonusd.net

17. SIGNATURES

Each individual executing this Agreement on behalf of a party hereto represents and warrants that he or she is duly authorized by all necessary and appropriate action to execute this Agreement on behalf of such party and does so with full legal authority.

For Client:

 12-19-2025

Maurice Ghysels, Superintendent Date
Pleasanton Unified School District

For FCMAT:

Michael H. Fine Digitally signed by Michael H. Fine
Date: 2025.12.19 16:56:10 -08'00'

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