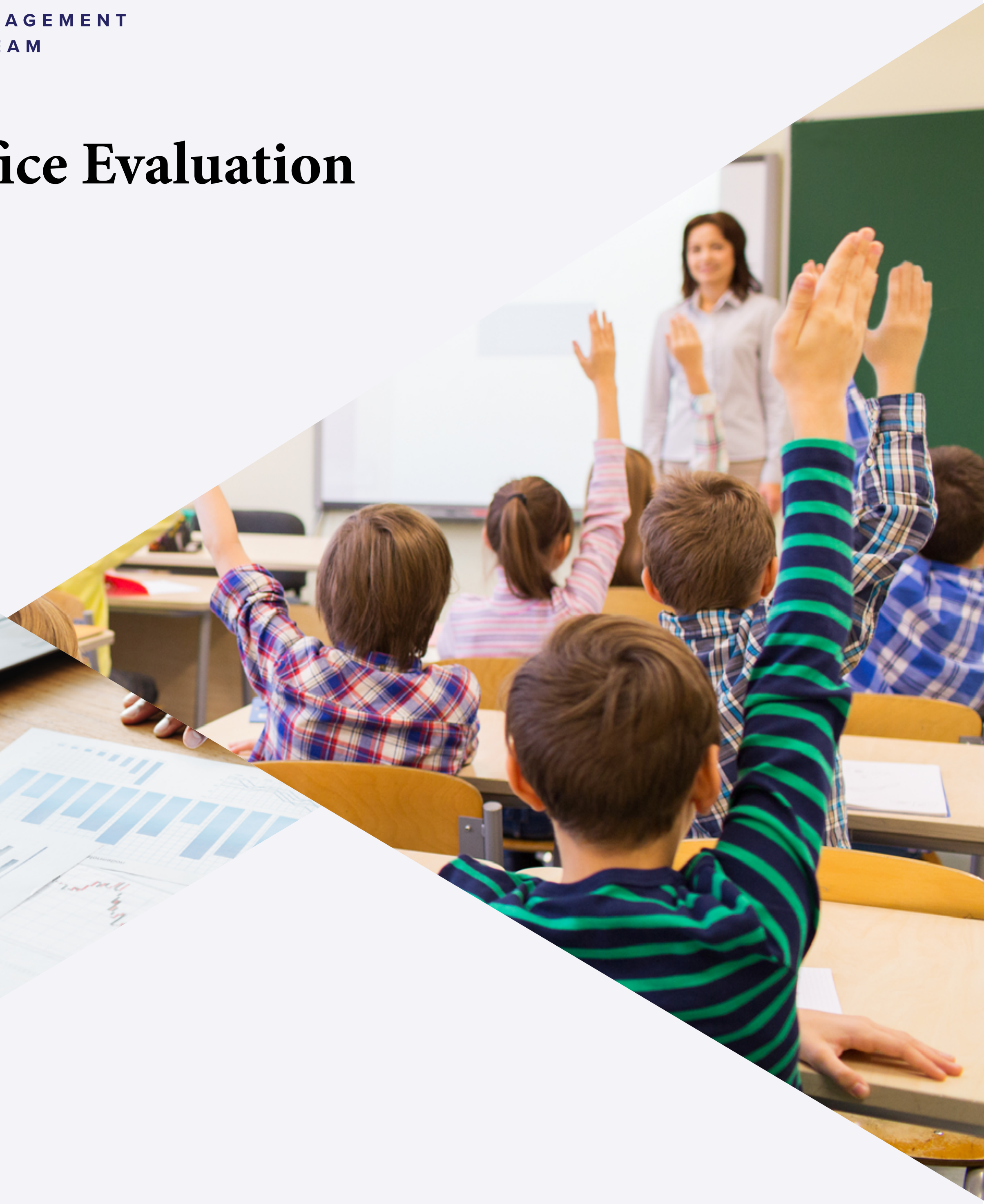
FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

County Office Evaluation

February 24, 2021



Solano County Office of Education

Michael H. Fine
Chief Executive Officer

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

February 24, 2021

Lisette Estrella-Henderson, Superintendent
Solano County Office of Education
5100 Business Center Drive
Fairfield, CA 94534-1658

Dear Superintendent Estrella-Henderson:

In June 2020, the Solano County Office of Education entered into an agreement with the Fiscal Crisis and Management Assistance Team (FCMAT) for a study to perform the following:

1. Prepare an initial analysis of the county office fiscal oversight provided to the Vallejo Unified School District using FCMAT's County Office Evaluation Tool, and make recommendations for improvement, if any.

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

FCMAT appreciates the opportunity to serve the Solano 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

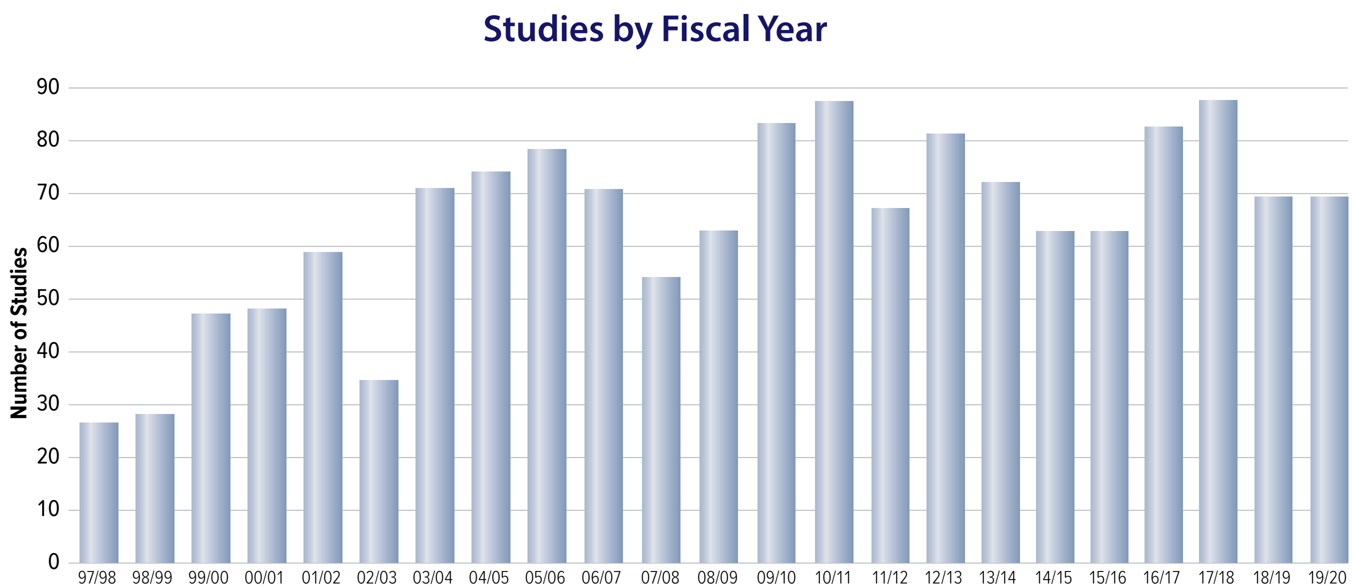
Table of Contents

About FCMAT

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

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

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



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

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

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

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

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

Since 1992, FCMAT has been engaged to perform more than 1,000 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

Background

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, Education Code Section 41326(l), the Fiscal Crisis and Management Assistance Team (FC-MAT) 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) or his or her designee. 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.

In the years following the initial report of fiscal oversight performed by the county superintendent of schools, FCMAT will perform annual reviews of the county office's effectiveness in overseeing the district.

The Vallejo Unified School District received an emergency appropriation in 2004 per Senate Bill (SB) 1190 (Chapter 53, Statutes of 2004). This is the initial report on the Solano County Office of Education's oversight of the district under AB 1840 and covers the period from 2004 to the date of this review in 2020. FCMAT is reviewing the current fiscal oversight of the county superintendent of schools since there was no provision for such a review at the time of insolvency.

County Office Evaluation Guidelines

FCMAT entered into a study agreement with the Solano County Office of Education on June 18, 2020, and a study team interviewed county office staff on August 27, 2020 as well as collected data and reviewed documents. Following fieldwork, the study team continued to review and analyze documents. This report is the result of those activities.

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

Study Team

The team was composed of the following members:

Joel Montero
FCMAT Consultant

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) to help assess the effectiveness of a county office's fiscal oversight of a school district that has received an emergency apportionment.

The COET includes 36 questions and is intended to satisfy the requirements of AB 1840 for review and assessment of the oversight process a county superintendent of schools is using to assess the general fiscal health of school districts in their county, determine how well those districts are adhering to Education Code requirements, and communicate with those districts about these issues.

The tool identifies the key review elements performed by county office staff in their review of annual budgets, interim reports and unaudited actuals. Responses to each of the elements are confined to "yes" or "no." Any "no" response requires a written explanation of the remedial action taken by the county superintendent to address the issue. Oversight performance is assessed using a risk protocol based on the number of "no" responses related to the assessment of each element. FCMAT gathers information through an initial document request and interviews of county office staff. The greater the number of "no" answers to the questions in the analysis, the higher the score, which points to a lack of sufficient oversight.

To help the district understand the "no" responses, narratives are included that provide the reasons for all responses and actions needed to obtain a "yes" answer.

Early identification of issues in districts at risk of insolvency is key to restoring and maintaining their fiscal health. Diligent oversight will help a district better understand its financial objectives and strategies to sustain a high level of fiscal efficiency and overall solvency.

County Office Name: Solano County Office of Education

Date of Fieldwork: August 27, 2020

Summary

In January of 2004, the governing board of the Vallejo City Unified School District declared the district fiscally insolvent. Senate Bill 1190 (Chapter 53, Statutes of 2004), which was signed into law on June 21, 2004, required the superintendent of public instruction (SPI) to assume all the rights, duties, and powers of the governing board of the Vallejo City Unified School District and to appoint, in consultation with the Solano County superintendent of schools, an administrator to act on his behalf in exercising authority over the school district. The bill appropriated $60 million as an emergency loan to the district and authorized the district to sell property it owned and use the proceeds from the sale to reduce or retire the emergency loan.

The year 2004 marked the end of more than a decade of financial turmoil for the district. The district's fiscal insolvency was preceded and precipitated by changes in its leadership; escalating staffing costs; serious weaknesses in its fiscal practices and operations, including inadequate systems controls, lack of attention and reaction to declining enrollment; and significant overstaffing. Further complicating matters, as the state was assuming control of the district it was discovered that the district's administration was not routinely informing the district's governing board about fiscal issues that the county office of education was communicating to the district as part of its routine fiscal oversight process.

Local control was restored to the district's governing board incrementally over time. In July 2007, the SPI restored the board's rights, duties and obligations for the areas of community relations and governance, personnel management, and pupil achievement. In 2008, the SPI returned the operational area of facilities management. The final operational area under state control, financial management, was returned to local control in 2012. A trustee has been in place since that time. As a result of AB 1840, that trustee is now a county trustee and reports to the Solano County superintendent of schools.

The Solano County Office of Education provides fiscal oversight to all school districts in the county as a result of AB 1200, which was signed into law in 1991 and expressed in California Education Code Section 42127 and related subsections. FCMAT assessed the county office's involvement with the district during the course of 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 this review. FCMAT reviewed the fiscal oversight of Vallejo Unified School District by the county superintendent of schools using both historical and current documents prepared by county office staff (see attached document request list). In addition, FCMAT conducted a series of online interviews with individuals who have key roles in the oversight process. FCMAT asked a series of questions related to the time leading up to the insolvency and reviewed oversight practices currently used by the county office. FCMAT also interviewed district staff. Some of the county office's external business staff worked at the county office at the time of the district's insolvency, which added to the completeness of the historical record. The county office response to FCMAT's document request was expertly done. The information was well organized and indicated a business office structure that is consistent with best practices.

FCMAT's findings indicate that the fiscal oversight actions taken by the county office during the study period in question were appropriate and adequate within the guidelines contained in the California Education Code, and were consistent with the best practices established in a variety of other documents, including FCMAT's county office *Fiscal Oversight Guide* and the *Fiscal Procedural Manual for Business Officials in California County Offices of Education*. FCMAT found that in its oversight of the district, the county office used FCMAT's Indicators of Risk or Potential Insolvency tool during the certification process and appropriately rated the school district's budget status as qualified in a timely fashion. Moreover, the county office applies the process of fiscal oversight consistently to all school districts and programs within its purview. The majority of the review elements included in the COET were evidenced in the documents and forms the county office used to perform its AB 1200 oversight reviews and which it provided to FCMAT. When information was not available in the documents, staff described a robust review process that included all of the elements. The formal and documented fiscal reviews conducted by the county office seem capable of identifying when a district is at risk of fiscal insolvency.

The county office includes and formalizes a detailed historical trend analysis in its review process to a greater extent than most other counties. The other elements in the county office's fiscal review process are also strong, and it has been able to identify the district's fiscal and administrative issues and help solve them. The county superintendent, with the support of the trustee and county office's chief business official (CBO), has implemented a model of regular check-in meetings with the district's leadership combined with regular appearances in front of the district's governing board. The county superintendent has also taken action to assist with the recruitment of a new superintendent for the district. Finally, the county office has created a position to work directly with the trustee and the district's business office staff to identify and implement fiscal solutions and improvements in business processes.

The change from state to county oversight of the district, pursuant to AB 1840, has been positively accepted by the county superintendent and staff. As a result, the county office continues to develop and implement a comprehensive support model for districts in need, including the following:

- A combined team of county office and district staff meet regularly to review FCMAT reports and develop action plans, identifying and prioritizing specific areas and concrete actions.

- A county office support team works closely with district staff, focusing on building capacity in the areas that have been prioritized. The focus of the county office staff is to build knowledge and skills among existing district staff and to build systems.
- The county superintendent is visible in the district(s) and has developed a collaborative relationship with the county trustee, focused on the continued recovery of the district.

The following section of this report focuses on FCMAT's review of the Solano County Office of Education's fiscal oversight actions based on the COET. All of the areas assessed are listed below. A "yes" answer indicates that FCMAT found sufficient evidence that appropriate fiscal oversight actions were taken. A "no" answer indicates that FCMAT found either insufficient documentation or a lack of focus on that particular responsibility. If the insufficiency in an area is material, that fact is noted in the narrative. For all of the items assessed, some narrative is included.

Evaluation Tool

		At Budget Period	At Interim Period	At Unaudited Actuals
1	**Did the COE receive and retain certifications with original signatures?** The county office ensures it receives and retains certifications with original signatures, and if there were issues, the problem would be noted in the technical review letter (e.g., if the document was missing or unsigned) and shown in the submitted materials. Also, the issue would be documented in the county office's working papers.	Yes	Yes	Yes
2	**Did the COE review the status of all import, export, general ledger and supplemental checks?** Any issues are conveyed in the technical review letter, and the district's explanations for them are documented on the technical letter and verified by noting on the budget or interim document itself.	Yes	Yes	Yes
3	**Did the COE verify whether allowable exceptions (also known as explanations) in the technical review process were reasonably explained?** Comments are analyzed and cross checked with the budget or interim document and noted on the budget or interim document itself (as shown in the uploaded documents).	Yes	Yes	Yes
4	**Did the COE verify whether there were no fatal "F" exceptions in the technical review process?** Any issues are conveyed in the technical review letter, and pursued explanations, are documented on the technical review letter and verified by noting on the budget or interim document itself.	Yes	Yes	Yes
5	**Did the COE review transfers being made from restricted funds (e.g., building fund, bond interest and redemption fund, self-insurance fund, etc.)?** Form SIAA is requested from districts on the unaudited actuals, interim, and budget checklists distributed by the county office. The county office uses an interfund balance analysis worksheet to review the due to and due from amounts and verify that they are not more than the total in the county treasury.	Yes	Yes	Yes
6	**Did the COE review Form A and determine whether the prior year's P-2 and annual ADA agreed with the actual attendance report?** The county office's review of Form A is documented in the financial review for all periods worksheets.	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
7	**Did the COE investigate and determine the reason for any significant change in ADA since the prior reporting period?** The districts investigate any average daily attendance (ADA) anomalies, and track ADA over three years, as documented by the county office's District Review Quick Facts working document.	Yes	Yes	Yes
8	**Did the COE verify if the enrollment and ADA projections are reasonable for at least the past three years?** The district investigates any ADA anomalies, and tracks ADA over three years, as documented by the county office's District Review Quick Facts working document.	Yes	Yes	N/A
9	**Did the COE review the reasonableness of the explanations in the Criteria and Standards form?** The county office reviews the reasonableness of the explanations in the Criteria and Standards form, which are documented in the technical review and financial review letters.	Yes	Yes	N/A
10	**Did the COE review the reasonableness of multiyear commitments listed in the Criteria and Standards by comparing them with the information in the most recent audit report?** Staff indicated and submitted documents illustrating that during an interim/budget review they compare and track payment schedules with the audit report and the submitted data in the DAT file.	Yes	Yes	N/A
11	**Did the COE review retiree health and welfare benefits liabilities for reasonableness by comparing them with the information in the most recent audit report?** Multiple staff indicated that they do not reference the audit when performing a budget review. Doing so would be best practice, and the review should be documented and communicated.	No	No	N/A
12	**Did the COE check the accuracy of the status of any salary settlement or negotiations against current bargaining agreements as presented in the Criteria and Standards and the Public Disclosure of Collective Bargaining Agreement?** FCMAT used documents supplied by the county office to verify that the county office checked the accuracy of the status of salary settlements and negotiations against current bargaining agreements as presented in the Criteria and Standards and the Public Disclosure of Collective Bargaining Agreement.	Yes	Yes	N/A
13	**If the district received a qualified or negative certification, did the COE review the AB 1200 disclosure documents and provide a written analysis regarding the viability and affordability of the collective bargaining agreement within the 10-day statutorily required period?** The district settled with its bargaining units for a one-time, off-schedule payment in October 2018. The district was deficit spending and projecting a negative fund balance within three years. However, the county office did not provide a written analysis of the agreements. The county office had approved the district's budget prior to the one-time payment, so the district did not have a qualified or negative certification. The county office reviewed the potential impact of the off-schedule payment at the next interim reporting period.	N/A	N/A	N/A
14	**Did the COE compare budget to actuals for all revenues and expenditures while also considering historical trend data?** FCMAT reviewed whether the county office verified that the budget was checked for reasonableness using documents supplied by the county office.	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
15	**Did the COE review the "% of difference" column for reasonability?** FCMAT reviewed whether the county office verified that the "% of difference" column was checked for reasonableness using documents supplied by the county office.	Yes	Yes	Yes
16	**Did the COE verify whether the district's reserve calculation meets the applicable percentage of reserve requirement in object 9789?** FCMAT reviewed whether the county office verified that the district's reserve calculation meets the applicable percentage of reserve requirement in object 9789, using documents supplied by the county office.	Yes	Yes	Yes
17	**Did the COE verify whether the Local Control Funding Formula revenue (object 8011) agrees with the LCFF Calculator for the current year and in the multiyear projection?** FCMAT reviewed whether the county office verified that the Local Control Funding Formula (LCFF) revenue agrees with the LCFF Calculator, using documents supplied by the county office.	Yes	Yes	Yes
18	**Did the COE verify whether local taxes agree with the most recent J-29B?** County office staff indicated that local taxes agree with the most recent J-29B for the district's unaudited actuals. However, the forms and worksheets the county office uses to document its review of the unaudited actuals do not indicate this review was actually performed.	Yes	Yes	No
19	**Did the COE verify whether the district's assumptions and budgeted revenues are reasonable based on the latest information on the state budget, School Services of California, Inc. dartboard, and LCFF Calculator?** FCMAT reviewed whether the county office verified that the district's assumptions and budgeted revenues were reasonable.	Yes	Yes	N/A
20	**Did the COE determine whether salaries and benefits (including increases and/or decreases due to settlements of negotiations) are reasonable as budgeted in the current year and in the multiyear projection? Is the budget consistent with assumptions and Criteria and Standards information?** FCMAT used documents provided by the county office to verify whether the county office reviewed for reasonableness the district's salaries and benefits budgeted in the current year and multiyear projection.	Yes	Yes	N/A
21	**Did the COE identify and determine the reasonableness of the increases and/or decreases in financing sources/uses?** FCMAT reviewed whether the county office used documents to verify the reasonableness of the increases and decreases in financing sources/uses.	Yes	Yes	Yes
22	**Did the COE verify whether the base year totals in the multiyear projection match the Form 01 totals?** Using documents provided by the county office, FCMAT reviewed whether the county office verified that base year totals in the multiyear projection match Form 01 totals.	Yes	Yes	N/A

		At Budget Period	At Interim Period	At Unaudited Actuals
23	**If line B10 on the multiyear projection was used, did the COE verify whether detailed assumptions or information was included from the district to explain the adjustment?** County office staff indicated this verification is done. However, the forms and worksheets the county office uses to document its review of the district's interim reports do not indicate this was performed.	N/A	No	N/A
24	**Did the COE verify whether projections for supplies, services, capital outlay and other expenditures (e.g., energy costs, health and welfare, one-time expenses, etc.) appear reasonable?** FCMAT verified the checklists for the review processes the county office uses indicate that the analysis of the trend projections for supplies, services, capital outlay and other expenditures are reasonable.	Yes	Yes	Yes
25	**Did the COE verify whether prior year ending balances were forwarded correctly as beginning balances?** FCMAT found evidence the county office verified the prior year ending balances were posted correctly as beginning balances in the interim and actuals review processes. This verification is not applicable during the budget review.	N/A	Yes	Yes
26	**Did the COE verify whether the district projects maintaining the minimum reserve for economic uncertainty, consistent with the guidelines established in the Criteria and Standards, for the current plus two subsequent years?** There was evidence the county office verified that the district projects maintaining the minimum reserve for economic uncertainty for the current and two subsequent years.	Yes	Yes	N/A
27	**Did the COE verify whether the beginning cash balance for July 1 on the cash flow was reasonable and forwarded correctly from the prior year?** The cash flow projection is not required at budget adoption. There was adequate evidence that the county office verifies the beginning cash balance postings at other reporting periods during the year.	N/A	Yes	Yes
28	**Does the COE monitor cash flow monthly at a minimum and communicate with the district regarding concerns about cash balance?** There was adequate evidence that the county office monitors and reconciles the cash flow monthly and communicates regularly with the district regarding cash balances.	Yes	Yes	Yes
29	**Did the COE identify any tax revenue anticipation notes (TRANs) that were issued in the budget year, including a schedule for repayments, and, if so, did the COE verify whether the receipts and payments are included in the cash flow worksheet and booked in the general ledger in 9640 - Current Loans?** The county office has a specific staff position that focuses on cash analysis, which includes TRANs and repayment verification if applicable.	N/A	Yes	Yes
30	**Did the COE monitor or identify any temporary borrowing between funds and use of appropriate object codes by the district?** The evidence from the county office's review checklist and from interviews indicated any interfund temporary borrowing between funds would be identified and monitored for repayment.	Yes	Yes	Yes

		At Budget Period	At Interim Period	At Unaudited Actuals
31	**Did the COE verify whether prior year accruals, suspense accounts, and general ledger/balance sheet transactions are reconciled by the district at each reporting period?** The county office's checklist shows that the balance sheet accounts are reviewed for each reporting period.	Yes	Yes	Yes
32	**Did the COE review compliance with maintenance of effort and Current Expense of Education (Form CEA) for applicable reporting periods?** The CEA compliance is not applicable at the budget or interim reporting periods. There is adequate evidence that the county office reviews compliance with the CEA during the review of unaudited actuals.	N/A	N/A	Yes
33	**If the district is deficit spending, did the COE note the levels of deficit spending and communicate the COE's concerns to the district in the budget and/or interim letters sent to the district's governing board?** The county office's response/action letters to the district's governing board include details related to the county office's concerns about deficit spending.	Yes	Yes	Yes
34	**If the district has contingent liabilities, did the COE measure the district's ability to manage debt service or eliminate the liability and the effect on the ending fund balance?** There is adequate evidence to indicate that the county office reviews debt service by including the payments in the budget, interim and unaudited reporting periods.	Yes	Yes	Yes
35	**If the COE received disclosures of non-voter-approved debt from the district, did the COE respond within the statutory timeline?** The county office's review checklists include the process related to non-voter-approved debt. There was no activity in this area during the period FCMAT reviewed.	Yes	Yes	Yes
36	**Is the COE monitoring the training of administrators who have budget authority and financial management responsibilities?** There is a user support group for financial system assistance and a connection to the various trainings provided by vendor partners, and the county office is aware that the district takes advantage of these resources. There was no evidence of any additional or district-specific trainings other than what vendors offer for all local educational agencies.	Yes	Yes	Yes

Total "No" Responses	**4**

Scale

0 – 20, favorable oversight performance

21 – 39, marginal oversight performance

40 – above, poor oversight performance

Conclusion

The Solano County Office of Education provided adequate and effective oversight performance based on the County Office Evaluation Tool developed by FCMAT. FCMAT will continue to perform an annual review of the effectiveness of the county office of education's oversight of the district [E.C. 41326(l)(3)].

Appendices

Appendix A - Document Request List

Appendix B - Study Agreement

Appendix A - Document Request List

Solano County Office of Education County Office Evaluation Review Documentation Request List Interviews: August 27, 2020 Please upload all documents, using the item number below, to FCMAT's SharePoint document repository by April 30, 2020. Document(s) needed that pertain to the fiscal oversight of Vallejo Unified School District	
001	COE organizational chart
002	Business services organizational chart
003	Completed checklists/files used to review each financial reporting period (adopted budget, first interim, second interim, unaudited actual) for the preceding two years
004	Communication to the district for interims and budget submission
005	Communication to the district regarding auditor selection and audit guidelines
006	Copy of district audit and resolution of findings including the COE correspondence regarding findings and follow-up of audit corrective actions
007	Communication to district regarding special education monitoring and forms
008	COE external business department organizational chart with responsibilities for performing district oversight tasks
009	Policies/procedures established for district oversight and financial review
010	COE procedure/process for tracking district ADA (historical and/or projections)
011	COE procedure/process for validating LCFF calculations
012	Budget approval (disapproval) letters to district, last two years
013	Interim certification letters to district, last two years
014	Lack of going concern letters to district, last two years
015	Unaudited actuals letters to district, last two years
016	Any communication from the COE to the CDE/SCO regarding the district fiscal solvency, last two years
017	Any relevant communication between COE and COE-assigned fiscal advisor to the district
018	Any relevant contracts or forms pertaining to employment of fiscal advisor
019	Communication to the districts of J29 property tax statements
020	COE review and correspondence with district regarding public disclosure of collective bargaining
021	Cash reconciliations and monitoring performed by the COE
022	COE review and correspondence with district regarding non-voter-approved debt

For any questions related to SharePoint provisioning or uploading documents, please email: SharePointHelp@fcmat.org

Appendix B - Study Agreement

FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
February 5, 2020
AMENDED STUDY AGREEMENT
June 18, 2020

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Solano 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 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 Vallejo Unified 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 Vallejo Unified School District if necessary.
3. Draft Report – Electronic copies of a draft report will be delivered to the county superintendent for review and comment.
4. Final Report – Electronic copies of the final report will be delivered to the county superintendent following completion of the review. Printed copies

1

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

2

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 August 27, 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 Solano 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 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: Lisette Estrella-Henderson
Telephone: (707) 399-4400
E-Mail: LEHenderson@solanocoe.net

SIGNED BY LISETTE ESTRELLA-HENDERSON MARCH 18, 2020
Lisette Estrella-Henderson Date
County Superintendent, Solano COE

Michael H. Fine February 5, 2020
Michael H. Fine Date
Chief Executive Officer
Fiscal Crisis and Management Assistance Team

AMENDED STUDY AGREEMENT

Lisette Estrella-Henderson 6-18-2020
Lisette Estrella-Henderson Date
County Superintendent, Solano COE

Michael H. Fine June 18, 2020
Michael H. Fine Date
Chief Executive Officer
Fiscal Crisis and Management Assistance Team

4