

in placeto ensurethat the district’sLocalControland AccountabilityPlan(LCAP)and budgetare alignedwith one another?(part 2)

In Progress

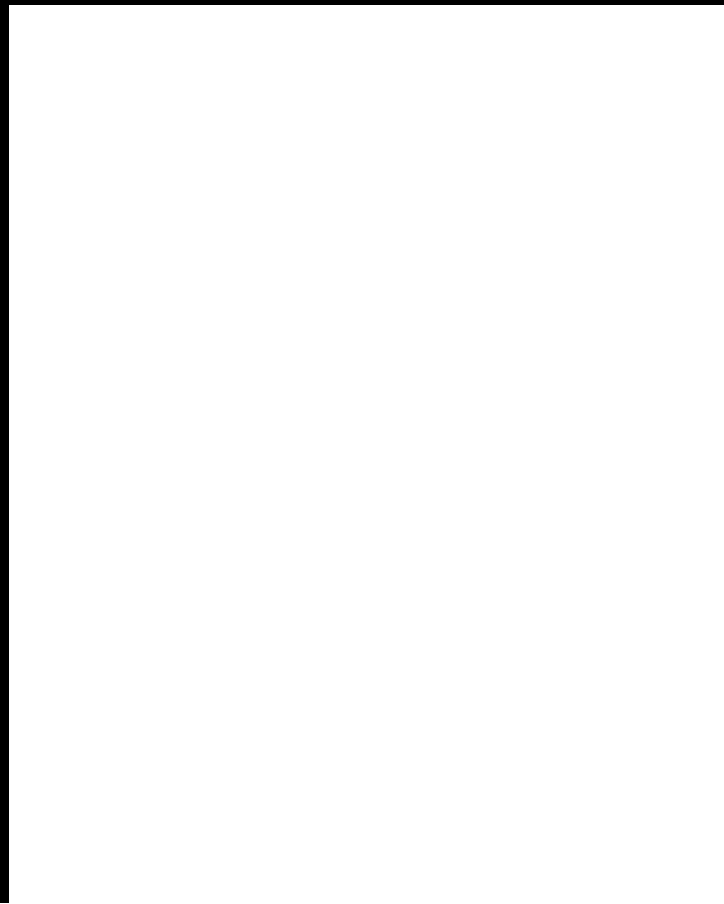
Boardpolicies(BPs)andadministrative regulations(ARs)adoptedby the district relatedto the LCAPincludedthe following: AR 1220– CitizenAdvisoryCommittee,BP/AR 1312.3– Uniform ComplaintProcedureBP 6173.1– FosterYouth.

TheCaliforniaSchoolBoardsAssociation’s onlineboardpolicy service,knownasGAMUT, hasone mainLCAP/Budgetalignmentpolicy, BP/AR0460,whichmanydistrictshave adopted.Althoughthe district hasa subscriptionto GAMUT;it hasnot adopted this policy.

3/16/23 Update: Staff continue to work collaboratively to ensure that processes and procedures

No.	FCMAT Finding	Status	District Response	Progress
				<p>ensure that unspent funds can be reallocated to already identified actions and open consideration for new actions. Additional collaboration has occurred to ensure that the standard LCAP development is on pace, with advance planning for the 2022-23 projected expenditures occurring as an outgrowth of the mid-year report efforts.</p> <p><u>12/16/21 Update:</u> Staff continue to work collaboratively to ensure that processes and policies are in place to align key planning efforts to the budget. A recent example is the ESSER I expenditure plan development. Business Services and Continuous Improvement and Accountability (CIA) staff collaboratively developed a Request for Funding process that was used by departments. This required departmental staff to describe their proposal in detail including, but not limited to, their intended use of funding, scope across the three-year timeline, and per year and total funding amounts requested. Business Services and CIA staff further collaborated to facilitate executive leadership's prioritization process, review proposed expenditures in relation to other CARES funding uses, and ensure that proposed amounts were accurate to staffing amounts requested. The ESSER I plan is closely aligned to the LCAP and other recent</p>

No.	FCMAT Finding	Status	District Response	Progress
			the 07 Tc (allocated)TjTu0460:Plan. BPBPbudget lit	<p>district plans, making this collaboration a key step in the 2021-22 development of the 2022-23 LCAP.</p> <p><u>9/16/21 Update:</u> Throughout 2019-20 and 2020-21 staff in Business Services and State and Federal Programs have developed processes to increase alignment between budget and LCAP. These include program coding for funds allocated to schools sites to more accurately account for planned expenditures in the LCAP, realignment of resource coding for LCFIS&C funds, and development of shared tools to prepare projected and estimated actual expenditures. These efforts have been supported by regular meetings between Business Services and LCAP staff with the explicit goal of increasing LCAP budget alignment. Business Services staff have also collaborated on multiple LCAP presentations to the Board of Education.</p> <p><u>11/30/20 Update:</u> Board Policy Staff have developed an initial draft of BP0460: Local Control and Accountability Plan. BP0460 was initially provided to the Plan. the Board Policy to expenditures in goal</p>



No.	FCMA Finding	Status	District Response	Progress
				<p>contributed to a decrease in total OPEB liability from \$654M as of June 30, 2020 to \$415M as of June 30, 2021, or a 44% decrease. To continue to maximize progress, the district plans on fully funding at the Actuarially Determined Contribution level for the 2021-22 fiscal year.</p> <p><u>9/16/21 Update:</u> The District is expecting to receive an updated actuarial report in the next few weeks which will provide the status of the</p>

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				<p>medical premium growth and increased interest rates. While a portion of the change in interest rates is market based, being able to maintain the higher interest (discount) rates is contingent upon sustained and/or increasing contributions to the OPEB trust. Failure to do so would likely result in a reduction to these rates in the future and revert to a higher Total OPEB liability.</p> <p>The Net OPEB liability decreased by \$199 million from the prior report to \$526 million. The decrease is a result of the</p>

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			<p>On August 22, 2018, the county office disapproved the district's 2018-19 adopted budget, and the district was instructed to revise its 2018-19 budget and submit a balanced budget plan that supports ongoing expenditures from ongoing revenue sources, and that has a timeline showing when and how adjustments would be implemented no later than October 8, 2018. On October 11, 2018, the county office notified the district that its revised</p>	

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				<p>Recovery Plan to address some of the deficit but this plan alone will not be sufficient to resolve the projected \$56M deficit.</p> <p><u>5/12/20 Update:</u> At the April 2, 2020 Board Meeting, the 2019-20 Second Interim Financial Report was approved with a negative certification and an update on the FCMA matrix was also presented. At the May 7, 2020 Board Meeting, a State Budget update and impact on the District's finances using 3 LCF COLA scenarios was presented to assess the impact on the District's revenue and cashflow for the 2020-21 and 2021-22 fiscal years. Under any of the 3 scenarios, the</p>

No.	FCMAT Finding	Status	District Response	Progress
				<p>implemented \$50.2M in ongoing budget adjustments and \$12.1M in one time budget adjustments. These adjustments were made during the period of December 2018 through September 2019 and are not in addition to the previous adjustments listed above. Additional adjustments of \$27M are still needed to eliminate the deficit and achieve fiscal solvency. This information can be found in the Revised Adopted Budget 2019-20 presented at the October 3, 2019 Board Meeting.</p> <p>Update: Working towards a balanced budget. Student Centered Fiscal Recovery Plan presented to Board and adopted at the 3/27/19 Update: Reductions in central staff and non negotiable items have resulted in over \$20M in savings and as a result at 2nd interim: \$2.2M (19/20) and \$50M (20/21).</p>
4.	Are all balance sheet accounts in the general ledger reconciled, at a minimum, at each interim report?	In Progress	Although balance sheet accounts are reconciled multiple times each fiscal year, a reconciliation is not done at each interim.	<p><u>3/16/23 Update: Staff have begun preliminary reconciliation of balance sheet items and a plan is in development to reconcile balance sheet items on a regular basis.</u></p> <p><u>12/15/22 Update: Staff have begun preliminary reconciliation of balance sheet items and a plan is in development to reconcile balance sheet items on a regular basis.</u></p> <p><u>3/17/22 Update: Staff have begun preliminary reconciliation of balance sheet items and a</u></p>

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No.	FCMAT Finding	Status	District Response	Progress
				<p>projects a positive cash balance for the 2020 or 2021, 2021-22 and 2022-23 fiscal years.</p> <p><u>3/1/21 Update:</u> The 2020-21 First Interim Report projects that the district is able to meet its 2020-21 and 2021-22 obligations but is projecting that it will not satisfy the 3rd year 2022-23 obligations. The 2020-21 First Interim Cash Flow Report projects major cash challenges beginning in May 2021 unless further budget adjustments are made.</p> <p><u>11/30/20 Update:</u> The 2020-21 Revised Adopted Budget presented at the October 1, 2020 Board Meeting projects that the District is able to satisfy the current year 2020-21 and 2021-22 obligations but is projecting that it will not satisfy the 3rd year 2022-23 obligations.</p> <p><u>5/8/20 Update:</u> The 2019-20 Second Interim Report presented at the April 2, 2020 Board Meeting states that major cash challenges start in October 2021 unless further budget adjustments are made.</p> <p><u>3/10/20 Update:</u> The 2019-20 First Interim Report presented at the December 19, 2019 Board Meeting states that major cash challenges start in November 2021 unless further budget adjustments are made. The Third Interim and 2019-20 Proposed Budget Cash Flow reports were completed.</p>

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				Both reports showed an improved cash position due to the budget adjustments. The District projects a positive cash balance through October 2020.
6.	Are all charters authorized by the district going concerns? (part 1)	In Progress	The district has transferred funds to some of its authorized charter schools when those schools were in financial need. In 2017-18, the district transferred a total of \$239,697.59 to charter schools, and it is projecting a transfer of \$300,000 in 2018-19.	<p>3/16/23 Update: The 2022-23 Second Interim report projects a \$125K contribution to the Charter fund for New Joseph-Bonnheim. District staff continue to monitor the financial health of the dependent charters by utilizing multi-year projections to make sure each makes the required reserve for economic uncertainty.</p> <p>12/15/22 Update: For fiscal year 2021-22, the district transferred \$1,081,471 to the charter fund. \$918K of this transfer was to offset the estimated loss of LCF revenue as a result of the loss of instructional days during the 21-22 school year. The remaining \$163K was a contribution to New Joseph-Bonnheim. The 2022-23 First Interim budget projects a \$116K contribution to the charter fund. District staff continue to monitor the financial health of the dependent charters by utilizing multi-year projections to make sure each makes the required reserve for economic uncertainty.</p> <p>3/17/22 Update: The 2021-22 Second Interim financial report is projecting a contribution of \$266,000 for George Washington Carver. District staff continue to monitor the financial</p>

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				<p>health of the dependent charters by utilizing multi year projections to make sure each make the required reserve for economic uncertainty.</p> <p><u>12/16/21 Update:</u> The 2021-22 First Interim financial report is projecting a contribution of \$266,000</p>

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No.	FCMA Finding	Status	District Response	Progress
			financial plan. The district should take steps to ensure that approved charter schools do not require assistance from the district to stay solvent.	make the required reserve for economic uncertainty. <u>12/16/21 Update:</u> The 2021-22 First Interim financial report is projecting a contribution of \$266,000 for George Washington Carver for reserve.

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				<p>charters schools were projected to need financial assistance from the District in future years. The District has since met with each school to address the fiscal issues and three of the four have revised their budgets or are working on a plan that will remedy their deficit. New Technology Charter (New Tech) remains a concern. Over the years, New Tech has experienced an ongoing enrollment decline which has reduced the revenue and although expenditures have been reduced, the deficit is projected to persist. The Cabinet will continue to work with New Tech. The remaining work to be finalized is the comprehensive review of the processes and documentation of the ten independent charter schools. This work persists. fRoJD 0</p>

No.	FCMA Finding	Status	District Response	Progress
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No.	FCMAT Finding	Status	District Response	Progress
				SCTA.
9.	Has the district settled the total cost of the bargaining agreements at or under the funded cost of living adjustment (COLA) and under gap funding if applicable?	Complete	The district entered into a	

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			<p>FCMA was not able to obtain an approved plan to reduce and/or eliminate increasing contributions from the general fund to other resources. The district did present an updated plan dated October 4, 2018 to reduce the district's overall deficit, but details were not found specific to reducing contributions to restricted programs.</p>	<p>make the required reserve for economic uncertainty.</p> <p><u>12/16/21 Update:</u> The 2021 22 First Interim financial report is projecting a contribution of \$266,000 for George Washington Carver. District staff will continue to monitor the financial health of the dependent charters by utilizing multi year projections to make sure each make the required reserve for economic uncertainty.</p> <p><u>5/1/21 Update:</u> The 20 21 2nd Interim financial report projected a lower contribution for New Tech at \$392,960 and no contribution for George Washington Carver due to staff adjusting each of the charter schools LCFF funding.</p> <p><u>3/1/21 Update:</u> The District projected a contribution for fiscal year 2020 21 of \$314,819 for George Washington Carver and \$521,079 for New Tech Charter School.</p> <p><u>3/10/2020 Update:</u> The 2019 20 First Interim Report provided the update on District staff</p>

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				<p>decline. Update: Program analysis was conducted and completed by SCOE Expert. The District has worked with the dependent charter schools to address the financial assistance projected during the 2019-20 Adopted Budget and has reduced the contribution for two of the four schools. The District is working with the</p>
11.	<p>Is the district avoiding a structural deficit in the current and two subsequent fiscal years? (A structural deficit is when ongoing unrestricted expenditures and contributions exceed ongoing unrestricted revenues.)</p>	In Progress	<p>Structural deficit spendings projected in 2018-19, 2019-20 and 2020-21 due to negotiated agreements settled in 2017-18 without corresponding budget adjustments to offset these ongoing increased costs.</p>	<p><u>3/16/23 Update: As of the 2022-23 Second Interim Report the district is projecting an unrestricted surplus of \$39.2M in 2022-23, 24.6M in 2023-24 and \$1M in 2024-25.</u> <u>12/15/22 Update: As of the 2022-23 First Interim Report the district</u></p>

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				(\$16.5M) in 2022-23 and (\$23.2M) in 2023-24. 5/1/21 Update: The 2021 2nd Interim financial report projected an unrestricted deficit spend of (\$11.2M) in 21-22 and (\$26.4M) in 22-23. <u>11/30/20 Update:</u> The 2020-21 Revised Adopted Budget presented at the October 10 TD <C

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12.	<p>Is the district avoiding deficit spending in the current fiscal year? Is the district projected to avoid deficit spending in the two subsequent fiscal years? 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? Has the district decreased deficit spending over the past two fiscal years?</p>	<p>Complete</p>	<p>Based on the revised 2018-19 adopted budget, the district's deficit spending is projected to be \$35,950,457.05 in total unrestricted and restricted funds. The district's total deficit, including unrestricted and restricted funds, is projected to be \$52,563,654.00 in 2019-20 and \$49,923,727.28 in 2020-21. As part of the district's revised 2018-19 adopted budget, the board approved a plan to reduce deficit spending; however, the plan does not reduce or eliminate deficit spending to an amount sufficient to sustain solvency. Additional significant reductions are needed.</p>	

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				<p>years(20202021 thru 20222023).TheDistrict hasimplementedover \$50Min expense reductionover the past2 yearsbut still requiresa multi million solutionto eliminate the deficit andachievefiscalsolvency.</p> <p>11/30/2020Update:The202021 Revised AdoptedBudgetpresentedat the October1, 2020BoardMeetingprojectsthat the District hasnot resolvedthe structuraldeficit in all three years(20202021 thru 20222023).The Districthasimplementedover \$50Min expensereductionover the past2 yearsbut still requiresa multi million solutionto eliminatethe deficit andachievefiscal solvency.</p> <p><u>5/8/20 Update:</u> The201920 Secondnterim FinanciaReportandFCMAUpdatewas presentedat the April 2, 2020BoardMeeting with projecteddeficit spendingfor 202021 of \$32M and\$30Mfor 2021 22.</p> <p><u>3/10/20 Update:</u> The201920 FirstInterim FinanciaReportandFCMAUpdatewas presentedat the December19, 2019Board Meetingwith a negativecertification. The Districthasimplementedmost of the non r negotiableitems.TheDistrictestimatesdeficit spendingduring202021 in the amountof \$28.6Mresultingin unrestrictedending GeneralFundbalanceof approximately</p>

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				<p>\$30.5M. The estimate for 2021-22 deficit spending is \$29.8M resulting in an unrestricted General Fund balance of approximately \$695K. A negotiated solution will be required to address the District's \$27M shortfall. Update: District Recommended Plan will correct deficit spending. However, adjustments do require negotiated savings. As of the 2019-20 Revised Adopted Budget, the District has implemented \$50.2M in ongoing budget adjustments and \$12.1M in one-time budget adjustments during the period of December 2018 through September 2019. Although these adjustments did not eliminate the deficit, the District's financial position was improved as follows: 2018-2019 actual deficit was \$171K in total unrestricted and restricted funds and the District's total deficit, including unrestricted and restricted funds, is projected to be \$18,706,878 in 2019-20, \$28,123,536 in 2020-21 and \$30,977,139 in 2021-22. In order to eliminate the deficit and maintain sufficient reserves to satisfy the 2% required for economic uncertainties, the District will need to adopt \$27M in ongoing solutions. The District will continue to research opportunities to mitigate the deficit but major adjustments will require a negotiated solution. This information can be found in the Revised</p>

No. FCMAFinding

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14.	Has the district developed measures to mitigate the effect of student transfers out of the district?	Complete	The district authorizes all interdistrict transfers out of the district and does not require the parents of students who receive interdistrict transfer permits to reapply annually.	12/15/22 Update: The district has partnered with SchoolMint to help support the Intra/Inter

No.	FCMA Finding	Status	District Response	Progress for anyITPrequest.

No.	FCMA Finding	Status	District Response	Progress
				for the 19/20 and 20/21 fiscal year. However, if no adjustments are made the 21/22 fiscal year the district will have a negative reserve. District is working

No.	FCMA Finding	Status	District Response	Progress
16.	If the district is not able to maintain the minimum reserve for economic uncertainty, does the district's multiyear financial projection include a board approved plan to restore the reserve?	Complete	The district does not have a board approved plan sufficient to restore the reserve at the time of this Fiscal Health Risk Analysis.	<u>3/17/22 Update:</u> As of the 2021 22 Second Interim Report, the District is projecting an unrestricted general fund balance of \$123.5M in 2021 22, \$134M in 2022 23, and \$127.8M in 2023 24 that provides reserves to meet the minimum required reserve for economic uncertainty. Based on the 2021 22 Second Interim data, the District has

No.	FCMAT Finding	Status	District Response	Progress
				<p>Board Meeting and included negotiable and non negotiable solutions to achieve fiscal solvency. The FRP will be considered at the December 10, 2020 Board Meeting for implementation. Revised drafts of BP 3100 will be presented at a Board Meeting not later than January 2021.</p> <p><u>3/10/20 Update:</u> In order to maintain fiscal solvency, restore stability and address the long term financial issues, the District presented for consideration revision to Board Policy (BP) 3100: Business and Noninstructional</p>

17. Is the district's projected unrestricted fund balance stable or increasing in the two subsequent fiscal years?

Complete

The district's unrestricted general fund balance is projected to decrease significantly in 2019~~20~~ and 2020~~21~~ compared to its 2018~~r~~ unrestricted general fund balance of 19 budgeted amount:

3/17/22 Update: As of the 2021~~22~~ Second Interim Report, the District is projecting an unrestricted general fund balance of

- * 2018~~19~~: \$25,926,177.49
- * 2019~~20~~: (\$17,491,788.17)
- * 2020~~21~~: (\$66,494,314.95)

				<p><u>5/8/20 Update:</u> At the April 2, 2020 Board Meeting, the 2019-20 Second Interim Financial Report was approved with a negative certification and an update on the FCMAT matrix was also presented. The unrestricted general fund balance is decreasing in the subsequent fiscal years and at the 2019-20 Second Interim is as follows: *2019-20: \$58,556,959 2020-21: \$26,956,247 and *2021-22: \$2,043,174.</p> <p><u>3/10/20 Update:</u> The 2019-20 First Interim Financial Report and FCMAT Update was presented at the December 19, 2019 Board Meeting with a negative certification. The unrestricted general fund balance at the 2019-20 First Interim is as follows: *2019-20: \$59,146,111 *2020-21: \$30,523,941 and *2021-22: 695,344.</p> <p>Update: While the District has made progress, the District continues to work on a negotiated solution. Although the District still needs a \$27M solution to achieve fiscal solvency, the adjustments implemented in the last year have improved the unrestricted general fund balance as follows: * 2018-19: \$61,133,835 *2019-20: \$51,622,467.60 2020-21: \$23,498,932 and *2021-22: (\$7,478,207).</p>
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No.	FCMAT Finding	Status	District Response	Progress
18.	If the district has unfunded or contingent liabilities or one time costs, does the unrestricted fund balance include any assigned or committed reserves above the recommended reserve level?	In Progress	<p>The district's unrestricted ending fund balance does not include amounts for the following liabilities:</p> <p>* Because the district and the SCTA disagree</p>	

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				<p>is market based, being able to maintain the higher interest (discount) rates is contingent upon sustained and/or increasing contributions to the OPEB trust. Failure to do so would likely result in a reduction to these rates in the future and revert to a higher Total OPEB liability.</p> <p>The Net OPEB liability decreased by \$199 million from the prior report to \$526 million. The decrease is a result of the continued funding of the District's OPEB revocable trust fund in addition to the decreases noted above. In other words, these continued contributions to the OPEB trust help not only in increasing the trust assets but also in stabilizing or improving the discount rate used to calculate the Total OPEB liability.</p> <p>This is a significant improvement, but the liability will continue to grow without continued efforts to decrease it.</p> <p>In Progress Superintendent to establish commission to further address the outstanding liability once a balanced budget is adopted.</p>

No.	FCMA Finding	Status	District Response	Progress
19.	Is the percentage of the district's general fund unrestricted budget that is allocated to salaries and benefits at or under the statewide average for the current year?	In Progress	The statewide average for unified school districts as of 2016-17 (the latest data available) is 84.63%. At the 2018-19 first interim, the district is exceeding the statewide average by 6.37%.	<u>3/16/23 Update: As of the 2022-23 Second Interim Report, the District's Salaries and Benefits comprise 89% of the budget.</u> ~ # • 0

No.	FCMAT Finding	Status	District Response	Progress
				<p>the General Fund and 90% of the Unrestricted General Fund balance.</p> <p><u>5/8/20 Update:</u> At the 19 20 Second Interim, the District's Salaries and Benefits was at 93.7% which does not fall within the standard percentage of 87.5% 3.5%. The District does not meet the status and is exceeding the statewide average by .5%.</p> <p><u>3/10/20 Update:</u> The SCTA Retros have been issued. The first SCTA Retro was paid on October 11, 2019 and the second SCTA Retro was paid on November 25, 2019. At the 2019 20 First Interim, the District's Salaries and Benefits was at 92.6% which falls within the standard percentage of 87.5% 3.5%.</p> <p>In Progress Once the final calculations are determined for the second retro payment, this can then be determined.</p>
20.	Is the percentage of the district's general fund unrestricted budget that is allocated to salaries and benefits at or below the statewide average for the three prior years?	In Progress	The district exceeded the statewide average in this area for all three prior years, with its highest percentage in 2015 16 at 6.93% higher than the state average.	<p><u>3/16/23 Update:</u> As of the 2022 23 Second Interim Report, the District's Salaries and Benefits comprise 89% of the unrestricted general fund projected expenditures and 67% of the combined general fund.</p> <p><u>12/15/22 Update:</u> As of the 2022 23 First Interim report, the District's Salaries and Benefits comprise 89% of the unrestricted general fund projected expenditures and 68% of the combined general fund.</p>

No.	FCMA Finding	Status	District Response	Progress
				<p><u>3/17/22 Update:</u> As of the 2021 22 Second Interim report the District's Salaries and Benefits comprised 90% of the Unrestricted General Fund projected expenditures and 68% of the combined General G e n</p>

No. FCMA Finding

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District Response

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No.	FCMAT Finding	Status	District Response	Progress
				<p><u>3/17/22 Update:</u> Staff continue to work with sites and departments to encumber and spend restricted programsto ensure these funds are not lost, also when needed the District will file for extension waivers.</p> <p><u>12/16/21 Update:</u> Staff continue to work with sites and departments to encumber and spend restricted programsto ensure these funds are not lost, also when needed the District will file for extension waivers.</p> <p><u>5/1/21 Update:</u> Staff is working with sites and departments to encumber and spend SIG, CSI and carryover Title funded programsto ensure these funds are not lost, also when needed the District will file for extension waivers.</p> <p>Update: For the 201920 budget, most of the title type current year allocations for the year have been programmed for the upcoming year. This includes Title I and Title II. Some Title III funds still need to be programmed and team members are working on this matter. Title IV first year allocations have been programmed. Title IV second year has not been allocated at this time. While Title I funds have been allocated, the multi year conservatively assumes \$1.5 million in Title I funds will not be spent funds</p>

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				will be spent over 2019-20 and 2020-21. These funds require discussions with the consortium as to the best option on spending carryover funds. Staff will monitor projected restricted carryover, so that plans can be developed to utilize these one-time carryover funds appropriately.
22.	Are the district's financial system's access and authorization controls reviewed and updated upon employment actions (i.e. resignations, terminations, promotions or demotions) and at least annually?	Complete	The district does not regularly update authorization controls, and discrepancies based on changes in positions are often found many months later. The district relies on a digital change form that requires manual signatures, which slows the process or results in lost forms. The district should move to a	

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				<p>perform this task electronically. The District is about to implement a process in Escapes that will allow for automatic and timed employment status changes when folks are hired and when they are separated. This change should allow a clear delineation of the automated network access process through UMRA, allowing for automatic network access/denial for those whose status changes. The Palo Alto firewall installation continues to move forward with a mid April go live.</p> <p><u>12/16/21 Update:</u> The district completed a network security audit in June, 2021, that included a review of the Escapes servers. We are currently using Illumio software on the Escapes servers to monitor how the servers are accessed and by whom. Once the review is complete, Escapes servers will be locked down to restrict access. The district is moving Infinite Campus the Student Information System to the cloud over the Winter break to increase security. The recent move from an on r</p>

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				<p>up data in our Escape system to allow for UMR account creation to take place. We are meeting this month to make refinements to our script and process to bring this about quicker. We are also working with a newly hired Escape contractor/developer to automate our onboarding and separation processes. This will improve our data quality.</p>

No.	District Response	Progress

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				<p>APBatch is then printed by the Lead AP for distribution. With the multi level of review and audit in place for each AP batch, the district has ensured that duties are sufficiently segregated, supervised and monitored.</p> <p><u>3/1/21 Update:</u> IDT meetings ongoing, no process change at this time.</p> <p><u>11/30/20 Update:</u> Interdepartmental Team (IDT) meetings established between Human Resources, Business Services, Technology and Continuous Improvement Departments. The first meeting took place on November 4, 2020. The next meeting is scheduled for November 18, 2020, meetings will be held every other week.</p> <p>Update: Staff to review technology, and conduct Cabinet to Cabinet discussion on implementation. No target date has been set. The status remains unchanged. The Business Office and Technology will continue reviewing options for addressing the segregation of duties. However, due to the reductions in personnel, appropriately adhering to segregation of duties will be a challenge.</p>

No.	FCMA Finding		District Response	Progress
24.	<p>Does the district ensure that duties in the following areas are segregated and that they are supervised and monitored?</p> <ul style="list-style-type: none"> • Payroll 	In Progress	The payroll process appears properly supervised and monitored; however,	0 TD 0 Tc <0003>85 0 f7eta32 1 Tf 0 12 -12 0 67.8 294.12

No.	FCMA Finding	Status	District Response	Progress

No.	FCMAT Finding	Status	District Response	Progress
				segregation of duties will be a challenge.
25.	Is training on financial management and budget offered to site and department administrators who are responsible for budget management?	Complete	<p>There has been little or no budget and fiscal training for site and department administrators who are responsible for budget management. Training is done informally and as needed or requested rather than on a regular schedule.</p> <p>The amount of expertise, access to and knowledge of the financial system vary by site and department.</p>	<p><u>12/16/21 Update:</u> Trainings continue to be offered upon request when new employees start working for sites and departments.</p> <p><u>5/1/21 Update:</u> Currently, trainings are provided upon request.</p> <p><u>3/1/21 Update:</u> Currently, trainings are provided upon request.</p> <p><u>Update:</u> The District's Business Office scheduled a budget/fiscal training on January 8th, 2020 from 8:30 to 9:30am for all site administrators at the Priority Initiative Meeting (Principal's Meeting). This session covered the following 3 topics: 1. how to access and understand a site budget 2. how to check on the status of a submitted requisition 3. the workflow for contracts and travel requisitions from creating a requisition to approval. The District's Business Office intends to provide regular budget/fiscal sessions at the Priority Initiative Meetings. Escaper training offered monthly to all staff.</p>
26.	Does the governing board adopt and revise policies and administrative regulations annually?	Complete	Although board policies and administrative regulations are brought to the board sporadically for revision and/or adoption, there was no evidence of an intent to review the information annually or to ensure that it is a priority to communicate the permissions,	<p><u>3/1/21 Update:</u> Updated Bylaw Exhibit regarding process for approving and disseminating/communicating regarding updated policies and regulations.</p> <p>Memorandum regarding such circulated to staff – regarding the need for departmentsto</p>

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			limitations and standards of the board.	<p>follow this procedure, as well as periodically review their department related policies and regulations and work with the Legal Services Department to update existing or adopt new policies.</p> <p>Finally, the above is evidenced by the recent adoption of two policies and companion regulation, and the dissemination of each to staff (BPLactation Accommodation BP/AR Homeless Students) Revised and</p>

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				<p>was scheduled for further Board review and discussion in March or April 2020 Board meetings but this was delayed due to the impact of the COVID-19 pandemic on District operations. BP 3100 will be presented to the Board at the May 21, 2020 Board Meeting as a First Reading for further review and discussion.</p> <p><u>3/10/20 Update:</u> In order to maintain fiscal solvency, restore stability and address the long term financial issues, the District presented for consideration revision to Board Policy (BP) 3100: Business and Noninstructional Operations which include:</p> <ol style="list-style-type: none"> 1. The increase of the general fund expenditure reserve from the

No.	FCMAT Finding	Status	District Response	Progress
27.	Are newly adopted or revised policies and administrative regulations communicated to staff and implemented?	Complete	When it brings policies to the board for revision or adoption, the district has no process for communicating the information to staff or implementing the policies in detail. A communication is sent to staff after each board meeting that summarizes the meeting, but for staff to fully understand changes in board policy and administrative regulations, further detail and instructions are needed.	<p><u>3/1/21 Update:</u> Updated Bylaw Exhibit regarding process for approving and disseminating/communicating regarding updated policies and regulations. Memorandum regarding such circulated to staff – regarding the need for departments to follow this procedure, as well as periodically review their department related policies and regulations and work with the Legal Services Department to update existing or adopt new policies.</p> <p>Finally, the above is evidenced by the recent adoption of two policies and companion regulation, and the dissemination of each to staff (BP Lactation Accommodation BP/AR Homeless Students) Revised BP 3100 adopted at 3/4/21 Board Meeting.</p> <p><u>11/30/20 Update:</u> The District plans to periodically bring forward a package of policies and regulations that should be adopted or revised. The next package of new/revised policies is planned for bringing forward to the Board early in the new year.</p> <p>Concerning the need to communicate out new/revised See red line Exhibit attached. This could be easily implemented by Cabinet promptly and without requiring Board Approval. The District has updated and formalized its process to disseminate and</p>

No.	FCMAT Finding	Status	District Response	Progress
				<p>communicate new or revised policies and administrative regulations. The process also includes providing any training required as a result of a new or revised policy or regulation. See attached revised Exhibit Form</p> <p><u>5/8/20 Update:</u> At the upcoming board meeting in June, the District will adopt a new process for</p>

No.	FCMAT Finding	Status	District Response	Progress
				Board adopted staffing ratios for certificated, classified and administrative positions are being updated and additionally defined.
29.	Does the district use its facilities fully in accordance with the Office of Public School Construction's loading standards?	Complete	Although the district has a 24 to 1 student to staff ratio for K-8, and follows the class size standards in its collective bargaining agreement with SCA for the other grade levels, its facilities department estimates that the district has approximately 20% more capacity than needed for its current student enrollment. The district closed six schools in the last seven years and reopened one.	<p><u>12/16/21 Update:</u> The Board approved the Facilities Master Plan on October 21, 2021.</p> <p><u>9/16/21 Update:</u> The FMP was completed August 2021, Board Approval expected in the Fall 2021.</p> <p><u>5/1/21 Update:</u> Completion date is Summer 2021.</p> <p><u>3/1/21 Update:</u> New completion date is Summer 2021.</p> <p><u>11/30/20 Update:</u> New completion date is Spring 2021.</p> <p><u>5/8/20 Update:</u> The assessments were delayed due to the closure of schools. Staff has been in communication with DLR to discuss progress with completion of the assessments and developing a revised timeline.</p> <p>Update: A contract for Facilities Master Planning its</p>

No.	FCMA Finding	Status	District Response	Progress
30.	Does the district have an up to date long range facilities master plan?	Complete	The district's facilities master plan was prepared by MTD Architecture in 2012 and has not been updated since.	

No.	FCMAT Finding	Status	District Response	Progress
31.	Does the district account correctly for all costs related to special education (e.g., transportation, indirect costs, service providers)?	Complete	Not all appropriate costs related to special education are charged to the program, including legal fees and the full allowable indirect costs.	<u>Update:</u> Program analysis was conducted and completed by SCO Expert. <u>11/30/2020 Update:</u> Staff have confirmed that appropriate costs related to special education are charged to the program including indirect costs.
32.	Is the district's contribution rate to special education at or below the statewide average contribution rate?	Complete	The district's 2018-19 budget plan indicates that its general fund contribution to special education will be \$73,590,731 and that its total special education expenditures will be \$107,398,026 which means that its contribution will equal 68.52% of total expenditures for the program. The statewide average contribution rate is 64.5% as of 2016-17.	<u>12/15/22 Update:</u> The Special Education department continues to collaborate with the Business department to monitor and accurately report on the Special Education budget. The 21-22 local contribution rate is 42.36% which is below the statewide average referenced. <u>3/17/22 Update:</u> The Special Education department has worked with the Business department to monitor and accurately report on the Special Education budget. Aside from hiring a Budget Analyst, the department has also hired a fund specialist to support greater capacity and expertise to the day to day operations of the Special

No.	FCMA Finding	Status	District Response	Progress

No.	FCMAT Finding	Status	District Response	Progress
				<p>Total SpEd Expenditures \$28,517,069 138,879,948 37,858,189 Local Contributions as % of Total Expenditure 50% 51% 51% Funding Sources as % of Total Expenditures Federal 8% 7% 7% State 32% 34% 35% Local 90% 8% 7% Local Contributions as % of Total 50% 51% 51% Total SpEd Expenditures 100% 100% 100%</p> <p>3/10/2020 Update: The 2019-20 First Interim indicates \$82,559,549 of General Fund contribution towards the Special Education restricted program. This is a percentage increase in contribution of 12%. At the January 19, 2020 Board Meeting, staff shared the work underway with special education programs and services and the implementation of the multi-tiered system of support (MTSS).</p> <p>11/30/20 Update: Program analysis was conducted by SCOE experts, and draft findings submitted to SCOE in 2019. The Special Education department has recently undergone a reorg. There are no additional changes at this time.</p> <p>Update: Program analysis was conducted and completed by SCOE expert. Will be reviewed and shared by 4/30/19. 6/5/19 Update: Final report has not been received from SCOE Expert.</p>

No.	Status	District Response	Progress
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No.	FCMA Finding	Status	District Response	Progress
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No.	FCMAT Finding	Status	District Response	Progress
				<p>Additionally, the department has provided ADR training to other members of the Academic Office as a way to build greater capacity across the system.</p> <p><u>12/16/21 Update:</u> The Special Education Department has collaborated with its legal partner to develop a comprehensive system of tracking for special education conflicts. This includes settlement tracking, comprehensive invoice reviews, quarterly check-ins with department administrators to review what has been/has not been used. Additionally, the department is focusing on building up and implementing Alternative Dispute Resolution strategies and processes to support resolving conflicts at a lower level prior to due process filings.</p> <p><u>3/1/21 Update:</u> The Special Education Department has designed an online tracking system for evaluating costs and management of current legal matters, including due process and settlement agreement management. The Department is in the process of collaborating with other departments, legal and fiscal to populate the system.</p> <p><u>11/30/20 Update:</u> Program analysis was conducted by SCO expert, and draft findings submitted to SCO in 2019. The Special Education department has recently undergone a reorg. There are no additional changes at this</p>

No.	FCMAT Finding	Status	District Response	Progress
				time. Update: Program analysis was conducted and completed by SCO Expert.
35.	Has the district corrected all audit findings?	Complete	The district has only partially implemented the findings related to student body funds and student attendance from the 2015, 2016 and 2017 audits. Student body findings identified in the 2015 audit have been reported as partially implemented through the 2017 audit; student attendance findings, identified in 2016, have not been implemented as of the 2017 audit.	5/12/20 Update: The District did not have any student body funds or attendance audit findings in the 2018-19 audit report. The student body funds and attendance findings included from the 2015, 2016, and 2017 audit reports were updated in the 2018-19 audit report as implemented. Update: The District has partially implemented corrective actions for the student body fund findings identified beginning with the 2015 audit and the student attendance findings identified beginning with the 2016 audit. Findings have occurred each fiscal year since there is a rotation of school sites audited each fiscal year as well as turnover in site staff. Training is provided directly to school sites with findings. Also, ongoing training to all sites are provided throughout the fiscal year at both school sites and the district office to assist staff.
36.	Is the superintendent's evaluation performed according to the terms of the contract	Complete	FCMAT was not able to obtain evidence that the superintendent has received any evaluations since he was hired. His contract states:	The current superintendent has

No.	FCMAT Finding	Status	District Response	Progress
			The Board shall evaluate the Superintendent in writing each year of this agreement. The	

No. FCMA Finding

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No.	FCMAT Finding	Status	District Response	Progress
41.	Does the district account for all positions and costs?	Complete	<p data-bbox="772 152 1388 191">related to warrant processing.</p> <p data-bbox="772 201 1388 816">The district must improve its position control process. The district currently uses the same position control number for multiple positions, and for full time equivalent (FTE) positions that have the same title, instead of creating a unique position control number for each board approved position or FTE. The district's current practice leads to lack of clarity about which positions are being filled and about the site to which each belongs, because the same position number can exist at multiple sites if the same title is assigned. The district needs to use a unique identifier, or position control number, for each board authorized position.</p> <p data-bbox="772 873 1388 1084">Another area to improve on in the position control process involves the ramifications of the one stop process, because confusion often arises when employees are transferred between sites and departments.</p>	

No.	FCMAT Finding	Status	District Response	Progress
			employees work locations is often found to be inaccurate. Because paper work is not generated during one stop meetings, it is often more difficult to determine the history and details of past decisions.	production environment. Roll out of new position control system planned for the week of June 17, 2019.
42.	Does the district use a budget development method other than a rollover budget, and if so, does that method include tasks such as review of prior year estimated actuals by major object code and removal of one time revenues and expenses (part 1)	Complete / Ongoing	Although the district uses a one stop method for budget	

No.	FCMA Finding	Status	District Response	Progress
	and expenses (part 2)		<p>provided a funding estimate from the business department, then work collaboratively with the business and human resources staff (using updated staffing costs) to determine staffing and other expenditure</p>	

No.	FCMA Finding	Status	District Response	Progress
44.	Has the district's budget been approved unconditionally by its county office of education in the current and			

No.	FCMAT Finding	Status	District Response	Progress
				goals.(Dates:9/24/18, 12/19/18, 4/5/19, 4/16/19) 2. Schoobite budgets are now aligned

No. FCMAFinding

No.	FCMAT Finding	Status	District Response	Progress
	needs are known?		cash calculation and projection was prepared by the county office's fiscal advisor that concluded that the district will become cash insolvent in October 2019 based on current budget projections. This projection was different and showed more cash deficiency than the district prepared cash flow projection. A more recent cash flow projection prepared by the district for 2018-19 first interim shows the cash insolvency date as November 2019, one month later than the projection prepared during FCMAT's fieldwork.	
49.	If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection any transfers from the general fund to cover deficit spending?	Complete	Although the district's multiyear financial projection includes transfers from the general fund to cover deficit spending in other funds, FCMAT believes that those transfers are inadequate based on prior year deficits. Without a specific plan to reduce def	2 funds, 12 -12 0 (projection) 1; /TT 1 T 4.18 0 TD <003>T

No.	FCMA Finding	Status	District Response	Progress
			<p>increase the district's liabilities and further increase its projected general fund deficits. If this increased deficit is not remedied in 2018 or 2019, it could cause the district to become cash insolvent prior to November 2019, based on current budget projections.</p>	

50. Has the district's enrollment

No.	FCMA Finding	Status	District Response	Progress
				First Reading for further review and

No.	FCMAT Finding	Status	District Response	Progress
54.	Is training on the budget and governance provided to board members at least every two years?	Complete	There was no evidence that budget or governance training is provided to board members regularly.	The Superintendent has been conducting Board Learning Sessions. Board governance training has been an ongoing and regular practice for the Board of Education for the past two years. Budget training has not previously been provided outside of the regular meeting setting over the past couple of years, but will begin with the 2019-20 academic year.
55.	Does the district use its most current multiyear projection when making financial decisions?	Complete	It appears that the district used multiyear projections when making financial decisions until the 2017-18 fiscal year, but that this practice ceased in that year, during which it also entered into a multiyear agreement with the SCTA (December 7, 2017) that granted ongoing salary increases without a budget reduction plan to maintain minimum reserves through 2020-21.	Current budget philosophy is to understand fourth year budget implications of financial decisions.

56. Are the sources of repayment for non voter approved debt stable (such as certificates of participation (COPs), bridge financing, bond anticipation notes (BANS), revenue

No.	FCMAT Finding	Status	District Response	Progress
57.	Does the district analyze and adjust staffing based on staffing ratios and enrollment?	Complete	<p>The district did not provide evidence that regular analysis of staffing ratios is compared with actual enrollment or that adjustments are made in accordance with sites' or departments' needs after the one stop budget and staffing process occurs in January or February of each year during the budget development process. During one stop, because the primary purpose appears to be developing the March 15 notice list, staffing ratios are compared against enrollment projections, and staffing is scheduled accordingly.</p> <p>Although this process is efficient for meeting the March 15 deadline as well as initial budget development projections, the decisions made during one stop need to be reassessed as the year proceeds and actual enrollment numbers are known.</p>	Yes Allocation to staffing are based on contract

No.	FCMAT Finding	Status	District Response	Progress
			<p>number of open positions shown in financial reports is usually inflated.</p> <p>At interim reporting times, the district identifies variances between budgeted and actual amounts, and salary and benefit budgets are often revised based on that analysis. By contrast, standard industry practice is to reconcile actual human resources and payroll records to ensure that only open, authorized positions are shown as such in the budget; if an open position the</p>	

No.	FCMAT Finding	Status	District Response	Progress
60.	Do managers and staff responsible for the district's human resources payroll and budget functions meet regularly to discuss issues and improve processes?	Complete	Staff indicated that those responsible for human resources payroll and budget meet two times per year. Scheduled meetings should be conducted at least monthly to resolve ongoing issues and problems, as well as improve processes between the departments.	