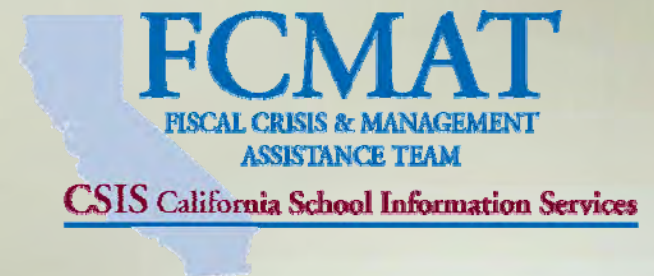


California Association of School Business Officials Annual Conference 2009

FCMAT Presentation

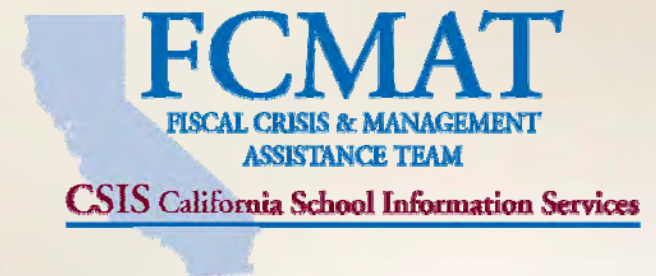
Presented by:

Joel Montero, Chief Executive Officer
Anthony Bridges, Deputy Executive Officer
Michelle Plumbtree, Chief Management Analyst
Jim Cerreta, Fiscal Intervention Specialist



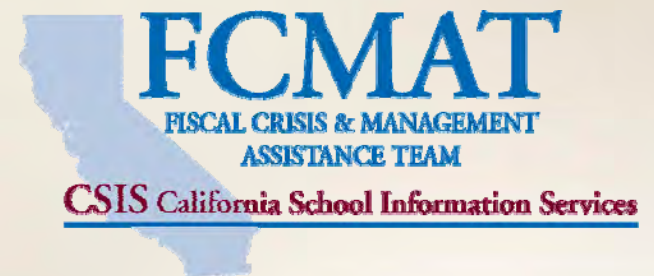
Overview

- What is the Fiscal Crisis and Management Assistance Team (FCMAT)?
- The Basics of AB 1200/2756
- The Basics of AB 2197 (Mullins)
- FCMAT Services
 - On Site Technical Support
- How does FCMAT respond to requests for assistance?
- Additional FCMAT Services
 - Professional Development
 - Data Management
 - Leadership Preparation
 - Budget Explorer
- Questions and Answers



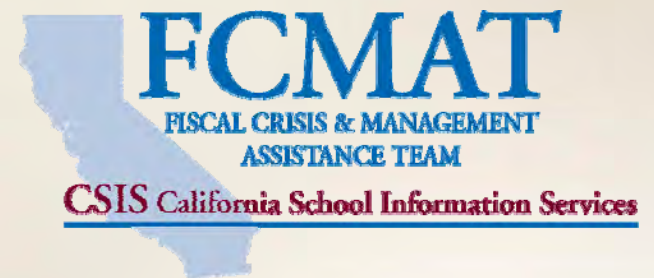
What is FCMAT?

- An independent/external public agency of the state designed to support local educational agencies
- Primary mission is to assist school agencies in identifying, preventing and resolving financial problems
- Small core staff composed of former school district and county office employees (certificated and classified)
- Staff and consultants perform studies and analyses at the request of school agencies to promote effective and efficient operations
- May be called in by a district, charter school, community college, county office, the Superintendent of Public Instruction (SPI) or the Legislature



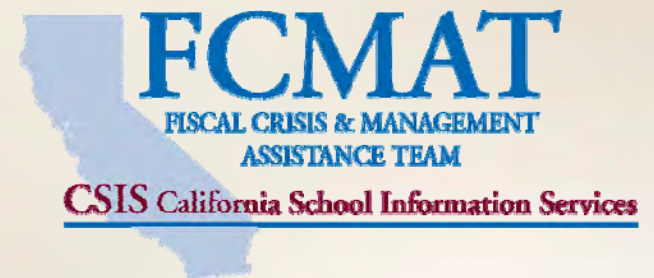
The Basics of AB 1200/2756

- COEs are the “first line of defense” to protect the state from liability for school district financial problems
- A qualified or negative certification does not mean a district will get an emergency loan - it’s a much more complicated process
- Some districts discover their problems are too big - or are recognized too late - for the COE to help resolve
- By the way – getting an emergency loan from the state will spoil your whole day!



The Basics of AB 1200/2756, cont.

- Response to emergency loans and districts in financial crisis
- Increases oversight at all levels
 - Districts
 - CFO and Superintendent must sign collective bargaining disclosures and certify they are affordable
 - Allow more time for COE review
 - Cuts must be acted on by board
 - County Superintendent
 - Conditional approval of budgets
 - Earlier intervention
 - Downgrade budget certification if procedures not followed
 - Act to correct deficiencies

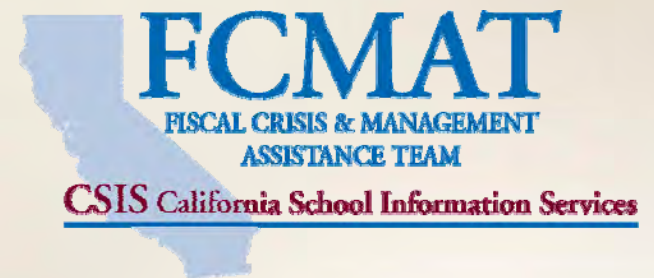


The Basics of AB 1200/2756, cont.

- County office review – at a minimum - occurs at these specific data collection points
 - Budget approval
 - First and second interim reporting
 - Positive, qualified and negative certifications
 - COE must assess solvency for the current plus two years
 - Collective bargaining disclosures

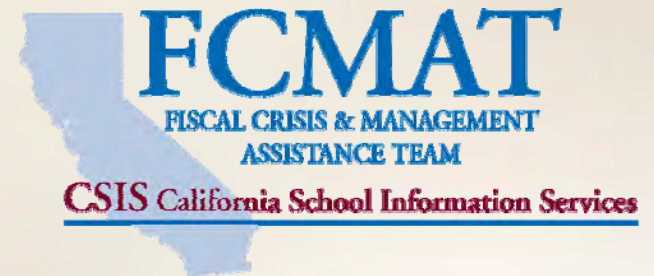
The Basics of AB 1200/2756, cont.

- Possible actions under a qualified certification
 - Fiscal expert assignment
 - Budget analysis and new financial projections
 - Approval of new debt issuance
 - Longer period of review for collective bargaining agreements
 - Encumber all contracts and other obligations
 - Withhold compensation from Superintendent and Governing Board



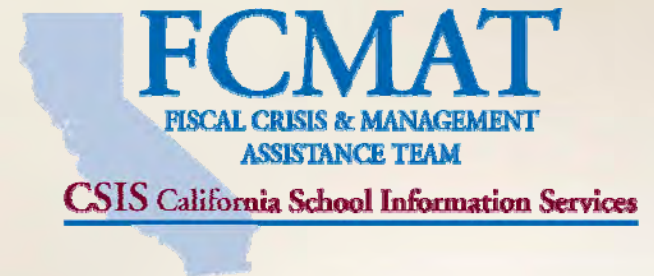
The Basics of AB 1200/2756, cont.

- Possible actions under a negative certification
 - All actions under a qualified plus:
 - Develop and impose a budget in consultation
 - Stay or rescind any action of the board that is inconsistent with fiscal recovery
 - In consultation with the district, develop a fiscal recovery plan
 - May not abrogate any provisions of the collective bargaining agreement
 - Assign a Fiscal Advisor



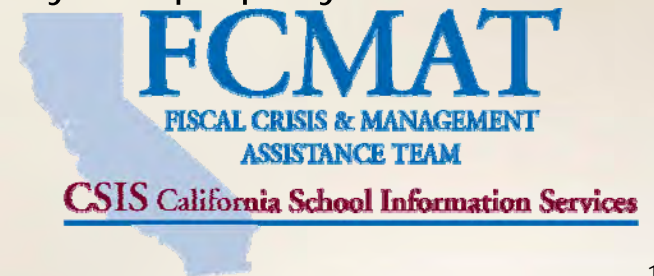
The Basics of AB 1200/2756, cont.

- In the event of insolvency (emergency loan)
 - Authority transfers to the California Department of Education
 - Assignment of a State Administrator
 - Governing Board becomes advisory only
 - Recovery plan developed
 - Assignment of a State Trustee



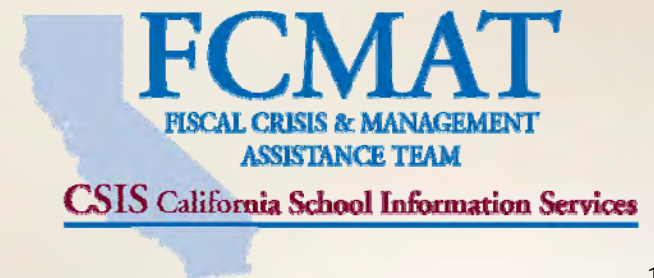
The Basics of AB 2197 (Mullins Bill)

- Reporting requirements for non-voter approved debt
 - Effective January 1, 2009 - adds non-voter-approved debt instruments secured by real property to the list of what must be disclosed
 - Changes the reporting requirements for issuing non-voter-approved debt
 - MUST notify the county superintendent of schools and county auditor at least 30 days prior to the governing board's approval of the issuance of certificates of participation (COPs) or other non-voter-approved debt instruments secured by real property



FCMAT Services

- Management Assistance
- On Site Fiscal Support and Technical Assistance
- Fiscal Crisis Intervention (AB1200/AB2756)
- AB 139, Extraordinary Audit



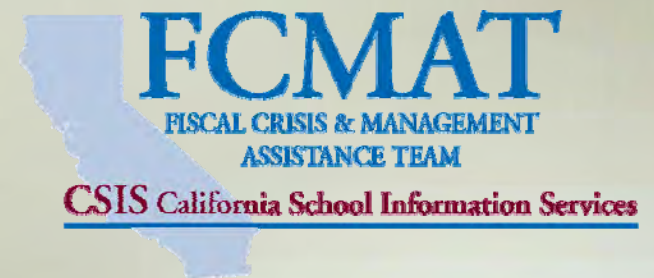
FCMAT Services

On-Site Technical Support



FCMAT is offering immediate **On-site fiscal support and technical assistance** to LEAs to assist in any of the following areas:

Multiyear Financial Projections
Cash Flow
Budget Development

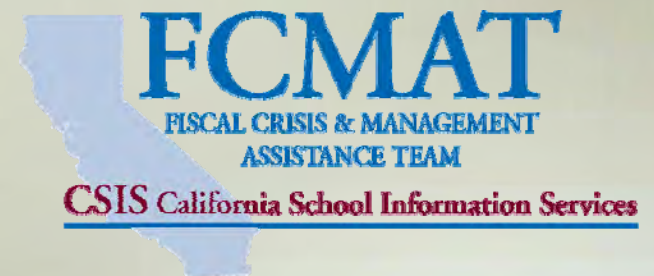


FCMAT Services

On-Site Technical Support — MYP



Multiyear Financial Projection on-site assistance will take your LEA's operating revenues, enrollment and ADA trends, and expenditure patterns into account to prepare a forecast that is accurate and thorough. General fund projections will be based on the 2008-09 fiscal year and can forecast 2, 3, 4 or 5 years. Changes in state and federal regulations are taken into account when projecting revenues and expenditures.

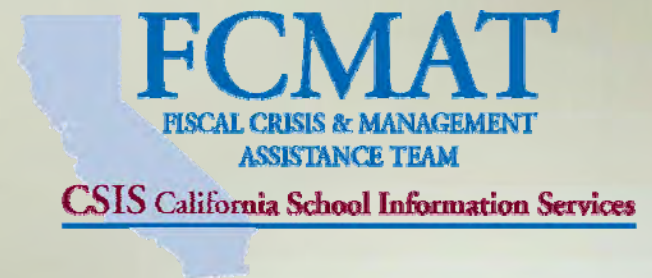


FCMAT Services

On-Site Technical Support — Cash Flow



Monitoring your LEA's cash has become essential given the state's fiscal condition. **Cash Flow** on-site assistance will help you determine if you are able to meet your cash needs, maintain short-term sustainability, and remain solvent.

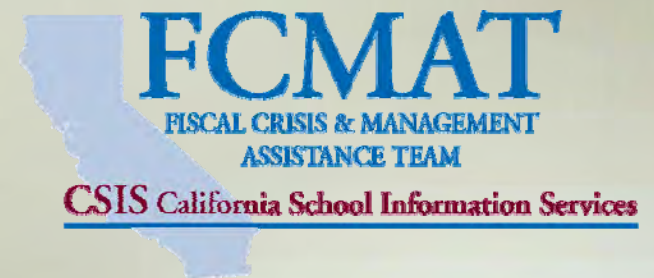


FCMAT Services

On-Site Technical Support — Budget Development

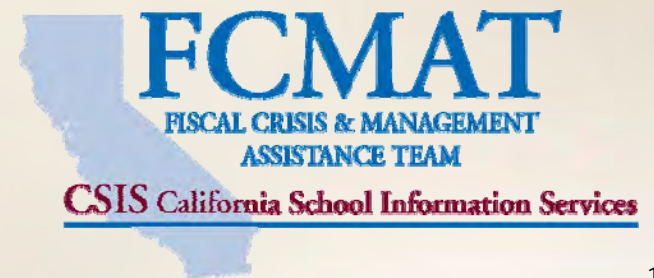


Budget Development on-site assistance will be based on historical revenue and expenditure trends and current budget information. Analytical, statistical, and trend analysis tools will be used in the budget development process that ensures accurate data and information. This work will provide multiyear comparative reporting and will leave you with reliable information that can be analyzed through "what if" scenarios for budget negotiations and board meetings.



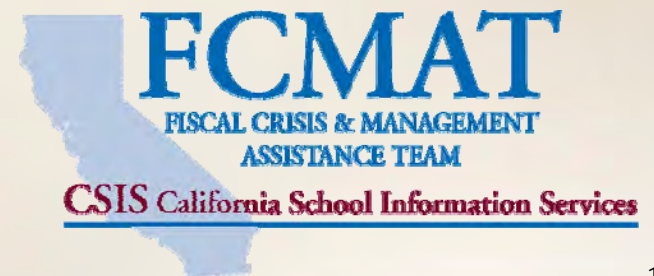
FCMAT Services, cont.

- Special Assignments
 - Fiscal Expert
 - Fiscal Advisor
 - Comprehensive Reviews
 - Fiscal Emergency (declared by the FCMAT Governing Board)



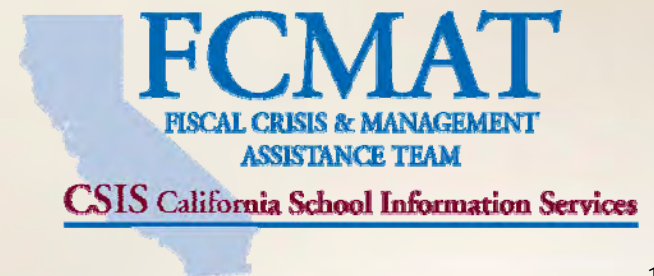
How Does FCMAT Respond to Requests for Assistance?

- LEA initiates the request and identifies the scope of work
- Online request forms available at www.fcmat.org
 - Initial contact from FCMAT to discuss LEA needs
 - Draft study agreement (contract)
 - PO is sufficient if it's On-site Support/Technical Assistance
 - Field Work - length depends on type of Assistance
 - Final report – with findings and recommendations
 - Unless services are On-site Support/Technical Assistance
 - Ongoing support and follow-up



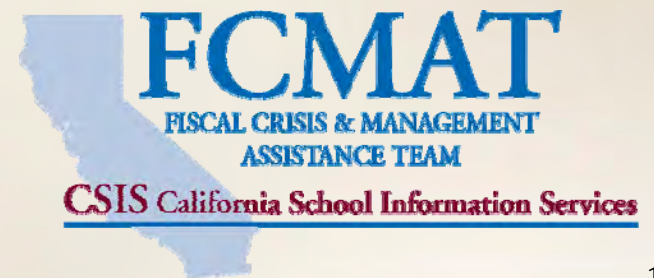
FCMAT Services-Professional Development

- Workshops
 - Associated Student Body
 - Charter School Fiscal Management
- Written Resources
 - ASB Accounting Manual and Desk Reference
 - Fiscal and Legal Alerts
 - COE Fiscal Procedure Manual
 - Fiscal Oversight Guide
 - Business Services Guide
- Partnerships – CASBO, SSC, CSBA & Others



FCMAT Services-Professional Development Charter School Fiscal Management Workshop

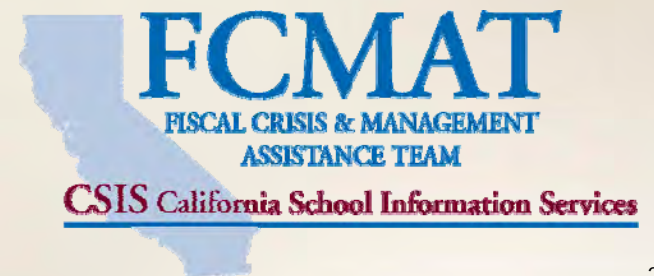
- Charter schools, though successful in raising student achievement are closing their doors due to their lack of knowledge about managing the business and fiscal requirements of their schools.
- FCMAT is working in collaboration with the CDE on the workshops
- Two locations:
 - Thursday, April 30, 2009, Contra Costa COE
 - Tuesday, May 5, 2009, San Bernardino COE
- These workshops are full but more are planned for Fall/Winter 2009



FCMAT Services-Professional Development

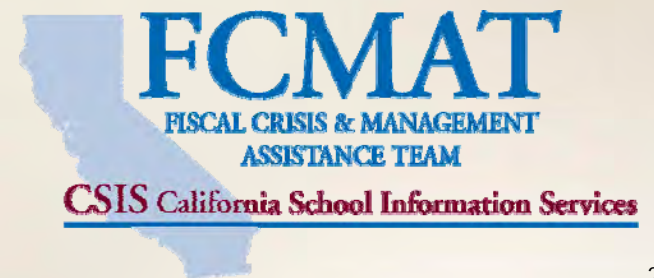
Charter School Fiscal Management Workshop, cont.

- Topics will include:
 - Laws and Regulations
 - Data Management, including on overview of CALPADS
 - Class Fees, Deposits and Other Charges
 - Gift of Public Funds
 - Internal Controls
 - Overview and Explanation of Funding Sources
 - Effective Financial Management through Budgets, Multiyear Financial Projections and Cash Flows
 - Financial Reporting Requirements and Timelines
 - Where to go for Help



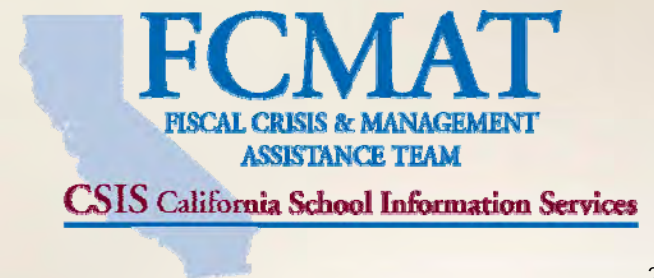
FCMAT Services-Data Management

- CSIS
- Ed-Data
- Ed-JOIN
- Teleconferencing



FCMAT Services-Leadership Preparation

- CBO Mentor Project
- Chief Technology Officer (CTO) Mentor Project
- Facilities Leadership Academy

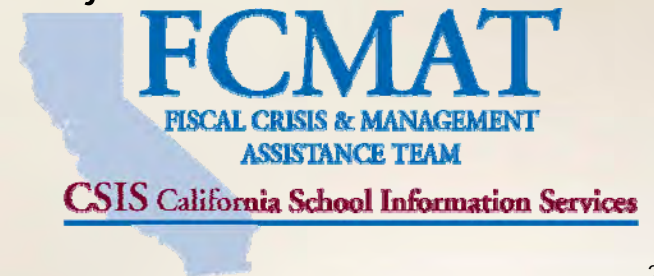


FCMAT Services-Budget Explorer

Multiyear Financial Forecasting Software for K-12 School Agencies

What's New in Version 4?

- Explore flexibility options
 - Flexibility Sweeps (object 8997)
 - Flexibility Transfers (object 8998)
- Cash flow module
 - Creates CF from BE values (base or future years)
 - Automatic determination of RL apportionments
 - Revenues by individual resource and object
 - Expenditures by major object range
 - Can "push back" to BE



CALIFORNIA ASSOCIATION of SCHOOL BUSINESS OFFICIALS
ANNUAL CONFERENCE 2009

Questions and Answers

For technical assistance or to download this
PowerPoint presentation,
visit www.fcmat.org

