

Annual *Report*

FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM

2008-09



CHIEF EXECUTIVE OFFICER • Joel Montero

ADMINISTRATIVE AGENT • Christine Lizardi Frazier
Office of Kern County Superintendent of Schools

<http://www.fcmat.org>

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Table of Contents

Foreword	1
FCMAT Organization	3
FCMAT Board of Directors	5
FCMAT and CSIS Staff Members	7
Fiscal Issues in California Education	9
FCMAT Strategic Plan	13
CSIS Strategic Plan	15
FCMAT Appropriations for Fiscal Year 2008-09	19
CSIS Appropriations for Fiscal Year 2008-09	20
Year in Review	
Partnership with the Educational Community	21
Interim Financial Report Certifications	23
Management Assistance 2008-09	
AB 1200 / AB 2756 in Action.....	26
Types of Reviews for Fiscal Year 2008-09	28
Study Summaries.....	29
Client Evaluation Results.....	34
Special Assignments	
Fiscal Advisor Assignments.....	35
Comprehensive Reviews	35
Professional Development	
FCMAT Training	37
CSIS Training.....	42
Written Resources	45
Other Products and Services.....	46
Leadership Preparation.....	47

Product Development

Budget Explorer49
Fiscal Insight..... 50
State Reporting and Records Transfer System51
Extended Client..... 51

Technical Support

AB 1200 Reimbursements52
Regional Teams.....52
FCMAT and CSIS Help Desks52
Mailing Lists53
FCMAT and CSIS Web Sites 54
Education Audit Appeals Panel..... 54

Foreword

The Fiscal Crisis and Management Assistance Team (FCMAT) is pleased to provide this year's organizational Annual Report. The 2008-09 FCMAT Annual Report represents our eleventh such effort and is intended to provide our many constituents with a reflective look at the year just past with respect to our efforts, accomplishments and continuing challenges.

As the most recent prior fiscal year ends and local education agencies (LEAs) across the state grapple with a variety of financial concerns and constraints, the new year begins and creates challenges that are at least equal to those of the past. Severe budget reductions across all facets of K-14 public education funding have made it essential for LEAs to set new priorities and seek more efficient methods of service delivery. This has been FCMAT's challenge as well.

The past year's increasingly constrained public education funding heightened the LEAs' need for hands-on budgeting assistance. FCMAT responded with the rollout of our immediate on-site fiscal support service model. As of June 30, 2009, nine school districts had utilized this service to accurately assess their current and projected budgetary status, monitor and manage cash flow, and consider staffing and program reductions in the current and two subsequent years.

Our California School Information Services (CSIS) operation has also risen to accept the challenges to support data management at both the state and LEA level. The development of the California Longitudinal Pupil Data System (CALPADS) has added to CSIS' role and function and created a list of emerging needs in the field as the process for this new data collection software is implemented. The CSIS sections of this report highlights a range of accomplishments related to this part of our organization and, as well, a focus on the future.

Internally, FCMAT has identified strategies for deploying staff and utilizing resources even more efficiently. One such strategy is to "go green." Reports are now sent electronically to the LEAs, with hard copies provided on request. Our move to a different office space in Bakersfield provided the impetus to consolidate our library of reports and other documentation. In all, the FCMAT staff have reviewed every aspect of our operation and searched for increased efficiency and economies of scale that are necessitated by the need to stretch every dollar to allow us to offer the maximum level of services to the field.

Perhaps the most significantly impacted program has been FCMAT professional development. The reduction in funding due to our Tier II status meant that difficult choices needed to be made with regard to professional development services, long a FCMAT mainstay. On a positive note, we have been able to maintain our CBO Mentor program and a handful of other efforts run in cooperation with FCMAT's traditional professional development partners. A new version of Budget Explorer™ was released that included a focus on county offices and cash flow in addition to the strong school district multiyear projection function that was already the core of this software.

FCMAT's fieldwork and input from across California has consistently shown that charter schools and their oversight agencies want and need financial guidance and information. In April and May 2009, FCMAT held its first two Charter School Fiscal Management workshops, which quickly filled to capacity. Five more workshops are planned for fall 2009.

In the final analysis we judge the 2008-09 year for FCMAT as a positive and growth producing experience for the organization and each of our staff. Regardless of the financial condition of the state and LEAs, our mission remains the same: To assist districts in maintaining solvency, provide local support, and add significant value to the California education system.

A handwritten signature in black ink, appearing to read 'Joel D. Montero', with a stylized, cursive script.

Joel D. Montero
Chief Executive Officer

FCMAT Organization

In 1992, county offices of education were invited to apply to be the administrative agent for the Fiscal Crisis and Management Assistance Team. Four county offices submitted responses and the Kern County Superintendent of Schools was chosen to be the administrative agent of FCMAT. A 25-member Board of Directors has statutory responsibility for a variety of decisions related to the Team, and is an active, engaged and important component of FCMAT.

Administrative Agent

The FCMAT Administrative and Fiscal Agent is the Kern County Superintendent of Schools, Christine



Christine L. Frazier

Administrative Agent

Lizardi Frazier. Frazier's education career spans more than 30 years as a classroom teacher, school principal, assistant superintendent and district superintendent. She joined the Kern County Superintendent of Schools Office in 1996. She previously worked in FCMAT as a Director of Management Assistance, and was Associate Superintendent before her appointment as Superintendent of Schools.

Frazier manages an office of more than 1,100 employees. She has served on the boards of the Boys and Girls Club of Bakersfield, and Junior Achievement. She was recently elected to serve on the Kern Economic Development Corporation board and is a graduate of the Bakersfield Chamber of Commerce's Leadership Bakersfield program. She is a member of the Selective Service board and has held leadership posts in professional organizations.

Frazier provides direct supervision of the FCMAT CEO. The role of the administrative agent is to ensure independent fiscal oversight, including an independent/external audit of the FCMAT business operations.

FCMAT Board

Assisting FCMAT is a 25-member Board of Directors, composed of county and district superintendents representing 11 county office of education service regions, two community college representatives, and an administrator from the Department of Education. The board members are listed on pages 5 and 6 of this report.



Darline Robles

Board Chair

A Board Chairman is elected by the board to serve a two-year term. The current chair is Superintendent Darline Robles of the Los Angeles County Office of Education (LACOE).

Robles is the top education leader of the nation's most populous and diverse county, ensuring the financial and academic stability of 80 school districts that serve more than 1.7 million students.

The first woman to be named Superintendent of LACOE in 2002, Robles oversees \$16 billion in school district funding and a staff of more than 4,000.

Robles' 30-year education career began in Montebello as a teacher, then coordinator, of bilingual and bicultural education. She also served as an elementary and intermediate school principal. She received a Bachelor of Arts degree in history from California State University, Los Angeles; a master's degree in education from Claremont Graduate School; and a doctorate in education policy and administration from the University of Southern California.

The FCMAT board meets quarterly and the Executive Board meets as needed. In the 2008-09 fiscal year, the FCMAT board accepted FCMAT's Annual Report for 2007-08, declared a fiscal emergency in the King City Joint Union High School District, and approved the FCMAT Financial Report and CSIS Plan.

FCMAT Agency

The Team is headed by a Chief Executive Officer. All FCMAT staff members are employees of the Kern County Superintendent of Schools Office. FCMAT also provides oversight of the California School Information Services project, which is based in Sacramento.

Joel Montero has served as the Chief Executive Officer of FCMAT since March 2006. His experience spans more than 30 years in the field of education.

Beginning in 1975 as a high school teacher, Montero has been a school principal, deputy superintendent, superintendent of a unified school district, and has worked for FCMAT for 11 years in a variety of roles. He was the Deputy CEO before his appointment to the position of FCMAT CEO.



Joel Montero
Chief Executive Officer

FCMAT Board of Directors

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Fiscal Issues in California Education

FCMAT staff track and analyze continuing and emerging fiscal issues based on their daily hands-on experiences in the field, as well as their work and communications with other state agencies. The commentary provided here is not necessarily based on quantifiable research, but stems from staff observations and the recurring appearance of similar issues in multiple school districts, county offices of education, charter schools, and community colleges.

Each year FCMAT's Chief Executive Officer delivers a status report covering these issues to the education budget subcommittees of the state Legislature. The report focuses on the general fiscal health of school districts, outlines the process and efficacy of financial oversight, and analyzes emerging economic issues that will likely affect California's school districts and county offices.

The issues identified below are those that may significantly affect the fiscal viability of California's school agencies both now and in the future. Most of these items were recognized in prior years and are now noted as "continuing issues." A single emerging issue overshadows all others this year: the threat of insolvency to school district and county office budgets.

Continuing Issues

Declining Enrollment

Over the past several years, declining enrollment has created a need for many school districts to rethink budget development, allocation and conservation of resources, and facilities management. More than half of the counties in the state report that at least 50% of their districts are experiencing declining enrollment. In recent years, the state's total student population also has declined. In fiscal year 2007-08 the state experienced a loss in student growth of approximately .52%. In 2008-09 the numbers indicate that the state lost another approximately .45% in the current fiscal year. The projected loss for 2009-10 is currently estimated at .32%, but after adjusting for charter school growth at 14%, the real ADA decline for regular K-12 is closer to 1%. It may be reasonable to assume that the state will continue to decline in enrollment through 2010-11.

Declining enrollment will continue to put pressure on school districts to reduce staff, to consider programmatic impacts, and to assess future student housing needs. School districts most impacted will be those that have ADA declines of 5% or more annually combined with the simultaneous significant losses in revenue. Smaller school districts with 1,000 ADA or less are disproportionately affected due to a simple lack of economy of scale.

Regional Development Agency Revenue (RDA)

FCMAT first identified potential problems with RDA allocations in 2006, and published Fiscal Alerts in May 2007 and in June 2008. The issues related to RDA revenues are well documented in both of the FCMAT publications now resident on the organization's Web site, www.fcmat.org. In May 2008, the State Controller issued a detailed report titled Distribution and Reporting of Local Property Tax Revenue, Phase II, which raised serious concerns regarding redevelopment agencies (RDAs), school districts and community college districts underreporting incremental tax revenues. In December 2008, FCMAT published a Fiscal Alert to school districts and county offices explaining the potential impact of AB 1389. Subsequently the California Department of Education published information related to "apportionment significant audit exceptions or underreported payments" by each LEA. The fiscal impact to LEAs significantly underreporting these revenues continues to be substantial.

Debt

In 2008, Attorney General Jerry Brown published an opinion that held that the cash-out refinancing of voter-approved debt was illegal in California. Several school districts were charged exorbitant fees for this practice, and taxpayers' obligations were increased and extended in the short term. FCMAT staff continue to have a concern that assumption of non-voter-approved debt by LEAs, cash-out refinancing of this same debt, and the ratio of debt service payments to general fund unrestricted revenues is continuing to increase in some districts. AB 2197 (Mullin) was signed into law in 2008 to provide direction and add disclosure requirements to all education agencies. As the traditional sources of debt service for non-voter-approved debt decline in school districts, the general fund unrestricted account bears the increasing brunt of these payments. As general revenues decline, the ability of some districts to service increasing debt declines, creating the need for deeper program side reductions.

Aging of the Business Office Workforce

The crisis in human resources related to the aging of the chief business official (CBO) population in the state's school agencies was first identified in 2000. Since that time a handful of programs have been instituted to mitigate the gradual decline in both expertise and experience in this area. Still, the number of CBOs lost to retirement and attrition is increasing faster than training and continuing education programs can replace the exiting workforce. The California Association of School Business Officials predicts that the loss of qualified business officials, at or above the current rate, will continue at least into the next decade given the current age of the workforce. This is consistent with what FCMAT observes in its management assistance and fiscal crisis intervention work with LEAs. The impact on the efficient and effective operation of school district business offices, particularly in times of economic turmoil, may be significant.

Cash Management

In the prior fiscal year, the issues related to school district cash and cash management took on new significance. The deferral of cash apportionments to LEAs, the loss in interest income from cash balances, the need to increase the level of short-term financing options with an associated increase in the cost of issuance, changes in the apportionment schedules, and the erosion of organizational fund balances has created, in some organizations, a cash management crisis. At the same time, budget reserves (one-time money) are generally less for most districts. As a result, districts will struggle with cash insolvency in increasing numbers. FCMAT projects that issues related to cash flow and cash management will continue into subsequent fiscal years, with a commensurate need to focus more carefully the process of fiscal oversight and budget certification. Smaller school districts with 1,000 ADA or less are disproportionately affected as their ability to manage cash flow is mitigated by issues related to scale, experience, and the impact of other funds.

Other Post Employment Benefit (OPEB) Bonds

As more and more LEAs recognize the need to defeat their unfunded liability for retiree benefits, financial institutions will develop and offer products that are intended to assist in that effort. OPEB bonds are one mechanism by which LEAs may secure and sell non-tax exempt certificates to generate revenue that is reinvested. The concept is that bonds are sold and cash is obtained at an interest rate that is lower than the return after the revenues are invested. FCMAT believes that this may be a very speculative enterprise and that the risks associated with OPEB bonds may not warrant their use by education agencies. As with issues related to cash management, fiscal oversight for LEAs that utilize OPEB bonds should be strengthened and new disclosure requirements (not covered under AB 2197) should be considered.

Investment of District Funds

The financial crisis on Wall Street has resulted in market conditions that have caused substantial investment losses throughout the country, including declining returns for some California county treasurers' portfolios. Some counties have reported that because their investment portfolios contained holdings in now-bankrupt financial institutions, they have experienced losses that will be redistributed to LEAs for the first quarter of the 2008-09 fiscal year. Safeguarding cash investments will be at the forefront of an LEA's fiduciary responsibilities and should be carried out using prudent investment standards in accordance with government code.

Early Retirement Incentives

Declining state revenues and the possibility of mid year budget reductions mean local school districts will be faced with difficult and challenging budget choices. Most school districts contribute 85% to 90% of their operating budget to salaries and benefits. This, combined with the need to reduce certificated staff due to losses in revenue, may cause many districts to review the cost savings of early retirement incentives. Retiring top-step personnel and hiring new employees at entry level pay is an option that proposes to save money for many districts. The incentive involves a dollar amount or years of service credit to employees from the district to supplement an employee's STRS or PERS pension.

Districts will need to review the process for opening the window for retirement under the PERS/STRS Golden Handshake programs or options such as a Supplemental Employee Retirement Plan (SERP) or the Public Agency Retirement System (PARS). Districts will need to fully evaluate the cost and payback analysis under any of these models. Normally the cost for such programs, if calculated correctly, can be paid in full by replacement savings over multiple fiscal years.

The challenge for most districts is establishing the eligibility list for potential participants and calculating the projected savings. Districts will need to fully examine the type of staff that elects to participate in this type of program and provide a more realistic replacement cost on the district's salary schedule to fully evaluate the projected savings. Many times the added retirement cost is not included in the annual valuation reports to determine the actual savings, which can result in a much lower savings, if any, than what was originally projected.

Emerging Issues

LEA Solvency

This year's single emerging issue is school district and county office budget and cash solvency; more specifically, the threat of insolvency. The FCMAT internal "watch list" of districts nearing insolvency currently numbers 20. This number is increased from the prior year by 16 LEAs. A closer look at the list would identify approximately 50% of these LEAs as small- to medium-sized rural school districts. School district solvency is exacerbated by declining revenues, erosion of reserves, recovery related to the loss of one-time money, declining enrollment, and issues related to cost of staffing.

The California Education Code provides support for cash insolvent or "bankrupt" school districts. However, the state's general fund, which initially must support these emergency appropriations, is limited by the lack of a robust state economy and a general and continuing decline in all types of revenue sources. Fiscal recovery for school districts will likely lag behind that of the state by 18 months or so. Given this reality, 2010-11 and 2011-12 will continue to stress LEAs' budgets and cash solvency. At the same time,

NCLB requirements and Program Improvement schools and districts will continue to be held accountable for supporting all students at a time when all available resources for these purposes are limited.

Finally, LEAs must begin to focus now on the maintenance and restoration of programs in the future. The role of school and district administrators to prioritize services and programs that have been reduced or eliminated will need to be reconsidered when and if funding is restored. In the organizational press to simply survive the next two years, the need for significant focus on planning for the future may be missed.

FCMAT Strategic Plan

Financial solvency has become increasingly difficult for California's local educational agencies to maintain. Services to the state's K-14 student populations have become more complex and more costly. Fiscal expertise at the LEA level has been lost to retirements, attrition, and the need to operate with minimal staffing. These challenges have only intensified as our national, state and local economies experience difficult financial times.

As these issues confront LEAs daily, FCMAT is positioned to provide timely and relevant assistance. As recently as six years ago, that assistance mainly consisted of management reviews and written reports. Management assistance is a fundamental FCMAT responsibility and will remain an integral service. However, FCMAT's clientele most urgently need the hands-on skills and tools to build a solid operational infrastructure and the best possible environment for student learning. FCMAT staff members possess top-level skills in school finance and other specialized areas and provide that support to the field each day.

Public education continually changes and evolves. FCMAT endeavors to anticipate these changes and adjust its services accordingly. As of this writing, with fiscal year 2009-10 well under way, FCMAT is looking to 2010-11, positioning its resources and setting goals for what looks to be another highly challenging fiscal year.

As part of the Kern County Superintendent of Schools (KCSOS) organization, FCMAT also endeavors to support and enhance the KCSOS strategic goals. This is evidenced in FCMAT's efforts to address its primary mission of assisting K-14 public school agencies in identifying, preventing, and resolving their financial and operational problems while providing an array of core services. The leadership and guidance of the FCMAT board also helps to shape and define FCMAT's goals. Those goals are enumerated here:

Improve student growth and achievement

FCMAT continues to work assisting LEAs to best utilize their resources to further their instructional programs. While direct classroom support is not part of FCMAT's everyday work, resources such as the Associated Student Body Manual, online Help Desk, charter school workshops, software products and professional development help county offices and districts to provide the best possible learning experience for their students.

Maximize services to clients and improve access to resources

Client services are provided either on the request of an LEA and/or at the direction of the state. FCMAT will continue to provide fiscal crisis and management assistance reviews to LEAs, charter schools and community colleges. A long-standing feature of FCMAT's Web site, the online Help Desk, endeavors to provide a 24-hour turnaround in response to questions. This service is used heavily by LEAs across the state, with several questions submitted each day. FCMAT will continue its practice of providing a prompt, detailed response to users' questions.

FCMAT staff members receive phone calls for assistance from around the state each day. Utilizing both staff and consultant expertise, these matters are addressed with short- and long-term solutions that the client can begin implementing immediately. The team will begin to track and monitor this and other types of technical assistance and support to maximize their effectiveness. The team will continue to be responsive to requests for assistance from LEAs, the Legislature, California Department of Education, Department of Finance, and other state agencies.

Maintain a cohesive, productive and stable workforce

Effective staffing is of utmost importance in deploying services to the state's more than 1,300 LEAs. To ensure that services are professionally and seamlessly provided, FCMAT must continually evaluate its staffing and recruit first-rate candidates who possess the requisite skills in school finance and other specialized areas. As new employees are hired or existing employees depart, ongoing analysis of the agency's staffing needs must occur. To support FCMAT staff in management assistance reviews, consultants with expertise in LEA operations are recruited.

To assist LEAs in their efforts to recruit and hire qualified chief business officials, FCMAT will continue to support the CBO Mentor training program.

Maintain fiscal stability, integrity and accountability

Effective, easy-to-use tools are essential to the budgeting process. FCMAT will continue to refine and update its Budget Explorer multiyear projection software for school districts, and has completed Budget Explorer v.3.0 for county office multiyear projections. Version 4.0 for school districts was presented at the 2009 CASBO conference. Staff will continue to conduct fiscal health analyses, cash flow analyses, and multiyear projections for LEAs.

Work continues on Fiscal Insight, a software tool to support the budget review and monitoring of facilities projects. Product enhancements will include a set of financial diagnostics to assist LEAs with historical trends and future revenue and expenditure projections.

All of FCMAT's professional development offerings will be reviewed, considered and revised in an effort to best focus this important service and maximize the dollars allocated to it.

Internally, FCMAT will utilize and/or develop budget tools as necessary to ensure its fiscal health.

Provide proactive leadership as a community partner

The two major components of this goal are to: (1) Encourage professional staff development on a statewide basis and (2) Encourage collaborations with other agencies.

FCMAT provides financial and staff support for professional development training in collaboration with other California educational agencies and entities such as the California School Boards Association, California Association of School Business Officials, School Services of California, MGT of America, and the California County Superintendents Educational Services Association.

In addition, the team works collaboratively with LEAs and California educational agencies to promote and support educational issues with state lawmakers. FCMAT will maintain and further develop liaisons with local educational agencies, state educational agencies, state legislators and local officials.

CSIS Strategic Plan

State and federal accountability systems, as well as the upcoming implementation of the California Longitudinal Pupil Achievement Data System (CALPADS) in fiscal year 2009-10, have increased the need for high quality data. As a result, the work of the California School Information Services (CSIS) has become increasingly visible and essential to state and local operations.

CSIS was created to build local capacity for data management and to enable accurate state reporting and records transfer. In its decade of existence, CSIS has grown to be the largest known student data system in the Western Hemisphere. CSIS has supported more than 1,300 California local education agencies (LEAs) in assigning and maintaining a unique Statewide Student Identifier (SSID). The annual maintenance of the SSID is used to collect the official enrollment data for California's 6.2 million K-12 students, as well as the official dropout and high school graduation data. The SSID is the foundation for current and future state reporting, records transfer, and longitudinal analysis of student data in California as it provides the means to track students from LEA to LEA and from year to year. As they assign and maintain the SSIDs, LEAs use CSIS data cleansing and reporting functionalities to improve the quality of data they collect. In the fall of 2009-10, LEAs will begin using CALPADS to assign SSIDs. CSIS will continue to provide the functionality to assign and maintain SSIDs until CALPADS is ready for statewide implementation.

CSIS provides technical assistance and support to all of California's LEAs in completing the required data submissions and also administers the Best Practices Cohort Project, a project designed to help LEAs improve their local data management practices and prepare for CALPADS. Further, CSIS supports LEAs in academic records transfer and in administrative transfer of records, such as the direct certification process that allows eligible students to be automatically certified for free school meals.

CSIS is an organization in transition, moving from support of its State Reporting Records Transfer System (SRRTS) to one that will provide support and maintenance for CALPADS. In fiscal year 2009-10, CSIS' work focuses on supporting four goals.

Transitional Support

First, CSIS will continue to support SSID assignment and maintenance until CALPADS is ready to be implemented and will convert the data maintained by CSIS for use in CALPADS. This work includes enabling LEAs to obtain SSIDs for new students, update student information if the data changes, and resolve any anomalies. Once CALPADS is ready to assume these tasks in the fall of 2009-10, this SRRTS work will be discontinued and CSIS will convert the data so that it can be uploaded into CALPADS. CSIS, CDE, and IBM have worked together to plan for the data conversion and a smooth transition from SRRTS to CALPADS.

Records Transfer

A second goal for CSIS is to continue to support and expand its records transfer activities. Fiscal year 2009-10 will be the fifth year of production capability for electronic submission of student data from California high schools to the University of California system to be considered in the Eligibility in the Local Context (ELC) process for UC admission. Direct certification of eligibility for free school meals also continues this year, with CSIS collaborating with the CDE, the Department of Health Care Services

and the Department of Social Services. LEAs submit student names, addresses, and demographic data to CSIS that are matched through a secure and confidential process to eligibility data for food stamps and the CalWORKs program. Following the match, LEAs receive notification of students who are directly certified as eligible for free school meals without further application. This program results in increased access to meals for hungry students and decreased paperwork for LEAs. The Center for Digital Government awarded this project a Best of California Award in 2008, recognizing it as an example of successful multi-agency data sharing and collaboration. CSIS will continue to provide direct certification functionality until CALPADS is ready to release its direct certification module, currently scheduled for November 2009.

CSIS also continues its Academic Records Transfer (ART) service that allows any public K-12 organization in California to send electronic transcripts to any K-12 organization or any postsecondary institution in the country. This service began in September 2008 and was funded in part by a federal grant from the Institute of Education Sciences (IES) that was jointly awarded to the California Department of Education, CSIS, and the Chancellor's Office of the California Community Colleges. CSIS' portion of the IES grant provides funds to (1) augment the current CSIS system to enable student requests for transcripts authenticated by their K-12 schools of attendance; and (2) simplify existing systems' user interface to address the needs of less technically proficient, site-based staff. CSIS looks forward to gathering LEAs' responses to this service and evaluating the first year implementation so that lessons learned can be used to inform future support of ART services.

The Center for Digital Government awarded the direct certification project a Best of California Award in 2008.

As part of its records transfer work, CSIS works with postsecondary institutions to develop standards for sharing data between secondary schools and post-secondary institutions. This work supports successful matriculation of students from public secondary schools to higher education.

CALPADS Objectives

Helping to ensure CALPADS meets all of its objectives is CSIS' third goal. SB 1453 authorized the creation of CALPADS and called for this system to include statewide assessment data, student demographic and enrollment data, teacher assignment data, discipline data, and other elements required to meet state and federal NCLB reporting requirements.

CSIS provides subject matter expertise in the development of CALPADS and is working closely with both CDE and IBM in the design and implementation of the system. CSIS continues to participate in design and policy meetings. In 2009-10, CSIS also is assisting IBM in training LEAs for statewide implementation and in providing Help Desk support for CALPADS.

CSIS also continues to build local capacity of LEAs to effectively and efficiently manage, use and report data. CSIS helps LEAs understand state data requirements and reporting deadlines. CSIS assists LEAs with local procedures and processes for data collection, audits to improve data quality, and data submissions, verification and certification. CSIS also helps LEAs understand how data can be used locally to improve decision making.

In 2006-07, CSIS was authorized to begin the Best Practice Cohort Project, and this project will continue until December 31, 2009. This project is designed to help eligible LEAs implement sustainable local data

management practices that will prepare them to submit data to CALPADS and contribute to improved student achievement through better local data-driven decision making. Those participating in the project receive \$15,000, \$30,000, or \$8.51/student in one-time funding depending on the size of the LEA. Participating LEAs are required to:

- Complete a series of four best practices professional development sessions focused on examining local data management practices and determining how those practices can be improved to prepare for CALPADS;
- Implement a CSIS-capable student information system or use the web-based Extended Client provided by CSIS;
- Submit the annual SSID maintenance within the required window and complete anomaly resolution;
- Complete a periodic enrollment update;
- Complete academic records transfer submissions.

The professional development sessions are designed to help local education agencies improve their local practices related to:

- Establishing clear roles and responsibilities for data management
- Collecting data to meet business needs as part of regular operations
- Establishing and using data standards
- Implementing a process to ensure data quality
- Designating a local system of record (the authoritative data source for a given piece of information) for each data element, as well as using and relying on local systems of record rather than maintaining duplicative local databases
- Ensuring privacy and confidentiality of data

The professional development sessions each include a needs assessment taken in advance of the class that focuses LEAs on their own data management strengths and challenges. Following the sessions, LEAs develop and implement specific plans to improve their data management practices. CSIS provides LEAs specific examples of data management tools and resources used by other LEAs and mentors LEAs in the change process.

Effective Future Support

CSIS' fourth goal for 2009-10 is to ensure it is fully prepared to deliver effective future support of CALPADS. CDE and CSIS have agreed that CSIS will support CALPADS once IBM's contractual obligation is complete. As a result, CSIS will assume responsibility for end-user support on approximately July 1, 2010 and CALPADS technical support on approximately January 1, 2012. CSIS completed an in-depth planning process for the transition to CALPADS. Based on the Transition Policy for CSIS Support of CALPADS approved by the FCMAT Board, CSIS prepared the Transition Plan for CSIS Support of CALPADS. CSIS and the CDE approved the plan, and CDE submitted this document to the Office of the Chief Information Officer and the Department of Finance on CSIS' behalf. CSIS is implementing a schedule for the transition work.

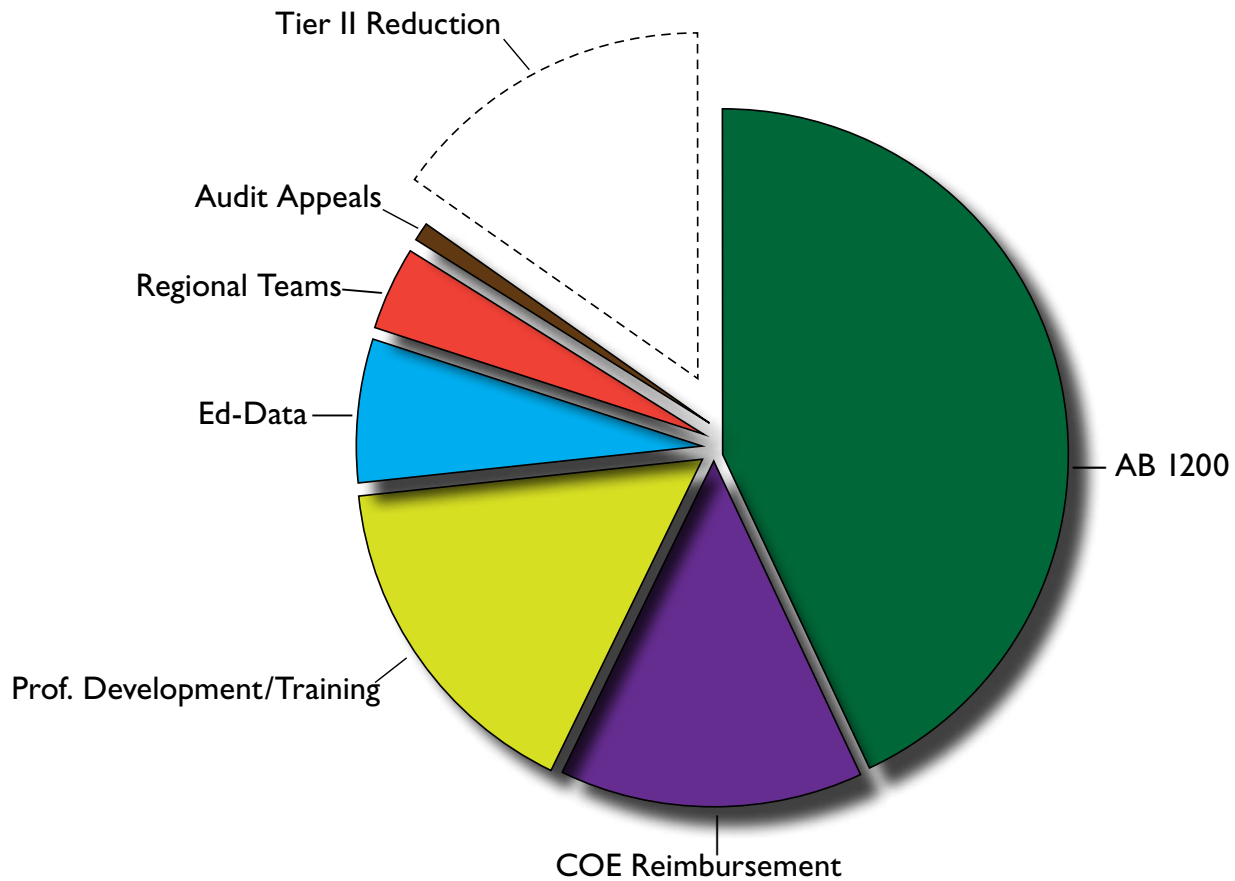
Preparation activities include professional development for CSIS staff so that all staff have an in-depth understanding of CALPADS. Technical staff members will have the training necessary to become proficient in the tools used to develop CALPADS, and to develop a thorough understanding of its design and code.

Technical staff will also gain familiarity with Department of Technology Services (DTS) policies and procedures so they can maintain CALPADS within the DTS environment. Client services staff will become familiar with the CALPADS user interface and the new CDE policies regarding data submissions so they can help more than 1,300 LEAs successfully submit and certify their data.

The data submitted to CALPADS will include data LEAs have submitted at the individual level prior to CALPADS and data submitted at the aggregate level via CBEDS or the Consolidated Application. For the 250 state-reporting LEAs, the scope of data to be submitted to CALPADS will be very similar to that submitted to CSIS for CSIS state reporting, except that LEAs will also submit course completion, discipline data, and an expanded set of program participation data. The remaining LEAs will be required to submit far more individual-level data to CALPADS than was reported to CSIS prior to CALPADS implementation. These LEAs have been responsible for submitting student enrollment, demographic, program participation, graduate and dropout data at the individual level, but have not been required to submit to CSIS course enrollment, course completion, discipline, staff demographic, staff assignment, and instructional strategy data, as well as an expanded set of program participation data and other student information such as homeless data and interdistrict transfer information. LEAs will require both training and ongoing support to submit all of the required data to CALPADS.

Appropriations for Fiscal Year 2008-09: FCMAT

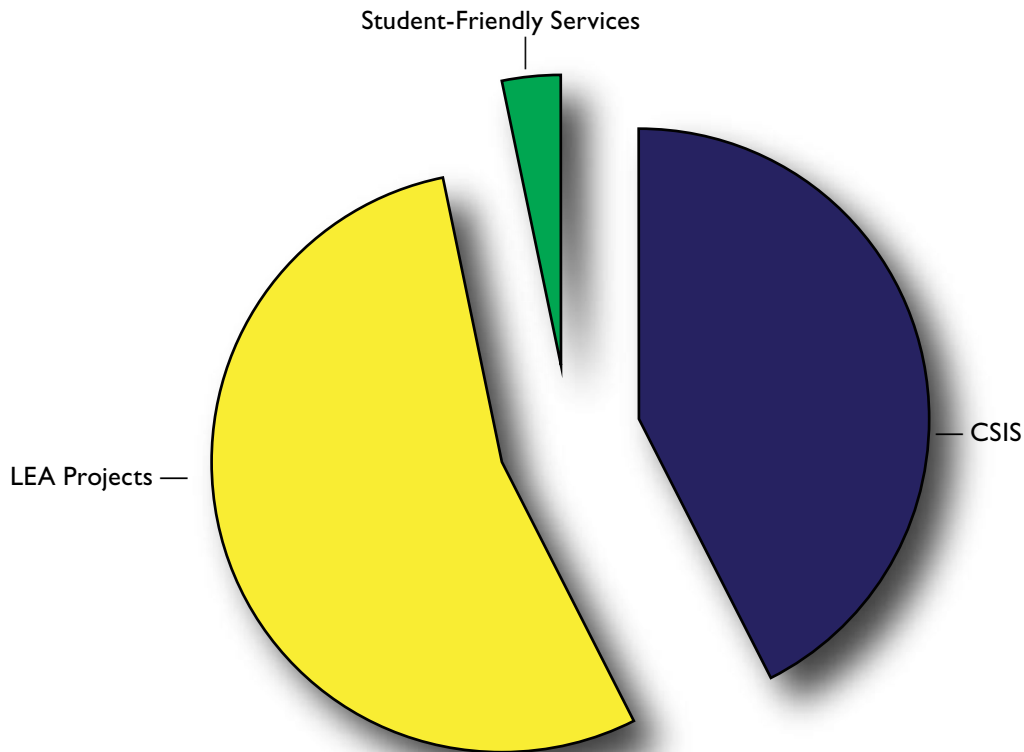
FCMAT \$3,639,141
FCMAT Flow-Through \$1,427,859



FCMAT AB 1200	\$2,583,812
COE Reimbursement (flow-through)	\$725,993 for AB 139 \$121,007 for COE oversight
Professional/Staff Development and Training	\$965,000
Ed-Data Partnership - CDE, Ed-Source, FCMAT	\$394,329 (\$349,000 flow-through)
Regional Teams (AB 2756)	\$231,859 (flow-through)
Audit Appeals - Education Audit Appeals Panel	\$45,000
Tier II Appropriation Reduction	\$921,000

Appropriations for Fiscal Year 2008-09: CSIS

CSIS:	\$5,083,000
CSIS One-Time*	\$1,114,000
CSIS Flow-Through	\$8,400,000



■ California School Information Services	\$6,197,000
■ *CSIS - LEA Projects (flow-through)	\$7,900,000
■ CSIS - Student-Friendly Services (flow-through)	\$500,000

Year in Review

Partnership with the Educational Community

FCMAT provides proactive and preventative management assistance to districts and county offices in managing their operations. Management assistance requests from districts or county offices represent approximately 90% of FCMAT’s work. Additionally, the state Legislature and county superintendents of schools can assign FCMAT into a local educational agency. These assignments are typically for fiscal crisis intervention work and represent approximately 10% of FCMAT’s studies. FCMAT’s primary charge with these assignments is to avert emergency state loans. Legislation in 2006 made FCMAT services available to charter schools and community colleges, expanding FCMAT’s role in providing assistance to local educational agencies, K-14.

In addition to their primary work of educating students, school districts, county offices of education, and other LEAs handle business services, purchasing, technology, facilities, food services, transportation, and personnel. These various functions or services all affect the delivery of educational programs and are essential for success. The challenge for districts, county

offices and other LEAs is to minimize the cost of these services to maximize the resources available to support instruction. In 2008-09 and for the next several years, this challenge remains formidable, with districts declining in enrollment and needing to address increasing expenditures with shrinking resources.

During 2008-09 FCMAT completed 64 fiscal crisis intervention or management assistance reviews for districts, county offices, charter schools and community colleges throughout the state. The types of reviews performed in each of 11 major categories in the 2008-09 fiscal year is shown on page ____.

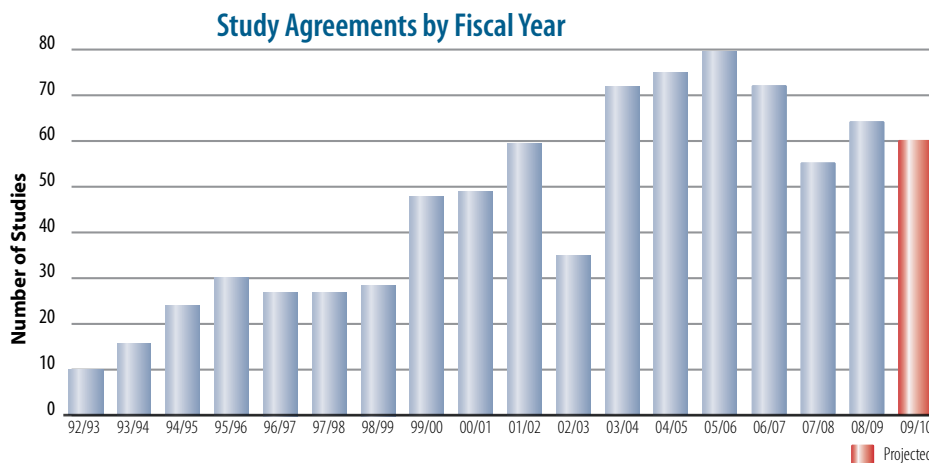
FCMAT also has been assigned to a number of school districts that required emergency state loans to

This challenge remains formidable, with districts declining in enrollment and needing to address increasing expenditures with shrinking resources.

continue to operate, and has been required to conduct comprehensive assessments of these districts in five operational areas: Community Relations and Governance, Pupil Achievement, Personnel Management, Financial Management and Facilities Management. FCMAT has developed recommendations and a recovery process to

assist these districts in their return to local governance and fiscal solvency, and continues to be engaged with several of these districts in monitoring and reporting on the long-term recovery process.

Many monitoring agencies and the state Legislature continue to call on FCMAT as a statewide resource to assist in providing cost-effective services and products to California’s public schools.



FCMAT continues to develop and/or update a number of publications and software tools to assist and guide local educational agencies in conducting their operations more effectively, and provides numerous training workshops to assist them in fulfilling their oversight responsibilities.

Interim Financial Report Certifications

Each LEA is required to file two reports during a fiscal year indicating the status of its financial health. The first interim report is due December 15 for the period ending October 31. The second interim report is due March 17 for the period ending January 31.

The interim reports must include a certification of whether or not the LEA is able to meet its financial obligations. These certifications are classified as positive, qualified, or negative. A positive certification indicates that the district will meet its financial obligations for the current and two subsequent fiscal years. A qualified certification is assigned when the district may not meet its financial obligations for the current or two subsequent fiscal years. A negative

In 2008-09, negative certifications reached unprecedented numbers.

certification signifies that the district will be unable to meet its financial obligations for the remainder of the current year or for the subsequent fiscal year.

As indicated in the charts on the following four pages, qualified certifications remained at very high levels in the first and second reporting periods for 2008-09. Negative certifications reached unprecedented numbers. This can be attributed largely to the state's poor fiscal position that has resulted in several rounds of funding cuts and deferred payments to the state's LEAs.

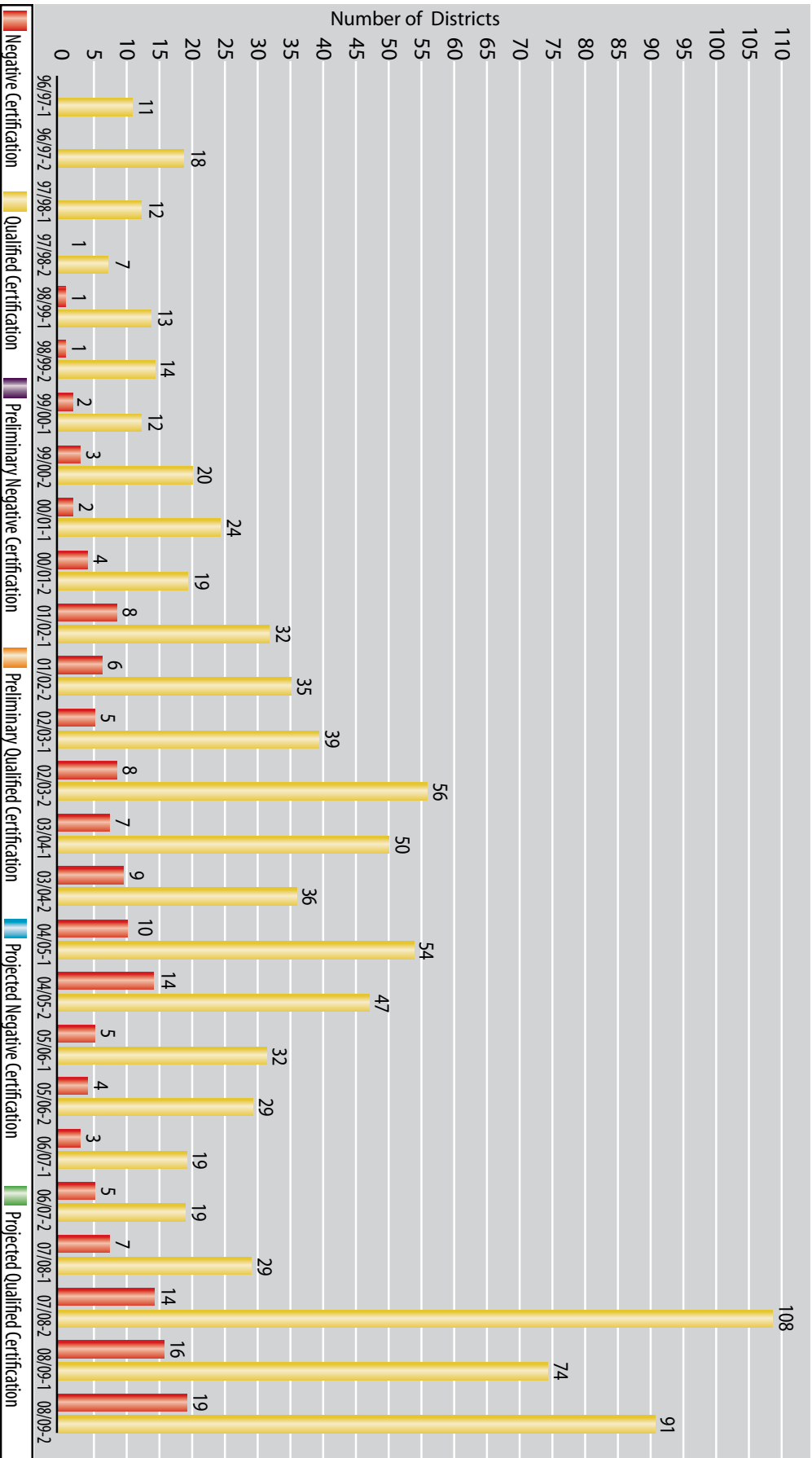
FCMAT has monitored interim certification status since its inception, and will continue to do so as an integral part of its efforts to assist LEAs in preserving their fiscal stability.

Certifications of Financial Reports

California School Districts – 1996 to Present

Education Code Section 42130 (Reports by District Superintendents)

1st Interim covers period ending October 31st and Board approved by December 15th • 2nd Interim covers period ending January 31st and Board approved by March 16th
 3rd Interim covers period ending April 30th and filed by June 1st (required if 2nd Interim is Qualified or Negative)



Negative Certification: Shall be assigned to any school district that, based upon current projections, will meet its financial obligations for the current fiscal year and subsequent two fiscal years.
Qualified Certification: Shall be assigned to any school district that, based upon current projections, may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.
Negative Certification: Shall be assigned to any school district that, based upon current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year.

Fiscal Crisis & Management Assistance Team 7/8/09

Second Interim Budget Certifications
2008-09

County	District	Certification
Butte	Chico Unified	Negative
Fresno	Orange Center Elementary	Negative
Lassen	Westwood Unified	Negative
Los Angeles	El Rancho Unified	Negative
Los Angeles	Wilsona Elementary	Negative
Monterey	King City Joint Union High	Negative
Monterey	King City Union Elementary	Negative
Riverside	Val Verde Unified	Negative
San Benito	Aromas-San Juan Unified	Negative
San Diego	Julian Union High	Negative
San Mateo	La Honda-Pescadero Unified	Negative
Santa Cruz	Pajaro Valley Unified	Negative
Santa Cruz	Santa Cruz City Elementary	Negative
Santa Cruz	Santa Cruz City High	Negative
Solano	Travis Unified	Negative
Solano	Vallejo City Unified	Negative
Sonoma	Healdsburg Unified	Negative
Sonoma	Piner-Olivet Union Elementary	Negative
Tuolumne	Chinese Camp Elementary	Negative

County	District	Certification
Alameda	Hayward Unified	Qualified
Alameda	Oakland Unified	Qualified
Alameda	Oakland-Alameda ROP	Qualified
Alameda	Piedmont Unified	Qualified
Alameda	Pleasanton Unified	Qualified
Amador	Amador County Office	Qualified
Amador	Amador County Unified	Qualified
Calaveras	Mark Twain Union Elementary	Qualified
Contra Costa	John Swett Unified	Qualified

County	District	Certification
Contra Costa	Knightsen Elementary	Qualified
Contra Costa	Martinez Unified	Qualified
Contra Costa	West Contra Costa Unified	Qualified
El Dorado	Black Oak Mine Unified	Qualified
El Dorado	Gold Trail Union Elementary	Qualified
Fresno	Burrell Elementary	Qualified
Fresno	Golden Plains Unified	Qualified
Fresno	Parlier Unified	Qualified
Humboldt	Eureka City Unified	Qualified
Humboldt	Lolita Union Elementary	Qualified
Humboldt	Rohnerville Elementary	Qualified
Humboldt	Southern Humboldt Joint Unified	Qualified
Imperial	Calxico Unified	Qualified
Kern	El Tejon Unified	Qualified
Kern	Muroc Unified	Qualified
Kern	Southern Kern Unified	Qualified
Kings	Delta View Joint Union Elementary	Qualified
Kings	Reef Sunset Unified	Qualified
Lake	Lake County Office	Qualified
Lassen	Shafter Union Elementary	Qualified
Los Angeles	Centinela Valley Union High	Qualified
Los Angeles	Covina Valley Unified	Qualified
Los Angeles	Hawthorne Elementary	Qualified
Los Angeles	Inglewood Unified	Qualified
Los Angeles	Las Virgenes Unified	Qualified
Los Angeles	Los Angeles Unified	Qualified
Los Angeles	Los Nietos	Qualified
Los Angeles	Pomona Unified	Qualified
Los Angeles	Whittier City Elementary	Qualified
Mendocino	Laytonville Unified	Qualified

First Interim Budget Certifications 2008-09

County	District	Certification	County	District	Certification
Mendocino	Potter/Valley Community Unified	Qualified	Santa Clara	Franklin-McKinley Elementary	Qualified
Mendocino	Ukiah Unified	Qualified	Santa Clara	Milpitas Unified	Qualified
Mendocino	Willits Unified	Qualified	Santa Clara	Mount Pleasant Elementary	Qualified
Merced	Atwater Elementary	Qualified	Santa Clara	Orchard Elementary	Qualified
Orange	Garden Grove Unified	Qualified	Shasta	Cascade Union Elementary	Qualified
Orange	Santa Ana Unified	Qualified	Shasta	Cottonwood Union Elementary	Qualified
Placer	Placer Hills Union Elementary	Qualified	Shasta	Grant Elementary	Qualified
Riverside	Banning Unified	Qualified	Shasta	Patcheco Union Elementary	Qualified
Sacramento	Elk Grove Unified	Qualified	Solano	Dixon Unified	Qualified
Sacramento	Folsom Cordova Unified	Qualified	Sonoma	Alexander Valley Union Elementary	Qualified
Sacramento	Natomas Unified	Qualified	Sonoma	Foresville Union Elementary	Qualified
Sacramento	Sacramento City Unified	Qualified	Sonoma	Geyserville Unified	Qualified
Sacramento	San Juan Unified	Qualified	Sonoma	West Sonoma County Union High	Qualified
Sacramento	Twin Rivers Unified	Qualified	Tehama	Antelope Elementary	Qualified
San Bernardino	Lucerne Valley Unified	Qualified	Tehama	Flournoy Union Elementary	Qualified
San Bernardino	Rim of the World Unified	Qualified	Tehama	Gerber Union Elementary	Qualified
San Bernardino	Yucaipa-Calimesa Joint Unified	Qualified	Tehama	Red Bluff Joint Union	Qualified
San Diego	La Mesa-Spring Valley	Qualified	Tulare	Stone Corral Elementary	Qualified
San Diego	San Marcos Unified	Qualified	Tuolumne	Curtis Creek Elementary	Qualified
San Diego	San Ysidro Elementary	Qualified	Yuba	Wheatland Elementary	Qualified
San Joaquin	Tracy Unified	Qualified			
San Luis Obispo	Atascadero Unified	Qualified			
San Luis Obispo	Luca Mar Unified	Qualified			
San Luis Obispo	Paso Robles Unified	Qualified			
San Luis Obispo	San Miguel Joint Union	Qualified			
San Luis Obispo	Shandon Joint Unified	Qualified			
Santa Barbara	Lompoc Unified	Qualified			
Santa Clara	Beryessa Union Elementary	Qualified			
Santa Clara	Cupertino Union Elementary	Qualified			
Santa Clara	Evergreen Elementary	Qualified			

Management Assistance 2007-08

AB 1200 / AB 2756 in Action

Assembly Bill 1200 was created out of the need to ensure that local educational agencies throughout California adequately prepare to meet their financial obligations. The law was based on concerns arising from the bankruptcy of the Richmond School District and the fiscal collapse of other districts that were preparing to seek emergency loans from the state.

AB 1200 is a statewide plan for county offices of education and school districts to work together on the local level to improve fiscal procedures, standards, and accountability. AB 1200 expands the role of county offices of education in monitoring school districts and mandates intervention, under certain circumstances, to ensure that districts can meet their financial obligations. AB 1200 provisions also apply to the state in its role as monitor of county offices of education. Every publicly funded K-12 school operation has been affected by this innovative effort to ensure fiscal solvency throughout school systems in the state.

The Legislature, through AB 1200, created the Fiscal Crisis and Management Assistance Team (FCMAT). A statewide resource, FCMAT provides fiscal and management guidance to assist monitoring agencies in the performance of their tasks and assists educational agencies requesting help in school business management and related areas.

The procedures to form FCMAT were spelled out by the provisions of AB 1200. In spring 1992, all county offices of education were notified of the opportunity to apply to be the administrative agent for FCMAT. Four county offices submitted responses. As required by law, the decision of which county office would be selected was made by the Superintendent of Public Instruction and the Secretary of Child Development and Education. The Kern County Superintendent of Schools Office was chosen to administer FCMAT, and entered into a contract in June 1992 with the governor's office and the California Department of Education. The current Administrative Agent is the Kern County Superintendent of Schools, Christine Lizardi Frazier.

The Kern County Superintendent of Schools provides supervision to the team's chief executive officer. Assisting FCMAT in a variety of ways is a 25-member Board of Directors, comprised of county and district superintendents representing the 11 county office of education service regions, a community college representative and a community college board member, and an administrator from the Department of Education. An important function of the FCMAT board is the authority to declare that a fiscal emergency exists in a local educational agency.

FCMAT's services can be contracted under several different circumstances. For example, if a county office reviews and disapproves a school district's annual budget, that county office may ask FCMAT to examine the district's financial records, develop a budget and/or provide other recommendations to ensure fiscal stability. In addition, FCMAT can respond directly to the request of any school district, county office or charter school seeking advice to improve management.

Emergency loans to the Oakland Unified School District (2003) and the Vallejo City Unified School District (2004) prompted the state Legislature to author additional fiscal oversight legislation in the form of AB 2756 (Daucher). The bill made substantive changes to the financial accountability and oversight

process of a school district's fiscal condition, and clarified the process for the oversight and monitoring of districts that obtain emergency loans.

Various state and local agencies were assigned added responsibilities through AB 2756. The State Board of Education was charged with adopting and updating the state's standards and criteria. It also was required to adopt a comprehensive list of professional and legal standards to be used as a guide for good educational programs and fiscal and management practices. FCMAT's comprehensive assessment and monitoring role with emergency loan districts was clarified and enhanced. The role of the county superintendent of schools was clarified relative to the emergency loan districts. AB 2756 makes it clear that the appointment of a State Administrator to an emergency loan district does not remove any statutory rights, duties, or obligations from the county superintendent. A number of added responsibilities were assigned to local school districts relative to AB 2756. One key change was the requirement for the district superintendent and chief business official to certify in writing that the costs incurred by the school district under a contractual agreement can be met by the district during the term of the agreement.

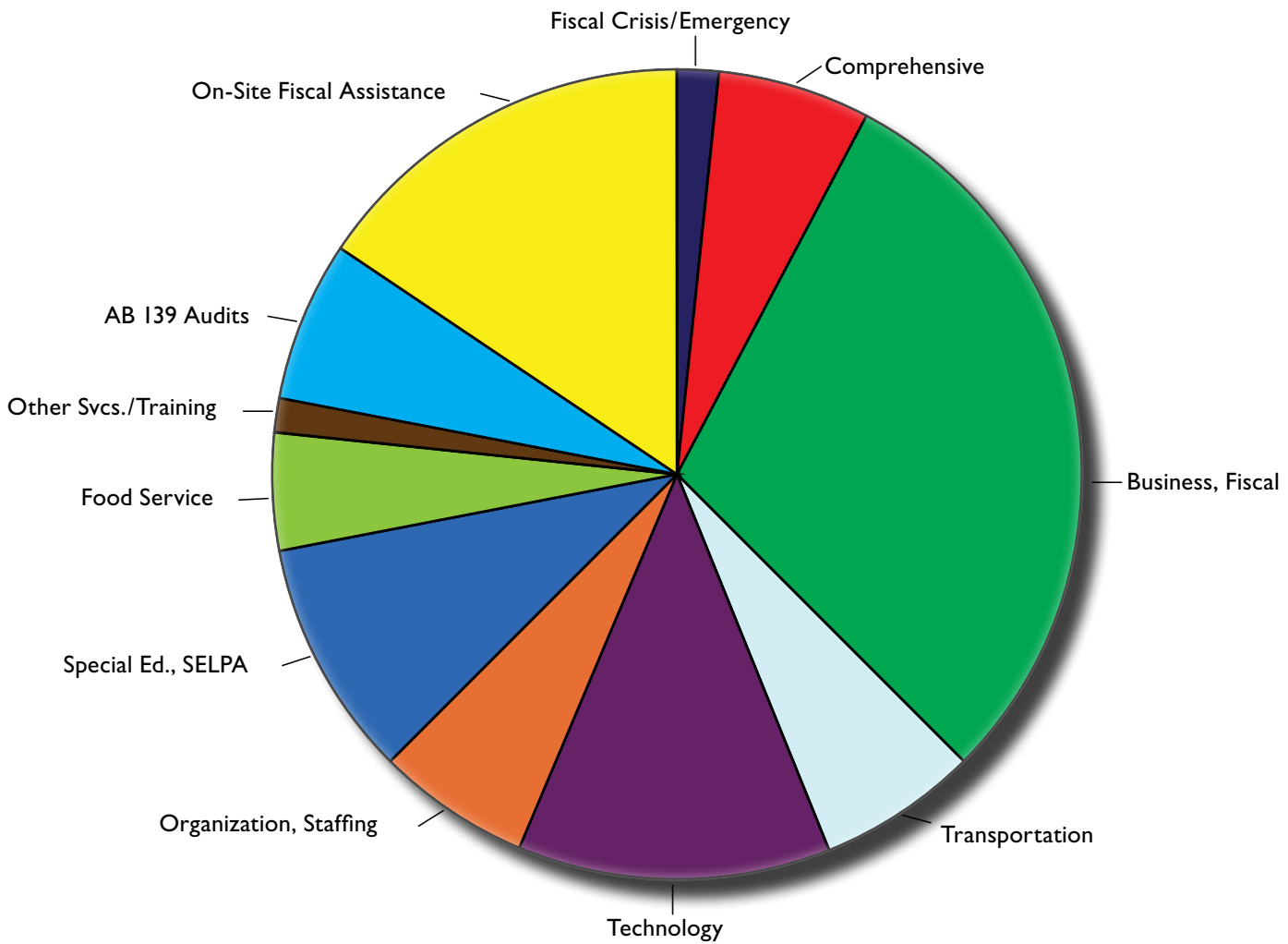
AB 2756 also provided for the development of regional teams to provide training and technical expertise to school districts and county offices of education facing fiscal difficulties. Four regional teams in 2004-05 were awarded funding to assist with the development and deployment of assistance. These four teams have been awarded continued funding in each fiscal year since.

A summary of the studies completed by FCMAT during the 2008-09 fiscal year is provided on the next several pages.

Types of Reviews for Fiscal Year 2008-09

Total Studies: 64

Fiscal Crisis/Emergency	1	Special Education, SELPA	6
Comprehensive	4	Food Service	3
Business, Fiscal	19	Other Services or Training	1
Transportation	4	AB 139 Extraordinary Audits	4
Technology	8	On-Site Fiscal Assistance	10
Organization, Staffing	4		



Study Summaries 2008-09

Adelanto Elementary School District (No. 750)

A review of the district's business division and finances included recommendations to help reduce expenditures and eliminate deficit spending to meet reserve requirements. Improved business office procedures and internal controls were also recommended.

Alameda County Office of Education (No. 711)

An extraordinary audit of the FAME Public Charter School found numerous unusual accounting practices and deficiencies, including private loans, a lack of payroll and fringe benefit reporting, inadequate tracking of leave, incomplete expense claims, and a possible conflict of interest. Possible violations of the Ralph M. Brown Act were also noted.

Albany Unified School District (No. 721)

A review of the district's technology services resulted in recommendations to develop a technology plan, improve network performance, increase curriculum integration and implement an equipment replacement plan.

Amador County Office of Education, Amador Unified School District (No. 754)

FCMAT's projections indicated a need to borrow to maintain cash flow because of state apportionment deferrals. FCMAT recommended that staff immediately prepare fiscal year 2009-10 cash flow projections and identify cash borrowing options.

Anaheim City School District (No. 725)

FCMAT reviewed the district's special education and transportation programs and provided recommendations for better communication, staff training, staffing, fiscal oversight and the use of guidelines. Transportation recommendations included improved scheduling and routing.

Berryessa Unified School District (No. 741)

The district had significantly reduced management and support staff. FCMAT's organizational review recommended some adjustments to staffing, organization, reporting and duties to improve effectiveness and to better align the district with industry standards.

Big Oak Flat-Groveland School District (No. 702)

FCMAT reviewed the district's organizational structure and proposed reorganization that included employee layoffs. Board training in governance and goal setting was provided, and all staff members associated with ASB were trained in ASB accounting.

Butte County Office of Education (No. 691)

An extraordinary audit of the Oak Hills Academy Charter School found and provided recommendations to help correct a lack of inventory controls, payroll and personnel records and practices, internal controls, and accurate attendance records. FCMAT recommended that the information be forwarded to the district attorney.

California Community College Chancellor's Office – Lassen College (No. 8101)

FCMAT's management review, conducted for the California Community College Chancellor's Office, recommended improvements in internal controls in numerous areas, ways to improve the security of personnel records, and the development of a method for individuals to report suspected inappropriate activities.

Cotati-Rohnert Park Unified School District (No. 737)

FCMAT found that the district's transfer of general obligation bond funds from the building fund to pay for other capital expenditures was within allowable limits. However, an updated legal opinion and clearer records of expenditures were recommended.

Curtis Creek School District (No. 698)

FCMAT's fiscal review provided the district with a Fiscal Health and Risk Analysis and recommendations to reduce risks in the areas of leadership, deficit spending, position control and audits by improving budget development and monitoring, position control, and staffing efficiencies.

Dixon Unified School District (No. 752)

On-site fiscal support was provided, consisting of a review of the current general fund budget multiyear financial projections and assumptions. The district was advised to follow through on its proposed budget cuts to help maintain fiscal solvency.

El Dorado County Office of Education (No. 744)

A special education transportation study recommended that the county office review the available routing software packages to assist in routing design and increase efficiency.

El Dorado County Office of Education (No. 701)

Staffing configuration, compliance issues and operational and cost effectiveness were the focus of a study on the county office's food services program.

El Dorado Union High School District (No. 717)

FCMAT provided advice on how to create a sustainable technology implementation program that benefits students and teachers while performing the district's administrative functions.

El Dorado Union High School District (No. 719)

FCMAT's report indicated the district could further automate transportation functions, including routing, trip requests and trip scheduling, internal billing by site, and better tracking of field/athletic trip expenses.

Emery Unified School District (No. 707)

A fiscal and business office organizational review advised the board, administration and community to identify additional potential areas of reduction to eliminate projected deficit spending and sustain fiscal solvency.

Glenn County Office of Education (No. 709)

A review of fiscal practices in several operational areas revealed the need to strengthen internal controls. Fiscal and academic oversight of a county-office-sponsored charter school also needed to be improved.

Grossmont Union High School District (No. 697)

FCMAT's special education review recommended the district immediately conduct a cost analysis to determine the savings of creating self-contained classrooms for emotionally and behaviorally disturbed students on comprehensive high school sites.

Guadalupe Union School District (No. 767)

A review of special education services indicated that the district should make efforts to regain the appropriate transportation funding and concurred with the district's recommendation for staff reductions.

Lake Elsinore Unified School District (No. 708)

The district's fiscal services were reviewed. Additional staff cross-training and internal control procedures were recommended.

Los Angeles County Office of Education (No. 756)

A management letter focusing on the Wilsona Elementary School District outlined several cash management strategies to ensure that the district's monthly cash balance remained sufficient to meet required obligations.

Los Banos Unified School District (No. 724)

The fiscal, staffing, routing/scheduling, vehicle maintenance and shop operations of the district's transportation services were assessed. All were found to be well-managed.

Mineral Elementary School District (758)

In a special education review, FCMAT recommended that when feasible, the district employ only one administrator for the district and its charter school and contract with the Tehama County Office of Education for administrative and fiscal technical support.

Monterey County Office of Education (No. 703)

A fiscal review of the King City Union School District suggested that the district take several measures to avoid the necessity of obtaining outside financial assistance and the loss of local governance and decision-making authority.

Monterey County Office of Education (No. 727)

Human resources, payroll, and technology services were reviewed. HR personnel needed additional training, and it was recommended to follow through with the hiring of an experienced HR Director. Payroll and HR employee data was found to be inconsistent. Software development practices that would help resolve problems with the financial management system were recommended.

Newark Unified School District (No. 730)

A fiscal review and projection found that the district would not meet its reserve requirement in the current and two subsequent fiscal years. Recommendations were provided to help reduce expenditures and improve budget monitoring and internal controls.

New Haven Unified School District (No. 751)

FCMAT reviewed the district's second interim financial report and multiyear financial projections and provided recommendations for improved budget projections, monitoring and analyses, as well as training and a more efficient distribution of duties.

Novato Unified School District (No. 726)

FCMAT made various recommendations to alleviate several problems that arose from conversion to a new student information system.

Oakland Unified School District (No. 739)

A management letter indicated that the district would not be able to maintain the recommended 2% reserve for economic uncertainties or the board-designated reserves in 2008-09, 2009-10 or 2010-11 without implementing additional budget adjustments.

Orange Unified School District (No. 745)

A fiscal review found that without significant expenditure reductions or revenue enhancements, the district would require fiscal intervention by the state including the appointment of a state administrator.

Oxnard Elementary School District (No. 729)

An analysis of the district's supplemental employee retirement plan indicated deficiencies in planning and implementation, resulting in savings significantly less than anticipated. FCMAT provided recommendations for effective implementation of any future plans.

Pajaro Valley Unified School District (No. 705)

FCMAT reviewed the district's special education and transportation programs and provided recommendations to help improve special education strategic planning, staffing, exit strategies, training and procedures. Recommendations for transportation included increased bus replacement and improvements at the transportation facility.

Palo Verde Union Elementary School District (No. 743)

Use of more commodity foods was recommended in the food service program. The district was advised of the potential for increased meal reimbursements using traditional meal counting and claiming procedures if its free and reduced percentage increased as anticipated.

San Bernardino County Superintendent of Schools – Snowline Joint USD (No. 766)

Analysis of proposed certificates of participation refinancing found that it would increase the district's already unaffordable level of debt. FCMAT recommended updating debt management policies and practices, and exploring less costly financing options with the help of the county office.

San Diego County Office of Education (No. 716)

FCMAT provided an independent review of the Other Post Employment Benefits (OPEB) bond analysis conducted by a financial consulting group. The study team concluded that current market conditions could increase the risk of issuing an OPEB.

San Diego County Office of Education (No. 757)

An analysis of proposed short-term debt financing indicated that future property tax revenues would be insufficient to repay the bond and recommended scaling back projects and pursuing other financing options and funding sources.

San Diego Unified School District (No. 715)

A wide-ranging review focused on budget processes, position control, technology, organization and structure, and communications.

San Diego Unified School District (No. 755)

On-site support was provided to reconfirm the district's 2008-09 general fund second interim financial results.

Santa Barbara School Districts (No. 749)

Frequent turnover in leadership, poor district-parent communications, and site-based decision-making were among the challenges faced by the special education program. Recommendations were made with regard to parent participation and communication, and the organizational, fiscal, and program aspects of special education.

Santee School District (No. 748)

The district could reduce its operating expenses by approximately \$150,000 by eliminating two bus routes, according to a FCMAT transportation review.

Sonoma Valley Unified School District (No. 720)

FCMAT reviewed the district's technology services and provided strategies for improving network reliability and documentation, maintaining the student information system, improving security, and increasing support for educational technology.

Stanislaus County Office of Education/La Grange School District (No. 714)

FCMAT analyzed, tested and verified specific accounting procedures utilized by the district. The study team also helped the district to develop accounting guidelines, procedures, and best practices.

Stockton Unified School District (No. 723)

A standards-based review was conducted in 11 operational areas of the district, and recommendations provided.

Tehama County Department of Education (No. 718)

A special education and transportation review outlined the pros and cons of the department providing transportation for its own special education students.

Vallejo City Unified School District (No. 731)

A multiyear projection was prepared using FCMAT's Budget Explorer software to identify the financial condition of the district's general fund in 2009-10 and 2010-11. This review indicated that the district's fiscal condition could deteriorate further than initially projected by the district at the time of the 2008-09 adopted budget.

Wilsona Elementary School District (No. 740)

FCMAT performed a fiscal review, recommending that the district make the necessary budget reductions to restore fiscal solvency and avoid a budget crisis.

Client Evaluation Results

Upon completion of each study, FCMAT sends the client a User Evaluation Form requesting feedback for the services provided. This evaluation helps FCMAT to meet its clients' needs and document areas of service that may need improvement.

For 2008-09, FCMAT received 31 completed evaluations. An analysis of the evaluations is submitted to the Kern County Superintendent of Schools as FCMAT's administrative agent, and to the FCMAT Board of Directors.

These are the responses from the User Evaluation forms received during 2008-09:

1. Did the FCMAT team complete the objective of the study as requested?	
Yes	31
No	0

2. Was the time line satisfactory?	
Yes	31
No	0

3. How would you rank FCMAT's overall assistance? (Scale of 1-5)	
5	19
4	12
3	0
2	0
1	0

4. How would you rank your level of satisfaction with the entire process? (Scale of 1-5)	
5	22
4	9
3	0
2	0
1	0

5. Types of local educational agencies that completed the User Evaluation Form	
K-12 School Districts	19
County Offices of Education	12
Community Colleges	0
Charter Schools	0

This client evaluation summary does not reflect FCMAT's ongoing fieldwork or legislative assignments to conduct comprehensive assessments.

FCMAT's Deputy Executive Officer makes personal contact with all clients who provide a performance evaluation score of 3 or lower. Written documentation is maintained as to the nature of the call, the contact, issues raised, and the ultimate resolution. All evaluations received by FCMAT for the 2008-09 fiscal year were rated 4 or better.

Comments included on evaluations:

"I loved this team"

"Thank you again for the tremendous service"

"Very useful information provided back to our School District"

Special Assignments

Fiscal Advisor Assignments

FCMAT staff provides support to school districts and charter schools at the request of county offices of education or charter school governing boards. FCMAT's role is to assist districts and COEs in maintaining a high level of fiscal health, thereby helping to avoid solvency problems. As an external and independent entity, FCMAT may be assigned as a fiscal expert or advisor or to simply act as a statewide resource that provides fiscal and management guidance, professional development, and support for districts involved in fiscal emergencies. Consistent with the statutes that created FCMAT, its approach is both preventative and progressive and intended to move districts toward a positive certification. Early intervention through multiyear projecting, trend analysis and collaborative partnering with both public and private agencies are the consistent themes of FCMAT's approach.

Comprehensive Reviews

Oakland Unified School District

In January 2000, at the district's request, FCMAT issued a comprehensive assessment and recovery plan for the Oakland USD. In October 2002, the FCMAT Board declared the district a fiscal emergency and the Alameda County Superintendent assigned FCMAT as fiscal advisor. FCMAT determined that the district would require an emergency loan to continue operations.

In May 2003, Senate Bill 39 authorized a state loan of \$100 million and the appointment of a State Administrator. FCMAT was assigned to update its January 2000 report and issue two six-month progress reports. Subsequent legislation authorized additional reports that were funded directly by the district.

As of July 1, 2009, all five components under review have been returned to local control. The district has hired a superintendent, and the state-appointed trustee will remain in place until the state loan is paid off.

Vallejo City Unified School District

In June 2004, Senate Bill 1190 authorized a state loan of \$60 million and authorized the Superintendent of Public Instruction (SPI) to appoint a state administrator to the district. FCMAT was required by the legislation to conduct a comprehensive assessment of the district, develop a recovery plan, and provide three six-month monitoring reports of the district's progress through May 2006.

FCMAT issued its Assessment and Recovery Plan on November 1, 2004. Six-month progress reports were issued in May and November 2005, May and November 2006, and July 2007. The most recent report was issued in June 2008. The operational areas of Community Relations/Governance, Pupil Achievement, Personnel Management, and Facilities Management have been returned to the local governance of the Vallejo board by the SPI, with the State Administrator serving as State Trustee for these areas. The Financial Management area remains under state administration. The next review will be conducted in September 2009.

West Fresno Elementary School District

In March 2003, Assembly Bill 38 provided an emergency state loan of \$2 million to the district and authorized the appointment of a State Administrator. The legislation required FCMAT to conduct a comprehensive assessment of the district. The bill also required FCMAT to file status reports for two six-month periods through June 2004 on the school district's progress with regard to the improvement plans.

FCMAT issued six-month progress reports in January 2004 and July 2004. Subsequent legislation was required to authorize FCMAT to provide additional progress reports for the district. These progress reports were issued in July 2005, April 2007 and April 2008.

The April 2008 progress report recommended the return to local governance of four of the five operational areas: Community Relations/Governance, Personnel Management, Pupil Achievement, and Facilities Management. Three of the four areas recommended for local control were regained by the district, with Pupil Achievement remaining under state control, along with Financial Management.

The April 2009 progress report recommended that the SPI return the financial management component to local governance. The Pupil Achievement component remains under state control and is not required to be reviewed by FCMAT because the district is receiving the assistance of the District Assistance Intervention Team (DAIT) from the Fresno County Office of Education.

Compton Community College District

In June 2006, the Compton Community College District required a \$30 million state emergency loan. AB 318 provided the emergency funds and appointed a State Trustee to administer the college district. The district also lost its accreditation in summer 2006, but is able to provide educational programs through its partnership with El Camino Community College as a satellite campus.

FCMAT conducted an extraordinary audit of the college district and issued its report in November 2006. The report called attention to a number of inappropriate operational practices and the lack of internal controls and procedures to guide operations effectively. In addition, FCMAT conducted a comprehensive assessment of the district's operations in the areas of Community Relations/Governance, Academic Achievement, Personnel, Facilities, Finance and Technology. FCMAT issued its comprehensive report and recovery plan in April 2007. Additional progress reports were issued in January and July 2008, and the most recent review was published in June 2009. Substantial progress has been made in each operational area, with the next review scheduled for January 2010.

Professional Development

FCMAT Training

FCMAT offers workshops to California's local educational agencies, with fees set to recover the cost of the workshop only. For the following workshops, FCMAT staff members are utilized as presenters, with materials developed and produced in-house.

Associated Student Body

Target Audience: District and site-level staff who handle ASB accounting/operations

Description: This workshop is structured specifically for the requesting client, whether it's for an elementary, secondary or unified school district; charter school or community college. Workshops are four hours and cover all aspects of ASB accounting and operations, with real life experiences and examples used throughout. The FCMAT ASB Accounting Manual and Desk Reference is used as a guide to the training, with all participants receiving a copy.

Budget Explorer

Target Audience: CBOs and other business staff who prepare MYFPs.

Description: The hands-on training provides attendees with an in-depth understanding of Budget Explorer as a multiyear financial forecasting, planning and communication tool. Participants learn how to create a multiyear financial forecast, print reports, and export data to another file.

Charter School Fiscal Management

Target Audience: Charter school and oversight agency staff and administrators

Description: This new FCMAT workshop is for charter school and oversight agency staff and administrators, and is a collaboration with the California Department of Education. The workshop was held in two locations in 2008-09, and five additional sessions are set for fall 2009. Topics include overview of laws and regulations, MOUs, pupil enrollment, school calendar and attendance, annual audits, internal controls and oversight, data management and CALPADS, overview and explanation of funding sources, effective financial management through budgets, financial projections and cash flow projections.

"This information should be a must for all new charters and authorizers." — Charter School Fiscal Workshop attendee

Each year, FCMAT sponsors and partners with other agencies and the private sector to provide timely, pertinent training and information to California's local educational agencies. Those efforts include the following:

Accounts Payable Workshop

Target Audience: Chief business officials, county office and district business staff

Partner: California Association of School Business Officials (CASBO)

Description: Participants receive information to help them understand the complexities that govern many of the internal procedures that exist in accounts payable. They learn the importance of accounts payable

as it relates to budget, overall financial reporting, federal and state categorical compliance, and the annual audit of district funds. Each participant receives comprehensive materials that includes a copy of the California School Accounting Manual.

Legal Aspects and Hands on Accounting for Student Body Organizations

Target Audience: All those involved with student organizations, including CBOs, principals, ASB advisors, ASB bookkeepers, district office oversight staff, and student councils

Partner: CASBO

Description: This workshop is six hours of pertinent information and valuable instruction on all aspects of ASB accounting and operations. Areas covered include: state requirements and regulations, internal controls, budget and budget management, fund-raisers and cash controls, expenditures and disbursement controls, student stores, accounting and financial management. Many sample forms, procedures and reference sources are shared.

CBO Boot Camp

Target Audience: New and aspiring CBOs and superintendents

Partner: CASBO

Description: This intensive, three-and-a-half-day program is designed to assist aspiring chief business officials and superintendents. The program guides participants through the everyday battles and sometimes conflicting responsibilities CBOs face. Areas of focus include an overview of school finance, making budget presentations, special education issues, SACS accounting structures, working with oversight agencies, school facilities, risk management, the CBO and collective bargaining, and much more.

Understanding Debt Workshop

Target Audience: CBOs, superintendents, board members, and business office staff

Partner: Governmental Financial Strategies

Description: Understanding Debt provides an in-depth overview of public debt financing, including all varieties of bond sales and their consideration. The eight-hour program covers long-term impacts and fees and corrects misinformation that is too often communicated to school district administrators.

Pupil Attendance Accounting for School Site Personnel

Target Audience: K-12 school districts, county offices of education, and CPA firms

Partner: CASBO

Description: Attendees learn about state compliance requirements, how to prepare for an audit, and strategies to improve pupil attendance. Special emphasis is devoted to those areas targeted for audit by the independent auditors: attendance records and documents, statutory school day and year, partial-day absences, on-campus suspensions, class-size reduction programs, alternative education programs, and hourly programs.

SACS – The Standard Account Code Structure – Basic Concepts

Target Audience: School business staff

Partner: CASBO

Description: SACS Basics is for school business staff at all levels who are new to the industry or are ready to expand their knowledge. It offers an introduction to school accounting and the Standardized Account Code Structure. It covers valid account combinations, changes to the California School Accounting Manual (CSAM), accounting issues unique to schools, and common problems and how to avoid them.

SACS – The Standard Account Code Structure – Advanced Concepts

Target Audience: Staff familiar with SACS accounting and independent auditors

Partner: CASBO

Description: This workshop covers advanced SACS accounting concepts including current topics and issues, tips for presenting financial information, program cost accounting, and everyday examples involving the use of SACS.

Pupil Attendance Accounting Strategies for Business Office Personnel

Target Audience: K-12 school districts, county offices of education, and CPA firms

Partner: CASBO

Description: This workshop covers state compliance requirements, preparing for an audit, and improving pupil attendance. Participants will become aware of why certain attendance accounting functions are necessary and the consequences of noncompliance. They will understand the need to evaluate their attendance record keeping procedures to ensure they are in compliance while still maximizing ADA. Attendees receive a comprehensive handout and pocketbook which can be used as reference tools throughout the year.

Building a Better Budget - Making Categoricals Serve your District

Target Audience: Site administrators, district fiscal administrators, and program directors

Partner: School Services of California (SSC)

Description: This workshop focuses on how to make the most of new and existing resources to improve student performance. The latest updates on categorical programs are provided, including tips on how to maximize funding while meeting compliance requirements.

Declining Enrollment

Target Audience: District and county office business officials, superintendents, board members, and interested personnel in declining enrollment districts

Partner: SSC

Description: Major legislation sponsored by statewide coalitions and associations to address the problem of declining enrollment has been successful in raising awareness and providing an opportunity to educate legislators regarding the scope of the problem. This workshop offers a thorough discussion of the fiscal, management, and political issues that must be addressed in districts experiencing, or likely to experience, declining enrollment.

Management of Employee Benefits Workshop

Target Audience: Superintendents, assistant superintendents, board members, directors of fiscal services, and policymakers

Partner: SSC

Description: This workshop focuses on the changing environment of employee benefits and the activities and events that affect those changes. Changes in regulations, new accounting standards, and the growing cost of benefits are addressed to provide school agencies with the information and tools to better manage employee benefits in an effective and beneficial manner.

Managing Charter Schools

Target Audience: District and county administrators and staff, charter school staff, attorneys and other legal staff, board members and other policymakers

Partner: SSC

Description: Since 1994, the number of charter schools operating in California has increased by an average of 13% per year. All school agencies must be ready for the challenges related to liability issues, Proposition 39 facility requirements, and changes in state law. This workshop helps school agencies meet their oversight responsibilities, evaluate and improve proposals for new and renewal charter schools, and respond to requests for facilities.

The Audit Challenge

Target Audience: District and county office business officials, superintendents, internal auditors, external auditors, board members and other interested personnel

Partner: SSC

Description: It is essential for LEAs to thoroughly understand the fiscal issues that will be addressed as part of an audit, including compliance, internal control and audit processes, and fraud prevention and detection. Items covered include all new state compliance audit requirements of the K-12 Audit Regulations, such as legislative changes, new funding requirements and accounting standard changes. Each new state program is also analyzed for potential audit traps, and participants are informed of related compliance procedures.

Got Cash?

Target Audience: District and county administrators and technical staff responsible for budget monitoring and cash flow management

Partner: SSC

Description: The current effect of California's economy on school districts will continue to make cash flow management challenging. A sharing of methods to improve tracking, forecasting, and analyzing cash flow is urgent in this environment of continual cash deferrals from the state and as more districts have local fiscal issues. Participants are able to take with them a number of analytical processes and practical examples for improving or implementing cash flow practices.

Special Education - Both Sides of the Equation

Target Audience: District and county office special education directors, business officials, SELPA directors, superintendents, board members and other interested personnel

Partner: SSC

Description: This workshop examines the revenues and expenditures involved in special education programs. With a focus on fiscal, management and instructional issues, including what to do prior to referrals to special education, the workshop points out where greater efficiencies can be made and where cuts should be avoided.

May Revision Workshop

Target Audience: Education community, news media, and elected officials

Partners: SSC and CCSESA

Description: This workshop shares information about the financial implications of the Governor's May Revision, including updated state budget and Proposition 98 projections, up-to-the-minute status reports on categorical programs, and the potential impact of the Governor's proposed initiatives. Also included is information related to practical issues involved in closing the books and determining appropriate accruals; program rates, provisions, flexibility, and changes to program funding and operational requirements. Strategies for collective bargaining and proactive responses to financial problems are discussed along with how the statutory COLA was calculated and what it means for the budget and for collective bargaining.

Fiscal Oversight Conference

Target Audience: County office business staff

Partners: CCSESA and the Business and Administration Steering Committee (BASC)

Description: This annual event is cosponsored by CCSESA, BASC, and FCMAT to provide up-to-date information and training related to the role of the county office of education cited in Education Code Sections 42127.6-8. Sessions relate to emerging oversight issues, new legislation, the utilization of tools and techniques, and general information related to the implementation of AB 1200 and AB 2456.

Masters in Governance

Target Audience: Board members, superintendents

Partner: California School Boards Association (CSBA)

Description: CSBA developed the Masters of Governance training program to support board members and superintendents. The program contains seven separate training modules focusing on the board's role with respect to setting the direction, establishing structure, providing support, ensuring accountability and acting as a community leader. FCMAT continues to support CSBA in revising and presenting the finance module in an effort to better prepare board members for their important role in approving, monitoring and implementing the district budget.

Professional Development Resource Guide

Target Audience: Chief business officials, county office and district office staff

Description: Under AB 3141, state funded school business training services are facilitated through FCMAT. This includes the development of a training calendar to be disseminated semiannually to each county service region, which publicizes all of the fiscal training services offered at the local, regional and state levels. The Resource Guide is posted on FCMAT's Web site.

CSIS Training

Statewide Student Identifier (SSID) Request Training

Target Audience: Staff members from LEAs with an automated student information system who need to learn how to obtain statewide student identifiers (SSIDs) for their agency

Description: This is the first course for individuals in charge of obtaining and maintaining SSIDs. It explains client setup, digital certificates, introduction to the State Reporting Records Transfer System (SRRTS) and how to obtain SSIDs.

Annual SSID Maintenance Training

Target Audience: Staff members from LEAs with an automated student information system who need to learn how maintain their SSIDs

Description: This course explains how to submit updated records for students that already have SSIDs through either the periodic enrollment update or the annual SSID maintenance, how the CDE will use the data collected through the annual SSID maintenance submission, the required fields and codes, reports and the system interface, and the reporting window for the annual submission. The course also includes simulated demonstration of the updated SRRTS system and the process of maintaining individual student records directly in DataGate.

Advanced Annual SSID Maintenance Training

Target Audience: Staff from LEAs with an automated student information system who have a good understanding of the enrollment update process and only need details of how the process has changed for the current reporting year

Description: Participants receive information on the changes in the annual SSID maintenance submission process from last year; how the CDE will use the data collected through the submission, the required fields, new codes, report and interface changes, and reporting window for the submission. The course also includes simulated demonstration of the updated SRRTS system.

Annual SSID Maintenance Q&A Training

Target Audience: Staff who have already attended the Annual SSID Maintenance training and are in the process of submitting their annual SSID maintenance transactions

Description: This session allows LEAs to ask questions about the annual SSID maintenance submission process and listen to questions from other LEAs. This is a supplemental session to the annual SSID maintenance training.

Annual Maintenance Reports Q&A Training

Target Audience: Staff who have already attended the annual SSID maintenance training and are in the process of submitting their annual transactions

Description: This session includes a brief introduction to the annual SSID maintenance reports and a question and answer session in which LEA representatives ask questions about each report and listen to questions from other LEAs. This is a supplemental session to the annual SSID maintenance training.

Anomaly Resolution Training

Target Audience: Staff who are responsible for resolving SSID anomalies (potential errors in the assignment of SSIDs)

Description: Two different anomaly resolution classes are offered: 1) the Exit Reason Discrepancy class and 2) the Multiple ID and Concurrent Enrollment class. These courses cover the purpose of anomaly resolution, an explanation of each type of anomaly, and a live demonstration of the anomaly resolution process.

Extended Client - SSID Request Training

Target Audience: Staff members from LEAs with an enrollment of 1,000 students or less and one of following characteristics: do not have a student information system, have a custom/homegrown student information system that cannot generate the extracts required by DataGate, or have a non-automated student information system

Description: This course explains digital certificates, Extended Client functionality and the process of obtaining SSIDs using the Extended Client system.

Extended Client - Annual SSID Maintenance Training

Target Audience: Staff members from LEAs using the CSIS Extended Client application

Description: This course explains how to submit updated records for students who already have SSIDs. It includes an overview of SSID maintenance, the purpose of the two types of enrollment update submissions, the advantages of processing enrollment updates, and the list of required fields. It also provides a live demonstration how to update student records and submit an enrollment update in Extended Client.

CALPADS File Submission Content Overview

Target Audience: LEA staff who will be responsible for submitting data to the California Longitudinal Pupil Achievement Data System (CALPADS) or certifying this data

Description: The purpose of this session is to provide LEAs with an overview of the proposed CALPADS file formats and steps they can take to begin to prepare for CALPADS. Three versions of this class are offered: 1) one for state reporting LEAs, 2) one for LEAs using Extended Client, and 3) one for LEAs that assign and maintain SSIDs using an automated student information system.

State Reporting Level 1 Training

Target Audience: Staff members from state reporting LEAs who are responsible for reporting or certifying state reporting data

Description: This course covers how to use the SRRTS state reporting function, local student information system data population, data requirements for state reporting and in-depth discussion of the end-to-end process flow.

State Reporting Level 2 Training

Target Audience: Staff members from state reporting LEAs who are already proficient with reporting and certifying state reporting data and only need an update on changes since the previous year

Description: This course includes a detailed review of changes to the state reporting function and changes to data population requirements. Emphasis is placed on alerting users to data population pitfalls to avoid potential errors.

Eligibility in the Local Context (ELC) Training

Target Audience: LEA school counselors and staff members who will be completing an ELC submission through CSIS to the University of California Office of the President

Description: This course provides detailed instructions on ELC data population requirements and the submission process to enable users to electronically submit qualifying student records.

Academic Records Transfer (ART) Training

Target Audience: LEA staff members who are responsible for submitting student transcript data to CSIS and/or transferring transcript data to other K-12 LEAs or to postsecondary institutions

Description: This three-part course begins with detailed instruction on ART data population requirements that will enable users to electronically submit student transcript records. The second part focuses on the SRRTS records transfer functionality. The third part provides detailed instruction on the CSIS Transcript Center process and functionality, including how the end users request, send and receive student transcripts.

Direct Certification Training

Target Audience: LEA staff members who submit data to CSIS for direct certification and those who receive direct certification results from CSIS

Description: This training session prepares local education agency staff to participate in the direct certification process through CSIS. This class explains the submission of student addresses necessary for matching in the direct certification process. It also covers the new digital certificate role and how to access the data matching results. Also included is a brief description of how to use the CSIS address validation service.

Best Practices Training Session 1

Target Audience: Staff members who are from LEAs participating in the CSIS Best Practices Cohort

Description: This training session focuses on the requirements of the CSIS Best Practices Cohort and the work LEAs need to complete to receive project funding, as well as how to establish and leverage a data management team to improve local data management practices. As with all Best Practices Cohort classes, LEAs must complete a needs assessment before attending this class.

Best Practices Training Session 2

Target Audience: Staff members from LEAs participating in the CSIS Best Practices Cohort who have already completed Training Session 1

Description: This training session includes a review of CALPADS reporting requirements and what LEAs need to do to prepare for CALPADS. As with all Best Practices Cohort classes, LEAs must complete a needs assessment before attending this class.

Best Practices Training Session 3

Target Audience: Staff members from LEAs participating in the CSIS Best Practices Cohort who have already completed Training Sessions 1 and 2

Description: This class defines data standards, data quality, and data audits. It assists LEA staff in reviewing local data management practices related to data quality and planning improvements. As with all Best Practices Cohort classes, LEAs must complete a needs assessment before attending this class.

Best Practices Training Session 4

Target Audience: Staff members from LEAs participating in the CSIS Best Practices Cohort who have already completed Training Sessions 1-3

Description: This session focuses on local use of data and steps LEAs can take to better leverage the data they collect. As with all Best Practices Cohort classes, LEAs must complete a needs assessment before attending this class.

Written Resources

Associated Student Body Accounting Manual & Desk Reference

Target Audience: All those involved with student organizations, including chief business officials, principals, ASB advisors, ASB bookkeepers, district office oversight staff, and student councils

Description: Revised in 2007 and under revision for 2009, the ASB Accounting Manual & Desk Reference is the standard used by educational entities throughout the state for ASB operations. Information is provided in a user-friendly format to guide all those responsible for student body activities. The manual responds to the increased demands on today's school leaders to augment funding for students and schools while still maintaining fiscal accountability and accuracy. The manual suggests the right questions to ask and how to assess the answers.

County Office of Education Fiscal Procedural Manual

Target Audience: Chief business officials, county office business staff, superintendents, board members

Partners: CCSESA and BASC

Description: The manual assists COE business officials in performing their required duties related to evaluating the operation of school district finances. It outlines 26 procedures and adopted standards that are required by California Education and Government Codes and can assist county offices of education in developing consistent and common practices in reviewing and responding to school district fiscal requirements. FCMAT updates sections of the manual each year with the assistance of BASC.

Fiscal Oversight Guide

Target Audience: Chief business officials, county office and district business staff, superintendents, board members

Partners: CCSESA and BASC

Description: The Fiscal Oversight Guide was issued in September 2006, adding the increased oversight requirements of AB 2756 to the information contained in the original AB 1200 Guide. The guide provides an additional resource for county offices to use in the oversight of school districts, outlining the responsibilities of the county offices of education in the budget adoption and approval process and review of interim reports. It also provides guidance and sample letters for various scenarios if budgets are disapproved or interim reports are qualified or negative.

Other Products and Services

Ed-Data

Partners: CDE, EdSource, and Alameda County Office of Education

Description: The Ed-Data Partnership web site, found at www.ed-data-k12.ca.us, contains the most user-friendly and up to date data available in the demographic and assessment areas and is the only education web site that provides financial information in California. The Ed Data Partnership makes efficient use of the state's investment in data analysis by making school, district and county information readily available to a variety of users. A primary objective of the Ed-Data web site is to follow the Governor's data transparency initiatives by helping to make information available to all constituencies in a format that is usable and easily understood.

Ed-JOIN

Partner: CCSESA

Description: Ed-JOIN is California's premier public education job search Web site. Created by CCSESA and supported by CalTRIP, Ed-JOIN offers a unique tool for school districts and county offices of education to utilize in their efforts to recruit quality staff. This project partners FCMAT and Ed-JOIN staff to train school district HR professionals in the use of Ed-JOIN.

Certificated Salaries and Benefits Project, J-90

Target Audience: Chief business officials, county office and district business staff, superintendents, negotiations staff

Partners: SSC (School Services of California), CDE, California Federation of Teachers and the California Teachers Association

Description: An annual survey is designed and collected to publish salary and benefits information for certificated employees. Improvements are continually made to enhance the quality of district information. Issues to be evaluated and reported include average salary schedule, amount and total salary expense, prior vs. current year, total health benefit expense as a ratio to total salary expense, total number of service days versus instructional days, and other appropriate and timely data.

Leadership Preparation

CBO Mentor Project

This exemplary one-year program is designed to produce qualified school district chief business officials. It is geared toward those who have a clear goal and experience in school business operations that will enable them to advance to the CBO level. Students attend nine Friday evening and Saturday sessions in Sacramento. A mentor who is a CBO is assigned to each participant and is available to help them as needed. Participants in the program represent districts of all sizes and are from all areas of California.

Surveys of each cohort indicate that 98% of the candidates who have completed the program either advance to a higher position in the business office and/or become an Assistant Superintendent of Business Services.

The sixth cohort of the project is under way and will conclude in March 2010. Applications for the seventh cohort were available on FCMAT's Web site as of July 1, 2009. That session will begin on April 2010.

Surveys of each cohort indicate that 98% of the candidates who have completed the program either advance to a higher position in the business office and/or become an Assistant Superintendent of Business Services. One hundred twenty-five candidates have completed the program and 27 are being trained in the sixth cohort.

"The project was everything I hoped it would be and more ... I now feel more confident of my ability to step into a CBO position." — CBO Mentor Program participant

Project partners are BASC, CASBO, CCSESA, FCMAT and SSC. FCMAT underwrites the project and the training is offered free to participants.

Chief Technology Officer (CTO) Mentor Project

This project prepares individuals for senior leadership of K-12 technology and informational services and is halfway through its third successful year.

Partners in CTO Mentor are FCMAT, CCSESA, and as lead agency, the California Educational Technology Professionals Association (CETPA). Representatives of these agencies serve as

the Steering Committee for CTO Mentor. This committee also reviews and adjusts materials as needed, working with the instructors to ensure an innovative and effective curriculum. The California Department of Education (CDE) and the State Secretary of Education are supportive and engaged in the project, providing expert guest instruction.

The 2009 cohort consists of 19 individuals from across the state. Candidates receive intensive instruction in eight 12-hour segments on Fridays and Saturdays, as well as monthly interactions with their mentors. Candidates must complete session assignments, a final thesis and oral examination. They also must engage with their mentor throughout the program. Instructors and mentors are current CTOs drawn from across California, each with extensive K-12 experience and expertise.

The curriculum is updated each year to keep the topics relevant and helpful. A fictitious case study was developed and used by the instructors as a teaching tool. Scenarios were created to support the curriculum and create an environment where ideas and expertise could be applied. Applications for the 2010 cohort will be available in September 2009.

Facilities Leadership Academy

The Coalition for Adequate School Housing (CASH) again partnered with FCMAT in 2008-09 to provide the School Facilities Leadership Academy, a 10-month, nine-session professional development program. The 25 members of the third cohort represented a cross-section of the professional disciplines that help design, build, and maintain the facilities serving California's public schools: superintendents, chief business officials, facility directors, planners, and maintenance and operations supervisors from both the public and private sectors.

Each participant was mentored by a school facilities expert, and attended two-day classes each month in Sacramento. The curriculum covered site selection, architectural design, facility financing, program management, maintenance and operations, and modernization. Classes were taught by core academy faculty and guest experts.

USC School Business Management Certificate Program

This unique program was new in 2008-09, and is conducted approximately 75% online, with a class at the USC campus both at the beginning and at the conclusion of the program, allowing participants the flexibility to arrange their learning schedule. There is a cohort of no more than 25 students at a time, working individually and in groups to learn how to deal with real-world business situations and activities.

Solutions are found by exploring resources that are built into the online classroom, including readings, connections to valuable Internet sites, and videotaped insights from a host of functional experts as well as current CBOs. In addition, participants are presented with individual activities that provide them with the chance to check their mastery of information. Discussions are facilitated by a lead instructor who works in school business. There are also live interactions with experts that allow participants to ask questions directly.

Product Development

Budget Explorer

Budget Explorer is FCMAT's Web-based multiyear financial forecasting and budget development application software that is designed to meet the planning and reporting needs of California's K-12 school districts and county offices. It is SACS and GASB compliant.

The software is available free of charge to authorized users. A unique account for each user is assigned by FCMAT and provides the user access to the Budget Explorer Web site. Accounts are password-protected, ensuring that budget forecasts are safe, confidential, and cannot be accessed by unauthorized users.

Approximately 1,100 accounts have been established since the software was launched.

Budget Explorer enables school district and county office staff to create accurate multiyear forecasts of revenues and expenditures.

This online resource makes it possible for school districts and county offices to access, create, and edit projections from any computer with an Internet connection. Budget Explorer enables school district and county office staff to create accurate multiyear forecasts of revenues and expenditures. This leads to more informed decision making and the ability to project the fiscal impact of current financial and strategic decisions. The software is simple to learn and user-friendly.

The software's capability is enhanced by modules for enrollment projection, revenue limit calculation, salary forecasting, automatic resource balancing, and audit logging.

Budget Explorer Version 4.0 Release

FCMAT presented a new product release at the 2009 CASBO conference. Additional functions and enhancements in the new release will include the following:

Cash Flow Module

- Analyze cash flow for either base or projected years
- Determine revenues from each resource based on pre-established monthly rate proportions, based on district profile
- Track monthly revenues and expenditures

Fiscal Health & Risk Analysis

- Creates diagnostic trends for revenue, expenditures and fund balance analysis

AB 1200 Reports

- Distribute salary data by bargaining unit with actual data drawn from the projections
- Customize text and data on these reports

County Office of Education; COE Internal Business Services Uses

Funding for county offices is very different from that of K-12 school districts and Budget Explorer has been enhanced for COE use. Special enrollment categories specific to county offices receive uniquely calculated funding streams, requiring a software tool that offers the range of calculation formulas necessary to create projections. With Budget Explorer, county office internal business services users now have access to

the revenue limit calculation form (Form O), together with all the enrollment categories and associated revenue calculations that are unique to county offices. Budget Explorer 3.0 for county offices was released in spring 2008.

Fiscal Insight

Fiscal Insight is a secure, Web-based budget and financial transaction reporting software that automates the extraction of financial transactions from any type of financial reporting software. FCMAT has co-developed this powerful software tool to include automated diagnostics that will create financial trends and analysis reporting. Using FCMAT's Fiscal Health and Risk Analysis and the SACS Criteria and Standards Review, users can generate a series of diagnostic reports and graphics to analyze revenue and expenditure trends and assist in decision-making and oversight. Reports include the following:

- CBEDS Historical and Projected Enrollment Report
- Revenue Trend Analysis
- Expenditure Trend Analysis by Object
- Salary and Benefits vs. Total Unrestricted Expenditures
- Deficit Spending Trends
- Year-to-Year Comparison and Trends for Fund Balance

Fiscal Insight can extract read-only data and report financial transactions to the lowest level of detail for all funds. The following is a sample view of the reporting capabilities of Fiscal Insight:

Fiscal Insight™ - View by Object

Select Fund: 01 General Fund

Fund: 01 General Fund

Object	2004-2005					
	Budget	Expenditure	Incurrence	Balance	Budget	Expense
0000 REVENUE	\$173,613,177.08	\$170,766,525.85	\$3.00	\$2,846,651.23	\$174,895,439.00	\$173,613,177.08
1000 Certificated Personnel Salaries	\$92,675,741.00	\$90,334,626.70	\$4,405.80	\$2,276,708.50	\$90,511,106.02	\$89,988,888.89
2000 Classified Personnel Salaries	\$27,556,563.00	\$27,336,216.99	\$3.00	\$220,346.01	\$28,686,880.89	\$27,556,563.00
3000 Employee Benefits	\$18,372,512.00	\$17,665,401.74	\$9,435.10	\$696,075.16	\$17,982,694.54	\$17,372,512.00
4000 Books and Supplies	\$7,803,024.00	\$5,215,115.82	\$27.24	\$2,587,808.94	\$9,058,090.73	\$6,515,115.82
5000 Services and Other Operating Expenditures	\$21,463,814.00	\$17,132,676.40	\$62,041.00	\$4,269,096.60	\$20,314,302.00	\$17,132,676.40
6000 Capital Outlay	\$377,290.00	\$203,019.25	\$3.00	\$90,470.75	\$1,499,797.00	\$1,499,797.00
7000 Financing Uses	\$4,588,556.00	\$5,558,058.57	\$3.00	(\$69,502.57)	\$7,450,266.00	\$8,117,611.14
Expense Total	\$172,837,980.00	\$163,525,915.47	\$135,909.14	\$9,176,003.29	\$176,303,137.10	\$167,303,137.10
Revenue - Expenditure	\$775,269.08	\$7,240,610.30	(\$135,909.14)	(\$6,329,432.16)	(\$1,407,590.10)	\$6,515,115.82

Summarized view of the entire expense areas

Summary and balance at every level

Side by side multiyear view

Select different funds from the drop-down menu

Proxient

FCMAT utilizes this product in fieldwork to view historical trends against the current or projected budget and can analyze the financial trends of an LEA by extracting data by fund, resource, object, or viewing specific financial transactions. Weekly, monthly or quarterly data extracts can be set up or customized by the user.

State Reporting and Records Transfer System (SRRTS)

State Reporting and Records Transfer System is the Web-based software application built and operated by CSIS that allows local education agencies to securely submit and transfer data electronically across the internet to a CSIS server (called DataGate for production data or TestGate for test data). In 2008-09, SRRTS was used for the following services:

- Direct certification of eligibility for free school meals
- Address validation
- Eligibility in the local context
- Academic records transfer
- Annual Statewide Student Identifier (SSID) maintenance
- Fall state reporting
- Spring state reporting
- Vendor student information system capability testing

Extended Client

Extended Client is a Web-based interface developed by CSIS for local education agencies that do not have their own student information system, or that have limited technical and administrative capability to obtain and maintain statewide student identifiers.

Technical Support

AB 1200 Reimbursements

Education Code Sections 42127.3 and 42127.6 identify circumstances by which a county superintendent of schools may be reimbursed for a portion of the costs associated with actions related to the disapproval of a school district budget by the COE or SPI, and qualified or negative certifications of a school district budget. Eligible reimbursements include the appointment a fiscal advisor or fiscal expert, contracts with a CPA firm to investigate financial problems, and contracts for additional assistance to conduct a financial and budgetary study.

Claims for reimbursement are processed through FCMAT and are reviewed and approved by the Departments of Education and Finance.

Regional Teams

AB 2756, enacted by the Legislature and signed by Governor Schwarzenegger in 2004, established the formation of regional teams to provide fiscal or management assistance on a local level. County Office Service Regions 1, 4, 9, and 10 were selected through a competitive process to provide services to school districts in their respective areas.

During 2008-09, regional teams provided support to school district and county offices of education, depending on the location, through activities including workshops on Associated Student Body, Advanced Budgeting, Attendance Accounting for Site Personnel, Understanding Redevelopment Agreements, Budget Reduction Strategies, Building a Better Budget, Pupil Attendance, Year End Closing, and Debt Finance.

Locally developed activities included planning and testing for CalPERS reporting, CBO Forum, Finance Director and Small District Business Manager Academy, Excel pivot training, and Financial Trend Analysis. Direct assistance provided by various regional teams included local technical assistance, district staff training, and conducting management assistance reviews.

FCMAT and CSIS Help Desks

FCMAT

The FCMAT Help Desk is an online resource designed to answer questions related to school business throughout California. Questions cover a wide range of school business topics, including new topics coming from charter schools and community colleges. Numerous LEAs and others use this resource, with 92 questions answered in 2004-05 and 393 questions answered in 2008-09. FCMAT endeavors to answer all questions within 24 hours whenever possible. All questions receive answers, even if extensive research is required, and the service is free of charge to all those who utilize it.

The responses provided by the Help Desk are intended to share the expertise of FCMAT staff and do not constitute legal advice. Each answer includes a statement that if the topic involves interpretation of laws, regulation or court precedent or otherwise calls for legal advice, the person asking the question should also consult legal counsel before acting on the FCMAT answer or any other information.

Over the past year, the following types of questions were received and answered:

ASB Organizations:	220	Attendance:	5
Chief Business Official:	70	Board of Education:	5
Charter School:	27	Community College:	4
Accounting/Budget:	20	Purchasing:	4
Technology/CSIS:	11	Facilities:	4
Human Resources:	8	Transportation:	2
Child Nutrition:	6	Miscellaneous*:	7

*Miscellaneous consists of questions/requests where the individual was referred to another source, such as FCMAT's list serves, Ed-Data, copies of past FCMAT reports, or workshop schedules.

CSIS

CSIS provides service desk support to California's 1,400-plus local education agencies on the California Longitudinal Pupil Achievement Data System (CALPADS), direct certification, address validation, and academic records transfer. In busy months, CSIS receives more than 7,000 requests for assistance through the service desk. Requests for assistance can be submitted via the Internet at <http://www.csis.k12.ca.us/support/ContactSupport/>, by calling (916) 325-9210, or by e-mailing support@csis.k12.ca.us.

Mailing Lists

FCMAT maintains confidential mail lists for various agencies. These mail lists are a vital communication link between professional colleagues and are a fast, free, and secure method for sharing information. Counties may link their CBOs, human resources administrators, or other professional specialists locally or countywide.

Currently, FCMAT maintains 14 active mailing lists/listservs for various job-alike groups:

Budget Explorer Test Group
Budget Explorer User Group
County Office CBOs
Cash Academy
Cash Maintenance Work
Charter Schools
County Office HR Administrators
Credentials Analysts
District Office CBOs
District Office HR Administrators
Facilities Professionals
K-12 News Headlines
Maintenance and Operations Professionals
Purchasing Professionals

CSIS maintains the following one-way (used to disseminate information only) and two way (enables conversations among clients as well as with CSIS) listservs.

One-way listservs:

State reporting LEAs (for those LEAs that participate in full CSIS State Reporting)

SSID LEAs (for those LEAs that do not participate in full CSIS State Reporting and assign and maintain Statewide Student Identifiers using an automated student information system)

Extended Client LEAs (for those LEAs that use the CSIS Extended Client application to assign and maintain Statewide Student Identifiers)

Vendors

Two-way listservs:

State reporting LEAs

SSID LEAs

FCMAT and CSIS Web Sites

Numerous services for the educational community are found on FCMAT's Web site, www.fcmat.org. New FCMAT services are highlighted here; in 2008-09 those included the On-Site Fiscal Support service and a new Web site section offering special education resources. The site is updated daily with the popular K-12 News Headlines, a service in which daily education news articles from major news sources are posted. Fiscal and legal alerts, as well as FCMAT's published reports, provide site visitors with the most current information available regarding laws and events affecting California's local educational agencies. The site is visited hundreds of thousands of times each year.

The CSIS Web site, www.csis.k12.ca.us, describes CSIS services and contains a variety of resources for local education agencies, including training materials, requirements documents, program documents such as the CSIS Privacy and Confidentiality Procedures, important announcements from CSIS and CDE, and sample local data collection forms. The site also includes a training registration page for CSIS and CALPADS training sessions as well as access to DataGate, the CSIS proprietary software used to prepare data and submit data to CSIS servers.

Education Audit Appeals Panel

Education Code Section 41344 provides an opportunity for a local education agency to appeal a finding contained in a final audit report. This code section established an audit appeals panel consisting of the Superintendent of Public Instruction, the Director of the Department of Finance, and the Chief Executive Officer of FCMAT, or their designees. Susie Lange represents the Superintendent of Public Instruction, Diana L. Ducay represents the Director of Finance, and Joel Montero serves in his capacity as CEO of FCMAT. The panel usually meets each month; its meeting schedule and other information may be found on its Web site: www.eaap.ca.gov.