

**Regular Meeting of the  
Fiscal Crisis and Management Assistance Team (FCMAT)  
Governing Board**

**Dolce Hayes Mansion, San Jose  
October 14, 2007  
10:00 a.m. – 1:00 p.m.**

**AGENDA**

		<u>Report</u>	<u>Action or Information</u>
I.	General Functions		
A.	Call to Order	Oral	Action
B.	Approval of Agenda	Written	Action
C.	Minutes of June 24, 2007	Written	Action
D.	Comments from FCMAT's Administrative Agent	Oral	Information
	<ul style="list-style-type: none"><li>• Welcome new FCMAT Board Members: Wes Smith, Region 2, Supt., Cascade UESD Jose Gonzalez, Region 7, Supt., Ballico-Cressey ESD Gary Jones, Region 2, Supt., Modoc COE</li><li>• Recognition of Retiree Patrick Sayne, Region 8, Paso Robles JUSD</li></ul>		
E.	Report from CEO	Oral	Information
F.	Report from California Department of Education	Oral	Information
G.	Report from Secretary of Education or Designee	Oral	Information
H.	Public Participation	Oral	Information
	<ul style="list-style-type: none"><li>• Time reserved for any person to address the FCMAT Board. The Chair may limit the time of participation.</li></ul>		
I.	Selection of FCMAT Board Chair and Vice Chair	Oral	Discussion/Action
	<ul style="list-style-type: none"><li>• Dr. Fischer's term as chair of the FCMAT board expires on December 31, 2007. Tim Foley has served as Vice Chair for the last two years. He is up for nomination to serve as Chair for a term of two years. The Board will also need to nominate and select a county superintendent as Vice Chair for the term of January 2008-December 2009. These appointments will be effective beginning with the January 2008 board meeting.</li></ul>		

J.	FCMAT Executive Committee <ul style="list-style-type: none"> <li>Recommendation/Approval for (3) positions <ul style="list-style-type: none"> <li>CSIS Client Support Technician</li> <li>CSIS Network Systems Engineer</li> <li>FCMAT Fiscal Intervention Specialist</li> </ul> </li> </ul>	Written	Information
K.	FCMAT Financial Report and Analysis 2007-08 <ul style="list-style-type: none"> <li>Regional Teams</li> </ul>	Written	Information
L.	CBO Mentor Project <ul style="list-style-type: none"> <li>Executive Report 2006-07</li> <li>Applications for 5<sup>th</sup> cohort available</li> </ul>	Written	Info/Action
M.	FCMAT's Annual Report 2006-07	Written	Action
N.	Professional Development Calendar <ul style="list-style-type: none"> <li>Approval of Resource Guide/Calendar 2007-08</li> </ul>	Written	Action
O.	California School Information Services (CSIS) <ul style="list-style-type: none"> <li>Quarterly Report</li> <li>Data Dictionary</li> </ul>	Written	Info/Action
P.	FCMAT board letter to the SBE re: charter schools conflict of interest regulations	Written	Information
Q.	Special Guest <ul style="list-style-type: none"> <li>John Gilroy, Executive Director Education Audit Appeals Panel (EAAP)</li> </ul>	Written	Information
R.	Status of Key FCMAT Assignments <ul style="list-style-type: none"> <li>Comprehensive Reviews: Vallejo USD, Oakland USD</li> <li>AB 45 (Swanson)</li> <li>Compton Unified School District</li> <li>Compton Community College – Comprehensive</li> <li>Pond Elementary</li> <li>Livermore Valley Charter School</li> </ul>	Oral/Written	Discussion
S.	Directory Information (Bylaws, Roster, 2008 Meeting Dates)	Written	Information
II.	Board Members' Comments	Oral	Information
III.	Agenda Items for Next Meeting	Oral	Information
IV.	Date and Location of Next Meeting Wednesday, January 30, 2008 10:00 a.m. – 12 noon Marriott Hotel, Monterey		
V.	Adjournment		

**FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM  
 BOARD OF DIRECTORS' QUARTERLY MEETING  
 Dolce Hayes Mansion, San Jose, CA  
 October 14, 2007  
 Minutes**

**Present:**

Herbert Fischer, San Bernardino COE, Chair.....RIMS, Region 10  
 Jay N. Hoffman, Nuvview USD ..... RIMS, Region 10  
 Paul Tichinin, Mendocino COE..... North Coast, Region 1  
 Steve Lund, Fort Bragg USD..... North Coast, Region 1  
 Gary Jones, Modoc COE ..... Northeastern, Region 2  
 Wes Smith, Cascade UESD ..... Northeastern, Region 2  
 Ric Teagarden, Yuba COE..... Capitol, Region 3  
 Sherry Smith, El Dorado UHSD ..... Capitol, Region 3  
 Mary Jane Burke, Marin COE ..... Bay, Region 4  
 Debra Bradley, Sausalito-Marín CSD..... Bay, Region 4  
 Marc Liebman, Berryessa USD ..... South Bay, Region 5  
 Michael Carey, Amador COE..... Delta Sierra, Region 6  
 Bill Draa, Banta ESD..... Delta Sierra, Region 6  
 Jose Gonzalez, Ballico-Cressey ESD..... Central Valley, Region 7  
 Julian Crocker, San Luis Obispo COE, Past Chair ..... Costa Del Sur, Region 8  
 Patrick Sayne, Paso Robles USD..... Costa Del Sur, Region 8  
 Marc Ecker, Fountain Valley SD..... Southern, Region 9  
 Darline Robles, Los Angeles COE ..... Los Angeles, Region 11  
 Amy Enomoto-Perez, Rosemead SD..... Los Angeles, Region 11  
 Erik Skinner ..... Vice Chancellor, Calif. Community Colleges  
 Don Singer ..... San Bernardino Community College District  
 Christine Frazier..... Associate Supt. KCSOS  
 Joel Montero ..... Chief Executive Officer, FCMAT

**Guests and Staff:**

John Gilroy..... Executive Director, EAAP  
 Susan Grinsell..... BASC Chair  
 Scott Hill ..... Undersecretary, Office of the Secretary of Education  
 Anthony Bridges ..... Deputy Executive Officer, FCMAT  
 Barbara Dean ..... Deputy Administrative Officer, FCMAT  
 Debi Deal ..... Fiscal Intervention Specialist, FCMAT  
 Frank Fekete..... Legal Counsel, FCMAT  
 Roberta Mayor ..... Chief Management Analyst, FCMAT  
 Barbara Smith ..... Executive Secretary, FCMAT  
 Nancy Sullivan..... Administrator, CSIS

**Excused:**

Tim Foley, San Benito COE, Vice Chair ..... South Bay, Region 5  
 Larry Powell, Fresno COE..... Central Valley, Region 7  
 Bill Habermehl, Orange COE..... Southern, Region 9  
 Frederick Harris ..... Vice Chancellor, Community Colleges  
 Russ Brawn ..... Chief Operations Officer, CSIS  
 Susie Lange..... Deputy Superintendent, CDE  
 Larry Reider..... Administrative Agent, FCMAT

## **I. General Functions**

### **A. Call to Order**

The meeting of the FCMAT Board of Directors was called to order at 10:05 a.m. by Chair Herbert Fischer, San Bernardino County Superintendent of Schools.

### **B. Approval of Agenda**

A motion was made by Bill Draa and seconded by Michael Carey to approve the October 14, 2007 agenda. The motion was approved.

### **C. Minutes of June 24, 2007**

A motion was made by Marc Liebman and seconded by Sherry Smith to approve the minutes of the June 24, 2007 board meeting. The motion was approved.

### **D. Welcome from FCMAT's Administrative Agent**

Dr. Christine Frazier welcomed the board on behalf of Dr. Larry Reider who had a prior commitment with MOVE, Mobility Opportunities Via Education. She introduced the new members to the FCMAT Board: Wes Smith, superintendent of Cascade Union Elementary School District, Jose Gonzalez, superintendent of Ballico-Cressley Elementary School District and Gary Jones, superintendent of Modoc County Office of Education.

Dr. Herbert Fischer recognized board member Patrick Sayne, superintendent of Paso Robles Joint Unified School District who will be retiring December 31, 2007. Herb welcomed the new members and thanked the district superintendents for their attendance.

### **E. Report from CEO**

Joel Montero reported that October is when the board covers the routine operational items. Joel introduced the newest staff member to FCMAT, Debi Deal. Debi was previously employed by Santa Maria High School District and comes with tremendous experience, particularly in charter schools and facilities. She will also be assisting in product development in the facilities area. She has already been assigned as Fiscal Advisor for the Lifeline Charter School.

Joel presented to the board an updated map of California that illustrated those counties that have more than 50% of their districts in declining enrollment. Joel reported that this information will be shared with the legislature in March. He indicated that a district cannot maintain their expenditures when their enrollment is declining.

Joel reported that AB 194 was signed by the Governor. This bill allocates funds to CSIS for central operations. He also reported that AB 45 was vetoed by the Governor. This bill would have changed FCMAT's role regarding the return governance authority over the Oakland Unified School District's operational areas to the school board. The Governor's veto message stated that he has faith that the SPI will continue working with FCMAT to complete the comprehensive review process.

Joel reported that SB 537 was signed. This bill requires the California Research Bureau to prepare a report by January 2009 on the actual costs of charter school oversight. Joel asked the board to provide input on the bill and commented that timing is critical. Comments are to be emailed to Joel. Paul Tichinin commented that the district superintendents and ACSA should provide feedback to the California Research Bureau. Herb suggested that a group be formed to address the bill. Paul Tichinin and Debra Bradley volunteered.

Joel introduced Susan Grinsell, the BASC representative for 2008. He also reported that an AB 139 review will be conducted for the Imperial County Office of Education, and will be a collaborative effort of three agencies.

Joel welcomed Erik Skinner who joined the California Community College Chancellor's Office in February 2007. Erik shared that he is responsible for the fiscal oversight of the community colleges; at the Office of the Secretary for Education he was the head of finance and facilities. He said that the community colleges are much like the K-12 system was at one time, but there is a need for greater awareness of fiscal oversight and assistance. He reported that in the 2008-09 state budget, the state provided \$570,000 for the chancellor's office to partner with FCMAT to serve community colleges that need fiscal assistance. He shared that there are a handful of colleges that are struggling financially. Tom Henry is engaged as the state monitor for the Lassen Community College.

**F. Report from California Department of Education**

A representative was not present.

**G. Report from Secretary of Education or Designee**

Scott Hill was introduced to the board. He was appointed undersecretary by Secretary of Education David Long. Scott reported that today is the last day the Governor has to sign bills. He commented on AB 45 (Swanson) on Oakland Unified, saying that the governor saw that the current monitoring process was working and couldn't see changing the process.

Scott reported that the CTAP bill may be vetoed. The message from finance is to support reauthorization of CTAP and to bring legislation in January. Scott reported that the agenda for next year is to address the relationship of data systems with CSIS and CALTIDES. Scott reported that there will be a briefing with the governor on how to manage and prioritize next year's budget. They are committed to keeping communications with the governor open. The governor is focusing on health care and water issues for California. Discussion has occurred on the 99 program improvement districts to determine what's going to happen with them. There is also a challenge concerning the reauthorization of NCLB as there has been no action yet on the reauthorization.

Scott reported that the Governor's Committee on Excellence has submitted their recommendations and the Secretary of Education will have an opportunity to respond to the report. Bill Draa asked if the governor's priority is health and water, where does the implementation of improvement districts fit in. Scott responded that this was not certain and needs to be worked through financially.

**H. Public Participation**

There were no public comments.

**I. Selection of FCMAT Board Chair and Vice Chair**

A motion was made by Paul Tichinin and seconded by Bill Draa to nominate Tim Foley, FCMAT Vice-Chair for the last two years, as FCMAT chair for the two years, January 2008 – January 2010. There were no other nominations. A motion was made by Debra Bradley and seconded by Marc Ecker to close the nominations. The motion was approved and Tim Foley will assume the chair at the January 2008 meeting.

A motion was made by Bill Draa and seconded by Amy Enomoto-Perez to nominate Darline Robles, superintendent of Los Angeles County Office of Education as the FCMAT Vice-Chair. There were no other nominations. The motion was approved to elect Darline Robles as the FCMAT Vice-Chair.

**J. FCMAT Executive Committee**

Joel reported that the Executive Committee meets before the regular meeting and between the board meetings and they approve the hiring of staff. There were three positions that were recommended and approved for hire. Chris Frazier noted that the Kern County Superintendent of Schools, as the Administrative Agent for FCMAT and a merit system COE, uses the merit system hiring process. The merit system can be a lengthy process. Joel reported that the Network Systems Engineer is a shared position between FCMAT and CSIS. Nancy Sullivan stated that there are two open CSIS positions to be filled and there are a number of other positions waiting for funding.

#### **K. Financial Report and Analysis 2007-08**

Barbara Dean provided an overview of the FCMAT unaudited actuals for 2006-07 and the working budget for 2007-08. Joel reminded the board that FCMAT is required to set aside 25-50% of its budget for fiscal emergencies. Barbara also reported that the \$570,000 allocated for assistance to the community colleges is not in the FCMAT budget. It was allocated to the Chancellor's office.

##### Regional Teams

Barbara Dean reported that at the March FCMAT Board meeting it was requested that an accounting of how the regional teams were spending their portion of the \$250,000 be provided. Each team receives \$62,500 and how they determine to spend the money varies by region and on their specific needs. The regional teams report on a calendar year.

Marc Liebman asked what happens when the regional team is not using the funds allocated to them. Joel reported that through AB 2745 the FCMAT board was given oversight of the regional teams. The teams were selected by the SPI after an RFA process. Joel stated that we need to work with the teams and the question of using their allocated funds need to be addressed. He said that at the BASC meeting the CDE proposed a budget change to increase the teams from four to eight. Marc asked for additional information on the regional teams for the January meeting.

#### **L. CBO Mentor Project**

Joel reported that the CBO Mentor Project Executive Report for 2006-07 has been sent to all board members. This program continues to be successful and there are two "spin-offs" in California and others in other states. FCMAT has partnered to support the Chief Technology Officer (CTO) training program and the Coalition for Adequate School Housing (CASH), Facilities Leadership Academy. The CBO Mentor Project participants are nominated and work with a mentor. The fourth cohort will graduate in March 2008. It is estimated that 70% of the graduates from the first three cohorts have moved on to higher positions. Applications for the fifth CBO Mentor Project cohort are now available.

Paul reported that the moving force behind the CTO program is the California Educational Technology Professionals Association (CETPA). CETPA has been providing technology and data information to school districts and county offices for more than 30 years. CETPA recently had their annual conference with over 600 participants. He shared that the high point of the conference was the graduation of the first cohort from the CTO program. Joel reported that there continues to be a demand for quality staff in districts, as decisions can lead to solvency issues. Leaders will be making decisions on the use of the discretionary budget, and good financial decisions translate to improved student achievement.

#### **M. FCMAT's Annual Report 2006-07**

Joel reported that the annual report is an analysis of our business. Joel shared that in past years our primary market has been management assistance. This year FCMAT will be prioritizing its services and determining how to provide the best services to its clients. FCMAT may consider doing less forensic work and determining if the LEA can get that resource somewhere else. FCMAT will also be providing more assistance in the facilities area where there is associated debt. Joel reported that FCMAT has provided service in over 600 county offices and school districts. There are some county offices and school districts to which we have provided assistance multiple times. We do see clients requesting services as a

proactive, preventive measure. A fast growing area of need is that of technology assistance. We receive a large number of questions on our Help Desk, and our staff routinely receives phone calls for assistance.

Don Singer asked how services are requested, using Glendale Community College as an example. Joel responded that the community college board can request services through the superintendent or president. The community colleges are responsible for 100% of the costs, whereas for K-12 LEAs the board sets the daily rate that is charged to clients.

A motion was made by Julian Crocker and seconded by Darline Robles to approve FCMAT's Annual Report for 2006-07. The motion was approved.

#### **N. Professional Development Calendar**

Joel reported that the board has been provided a list and timeline of the Professional Development Calendar for 2007-08. Joel reminded the board that the Professional Development Guide is continually updated and is posted to the FCMAT web site. The maintenance of the Professional Development Guide is a statutory requirement for FCMAT.

A motion was made by Darline Robles and seconded by Jay Hoffman to approve the Professional Development Calendar for 2007-08. The motion was approved.

#### **O. California School Information Services (CSIS)**

Nancy Sullivan provided the first quarter report for CSIS. She reported that the state budget provided about half the money that was requested, but it should be enough to maintain a stable system. During the fall submission period, the system was up and down. She reported that they have worked hard getting ready for the opening of Data Gate on October 3, 2007. She stated that the CDE had provided some extra funding to assist with the stability of the systems, and that there may be additional money provided for CSIS from other sources. Data reporting was already open, and the reporting window ends on December 10<sup>th</sup> this year. She indicated that the LEAs that need the most help are the smaller ones. The Best Practices cohort will continue to receive funding.

It was asked if preschoolers were assigned a student identifier number. Nancy responded that the assigning of numbers is optional with preschools, but anyone can receive a number if they are with a district or county office. Adult Education students are required to have a student identifier number.

Nancy reported that the full Data Dictionary has been posted to the website. A summary of the changes is provided in the board packet.

A motion was made by Amy Enomoto-Perez and seconded by Mary Jane Burke to approve the Data Dictionary. The motion was approved.

#### **P. FCMAT Board Letter to the SBE re: Charter Schools**

Joel reported that Frank Fekete assisted in the development of a letter that was sent to the State Board of Education regarding charter schools related to conflict of interest. A copy of the letter was provided in the board packet. Herb shared that he has been persistent in working with the district attorney's office regarding the audit findings on the California Charter Academy. He reported that two individuals named in the report were indicted on 117 counts.

The board discussed an upcoming meeting of the State Board of Education and the need for superintendents to speak in support of the conflict of interest issue raised in the FCMAT letter. Erik Skinner encouraged the Board's participation but suggested partnering with a larger group, such as ACSA or CCSESA. Julian also supported attendance at the state board meeting, but reminded the members of the need to stay independent, not as a representative of the FCMAT Board. Frank suggested that if Board

members were to attend the meeting that they speak from their own experiences concerning what they have seen.

**Q. Special Guest – John Gilroy, Executive Director, EAAP**

Joel introduced John Gilroy, the executive director of the Education Audit Appeals Panel (EAAP). John reported that the appeals panel is made up of three members, a representative from the CDE, a representative from the department of finance, and the CEO or representative of FCMAT. John shared a brief history of his background and involvement with EAAP. He explained the audit appeals process and indicated that additional information on EAAP decisions was available on their website. John announced that he will soon be retiring.

**R. Status of Key FCMAT Assignments**

Roberta Mayor reported that the 5<sup>th</sup> six-month progress review for Vallejo City Unified was issued in July 2007. The report recommended that three operational areas be returned to the authority of the local board: community relations and governance, personnel management, and pupil achievement. The Superintendent of Public Instruction formally returned governance of those three areas to the Vallejo Board in July 2007. The state administrator is now the state trustee for the three areas returned and remains as the state administrator for the two areas not returned. The district has selected a new superintendent, Dr. Mary Bull.

Roberta reported that Oakland Unified School District has a new state administrator as of late September 2007. The new interim state administrator was the district's chief of staff, who only started in the district on May 1<sup>st</sup>. In July 2007 the SPI formally returned the operational area of community relations and governance to the Oakland USD board. FCMAT had recommended the return of this area in both its September 2005 and September 2006 reports. Oakland has demonstrated significant improvement in the last year, and several additional operational areas may be recommended for return to the control of the local governing board in FCMAT's next report. The next Oakland progress report will be issued November 30<sup>th</sup>.

Roberta reported on Compton Unified School District, indicating that the proposed amendment to the Consent Decree was finally approved by the Department of Finance, one of the signatories to the original Consent Decree. The Consent Decree amendment requires the district to maintain progress not only on the original Consent Decree stipulations, but also to demonstrate satisfactory progress on 50 standards, ten standards in each of the five operational areas, for at least two consecutive six month periods. The district has met these criteria for the last two six-month periods, so it is conceivable that if this progress is sustained through the release of the next progress report in February 2008, that the Consent Decree may be terminated.

Roberta reported that the first follow-up report for the Compton Community College District will be issued in January 2008. Subsequent six-month reports will be issued in January and July. FCMAT teams will conduct their field work in late October and early November. Anthony Bridges will lead the financial management team. As recovery is a lengthy process, FCMAT may be required to monitor Compton Community College's progress for a number of years.

Anthony Bridges reported that FCMAT is the Fiscal Advisor at Pond Elementary School District. The district had some facilities trouble as they proceeded on a construction project in advance of receiving funding. The Kern County Superintendent of Schools provided a loan to the district. FCMAT expects to complete this assignment by January.

Anthony reported that Livermore Valley Charter has lost all of their administrative staff and FCMAT currently has two of its own staff members working to assist the charter. They are doing payroll and budget reporting and providing some hands-on fiscal assistance. They are hiring new staff and FCMAT staff is expected to finish working in the charter by January.

**II. Board Members' Comments**

There were no comments from the board members.

**III. Agenda Items for Next Meeting**

There were no items suggested for the next meeting.

**IV. Date and Location of Next Meeting**

The next meeting is scheduled for Wednesday, January 30, 2008 from 10:00 a.m. – 12:00 noon at the Marriott Hotel in Monterey.

**V. Adjournment**

The meeting was adjourned at 1:05 p.m.