

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

**Murphy's Suites, Calaveras  
October 15, 2006  
10:30 a.m. – 1:30 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 25, 2006	Written	Action
D. Welcome from FCMAT's Administrative Agent <ul style="list-style-type: none"> <li>• Welcome new FCMAT Board Members: Sherry Smith, Region 3, Supt. El Dorado HSD Laura Alvarenga, Region 4, Supt. San Rafael City HSD</li> </ul>	Oral	Information
E. FCMAT Executive Committee Meeting <ul style="list-style-type: none"> <li>• Recommendation/Approval for (6) CSIS positions CSIS Acceptance Testing Specialist CSIS Acceptance Testing Technician Network System Specialist Programmer / Analyst Client Support Technician Requirements Architect</li> </ul>	Oral	Information
F. Public Participation <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>	Oral	Information
G. Report from the California Department of Education	Oral	Information
H. Report from Secretary of Education or Designee	Oral	Information
I. Reorganization of FCMAT – Roles & Responsibilities	Oral	Information
J. Financial Report	Written	Information
K. Professional Development Calendar <ul style="list-style-type: none"> <li>• Approval of Resource Guide/Calendar 2006-07</li> </ul>	Written	Action
L. CSIS First Quarter Report – October 2006 <ul style="list-style-type: none"> <li>• Data Dictionary Changes</li> </ul>	Written	Action

M.	Acceptance of FCMAT's Annual Report	Written	Action
N.	Fiscal Oversight Guide	Written	Information
O.	OFL/OFY Lawsuit Dismissal of FCMAT	Written	Information
P.	Status of Key FCMAT Assignments <ul style="list-style-type: none"> <li>• Comprehensive Reviews: Vallejo USD, Oakland USD</li> <li>• Albor Charter School (AB 139)</li> <li>• Compton USD Consent Decree; Disengagement Proposal</li> <li>• Compton Community College</li> </ul>	Oral	Discussion
Q.	Monthly Review Newsletter	Written	Information
R.	Directory Information (Bylaws, Roster, 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 24, 2007 10:00 a.m. – 12:00 p.m. Hyatt Regency, Monterey		
V.	Adjournment		

**FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM  
 BOARD OF DIRECTORS' QUARTERLY MEETING  
 Ironstone Vineyards, Murphys  
 October 15, 2006  
 Minutes**

**Present:**

Herbert Fischer, San Bernardino COE, Chair ..... RIMS, Region 10  
 Jay N. Hoffman, Nuview USD ..... RIMS, Region 10  
 Paul Tichinin, Mendocino COE..... North Coast, Region 1  
 Richard Holmes, Siskiyou UHSD..... Northeastern, Region 2  
 Terence McAteer, Nevada COE ..... Capitol, Region 3  
 Sherry Smith, El Dorado UHSD ..... Capitol, Region 3  
 Mary Jane Burke, Marin COE ..... Bay, Region 4  
 Sheila Jordan, Alameda COE, Alternate..... Bay, Region 4  
 Tim Foley, San Benito COE, Vice Chair..... South Bay, Region 5  
 Marc Liebman, Berryessa USD ..... South Bay, Region 5  
 Michael Carey, Amador COE.....Delta Sierra, Region 6  
 Bill Draa, Banta ESD.....Delta Sierra, Region 6  
 Patrick J. Holland, Mariposa COE.....Central Valley, Region 7  
 David Miller, Hilmar Unified SD .....Central Valley, Region 7  
 Julian Crocker, San Luis Obispo COE, Past Chair .....Costa Del Sur, Region 8  
 Amy Enomoto-Perez, Rosemead SD ..... Los Angeles, Region 11  
 Darline Robles, Los Angeles COE ..... Los Angeles, Region 11  
 Frederick Harris ..... Vice Chancellor, Community Colleges  
 Susie Lange.....Deputy Superintendent, CDE  
 Erik Skinner ..... Office of Secretary of Education  
 Joel Montero ..... Chief Executive Officer, FCMAT

**Guests and Staff:**

Russ Brawn ..... Chief Operations Officer, CSIS  
 Nancy Sullivan.....Administrator, CSIS  
 Frank Fekete ..... Legal Counsel, FCMAT  
 Christine Frazier ..... Associate Superintendent, KCSOS  
 Anthony Bridges.....Deputy Executive Officer, FCMAT  
 Barbara Dean .....Deputy Administrative Officer, FCMAT  
 Roberta Mayor ..... Chief Management Analyst, FCMAT  
 Barbara Smith ..... Executive Secretary, FCMAT  
 Linda Protine..... BASC Chair  
 Kermith Walters..... Siskiyou COE  
 Michael Ricketts ..... CCSESA  
 Sue Burr ..... CCSESA  
 Gary Thomas..... San Bernardino COE  
 David Long ..... Riverside COE

**Excused:**

Open..... North Coast, Region 1  
 Bob Owens, Lassen COE..... Northeastern, Region 2  
 Laura Alvarenga, San Rafael City HSD ..... Bay, Region 4  
 Patrick Sayne, Paso Robles USD.....Costa Del Sur, Region 8  
 Bill Habermehl, Orange COE..... Southern, Region 9  
 Open..... Southern, Region 9  
 Don Singer ..... San Bernardino Community College District  
 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 10:35 a.m. by Vice Chair Tim Foley, San Benito County Superintendent of Schools.

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

A motion was made by Bill Draa and seconded by Richard Holmes to approve the October 15, 2006 agenda. The motion was approved.

### **C. Minutes of June 25, 2006**

A motion was made by Jay Hoffman and seconded by Marc Liebman to approve the minutes of the June 25, 2006 board meeting. The motion was approved.

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

Christine Frazier reported that Dr. Reider was in London on business for MOVE International. She welcomed the board and thanked Region 6 for hosting the CCSESA quarterly meetings. Chris introduced the new board member, Sherry Smith from El Dorado Union High School District, Region 3. Sherry is replacing Molly Helms. Laura Alvarenga from San Rafael City High School District, Region 4 who is replacing John Sugiyama was not present. Visitors were introduced: Kermith Walters, the new superintendent at Siskiyou County Office of Education, and Sue Burr and Michael Ricketts from CCSESA. Sue and Michael will begin their new positions November 1, 2006.

### **E. FCMAT Executive Committee Meeting**

Joel reported that the Executive Committee approved the hiring of six new positions for CSIS. CSIS continues to grow with additional responsibilities. The Executive Committee can expect to be asked to approve more new positions before the next board meeting.

### **F. Public Participation**

There were no public comments.

## **G. Report from the California Department of Education**

Susie Lange reported that a committee has been formed to decide how to spend the \$3 billion received in the recent Proposition 98 settlement. The legislation is descriptive but not clear about how the money is to be spent over the next seven years.

Susie stated that the department has sent out an annual letter which is posted on their web site. New funding is available for the before and after school programs. The annual letter addresses how the programs will work. Sue Stickel accepted a position with the Sacramento County Office of Education. Susie encouraged people to apply for Sue's vacant position.

Susie reported that the department is pleased with the progress in Oakland USD. Kimberly Statham has been selected as the new state administrator replacing Randy Ward. Kim has a lot of curriculum experience and has very strong leadership skills. Susie also reported that the department will hold four hearings to receive feedback and recommendations regarding the reauthorization of the No Child Left Behind (NCLB) Act.

## **H. Report from Secretary of Education or Designee**

Erik Skinner reported that the Office of the Secretary of Education is reviewing the legislation enacted and looking to advise the governor on the budget for next year. This year there is a tremendous amount of new resources. There were significant new initiatives and the Secretary's Office will be closely watching the implementation of new funds for before and after school programs, music programs and the new initiative for middle and high school counselors. The settlement of Proposition 98 presents a great opportunity to begin working with the counties.

Erik reported that CALPADS is making great progress and additional funding has been received for FCMAT/CSIS for CALPADS to assist in preparing student identifiers. GASB 45 is another opportunity to address the unfunded liability of health benefits.

Marc Liebman shared his concern about the fairness of the settlement reached and indicated that his schools are not receiving any part of the settlement funds. Erik responded that the funds have been directed to address the areas of greatest need. Terry McAteer shared his disappointment that none of his schools are eligible to receive funding for before and after school programs. Mary Jane Burke commented that this will continue to be a global conversation and that there has to be some priorities set based not on what we want, but on what we need. It will continue to be a struggle, but we have to keep moving forward because there is a lot more to do.

## **I. Reorganization of FCMAT – Roles & Responsibilities**

Joel reported that he has been working to organize his management team since he became Chief Executive Officer on March 1. He invited the FCMAT management team to attend today's meeting.

Joel introduced Anthony Bridges, the Deputy Executive Officer, who is responsible for the day to day operations in the field. He is also responsible for new product development. In addition to these responsibilities, each team member maintains a case load and they are all working at districts in the field.

Joel introduced Barbara Dean, the Deputy Administrative Officer. As of July 1, all financial aspects of FCMAT Management Assistance are under Barbara's supervision. Tamie Triplett, FCMAT's accountant, is now working solely with CSIS accounts and budgets. Barbara also is the deployment officer and makes the first contact on any new study requests from districts and county offices.

Roberta Mayor, Chief Management Analyst is the coordinator of special projects, community colleges and comprehensive studies. She is the report editor and reviews every report before it goes to the client. FCMAT is working to improve the quality and the timeliness of our reports.

Russ Brawn, the Chief Operations Officer of CSIS, is responsible for the day to day operations of the CSIS office and his responsibilities continue to increase with the added workload for CSIS.

Nancy Sullivan is the Administrator of Special Projects for CSIS. Nancy has worked for the California Department of Education and is second in command under Russ Brawn. She is responsible for instructional outreach and governmental relations.

Frank Fekete, FCMAT's attorney, has been invaluable during the Opportunities for Learning and Options for Youth Charter School audit.

Currently, FCMAT has a vacancy for another Chief Management Analyst position, which hopefully will be filled by the next board meeting.

Recently, FCMAT opened three new positions for a Fiscal Intervention Specialist. This position was created to make the organization more competitive with district CBO positions and to provide an opportunity for promotion within the agency. In addition, we have three writers who are supervised by Roberta. Joel shared that the current organizational structure helps him and makes the agency more efficient. Joel thanked Chris Frazier, the KCSOS Associate Superintendent who supervises FCMAT, for her support in the organizational changes.

Amy Enomoto-Perez asked if FCMAT could provide the board with an organizational chart of FCMAT and CSIS. Julian Crocker asked that the organizational chart include existing staff and the number of positions of Management Analysts and Fiscal Intervention Specialists. He also inquired about the use of consultants. Joel indicated that at the next board meeting he will provide information about the number of consultants and how they are used.

Tim Foley turned the meeting over to the Chair, Herbert Fischer, who thanked Tim for chairing the meeting as his arrival was delayed.

## **J. Financial Report**

Joel reported that at the last board meeting he discussed FCMAT's fiscal health. For the last few years FCMAT has been deficit spending, and it is FCMAT's goal to be more fiscally responsible and move to a cost containment mode. Since July 1, Barbara Dean has modified the FCMAT financial procedures and has worked hard in getting the management assistance billings up to date. Section J of the board packet provides the new format for budget analysis.

Barbara Dean reviewed the Section J budget documents with the board. She explained that as FCMAT receives revenue, the reports will be revised. Joel reported that FCMAT is required to set aside a reserve of 25-50% of its budget for emergency loans. This amount is reflected in the budget report. Joel stated that Barbara will make the budget presentation at each October board meeting.

#### **K. Professional Development Calendar**

Joel reported that annually the board approves the Professional Development Calendar. An annual schedule of the partners and timeline for Professional Development was provided in the board packet. Some of the partners are new this year.

Susie Lange commented that the bill for the CBO Trainings was late and they were unable to use the funds for this project. They will not be able to accommodate any more applications for the second year, but will continue to accept applications and put them on a waiting list. CASBO worked with the legislature to get the bill passed. The program has been very well received.

Joel suggested that the board visit the Ed Data web site. The site has been updated and is now in SACS format. He also reported that BASC is sponsoring a County Office Fiscal Oversight workshop in Ontario on October 25. Board members are welcome to attend. They can contact the FCMAT office for more information.

Joel reported that in addition to the Professional Development Calendar, FCMAT is developing new products. One of the new products is the on-line Budget Explorer software. Anthony Bridges reported that the second version of the Budget Explorer software has been released, and the first training on the software was provided for the CBO Mentor Project and it went very well. Training on the software can be arranged through the county offices and are timely now because they can be provided in connection with the first interim reports. The second version of the Budget Explorer software is for K-12 districts but a third version will be available for county offices and community colleges. These projects are funded through FCMAT's Professional Development budget.

Also in development is the new Fiscal Insight software. This software will upload any type of financial data (e.g. cash flow, revenue) from a district. It will be piloted in several districts that are under state receivership.

A motion was made by Terry McAteer and seconded by Patrick Holland to approve the Professional Development Calendar for 2006-07. The motion was approved.

#### **L. CSIS First Quarter Report/Data Dictionary Changes**

Nancy Sullivan reported that CSIS is getting ready for the CBEDS fall submission. There is a relatively short window for the submission and CSIS is trying to get the word out on the requirements. CSIS received additional funding and it will be used to purchase a high level server that will assist in the communication with the county offices, districts and charters.

The charter schools continue to struggle in the assignment of the student identifiers. A survey has been sent to the charters with information on how to submit the data. Also the LEAs that need additional assistance have been identified.

The reports available to the CSIS client have some new features. Student drop-out data is now available. Also the enrollment summary and the census reports have information if the drop-out student is enrolled somewhere else. The report will also show duplicate enrollments, so that two districts cannot claim the same student. There are a number of LEAs submitting data and reviewing the quality of their reports.

Open Data Gate for Information Day is October 4. Last year there was a struggle in meeting the exit date. Submissions should be received by November 16 and Nancy asked the board for their assistance in sharing this information. She also asked that board members check with their districts and refer them to CSIS if they are struggling and need some support. CSIS will start posting the status on the web site for county offices to see the status of their districts.

A motion was made by Amy Enomoto-Perez and seconded by Fred Harris to approve the changes to the Data Dictionary. The motion was approved.

**M. Acceptance of FCMAT's Annual Report**

Joel reported that the Annual Report was modified, making it a briefer document and more appropriate for review. The Foreword has been rewritten to reflect the current changes in FCMAT. FCMAT is looking forward to a very healthy year and we appreciate the continued support of the board. This report is distributed to our regular mailing list.

Terry McAteer thanked FCMAT on behalf of his region for their assistance in Sierra County.

A motion was made by Jay Hoffman and seconded by Dave Miller to accept the Annual Report. The motion was approved.

**N. Fiscal Oversight Guide**

Joel reported that this document was formally known as the AB 1200 guide. The document has been expanded to include AB 2756 and the fiscal oversight responsibilities of the county offices. FCMAT has started to use the Business and Administrative Steering Committee (BASC) as a forum and they have assisted in the review of this document. The board is the first to receive this new document and it will be distributed at the COE Oversight Workshop on October 25. It will also be available on the FCMAT web site. There was a request to put it on a CD-ROM. Joel thanked Linda Protine, chair of BASC and Debbie Simons for their assistance.

**O. OFL/OFY Lawsuit Dismissal of FCMAT**

Frank Fekete reported that the OFL/OFY lawsuit originally included the five county superintendents in which the charters resided, FCMAT, the CDE, the state controller and the State Board of Education. The county superintendents were dismissed from the lawsuit a while ago and now FCMAT has been dismissed from this lawsuit. Frank anticipates it could be a while before the lawsuit is heard. The Audit Appeals board also has been approached to review the issue of the teacher FTE's claimed by the charter schools. There is also the possibility that the lawsuit will be settled out of court and that there would be no resolution to the issue in question.

**P. Status of Key FCMAT Assignments**

Roberta Mayor reported that the state budget act provided authority for FCMAT to use its own unexpended funds to continue three annual progress reports for Vallejo, West Fresno and Oakland. FCMAT teams will be in Vallejo in October and November and the report will be issued in December. At the request of the state administrator at West Fresno, FCMAT will not conduct a review there until spring 2007.

An Oakland progress report was issued on September 30, 2006, one year since the last FCMAT report. Oakland has sustained the improvement it made earlier in the area of Community Relations and Governance, but there were no additional operational areas recommended for return to local control. Roberta reported that the Oakland board members are greatly frustrated and are not supportive of the process. They don't believe that the staff is putting forth their best efforts to meet the criteria for the return to local governance. The board inquired about the cost of another review, and voiced their opinion that six-month reviews might be more productive than annual reviews.

Joel reported that the report on the Albor Charter School should be issued in October or November. This study was requested by the Orange County Office of Education. The Albor Charter School is currently out of business and is no longer functioning as a charter.

Roberta reported that FCMAT continues to be involved in Compton Unified School District because of the ACLU Consent Decree. The ACLU has discussed with FCMAT and the district, alternative criteria for a possible early termination of the Consent Decree. The only area that has not been met under the original Consent Decree is the full implementation of the facilities master plan, which may take years to complete. The latest six month August 2006 report is being held until the court approves the alternative criteria, and the report will be issued in a new format.

AB 318 (Dymally) authorized an AB 139 fraud audit and a comprehensive study of Compton Community College. The fieldwork for the AB 139 fraud audit has been completed and the initial report has been received from the auditors. The FCMAT report will be issued to the college soon.

Teams will be conducting their field work for the comprehensive review of the college in November and December. The comprehensive report will be issued at the end of January and will cover the five operational areas of Community Relations and Governance, Academic Achievement, and Personnel, Facilities and Financial Management.

#### **Q. Monthly Review Newsletter**

Joel reported that a FCMAT monthly newsletter was recently developed to keep the board members better informed and provide them with timely information. Submission for articles is the 15<sup>th</sup> of each month. Board members can submit information if they are interested. The information can be provided to the FCMAT staff for inclusion.

#### **II. Board Members' Comments**

There were no comments from the board.

#### **III. Agenda Items for Next Meeting**

There were no suggestions for agenda items.

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

The next meeting is scheduled for Wednesday, January 24, 2007 from 10:00 – 12:00 at the Hyatt Regency in Monterey.

**V. Adjournment**

The meeting was adjourned at 1:35 p.m.