

Reporting Requirements per AB 2756 (Chapter 52, Statutes of 2004)

On June 21, 2004, the Governor signed AB 2756, which contained an urgency clause making it effective immediately. Under prior law, the county superintendent determined whether the adopted budget would allow the district to meet its financial obligations for the current and subsequent two fiscal years. One of the provisions of AB 2756 expands the responsibilities of the county superintendent in reviewing school district budgets and in monitoring fiscal solvency by requiring this office to review other reports indicating a district is in fiscal distress. Relative to reviewing school district adopted budgets, Education Code Section 42127(c) (2) has been revised to state:

“Determine whether the adopted budget will allow the district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the district to satisfy its multiyear financial commitments. In addition to his or her own analysis of the budget of each school district, the county superintendent of schools shall review and consider studies, reports, evaluations, or audits of the school district that were commissioned by the district, the county superintendent, the Superintendent, and state control agencies and that contain evidence that the school district is showing fiscal distress under the standards and criteria adopted in Section 33127 or that contain a finding by an external reviewer that more than three of the 15 most common predictors of a school district needing intervention, as determined by the County Office Fiscal Crisis and Management Assistance Team, are present.” (emphasis added)

Education Code Section 42127.6, which prescribes the responsibilities of county superintendents for monitoring the ongoing financial condition now states in paragraph (a) (1):

“A school district shall provide the county superintendent of schools with a copy of a study, report, evaluation, or audit that was commissioned by the district, the county superintendent, the Superintendent, and state control agencies and that contains evidence that the school district is showing fiscal distress under the standards and criteria adopted in Section 33127, or a report on the school district by the County Office Fiscal Crisis and Management Assistance Team or any regional team created pursuant to subdivision (i) of Section 42127.8.”

In order that we may perform our responsibilities pursuant to these revised provisions of law, please submit to the county office of education any reports or studies that have been performed during the last year that indicate signs or symptoms of fiscal distress. Review of these reports is essential under the law. In order to ensure that we have all applicable reports and studies, please complete the following form and return it to the county office of education no later than July XX, 20XX. Abiding by this timeline is critical as the county superintendent is required to approve, conditionally approve, or disapprove each district’s budget by August 15.

If you have any further questions, please do not hesitate to contact Business Advisory Services.

AB 2756 REPORTING REQUIREMENTS

District: _____

Date: _____

PLEASE CHECK ONE:

The district does not have a study, report, evaluation, or audit that contains evidence that the school district is showing fiscal distress under the standards and criteria adopted in Section 33127, or a report on the school district by the County Office Fiscal Crisis and Management Assistance Team or any regional team created pursuant to subdivision (i) of Section 42127.8

The district has and is submitting the following reports that show signs of fiscal distress:

1) **Report Title:** _____

Prepared by: _____

Date: _____ **Copy attached**

2) **Report Title:** _____

Prepared by: _____

Date: _____ **Copy attached**

3) **Report Title:** _____

Prepared by: _____

Date: _____ **Copy attached**

Signature: _____ **Date:** _____

Chief Business Official

Please submit this form and accompanying reports NO LATER THAN JULY XX, 200X to:
Business Advisory Services