

# CMAT





# Contents

A B C A ..... 3

I ..... 5

..... 5

..... 5

..... A ..... 7

A B I ..... A ..... 7

B D ..... A ..... 7

B ..... 9

C ..... 10

C ..... 11

C B ..... A ..... 11

C ..... 12

D ..... 13

E B ..... 14

E ..... A ..... 14

..... 15

B ..... E ..... 16

..... -G ..... 17

I ..... D ..... 18

I ..... C ..... 18

..... 19

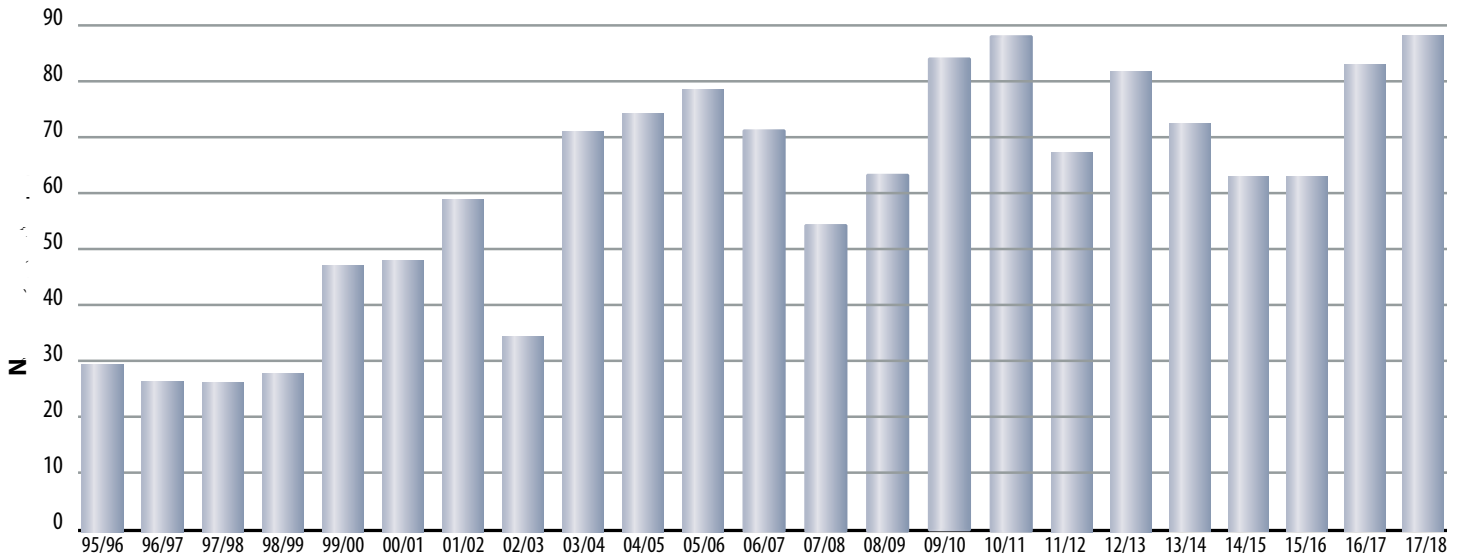
..... 20

..... -A ..... D ..... 21

C	21
E	22
t	24

# About FCMAT

Studies by Fiscal Year













*The district cited and used appropriate assumptions related to percentages and amounts per unit of average daily attendance (ADA); however, the district did not follow the guidance included in the Common Message, the governor's statement about one-time funds, or other industry-standard guidance, which expressly state not to budget one-time funding for ongoing costs. That one-time funding was an estimated \$344 per ADA at that time.*

*The approved state budget enacted subsequent to the May Revision decreased the one-time per-ADA funding amount from an estimated \$344 per ADA to \$185 per ADA, which created an approximately \$7.4 million deficit in the district's 2018-19 budget due to the district's action to fully commit the one-time funds to ongoing costs.*

*This action will also have severe impacts on future years because the one-time funding will likely be unavailable to the district, leaving a \$13.2 million deficit moving forward.*

- Does the district use a budget development method other than a rollover budget, and if so, does that method include tasks such as review of prior year estimated actuals by major object code and removal of one-time revenues and expenses?





---

---











*Although the district has a 24-to-1 student-to-staf ratio for K-3, and follows the class size standards in its collective bargaining agreement with SCTA for the other grade levels, its facilities department estimates that the district has approximately 20% more capacity than needed for its current student enrollment. The district closed six schools in the last seven years and reopened one.*

- Does the district include facility needs when adopting a budget? . . . . .

*The district discusses districtwide facility needs whenever it sells general obligation bonds, which occurs approximately every two years; this does not occur on the same cycle as budget adoption.*

- Has the district met the facilities inspectio" ss

eV e

*there is a potential fiscal impact for 2019-20 and beyond of a 7% increase related to salary schedule restructuring rather than the 3.5% stated in the agreement*

*The district's net contributions to the irrevocable OPEB trust established to pay future retiree medical benefits have averaged 31% of the amount that will be needed to ensure that total OPEB contributions equal the actuarially-defined contribution. The area of retirement benefits is a liability that the district will need to face because the costs are outpacing contributions.*

**General Fund - Current Year**

**Yes No N/A**

- Does the district ensure that one-time revenues do not pay for ongoing expenditures? . .

*As mentioned in the budget development section of this analysis, the district stated in its 2018-19 budget narrative that one-time funding was used to pay for salary increases. This action will also have severe effects on the budget in future years because the one-time funding will likely not be available in future years*

° ears



---





- Does the district reconcile budget, payroll and position control regularly, meaning at least at budget adoption and interim reporting periods? . . . . .

*It is best practice to have a position control system that is integrated with, or at least reconciled with, budget, payroll and human resources records. The district does not reconcile these records regularly to ensure that its budget represents the amount the district should set aside for such costs. In interviews, employees indicated that the number of open positions shown in financial reports is usually inflated.*

*At interim reporting times, the district identifies variances between budgeted and actual amounts, and salary and benefit budgets are often revised based on that analysis. By contrast, standard industry practice is to reconcile actual human resources and payroll records to ensure that only open, authorized positions are shown as such in the budget; if an open position exists that should be closed, the appropriate paperwork is completed to do so, and the budget is updated.*

- Does the district identify a budget source for each new position before the position is authorized by the governing board? . . . . .
- Does the governing board approve all new positions before positions are posted? . . . . .

*The governing board approves new positions after employees have been hired rather than before the position is authorized.*

o s a n e w p o s i t i o n o f f e r a n d t h e n a p p r o v e s t h e p o s i t i o n a f t e r e m p l o y e e s h a v e b e e n h i r e d r a t h e r t h a n b e f o r e t h e p o s i t i o n i s a u t h o r i z e d b y t h e g o v e r n i n g b o a r d . . . . . T h e g o v e r n i n g b o a r d a p p r o v e s n e w p o s i t i o n s a f t e r e m p l o y e e s h a v e b e e n h i r e d r a t h e r t h a n b e f o r e t h e p o s i t i o n i s a u t h o r i z e d b y t h e g o v e r n i n g b o a r d . . . . .



---

---

---



*strong position control system, and leadership issues. These factors must be addressed and remedied to avoid further erosion of the district's reserves. A solution to the district's financial situation is attainable, and all parties with an interest will need to be part of the discussion and solution. Failure to act quickly and decisively will result in imminent fiscal insolvency and loss of local control.*