FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Pacifica School District

Board Meeting
May 20, 2026

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© Fiscal Crisis & Management Assistance Team

Fiscal Crisis & Management Assistance Team

- FCMAT was established by Assembly Bill 1200 in 1992 to help local educational agencies (LEAs) comply with fiscal accountability standards.
- FCMAT provides management assistance, fiscal crisis intervention, and numerous other services to LEAs.
- FCMAT is an independent, external agency that is funded through the state budget and a modest fee schedule to requesting agencies.
- Kern County Superintendent of Schools serves as FCMAT's administrative agent.

Scope of Work

Prepare an analysis using the 20 factors in FCMAT's Fiscal Health Risk Analysis and identify the district's risk rating for fiscal insolvency.

Study and Report Guidelines

- FCMAT visited the district on April 14-15, 2026.
- The team interviewed primarily business services staff, as well as certificated, classified and administrative employees.
- The team reviewed and analyzed numerous documents and financial reports, including annual independent audits, unaudited actuals, financial system reports, attendance reports, and other historical information provided by the district.
- FCMAT reports focus on **systems and processes** that may need improvement. Those that appear to be functioning well are generally not commented on.

Fiscal Health Risk Analysis

Fiscal Health Risk Analysis

- FCMAT developed the Fiscal Health Risk Analysis (FHRA) to assess a district's risk of financial insolvency.
- The tool consists of 132 yes/no questions across 20 operational areas FCMAT has identified as common contributors to fiscal insolvency if not effectively managed.
- Each question and operational area is weighted based on risk level (high, moderate, or low).
- Total risk levels:
  - **High:** 40% or more.
  - **Moderate:** 25-39%.
  - **Low: 24%** and less.

Determining Fiscal Risk

- The district's risk score is based on interviews, document review, and data analysis across the operational areas included in the FHRA.
- This analysis is based on the district's 2025-26 first interim budget report and two prior fiscal years.
- A **triggered** FHRA automatically receives a "High Risk" rating.
- The district's risk score is 49.3% (High Risk).

Areas of Highest Risk:

Operational areas with the highest risk levels:

- 2. Budget Development and Adoption.
- 3. Budget Monitoring and Updates.
- 6. Collective Bargaining Agreements.
- 10. Enrollment and Attendance.

Areas of Highest Risk (cont.):

Operational areas with the highest risk levels:

- 15. Internal Controls and Fraud Prevention.
- 17. Multiyear Projections.
- 19. Position Control.

District Fiscal Health Risk Analysis (cont.)

- The analysis focuses on essential functions and processes to determine the district's level of risk at the time of assessment.
- Due to significant turnover in executive-level positions, the district lacks effective functions and processes.
- The district needs to work with the San Mateo County Superintendent of Schools to develop and implement a fiscal stability plan.

Questions?

Thank you!