

GOING CONCERN

Education Code Section 42127.6

If at any time during the fiscal year the County Superintendent of Schools determines that the school district may be unable to meet its financial obligation in current or two subsequent fiscal years, the County Superintendent shall notify the district governing board and SPI in writing {E.C. 42127.6 (a)}.

The written notice shall include the basis for the determination, and assumptions used in this notice shall be made available to the public {E.C. 42127.6 (a)}.

The county superintendent shall do any or all of the following: E.C. 42127.6 (a)(1) (A)(B)(C)(D)(E)(F)(G). These code sections apply to a qualified certification as well.

If the county superintendent determines that the LEA will be unable to meet financial obligations: for the current or subsequent fiscal year:

- COE notifies SPI and district board in writing.
- In consultation with SPI & LEA, COE shall take at least one action described in paragraphs 1 to 5.
 1. Develop & impose revisions to budget.
 2. Stay and rescind action inconsistent with revisions.
 3. E.C. 42127.6 (e)(3)
 4. E.C. 42127.6 (e)(4)
 5. E.C. 42127.6 (e)(5)

This section does not authorize the county superintendent to abrogate any prior provision of a collective bargaining agreement {E.C. 42127.6 (g)}.

The school district shall pay 75% and the COE shall pay 25% of the administrative expenses or costs associated with improving the district's financial management practices.

LEA Appeal

E.C. 42127.6 (b)(d)(e)

Within five days of the county superintendent making the determination, a school district may appeal to the SPI. The SPI shall sustain or deny any or all part of the appeal within 10 days.

LEA Appeal

E.C. 42127.9

Within five days of receipt of notice that the county superintendent is proposing changes to the district's budget, a school district may appeal to the SPI. The SPI shall deny or uphold the appeal within five days.

— Approval path
= Disapproval path