

AB 1200 - Overview

- A. Assembly Bill (AB) 1200 took effect on January 1, 1992. AB 1200 redefined and expanded the county superintendents' financial oversight responsibilities.
- B. In subsequent years, additional laws have amended and expanded the original enacting legislation. Most noteworthy of these are AB 2756, approved June 2004; and the Budget Act of 2014, which implemented the Local Control Funding Formula (LCFF) and the Local Control Accountability Plan (LCAP).
- C. The term AB 1200 has come to include the review of the school district budgets, the review of the unaudited actual financial statements, the county office's financial oversight at the first and second interim reporting periods, intervention on behalf of financially troubled districts, and responsibility for follow-up on certain audit exceptions.

AB 1200 – Education Code

42127.6

If at any time during the fiscal year the county superintendent of schools determines that a school district may be unable to meet its financial obligations for the current or two subsequent fiscal years or if a school district has a qualified or negative certification pursuant to Section 42131, they will notify the governing board of the school district and the SPI in writing of that determination and the basis for the determination. The notification will include the assumptions used in making the determination and will be available to the public.

The county superintendent will report to the SPI on the financial condition of the school district and their proposed remedial actions. The county superintendent will do at least one of the following and all actions that are necessary, to ensure that the district meets its financial obligations:

- Assign a fiscal expert, paid for by the county superintendent.
- Conduct a study of the financial and budgetary conditions of the district that includes, but is not limited to, a review of internal controls.

AB 1200 – Ed. Code Continued

42127.6

- Direct the school district to submit a financial projection of all fund and cash balances of the district as of June 30 of the current year and subsequent fiscal years as he or she requires.
- Require the district to encumber all contracts and other obligations, to prepare appropriate cash flow analyses and monthly or quarterly budget revisions, and to appropriately record all receivables and payables.
- Direct the district to submit a proposal for addressing the fiscal conditions that resulted in the determination that the district may not be able to meet its financial obligations.
- Withhold compensation of the members of the governing board and the district superintendent for failure to provide requested financial information. This action may be appealed to the SPI.

AB 1200 – Salary Settlements

Government Code 3547.5

Before entering into a written agreement with an exclusive representative covering matters within the scope of representation, the public school employer must disclose the major provisions of the agreement, including, but not limited to, the costs that would be incurred by the public school employer under the agreement for the current and subsequent fiscal years at a public meeting in a format prescribed by the SPI or county office of education.

The superintendent of the school district and the chief business official must certify in writing that the costs incurred by the school district under the agreement can be met by the district during the term of the agreement.

The district must prepare the certification in a format similar to that of the reports required pursuant to Education Code sections 42130 and 42131 and must itemize any budget revision necessary to meet the costs of the agreement in each year of its term.