

October 07, 2025

Joe Stephenshaw, Director  
California Department of Finance  
915 L Street  
Sacramento, CA 95814

Dear Director Joe Stephenshaw,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the California State Summer School for the Arts submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2025.

Should you have any questions please contact Debra Waltman, Deputy Director, at (916) 413-3966, dwaltman@csssa.ca.gov.

## **GOVERNANCE**

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### **Mission and Strategic Plan**

The California State Summer School for the Arts' mission is to annually provide California high school students with an intensive learning experience in the visual, literary, performing and media arts conducted by distinguished arts professionals, designed to enhance the students' artistic skills and to develop their understanding as individuals of their potential for growth as creative artists. The California State Summer School for the Arts (CSSSA) has established four strategic goals:

- Make the CSSSA experience available and attainable for California's youth, particularly those in underserved communities without access to the arts.
- Provide an innovative, contemporary, high-quality program for CSSSA students, with conceptual and practical training in technologically advanced methods and techniques for creating art.
- Improve the stability and predictability of funding and maintain the public-private partnership that supports CSSSA through the CSSSA Foundation.
- Impact and engage with mission-aligned arts education organizations and arts educators on local, state, and national levels.

### **Control Environment**

CSSSA Management values, demonstrates, and communicates the importance of upholding a high standard of integrity and ethics. All CSSSA staff participate in ethics training provided by

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the State Attorney General. CSSSA Management demonstrates the importance of upholding standards for integrity and ethical behavior by establishing these core values: respect, integrity, problem solving, teamwork, and expertise. CSSSA communicates these core values through regular communications, staff training, and frequent team meetings where important issues, guidance, and decisions are discussed.

California State Summer School for the Arts is governed by a 15-member board of trustees. Appointments to this board are made by the Governor, Speaker of the Assembly, Senate Committee on Rules, State Board of Education, California Arts Council, Trustees of the California State University, Regents of the University of California and CSSSA's non-profit foundation.

CSSSA Management routinely reviews its organizational structure to ensure that appropriate levels of responsibility and authority are properly delegated. Delegated work with expectations is addressed verbally and in writing with timelines so that all employees understand their responsibilities and roles.

CSSSA Management is committed to recruiting and maintaining a competent workforce. With only four employees, it is imperative that CSSSA work closely with the HR office to ensure continuity. Management establishes competency expectations for employees through Duty Statements. Duty Statements include the employees' role in maintaining CSSSA's systems of internal control. CSSSA recruits, hires, on-boards, and provides ongoing training to all employees to help meet competency expectations. CSSSA Management evaluates the performance of all employees, reviews assignments and ensures that work is effectively delegated and the quality of work meets CSSSA's objectives. Management's goal is to ensure that the necessary competence level, knowledge, skills, and abilities are provided for the staff to meet Management expectations.

Management values the workforce and the critical work performed by its employees and understands the importance and impact of employee recognition and appreciation. CSSSA Management fosters teambuilding activities and celebratory events.

## **Information and Communication**

Open communications and information sharing are critical to CSSSA's mission. Management is committed to obtaining and sharing internal and external information. Timely information sharing and communications are priorities for CSSSA management. Management requires staff to report the necessary information through CSSSA's chain of command. Accuracy and adequacy of the information is regularly reviewed and evaluated by all staff with an emphasis on completeness, timeliness, and relevance.

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Management communicates information through established channels about policies, programs, and operations. Methods of communication include weekly all team meetings, one on one meetings, and emails. Staff are instructed to bypass the traditional chain of command reporting structure if the communication line is compromised.

CSSSA understands and values the importance of relationships with members of the Administration, Legislature, and other stakeholders. Within the appropriate lines of authority, staff devote significant effort to communicating with these stakeholders. Incoming and outgoing communications are evaluated and utilized to meet operational objectives and to manage and monitor challenges, opportunities, and relevant internal controls.

## **MONITORING**

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The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the California State Summer School for the Arts monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Matthew Gallagher, Director.

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California State Summer School for the Arts has four full-time staff members: Director, Deputy Director and two SSMI positions. All four positions are actively involved in the communication and monitoring of vulnerabilities. Information is shared routinely. If the vulnerability or issue resides with staff, management oversees the progress and outcome. If the vulnerability is management related, board leadership will be engaged for oversight.

CSSSA staff and management meet routinely to review pending projects and issues. These meetings enable CSSSA to closely monitor current projects and issues as well as identify potential issues or concerns. All employees regularly communicate between meetings through email with the goal of having written documentation to minimize the risk of issues being overlooked. When a written communication is initiated, the initiator adds the action item to the agenda for the next meeting. Items are only removed from the agenda when all participants agree the issue has been satisfactorily resolved or the project has been completed.

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All employees are encouraged to identify and add vulnerabilities to the agenda. Assignments of new items are made when additional work or monitoring is deemed appropriate.

The Director has daily and weekly communications with the board leadership. Board leadership is informed, reliable, and available for oversight.

## **RISK ASSESSMENT PROCESS**

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The following personnel were involved in the California State Summer School for the Arts risk assessment process: executive management, and staff.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, other/prior risk assessments, and performance metrics.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, timing of potential event, potential impact of remediation efforts, and tolerance level for the type of risk.

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CSSSA management and staff were involved in the risk assessment process. Methods to assess risk included the following: meetings, review of previous risk assessments, brainstorming, and internal review of process.

In accordance with the State Leadership Accountability requirements, management and staff discussed risks that could adversely impact the achievement of CSSSA's objectives and mission. Risk statements were drafted and evaluated with input from management and staff. Management reviewed all risk statements and determined corresponding controls.

Management and staff cooperatively reviewed and ranked the risks based on the perceived severity, likelihood of occurrence, and the timeline of onset for the risk to manifest.

## RISKS AND CONTROLS

### Risk: Lack of funding

The department has not received a permanent budget increase since 2006. According to the Bureau of Labor Statistics consumer price index, the dollar experienced an average inflation rate of 2.51% per year from 2006 to 2025, resulting in a cumulative price increase of 60.24%. Without a permanent budget increase, the CSSSA program is not financially feasible. Increasingly, the cost of the CSSSA program is passed on to California families, until it will no longer be affordable.

#### Control: Control 1

CSSSA requested a permanent budget increase in FY2024-2025 and FY2025-2026 and will continue to request a permanent budget augmentation to maintain services until approved by the State. A permanent budget increase will subsidize the program ensuring California families can afford tuition.

#### Control: Control 2

CSSSA will continue to seek outside funding sources, such as grants, to support the program.

#### Control: Control 3

CSSSA will partner with similar arts organizations to supplant existing services in an effort to reduce costs.

**Control: Control 4**

CSSSA's host site has limited capacity for student enrollment. The California Institute for the Arts is a small, privately funded university with a maximum capacity of 500 students. CSSSA cannot increase student enrollment or add more arts disciplines in an effort to increase revenue. CSSSA will seek a new host site that allows the program to expand in programming and enrollment to increase revenue.

**Risk: Long term effects of Covid-19 on adolescents**

The COVID-19 pandemic caused significant physical, mental and social challenges for adolescents. As the CSSSA program is an intensive 4-week residential program for high school students, the program has additional health and safety challenges to mitigate to ensure the success of students.

**Control: Control 1**

CSSSA will continue to hire additional mental health counselors to support student emotional and mental health needs.

**Control: Control 2**

CSSSA will continue to hire additional coverage in Health Services to administer medication and provide higher level medical care.

### **Control: Control 3**

CSSSA will continue to hold frequent early orientation programming in the virtual space to better prepare students for the experience.

### **Control: Control 4**

Faculty and staff will be trained on new policies and procedures that focus on the care of students, instructional techniques for autistic students and reasonable accommodations for students with on-going health issues.

### **Risk: Technology**

CSSSA has an aging student and faculty database that needs one on one support. This is costly to the State and there are data security concerns.

### **Control: Control 1**

CSSSA will develop specifications required for a new student and faculty database and engage in a procurement to purchase a new database program to ensure that all current and future needs are met, including State data security requirements.

## **CONCLUSION**

The California State Summer School for the Arts strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

**Matthew Gallagher, Director**

CC: California Legislature [Senate, Assembly]  
California State Auditor  
California State Library  
California State Controller  
Director of California Department of Finance  
Secretary of California Government Operations Agency