District Budget

Adopted: 05/11/1967 **| Last Revised:** 07/14/2015 **| Last Reviewed**: 03/19/2024

The Board of Education recognizes its critical responsibility for adopting a sound budget for each fiscal year which is aligned with the district's vision, goals, priorities, local control and accountability plan (LCAP), and other comprehensive plans. The district budget shall guide administrative decisions and actions throughout the year and shall serve as a tool for monitoring the fiscal health of the district.

The district budget shall show a complete plan and itemized statement of all proposed expenditures and all estimated revenues for the following fiscal year, together with a comparison of revenues and expenditures for the current fiscal year. The budget shall also include the appropriations limit and the total annual appropriations subject to limitation as determined pursuant to Government code.

The Superintendent or designee shall establish an annual budget development process and calendar in accordance with the single budget adoption process described in the Education Code. They shall annually notify the County Superintendent of Schools of the district's decision to use the single budget adoption process in the subsequent year.

In order to provide guidance in the development of the budget, the Board shall annually establish budget priorities based on identified district needs and goals and on realistic projections of available funds.

The Superintendent or designee shall oversee the preparation of a proposed district budget for approval by the Board and shall involve appropriate staff in the development of budget projections.

The Board encourages public input in the budget development process and shall hold public hearings and meetings in accordance with the Education Code.

At a public meeting held on a date after the public hearing on the budget, the Board shall adopt the budget following its adoption of the LCAP or an annual update to the LCAP at the same meeting. The budget shall include the expenditures necessary to implement the LCAP or the annual update to the LCAP.

The budget that is formally adopted by the Board shall adhere to the state's Standardized Account Code Structure and be in the format prescribed by the Superintendent of Public Instruction. The Superintendent or designee may supplement this format with additional information as necessary to effectively communicate the budget to the Board, staff, and public.

No later than five days after the Board adopts the district budget or by July 1, whichever occurs first, the Board shall file with the County Superintendent of Schools the adopted district budget and supporting data. The budget and supporting data shall be maintained and made available for public review.

In developing the district budget, the Superintendent or designee shall analyze criteria and standards adopted by the State Board of Education which address estimation of funded average daily attendance (ADA), projected enrollment, ratio of ADA to enrollment, projected revenue limit, salaries and benefits, other revenues and expenditures, facilities maintenance, deficit spending, fund balance, and reserves. The budget review shall also identify supplemental information regarding contingent liabilities, use of one-time revenues for ongoing expenditures, use of ongoing revenues for one-time expenditures, contingent revenues,

contributions, long-term commitments, unfunded liabilities, status of labor agreements, the LCAP and LCAP expenditures.

The Board intends to maintain a minimum assigned and unassigned fund balance in an amount the Board deems sufficient to maintain fiscal solvency and stability and to protect the district against unforeseen circumstances.

If the County Superintendent disapproves or conditionally approves the district's budget, the Board shall review and respond to those recommendations at a public meeting on or before September 8. The response shall include any revisions to the adopted budget and any other proposed actions to be taken as a result of those recommendations.

The district budget shall provide for increasing or improving services for unduplicated students at least in proportion to the increase in funds apportioned on the basis of the number and concentration of unduplicated students. Unduplicated students are students who are eligible for free or reduced-price meals, English learners, and/or foster youth.

The Board may establish other budget assumptions or parameters which may take into consideration the stability of funding sources, legal requirements and constraints on the use of funds, anticipated increases and/or decreases in the cost of services and supplies, program requirements, and any other factors necessary to ensure that the budget is a realistic plan for district revenues and expenditures.

Fund Balance
The Board shall adopt a formal resolution that provides for classification of fund balances in the general fund and is compliant with Governmental Accounting Standards Board (GASB) Statement 54, as follows:

1. Non-spendable fund balance includes amounts that are not expected to be converted to cash, such as resources that are not in a spendable form (e.g., inventories and prepaids) or that are legally or contractually required to be maintained intact.

2. Restricted fund balance includes amounts constrained to specific purposes by their providers or by law.

3. Committed fund balance includes amounts constrained to specific purposes by the Board.

   For this purpose, all commitments of funds shall be approved by a majority vote of the Board. The constraints shall be imposed no later than the end of the reporting period (June 30), although the actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements.

4. Assigned fund balance includes amounts which are intended for a specific purpose but do not meet the criteria to be classified as restricted or committed.

   The Board delegates authority to assign funds to the assigned fund balance to the Superintendent and authorizes the assignment of such funds to be made any time prior to the issuance of the financial statements. The Superintendent may further delegate the authority to assign funds at their discretion.

5. Unassigned fund balance includes amounts that are available for any purpose.

When multiple types of funds are available for an expenditure, the district shall first utilize funds from the restricted fund balance as appropriate, then from the committed fund balance, then from the assigned fund balance, and lastly from the unassigned fund balance.

If the assigned and unassigned fund balance falls below the level set by the Board due to an emergency situation, unexpected expenditures, or revenue shortfalls, the Board shall develop a plan to recover the fund balance which may include dedicating new unrestricted revenues, reducing expenditures, and/or increasing revenues or pursuing other funding sources.

Long-Term Financial Obligations

The district's current-year budget and multi-year projections shall include adequate provisions for addressing the district's long-term financial obligations, including, but not limited to, long-term obligations resulting from collective bargaining agreements, financing of facilities projects, unfunded or future liability for retiree benefits, and accrued workers' compensation claims.

Budget Amendments

Whenever revenues and expenditures change significantly throughout the year, the Superintendent or designee shall recommend budget amendments to ensure accurate projections of the district's net ending balance. When final figures for the prior-year budget are available, this information shall be used as soon as possible to update the current-year budget's beginning balance and projected revenues and expenditures.

In addition, budget amendments shall be submitted for Board approval as necessary when collective bargaining agreements are accepted, district income declines, increased revenues or unanticipated savings are made available to the district, program proposals are significantly different from those approved during budget adoption, inter-fund transfers are needed to meet actual program expenditures, and/or other significant changes occur that impact budget projections.

Policy Reference Disclaimer:

These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the Board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

Legal References:

STATE

CALIFORNIA CODE OF REGULATIONS

5 CCR 15060 Standardized account code structure

5 CCR 15440-15451 Criteria and standards for school district budgets

5 CCR 15494-15497 Local control and accountability plan and spending requirements

ATTENDANCE RECOVERY PROGRAM

Attendance Recovery Program

EDUCATION CODE

1240 County superintendent of schools; duties

33127 Standards and criteria for local budgets and expenditures

41202 Determination of minimum level of education funding

42103 Budget notification

42122-42129 Budget requirements

42130-42134 Financial reports and certifications

42140-42142 Public disclosure of fiscal obligations

42238-42251 Apportionments to districts

42238.01-42238.07 Local control funding formula

42602 Use of unbudgeted funds

42610 Appropriation of excess funds and limitation thereon
45253 Annual budget of personnel commission
45254 First year budget of personnel commission
52060-52077 Local control and accountability plan
GOVERNMENT CODE
21710-21716 California Employer's Pension Prefunding Trust Program
7900-7914 Appropriations limit

MANAGEMENT RESOURCES

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS
New Requirements for Reporting Fund Balance in Governmental Funds, January 7, 2011
California School Accounting Manual
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM PUBLICATION
Fiscal Oversight Guide for AB 1200, AB 2756, AB 1840 and Related Legislation, June 2019
GOVERNMENT FINANCE OFFICERS ASSOCIATION
Best Practice: Fund Balance Guidelines for the General Fund, September 2015
GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT
Pronouncements
Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, 2/2009
Statement 75, Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions, 6/2015
WEBSITES
CSBA District and County Office of Education Legal Services https://legalservices.csba.org/#
California Department of Finance http://www.gasb.org/
Governmental Accounting Standards Board http://www.gasb.org/
California Department of Education, Finance and Grants http://www.cde.ca.gov/fg
Government Finance Officers Association http://www.gfoa.org/
Association of California School Administrators http://www.acsa.org/
School Services of California, Inc. http://www.sscal.com/
CSBA http://www.csba.org/
Fiscal Crisis and Management Assistance Team https://www.fcmat.org/

Policy Adopted:	05/11/1967
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Revised:	05/20/1997
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