



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 10.1

Meeting Date: April 27, 2023

Subject: Revised Board Policy BP 3100: Business and Noninstructional Operations
(Reserves and Use of One-Time Funds)

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/Second Reading
- Conference/Action
- Action
- Public Hearing

Division: Business Services

Recommendation: Review the proposed revisions to Board Policy BP 3100: Business and Noninstructional Operations for the increase of the general fund expenditure reserve from the minimum 2% to a 5% reserve level. This is a second reading.

No revisions proposed to Board Policy BP 3100: Business and Noninstructional Operations for use of One-Time funds.

Background/Rationale: In order to maintain fiscal solvency, restore stability and address long term financial issues, the Board approved revisions to BP 3100 to establish and maintain a general fund reserve for economic uncertainty at no less than 5%. Implementation for establishing the 5% minimum reserve level is recommended to begin in fiscal year 2022-2023 or after the deficit is eliminated.

Proposal to revise Board Policy BP 3100: Business and Noninstructional Operations from 5% reserve level of general fund expenditures to the required reserve as stated in Title 5 of the California Code of Regulations, Sections 15443. The required reserve for SCUSD is currently at 2% of general fund expenditures.

Available reserves for any of the budget year or two subsequent fiscal years are not less than the following percentages or amounts as applied to total expenditures and other financing uses:

- the greater of 5% or \$75,000 for districts with 0 to 300 ADA
- the greater of 4% or \$75,000 for districts with 301 to 1,000 ADA
- 3% for districts with 1,001 to 30,000 ADA
- **2% for districts with 30,001 to 400,000 ADA**
- 1% for districts with 400,001 and over ADA

Financial Considerations: Revise BP 3100 - 5% reserve level

LCAP Goal(s): Family and Community Empowerment; Operational Excellence

Documents Attached:

1. BP 3100: Business and Noninstructional Operations

Estimated Time: N/A

Submitted by: Rose Ramos, Chief Business Officer

Approved by: Jorge A. Aguilar, Superintendent

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Budget

The Governing Board accepts responsibility for adopting a sound budget that is compatible with the District's vision and goals. The Board shall establish and maintain a reserve that meets or exceeds the requirements of law.

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(cf. 3300 – Expenditures/Expending Authority)

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

The Superintendent or designee shall determine the manner in which the budget is developed and shall schedule the budget adoption process in accordance with the single budget adoption process.

Reserve for Economic Uncertainty

~~Per BP 3100, the Board shall establish and maintain a general fund reserve for economic uncertainty that meets or exceeds the requirements of 5 CCR 15443. The reserve for economic uncertainty for the District will be established at no less than 5% of total general fund expenditures. In the event that the District falls below the 5% level, the percentage level will be restored at a rate of no less than one percent per year until the five percent level is reached.~~

One-Time Funds

One-Time funding should be used for one-time expenditures and shall only be used for an on-going expenditure as a last resort. As part of the approval of the annual budget, the Board shall consider any proposed use of One-Time funding and shall take separate action to approve such uses.

Legal Reference:

EDUCATION CODE

1620-1630 County office of education budget approval

33127 Development of standards and criteria for local budgets and expenditures

33128 Standards and criteria

33129 Standards and criteria; use by local agencies 35035 Powers and duties of superintendent

35161 Powers and duties, generally, of governing boards

42103 Public hearing on proposed budget; requirements for content of proposed budget; publication of notice of hearing

42122-42129 Budget requirements

42132 Resolutions identifying estimated appropriations limit

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42602 Use of unbudgeted funds

42610 Appropriation of excess funds and limitation thereon

44518-44519.2 Chief business officer training program 45253 Annual budget of personnel commission

45254 First year budget of personnel commission GOVERNMENT CODE

7900-7914 Expenditure limitations CODE OF REGULATIONS, TITLE 5

15440-15452 Criteria and standards for school district budgets

15467-15479 Criteria and standards for county office of education budgets

Management Resources:

CDE MANAGEMENT ADVISORY

0203.92 Implementation of AB 1200, 92-03

Policy SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

Adopted: November 16, 1998 Sacramento, California

Reviewed: November 5, 2001

Reviewed: February 6, 2020

Reviewed: May 21, 2020

Reviewed: June 18, 2020

Reviewed: February 18, 2021

Adopted: March 4, 2021

Reviewed: February 2, 2023

Reviewed: April 13, 2023

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