



Resolution to Commit Funds

June 22, 2023
Agenda Item No. 11.2



Acronyms

EC	Education Code
PSSSA	Public School System Stabilization Account
REU	Reserve for Economic Uncertainty

Agenda

- **Overview/Background Information**
- **2023-24 Proposed Commitments**
- **Summary**
- **Questions**
- **Approve Resolution No. 3332**

Overview of Public School System Stabilization Account

PSSSA established in 2014 (“rainy day fund”)

- Protect school districts by providing stability to the State budget during fiscally challenging periods
- Imposes a 10% cap on local districts’ combined assigned and unassigned reserves when the PSSSA balance reaches or exceeds 3% of the total Proposition 98 funding
- 2021-2022 PSSSA balance reached the 3% triggering the 10% cap on districts for 2022-2023 and 2023-24 budgets

2023-24 Adopted Budget projects total assigned and unassigned fund balance of \$124.2M *(after accounting for restricted balances and non-spendable funds)*

- District 10% cap calculated at approximately \$69.6M

2023-24 Proposed Budget Reserve Cap and Projected Commitments

2023-24 Proposed Budget 10% Reserve Cap	Amount
Total 2023-24 Projected Expenditures	696,488,776
10% Reserve Cap	69,648,878

2023-24 Proposed Budget Commitments	Amount
Total Assigned/Unassigned Fund Balance	124,218,051
Proposed Commitments:	
Unsettled Labor Negotiations Projected Multi-Year Cost	85,832,540
Estimated Assigned/Unassigned Fund Balance After Commitments	38,385,511

- \$85.5M reflects the estimated multi-year cost of latest proposed salary increase of 6%, increased sub rate & class size adjustments
- The commitments of \$85.8M will reduce the assigned/unassigned fund balance to \$38.4M which is below the cap of \$69.6M and be in compliance with the 10% reserve cap

Summary

- The Board retains authority to change the purposes and/or amounts throughout the 2023-24 fiscal year
 - This action must occur prior to the close of the 2023-24 fiscal year
 - The District will monitor these purposes and provide the Board with a status report at each reporting period
- State Budget not yet enacted and final budget may differ from the District's adopted budget assumptions
- The District will revise the 2023-24 adopted budget to reflect the State enacted budgetary items for school districts; these revisions may affect the 10% reserve cap calculation

Questions



Approve Resolution No. 3332

