

# Resolution to Commit Funds

Board Meeting  
June 23, 2022  
Agenda Item No. 10.1

# Acronyms

SCOE Sacramento County Office of Education  
EC



# Presentation Agenda

- Overview/Background Information
- 2022-23 Proposed Budget Reserves
- Options to Address 10% Cap Limitation
- 2022-23 Proposed Commitments
- Questions
- Approve Resolution



# 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 school 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 school districts for their 2022-2023 budgets



# 2022-2023 Projected Budget Reserves

- The District's 2022-23 Budget projects an estimated total assigned and unassigned fund balance (reserves) of \$96.7M approximately (after accounting for restricted balances and non-spendable funds)
- The District's 10% reserve cap is calculated at \$64.7M approximately
- Therefore reserves are estimated at \$31.9M above the 10% cap



2022

# Three Options to Address 10% Reserve Cap Limitation

Three Options to address reserves above 10% cap:

1. Spend down the excess reserves on ~~one~~ programs supported by a defined plan
2. Seek a temporary waiver from SCOE per EC 42127.01(b) (valid for 2 years only)
  - a) Statement substantiating the need for excess reserves
  - b) Identify extraordinary fiscal circumstance
  - c) Provide evidence of no other fiscal resource to fund the extraordinary fiscal circumstance (can be considered a commitment)
3. Reclassify the excess reserves to the committed or restricted category (recommended)
  - a) Committed amounts constrained to a specific purpose by the Board
  - b) All committed funds shall be approved by a majority of the board ( ) 6.4 vo

# Recommended Option to Address 10% Reserve Cap Limitation

- District recommendation option three to address reserves above 10% cap  
Reclassify the excess reserves to the committed category





# 2022-2023 Proposed Commitments

Proposed One-Time Commitments:	Estimated Amount
Professional Learning Communities (PLC)	\$3,100,000
History/Social Science and World Language Textbook Adoption	\$13,000,000
Multi-Tiered Systems of Support (MTSS)	\$400,000
EPOCH anti-bias and anti-racist professional learning	\$400,000
Communications	\$60,000
Summer school programs	\$5,000,000
Transitional Kindergarten support	\$48,000
3% Additional Reserve per board policy 3100	\$19,431,681
<b>Total Committed Amount</b>	<b>\$41,439,681</b>



# Proposed Commitments & Projected Reserves

Projected Assigned/Unassigned Fund Balance 96,727,518

Proposed Commitments 41,439,681

Estimated Assigned/Unassigned Fund Balance After Commitments \$55,287,837



# Summary

# Questions



# Approve Resolution No. 3279

