



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 7.1

Meeting Date : March 4, 2021

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
- Conference/Action
- Action
- Public Hearing

Division
for fiscal year 2022-2023 or after the deficit is

Revisions to Board Policy BP 3100: Business and Noninstructional Operations will also include the use of One-Time funding and Board approval for use of One-Time funds will be required as a separate action.

Background/Rationale : In order to maintain fiscal solvency, restore stability and address long term financial issues, the District shall establish and maintain a general fund reserve for economic uncertainty at no less than 5%.

Furthermore, the Board shall consider any proposed use of One-Time funding and shall take separate action to approve such uses.

- x February 6, 2020 and May 21, 2020 Board Meetings - first reading on the proposed revisions to BP 3100 on reserves and use of one-time funds
- x June 18, 2020 Board Meeting – second reading on the proposed revisions to BP 3100 on reserves and use of one-time funds
- x February 18, 2021 - third reading on the proposed revisions to BP 3100 on reserves and use of one-time funds


Financial Considerations : Increase minimum general fund reserve from the minimum 2% to a 5% reserve level in fiscal year 2022-2023 or after the deficit is eliminated. The Board shall consider any proposed use of One-Time funding and shall take separate action to approve such uses.

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

Documents Attached:

1. Executive Summary
2. BP 3100: Business and Noninstructional Operations

Estimated Time of Presentation: 5 minutes Submitted by : Rose Ramos, Chief Business Officer Approved by : Jorge A. Aguilar, Superintendent
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The District will establish a 5% reserve level for general fund expenditures that meets or exceeds requirements of 5 CCR 15443. Implementation of establishing the 5% minimum reserve level is recommended to begin fiscal year 2023 or after the deficit is eliminated. The District shall consider any proposed use of On-Time funding and shall take separate action to approve such uses.

In October 2018, FCMAT conducted a Fiscal Health Analysis Study of the District. The Fiscal Review Report presented to the Board in December 2018 contains the findings of the study. The District has been working with the Fiscal Advisor and staff to implement FCMAT's recommendations.

In March 2019

Board of Education Executive Summary

Business Services

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

March 4, 2021

III. BUDGET:

Due to the importance of maintaining reserve levels during stable and volatile economic times, the District will establish a 5% reserve for general fund expenditures. Implementation for establishing the 5% minimum reserve level is recommended to begin fiscal year 2022 or after the deficit is eliminated. Furthermore, the District shall consider any proposed use of On-Time funding and shall take separate action to approve such uses. The Board may determine to allocate on-time funding to a single year or multi-year expenditure. A supplemental budget display shall be presented to the Board for approval that clearly explains the following:

- x source of funds and any restrictions or guidance on the use of on-time funding
- x expiration of on-time funds
- x explanation of proposed use of on-time funds
- x if proposed use of on-time funds is to support an ongoing expenditure, provide a rationale and plan to support the expenditure after the expiration of the on-time funding

IV. GOALS, OBJECTIVES AND MEASURES:

Maintain fiscal solvency, restore stability and address the long term financial issues of the District.

V. MAJOR INITIATIVES:

Maintain a 5% reserve level to address economic uncertainty. Proposed use of On-Time funding shall take separate action to approve such uses.

VI. RESULTS:

Update Board Policy to address reserve level needed to establish and maintain fiscal solvency.

VII. LESSONS LEARNED/NEXT STEPS:

- x Work with Sacramento County Fiscal Advisor on mitigation measures for reserve deficiency.
- x Ensure recommendations and corrective actions found in the State Audit Report are implemented.
- x Ensure recommendations and corrective actions found in the FCMAT Report are implemented.

Sacramento City USD 3100 Business and Noninstructional Operations (Reserves and Use of One Time Funds)

Sacramento City Unified School District 3100 Business and Noninstructional Operations (Reserves and Use of One Time Funds)

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

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, 02-

Policy SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

Adopted: November 16, 1998 Sacramento, California

Reviewed: November 5, 2001

Reviewed: February 6, 2020

Reviewed: May 21, 2020

Sacramento City USBP 3100 Business and Noninstructional Operations (Reserves and Use of One Time Funds)

Reviewed June 18 2020