

Business and Non-instructional Operations

BUDGET

The Governing Board recognizes its critical responsibility for adopting a sound budget for each fiscal year which is aligned with the district's vision, goals, and priorities. 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.

(cf. 0000 – Vision)
(cf. 3000 – Concepts and Roles)
(cf. 3300 – Expenditures and Purchases)
(cf. 3460 – Financial Reports and Accountability)
(cf. 9000 – Role of the Board)

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 7900-7914. (Education Code 42122)

The Board shall adopt the budget only after a local control and accountability plan (LCAP) developed pursuant to Education Code 52060-52077 or an annual update to the LCAP is in place for the budget year. Expenditures necessary to implement the LCAP or the annual update during the subsequent fiscal year shall be included in the budget. (Education Code 42127)

(cf. 0460 – Local Control and Accountability Plan)

Budget Development and Adoption Process

The Superintendent or designee shall establish an annual budget development process and calendar in accordance with the single budget adoption process described in Education Code 42127(i). He/she shall annually notify the County Superintendent of Schools of the district's decision to use the single budget adoption process in the subsequent year. (Education Code 42127)

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 at all levels in the development of budget projections.

The Board encourages public input in the budget development process and shall hold a public hearing on the proposed budget in accordance with Education Code 42103 and 42127.

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(cf. 9320 - Meetings and Notices)
(cf. 9322 - Agenda/Meeting Materials)
(cf. 9323 - Meeting Conduct)

The budget that is formally adopted by the Board shall 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.

Budget Advisory Committee

The Superintendent or designee may appoint a budget advisory committee composed of staff, Board representatives, and/or members of the community.

The committee shall develop recommendations during the budget development process and its duties shall be assigned each year based on district needs. All recommendations of the committee shall be advisory only and shall not be binding on the Board or the Superintendent or designee.

(cf. 1220 - Citizen Advisory Committees)
(cf. 2230 - Representative and Deliberative Groups)
(cf. 3350 - Travel Expenses)
(cf. 9130 - Board Committees)
(cf. 9140 - Board Representatives)

Budget Criteria and Standards

The Superintendent or designee shall develop a district budget in accordance with criteria and standards adopted by the State Board of Education (SBE). (Education Code 33127, 33128, 33128.3, 33129; 5 CCR 15440-15451)

The budget shall provide that funding received through state supplemental and concentration grants pursuant to Education Code 42238.02 and 42238.03 shall be used in accordance with regulations adopted by the SBE for schoolwide or districtwide purposes to increase or improve services for students who are English learners, eligible for free or reduced-price meals, and/or foster youth at least in proportion to the increase to the district's revenue generated from such funds. (Education Code 42238.07)

(cf. 3553 - Free and Reduced Price Meals)
(cf. 6173.1 - Education for Foster Youth)
(cf. 6174 - Education for English Language Learners)

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, categorical program requirements, and any other factors necessary to ensure that the budget is a realistic plan for district revenues and expenditures.

(cf. 2210 - Administrative Discretion Regarding Board Policy)
(cf. 3110 - Transfer of Funds)

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Fund Balance

The district shall classify fund balances in compliance with Governmental Accounting Standards Board (GASB) Statement 54, as follows:

1. Nonspendable 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 of 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 the Board or its designee intends to use for a specific purpose.

The Board delegates authority to assign funds to the assigned fund balance to the Superintendent or designee and authorizes the assignment of such funds to be made any time prior to the issuance of the financial statements.

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 unassigned fund balance falls below this level 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.

(cf. 4141/4241 – Collective Bargaining Agreement)

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(cf. 4143/4243 – Negotiations/Consultation)
(cf. 4154/4254/4354 – Health and Welfare Benefits)
(cf. 7210 – Facilities Financing)
(cf. 9250 – Remuneration, Reimbursement and Other Benefits)

The Board shall approve a plan for meeting the district's long-term obligations to fund nonpension, other postemployment benefits (OPEBs). This plan shall include a specific funding strategy and the method that will be used to finance the district's annual fiscal obligations for such benefits in a manner that continually reduces the deficit to the district to the extent possible. The Board reserves the authority to review and amend the funding strategy as necessary to ensure that it continues to serve the best interests of the district and maintains flexibility to adjust for changing budgetary considerations.

When the Superintendent or designee presents a report to the Board on the estimated accrued but unfunded cost of OPEBs, the Board shall disclose, as a separate agenda item at the same meeting, whether or not it will reserve a sufficient amount of money in its budget to fund the present value of the benefits of existing retirees and/or the future cost of employees who are eligible for benefits in the current fiscal year. (Education Code 42140)

When the Superintendent or designee presents a report to the Board on the estimated accrued but unfunded cost of workers' compensation claims, the Board shall disclose, as a separate agenda item at the same meeting, whether or not it will reserve in the budget sufficient amounts to fund the present value of accrued but unfunded workers' compensation claims or if it is otherwise decreasing the amount in its workers' compensation reserve fund. The Board shall annually certify to the County Superintendent the amount, if any, that it has decided to reserve in the budget for these costs. The Board shall submit to the County Superintendent any budget revisions that may be necessary to account for this budget reserve. (Education Code 42141)

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 the state budget is adopted, 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, interfund transfers are needed to meet actual program expenditures, and/or other significant changes occur that impact budget projections.

(cf. 3110 – Transfer of Funds)

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Legal Reference:

EDUCATION CODE

- 1240 Duties of county superintendent of schools*
- 33127-33131 Standards and criteria for local budgets and expenditures*
- 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*
- 42122-42129 Budget requirements*
- 42130-42134 Financial certifications*
- 42140-42141 Disclosure of fiscal obligations*
- 42238-42251 Apportionments to districts, especially:*
- 42238.01-42238.07 Local control funding formula*
- 42602 Use of unbudgeted funds*
- 42605 Tier 3 categorical flexibility*
- 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

7900-7914 Appropriations limit

CODE OF REGULATIONS, TITLE 5

- 15060 Standardized account code structure*
- 15440-15451 Criteria and standards for school district budgets*

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WEST SONOMA COUNTY UHSD
Sebastopol, California