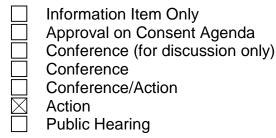


SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 7.1

Meeting Date : March 4, 2021

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



Divisi on al 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.

<u>Background/Rationale</u>: 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

<u>Financial Considerations</u>: 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 The District will establish a 5% reserve level for general fund expenditures that meets or exceeds t requirements of 5 CCR 15443. Implementation **ést**ablishing the 5% minimum reserve level is recommended to begin fiscal year 202023 or after the deficit is eliminated. The District shall consider any proposed use of OnEime funding and shall take separate action to approve such uses.

In October 2018, FCMAT conducted a Fiscal Health Analysis Study of the DTstreicEiscal Review Reportpresented to the Board in December 2018 constathe 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 Onterne 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 expenditu**lrep**lementation for establishing the 5% minimum reserve level is recommended to begin fiscal year-**2023** or after the deficit is eliminated Furthermore, the District shall consider any proposed use of **Ome** funding and shall take separate action to approve such us**Es**e Board may determine to allocate othere funding to a single year or multivear 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 guide on the use of onteime funding
- x expiration of onetime funds
- x explanation of proposed use of ortime funds
- x if proposed use of ontime funds is to support an ogoing expenditure, provide a rationale and plan to support the expenditure after the explican of the onetime funding

IV. GOALS, OBJECTSVAEND 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 addressoeomic uncertaintyProposed use of Oneime 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 LEAR MED T 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 and in the FCMAT Report are implemented.

Sacramento City USDBP 3100 Business and Noninstructional Operat(Bresserves and Use of One Time Funds)

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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

4212242129 Budget requirements

42132 Resolutions identifying estimated appropriations limit

42602 Use of unbudgeted funds

42610 Appropriation of excess funds and limitation thereon

4451844519.2 Chief business officer training program 45253 Annual budget of personnel commission

45254 First year budget of personel commission GOVERNMENT CODE

7900-7914 Expenditure limitations CODE OF REGULATIONS, TITLE 5

1544015452 Criteria and standards for school district budgets

1546715479 Criteria and standards for county office of education budgets

Management Resoues:

CDE MANAGEMENT ADVISORY

0203.92 Implementation of AB 1200, 92-

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 USDBP 3100 Business and Noninstructional Operat(Breserves and Use of One Time Funds)

ReviewedJune 182020