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Agenda Item# 7.3

~~CR~~ \_\_\_\_\_: February 18, 2021

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~~BA~~ \_\_\_\_\_: 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 District shall consider any proposed use of One-Time funding and shall take separate action to approve such uses.

- use of one-time funds

~~BA~~

\_\_\_\_\_ : 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 District

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

CA ~~DA~~ Family and Community Empowerment; Operational Excellence

DA ~~CA~~

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

~~CA~~ N/A

~~DA~~ : Rose Ramos, Chief Business Officer

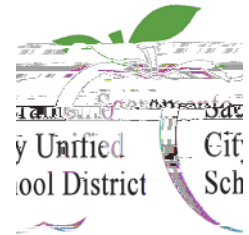
A ~~CA~~ : Jorge A. Aguilar, Superintendent

# Board of Education Executive Summary

Business Services

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

February 18, 2021



The District will establish a 5% reserve level for general fund expenditures that meets or exceeds requirements of 5 CCR 15443. Implementation for establishing the 5% minimum reserve level is recommended to begin fiscal year 2023 or after the deficit is eliminated.

In 2019 the District was notified by the California State Auditor's office that an audit of the District was conducted. The audit was completed and the report was released in December 2019.

Recommendations of both the FCMAT Report and the State Audit Report support the District's efforts to revise and implement policies which will guide the District's budget process.

At the February 6, 2020 and May 21, 2020 Board Meetings first reading on the proposed revisions to Board Policy 3100 on reserves and use of other funds.

At the February 18, 2020 Board Meeting second reading on the proposed revisions to BP 3100 on reserves and use of other funds.

## GOVERNANCE:

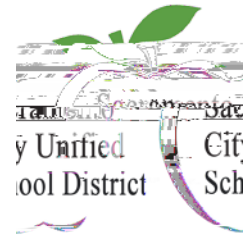
- x Education Code section 42103 requires the governing board of each school district shall hold a public hearing on the proposed budget in a school district.

# Board of Education Executive Summary

Business Services

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

February 18, 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 Other funding and shall take separate action to approve such uses.

## IV. GO

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

Budget

The Governing Board accepts responsibility for adopting a sound budget that is compatible with the District's vision and goals. ~~The Board shall establish and maintain a reserve that meets or exceeds the requirements of law.~~

(cf. 3300 -Expenditures/Expending Authority)

The Board encourages public input in the budget development process and shall hold public hearings in accordance with the law.

The Superintendent or designee shall determine the manner in which the budget is developed and shall schedule the budget adoption process in accordance with the single budget adoption process.

Reserve for Economic Uncertainty

Per BP 3100, the Board shall establish and maintain a general fund reserve for economic uncertainty that meets or exceeds the requirements of ~~CCR 15443~~. The reserve for economic uncertainty for the District will be established at no less than 5% of total general fund expenditures. | 5%.1(a)2.1 5%2.7.2(es-3.4(ill.7

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

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 personnel commission GOVERNMENT CODE

79007914 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 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 2001

Reviewed: February 6, 2020

Reviewed: May 21, 2020

Reviewed June 18 2020