

# Tamalpais Union HSD

## Board Policy

### Budget

BP 3100

#### Business and Noninstructional Operations

The Governing Board ~~of Trustees~~ recognizes its critical responsibility for adopting a sound budget ~~for~~ each fiscal year which is aligned with the district's vision, goals, and priorities, local control and accountability plan (LCAP), and other comprehensive plans. 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 - ~~Concepts and Roles~~Vision)

(cf. 0200 - Goals for the School District)

(cf. 0400 - Comprehensive Plans)

(cf. 0460 - Local Control and Accountability Plan) ~~(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)

#### 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.~~

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 in the development of budget projections.

The Board ~~encourages public input in the budget development process and~~ shall hold a public hearings ~~and meetings on the proposed budget~~ in accordance with Education Code 42103 and

42127.

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

The Board shall adopt the district budget on or before July 1 of each year. (Education Code 42127)

At a public meeting scheduled on a date after the public hearing on the budget, the Board shall, following its adoption of the LCAP or an annual update to the LCAP, adopt the budget. The budget shall include the expenditures necessary to implement the LCAP or the annual update to the LCAP. (Education Code 42127, 52062)

The budget that is formally adopted by the Board shall adhere to the state's Standardized Account Code Structure as prescribed by the Superintendent of Public Instruction. (Education Code 42126, 42127)~~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.

No later than five days after the Board adopts the district budget or by July 1, whichever occurs first, the Board shall file with the County Superintendent of Schools the adopted district budget and supporting data. The budget and supporting data shall be maintained and made available for public review. (Education Code 42127)

(cf. 1340 - Access to District Records)

If the County Superintendent disapproves or conditionally approves the district's budget, the Board shall review and respond to his/her recommendations at a public meeting on or before October 8. The response shall include any revisions to the adopted budget and any other proposed actions to be taken as a result of those recommendations. (Education Code 42127)

## **Budget Criteria and Standards**

The Superintendent or designee shall develop a district budget in accordance with state criteria and standards specified in 5 CCR 15440-15450 as they relate to projections of average daily attendance (ADA), enrollment, ratio of ADA to enrollment, local control funding formula revenue, salaries and benefits, other revenues and expenditures, facilities maintenance, deficit spending, unrestricted general fund balance, and reserves. In addition, he/she shall provide the supplemental information specified in 5 CCR 15451 which addresses the methodology and budget assumptions used, contingent liabilities, use of one-time revenues for ongoing expenditures, use of ongoing revenues for one-time expenditures, contingent revenues, contributions, long-term commitments, unfunded liabilities, status of collective bargaining agreements, the LCAP, and LCAP expenditures. (Education Code 33128, 33128.3, 33129, 42127.01; 5 CCR 15440-15451)~~In developing the district budget, the Superintendent or designee~~

~~shall analyze criteria and standards adopted by the State Board of Education which address estimation of funded average daily attendance (ADA), projected enrollment, ratio of ADA to enrollment, projected revenue limit, salaries and benefits, other revenues and expenditures, facilities maintenance, deficit spending, fund balance, and reserves. The budget review shall also identify supplemental information regarding contingent liabilities, use of one time revenues for ongoing expenditures, use of ongoing revenues for one time expenditures, contingent revenues, contributions, long term commitments, unfunded liabilities, and the status of labor agreements.— (Education Code 33127, 33128, 33129; 5 CCR 15440-15451)~~

~~The Board shall establish and maintain a general fund reserve for economic uncertainty that meets or exceeds the requirements of law.— (Education Code 33128.3; 5 CCR 15450)~~

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 Leeway in Absence of Board Policy)  
(cf. 3110 - Transfer of Funds between Categories; Amendments)

## **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. The Board shall adopt a formal resolution that provides for classification of fund balances in the general fund and is compliant with Governmental Accounting Standards Board (GASB) Statement 54.
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 (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 are intended for a specific purpose but do not meet the criteria to be classified as restricted or committed.

The Board delegates authority to assign funds to the assigned fund balance to the Superintendent and authorizes the assignment of such funds to be made any time prior to the issuance of the financial statements. The Superintendent may further delegate the authority to assign funds at his/her discretion.

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.

The Board intends to maintain a minimum assigned and unassigned fund balance in an amount the Board deems sufficient to maintain fiscal solvency and stability and to protect the district against unforeseen circumstances.

If the assigned and unassigned fund balance falls below the level set by the Board 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.

### **Reserve Balance**

The district budget shall include a minimum reserve balance for economic uncertainties that is consistent with the percentage or amount specified in 5 CCR 15450.

### **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)

~~(cf. 4143/4243 - Public Notice - Personnel Negotiations)~~

(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)

Legal Reference:

EDUCATION CODE

1240 Duties of county superintendent of schools

33127-33131 Standards and criteria for local budgets and expenditures

~~41202 Determination of minimum level of education funding~~~~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

~~44518-44519.2 Chief business officer training program~~

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

~~15494-15496 Local control funding formula, expenditures~~

Management Resources:

~~CSBA PUBLICATIONS~~

~~Maximizing School Board Governance: Budget Planning and Adoption, 2006~~

~~Maximizing School Board Governance: Understanding District Budgets, 2006~~

~~School Finance CD-ROM, 2005~~

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

California School Accounting Manual

~~New Requirements for Reporting Fund Balance in Governmental Funds, January 7, 2011~~

FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM PUBLICATIONS

Fiscal Oversight Guide for AB 1200, AB 2756 and Subsequent Related Legislation, September

2006

## GOVERNMENT FINANCE OFFICERS ASSOCIATION

Best Practice: Appropriate Level of Unrestricted Fund Balance in the General Fund, 2009

## GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS

~~Statement 75, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, June 2015~~

Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, March 2009

~~Statement 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, June 2004~~

~~Statement 34, Basic Financial Statements and Management's Discussion and Analysis—For State and Local Governments, June 1999~~

## WEB SITES

CSBA: <http://www.csba.org>

Association of California School Administrators: <http://www.acsa.org>

California Department of Education, Finance and Grants: <http://www.cde.ca.gov/fg>

California Department of Finance: <http://www.dof.ca.gov>

Fiscal Crisis and Management Assistance Team: <http://www.fcmat.org>

Government Finance Officers Association: <http://www.gfoa.org>

Governmental Accounting Standards Board: <http://www.gasb.org>

~~Legislative Analyst's Office: <http://www.lao.ca.gov>~~

School Services of California, Inc.: <http://www.sscal.com>

## Policy TAMALPAIS UNION HIGH SCHOOL DISTRICT

adopted: March 23, 1993 Larkspur, California

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