



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 9.1

Meeting Date: December 15, 2022

Subject: Approve Resolution No. 3301 Resolution of the Board of Education of the Sacramento City Unified School District Designating Certain General Funds as Committed Fund Balance

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/Second Reading (Action Anticipated: _____)
- Conference/Action
- Action
- Public Hearing

Division: Business Services

Recommendation: Approve Resolution No. 3301 and rescind prior Resolution No 3279. Resolution No. 3301 will commits utilizing portions of its general fund ending balance, as indicated by the committed fund classification in its financial statements, for the following purposes:

Purpose	Estimated Amount
History/Social Science and World Language Textbook Adoption	13,000,000
3% Additional Reserve per board policy 3100	23,325,134
Total Committed Amount	\$36,325,134

Financial Considerations: Commit funds for intended purposes in order to comply with Education Code 42127.01(a).

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

Documents Attached:

1. Executive Summary
2. Resolution No. 3301

<p>Estimated Time: 5 min presentation & 5 minute discussion Submitted by: Rose Ramos, Chief Business and Operations Officer Approved by: Jorge A. Aguilar, Superintendent</p>
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Board of Education Executive Summary

Business Services

Resolution to Commit Funds

December 15, 2022

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3. Reclassify any unassigned or assigned components of the fund balance to the committed or restricted category of the fund balance consistent with GASB 54. Committing funds will include the following key provisions:
 - a. Committed fund balance includes amounts constrained to specific purposes by the Board.
 - b. 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.

The District recommends option 3, board approval to commit funds in order to comply with the 10% cap limitation.

II. DRIVING GOVERNANCE:

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 facility, or some other place conveniently accessible to the residents of the school district for public inspection.

Education Code section 42127 requires the Governing Board of each school district to adopt a budget on or before July 1st. Article XIII section 36(e)(6) requires the Governing Board to approve Education Protection Account proposed expenditures in open session of a public meeting. The budget to be adopted shall be prepared in accordance with Education Code section 42126. The adopted budget shall be submitted to the County Office of Education. The County Office of Education will determine if the district will be able to meet its financial obligations during the fiscal year and ensure a financial plan that will enable the district to satisfy its multi-year financial commitments.

III. BUDGET:

The District's 2022-23 First Interim General Fund projects an estimated ending fund balance of \$189.6 million. After accounting for restricted balances and non-spendable funds, the total assigned and unassigned is projected at \$95.1M approximately. The District's 10% reserve cap is calculated at \$77.7M approximately, therefore, reserves are estimated at \$17.4M above the cap. The table below provides the calculations.

Board of Education



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V. MAJOR INITIATIVES:

- Continued analysis of information from the State and its impact on the District's Budget

VI. RESULTS:

Budget development for 2023-24 will follow the calendar and timeline approved by the Board. Required Board actions will take place in a timely manner to ensure a balanced Adopted Budget is in place on or before July 1, 2023.

VII. LESSONS LEARNED/NEXT STEPS:

- Follow the approved calendar with adjustments made as necessary.
- Continue to monitor the state budget and its impact on the district finances.
- Continue to monitor the District and state fiscal health.
- Continue to engage stakeholders in the budget development process through community budget meetings.
- Meet and communicate with bargaining unit partners.
- Ensure compliance with all LCFE and LCAP requirements.

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION**

RESOLUTION NO. 3301

Resolution #3301 Of The Board Of Education Of

BE IT FURTHER RESOLVED,