

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 – Concept and Roles)
(cf. 3300 - Expenditures/Expending Authority)
(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)

SINGLE BUDGET 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 at all levels in the development of budget projections.

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

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

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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 Criteria and Standards

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, 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 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 Discretion Regarding Board Policy)

(cf. 3110 – Transfer of Funds)

Fund Balance

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. The resolution also shall:

1. Establish specific steps for committing funds that cannot be used for any other purpose unless the Board takes action to remove or change the constraint
2. Express the authority of the Board and/or delegate authority to other persons(s) to identify intended uses of assigned funds

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3. Establish the order in which fund balances will be spent when multiple fund balance types are available for an expenditure
4. Address the minimum fund balance in the general fund by establishing an appropriate level of unrestricted fund balance that will be maintained in the general fund, the circumstances under which the unrestricted fund balance can be spent down, and the procedure for replenishing deficiencies.

The Board reserves the authority to review and amend this resolution as needed to reflect changing circumstances and district needs.

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

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.

Legal Reference:

EDUCATION CODE

1240 Duties of county superintendent of schools
33127-33131 Standards and criteria for local budgets and expenditures
33128 Standards and criteria
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 Disclosure of fiscal obligations
42602 Use of unbudgeted funds
42605 Tier 3 Categorical Flexibility

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Legal Reference (continued):

EDUCATION CODE

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

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

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

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 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
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MURRIETA VALLEY USD
Murrieta, California