

BUDGET SYSTEM

The Office of Education budget shall be prepared annually from the best possible estimates provided by the Office of Education administrative staff. The Superintendent or designee shall determine the manner in which the budget shall be prepared and shall schedule the budget adoption process in accordance with legal time requirements. Appropriate consolidation shall occur as the budget progresses through the various levels of review and within legal time requirements.

The Superintendent or designee shall submit the budget calendar and staff instructions to the Board of Education as early in the fiscal year as possible.

Standards and criteria for fiscal accountability adopted by the State Board of Education shall be used when developing the budget.

Budget as a Spending Plan

The Superintendent or designee shall determine the manner in which the annual office budget is to be compiled and issue instructions to the staff. A time schedule for the preparation of the budget, to be known as the "budget calendar," shall be established annually.

After the budget has been approved by the Board of Education, it shall be the responsibility of the Superintendent or designee to see that all personnel utilize and manage the budget in a responsible manner.

The Superintendent shall not permit expenditures of funds to exceed the major budget classification allowance against which the proposed expenditure is the proper charge. Expenditures are to be charged to the proper expenditure classification, and are not to exceed the amount budgeted therein.

Budget controls shall be established and maintained for the County School Service Fund, and the budget shall be administered in conformity with legal requirements and the action of the Board of Education.

The legality of all expenditures shall be checked, and it shall be ascertained that all expenditures recommended for approval are legal.

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

The single-fund budget shall be prepared in the form prescribed and furnished 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.

Local Control Accountability Plan (LCAP)

The Board shall adopt the budget only after a local control and accountability plan (LCAP) developed pursuant to Education Code 52060-52077 or an annual update to the LCAP is in place for the budget year. Expenditures necessary to implement the LCAP or the annual update during the subsequent fiscal year shall be included in the budget.

Unappropriated Funds

Board approval is necessary for the transfer of previously designated unappropriated funds.

Budget Criteria and Standards

The Superintendent or designee shall develop a budget in accordance with criteria and standards adopted by the State Board of Education (SBE).

The budget shall provide that funding received through state supplemental and concentration grants pursuant to Education Code 42238.02 and 42238.03 shall be used in accordance with regulations adopted by the State Board of Education for schoolwide or Office of Education wide purposes to increase or improve services for students who are English learners, eligible for free or reduced-price meals, and/or foster youth at least in proportion to the increase to the Office of Education's revenue generated from such funds.

Fund Balance

The Office of Education hereby establishes and will maintain reservation of Fund Balance, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Policy shall only apply to governmental funds. Fund Balance shall be composed of:

1. Non-spendable fund balance, including amounts that are not expected to be converted to cash, such as resources that are not in a spendable form or are legally or contractually required to be maintained intact
2. Restricted fund balance, including amounts constrained to specific purposes by their providers or by law
3. Committed fund balance, including amounts constrained to specific purposes determined by a formal action of the Superintendent
4. Assigned fund balance, including amounts intended for a specific purpose
5. Unassigned fund balance, including amounts that are available for any purpose

Fund Balance Classification

The Office of Education considers restricted fund balances to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classification of fund balance could be used, the Office of Education considers committed amount to be reduced first, followed by assigned amounts and then unassigned amounts.

Reserve for Economic Uncertainty Reserve

The Office of Education will maintain an economic uncertainty reserve target of at least 10% of total General Fund operating expenditures (including other financing). The primary purpose of this reserve is to avoid the need for service level reductions in the event an economic downturn causes revenues to come in lower than budget. This reserve may be increased from time to time in order to address specific anticipated revenue shortfalls (state actions, etc.). Should it become necessary to reduce the level of these reserves a plan shall be established to restore these reserves for the subsequent budget year(s).

Public Hearing and Availability of Proposed Budget

The Superintendent or designee shall present to the Board of Education, for informal consideration, preliminary estimates of the budget.

The Superintendent or designee shall arrange for preliminary budget publication, review, and adoption in accordance with the provisions of the Education Code.

Adoption of the Budget

On or before July 1, the final budget shall be adopted by the Board of Education and filed with the Superintendent of Public Instruction.

Budget Review

On or before October 8, the Superintendent of Public Instruction shall approve or disapprove the Office of Education budget on the basis of standards and criteria for fiscal stability developed pursuant to Education Code section 33127.

Budget Update

Not later than 45 days after the Governor signs the annual Budget Act, the Office of Education shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

Legal Reference:

EDUCATION CODE

1040(c) Duty of board to approve annual budget of the county superintendent of schools

1042(b) Duty to review annual itemized estimate of anticipated revenue and expenditures, etc.

1500 Expenses payable out from county school service fund

1501 Expenses payable from county school service fund

1620-1625 Single budget for county school service fund, county board of education, county committee, county superintendent of schools

14050 et seq. County school service fund --- computation of allowance and budgetary requirements 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

42120-42128 Budget requirements

42238.01-42238.07 Local control funding formula

42602 Use of unbudgeted funds

42610 Appropriation of excess funds and limitation thereon

45253 Annual budget of personnel commission

42100 et seq. Financial statements of school districts

42120 et seq. Budgetary requirements of local school districts

52060-52077 Local control and accountability plan

TITLE 5 CODE OF REGULATIONS

17340 et seq. County school service fund budget procedures

GOVERNMENT CODE

7900-7913 Appropriations limit