

**BUDGET**

The 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. 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 - 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.

**Budget Advisory Committee**

The Superintendent or designee may appoint a budget advisory committee composed of staff, Board representatives, and/or members of the community.

The committee shall develop recommendations during the budget development process and its duties shall be assigned each year based on district needs. All recommendations of the committee shall be advisory only and shall not be binding on the Board or the Superintendent or designee.

*(cf. 1220 - Citizen Advisory Committees)*

*(cf. 2230 - Representative and Deliberative Groups)*

*(cf. 3350 - Travel Expenses)*

*(cf. 9130 - Board Committees)*

*(cf. 9140 - Board Representatives)*

**BUDGET** (continued)**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, 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 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 person(s) to identify intended uses of assigned funds
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

**BUDGET** (continued)

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.

In addition, budget amendments shall be submitted for Board approval when the state budget is adopted, collective bargaining agreements are accepted, district income declines, increased revenues or unanticipated savings are made available to the district, program proposals are significantly different from those approved during budget adoption, interfund transfers are needed to meet actual program expenditures, and/or other significant changes occur that impact budget projections.

*Legal Reference: (see next page)*

**BUDGET (continued)**

*Legal Reference:*

EDUCATION CODE

1240 Duties of county superintendent of schools  
33127-33131 Standards and criteria for local budgets and expenditures  
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  
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

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>

**BUDGET**

**Budget Advisory Committee**

Membership of the district's budget advisory committee may include representatives of each of the following groups:

1. Board of Trustees, provided that less than a majority of the Board serves on the committee

*(cf. 9140 - Board Representatives)*

2. District and school site administrators
3. Representatives of bargaining units
4. Certificated and/or classified staff
5. Parents/guardians
6. Representatives of the business community and/or other community members
7. Students

*(cf. 1220 - Citizen Advisory Committees)*

*(cf. 2230 - Representative and Deliberative Groups)*

*(cf. 9130 - Board Committees)*

The committee's duties may include, but not necessarily be limited to:

1. Making recommendations regarding budget priorities
2. Recommending cost reduction strategies, such as identifying services that may be reduced, made more efficient, or discontinued
3. Reviewing the clarity and effectiveness of budget documents and communications
4. Presenting progress reports on the committee's work and a final report of recommendations to the Superintendent or designee and to the Board

The specific duties of the committee shall be clearly defined and presented to each member in writing, along with any background information necessary for the successful completion of the committee's charges, the timelines for reporting the committee's progress, and timelines for completion of each task.

*(cf. 3350 - Travel Expenses)*

**BUDGET** (continued)

**Initial Budget Adoption**

On or before July 1 of each year, the Board shall adopt a budget which adheres to the state's standardized account code structure (SACS) as prescribed by the Superintendent of Public Instruction (SPI). (Education Code 42126, 42127)

Before adopting the district budget for the subsequent fiscal year, the Board shall hold a public hearing. The agenda for this hearing shall be posted at least 72 hours before the hearing and shall indicate the location where the budget may be inspected. The proposed budget shall be available for public inspection at least three working days before this hearing. (Education Code 42103, 42127)

*(cf. 9320 - Meetings and Notices)*

*(cf. 9322 - Agenda/Meeting Materials)*

The Superintendent or designee shall notify the County Superintendent of Schools of the location, dates, and times at which the proposed budget may be inspected, as well as the location, date, and time of the public hearing, in sufficient time for the County Superintendent to publish such information in a newspaper of general circulation at least 10 days but not more than 45 days before the hearing.

During the hearing, any district resident may speak to the proposed budget or to any item in the budget. The hearing may conclude when all residents who have requested to be heard have had the opportunity to speak. (Education Code 42103)

*(cf. 9323 - Meeting Conduct)*

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

*(cf. 1340 - Access to District Records)*

**Revised Budget**

No later than 45 days after the Governor signs the annual Budget Act, the Superintendent or designee shall make available for public review any revisions in budgeted revenues and expenditures which are consequently necessary. (Education Code 42127)

If the County Superintendent disapproves the district's budget, the Board shall review and respond to his/her recommendations at a public meeting on or before September 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** (continued)

**Budget Review Committee for Disapproved Budgets**

If the district's revised budget is disapproved by the County Superintendent, the budget shall be reviewed by a budget review committee, unless the Board and County Superintendent agree to waive the requirement and the California Department of Education accepts the waiver. (Education Code 42127)

This committee shall consist of either: (Education Code 42127.1, 42127.2)

1. Three persons selected by the Board from a list of candidates provided by the SPI, who shall be selected within five working days after receiving the list of candidates
2. A regional review committee convened by the County Superintendent with the approval of the Board

If the budget review committee recommends disapproval of the district budget, the Board may submit a response no later than five working days after receipt of the committee's report. The response may include any revisions to the adopted final budget and any other proposed actions to be taken as a result of the committee's recommendations. (Education Code 42127.3)

If the SPI disapproves the district budget after reviewing the committee's report and the district's response, the Board shall consult with the County Superintendent as he/she develops and adopts, by November 30, a fiscal plan and budget that will allow the district to meet its financial obligations. For the current fiscal year, the district shall operate in accordance with the budget adopted by the County Superintendent. (Education Code 42127.3)

Until the district receives approval of its budget, it shall continue to operate either on the basis of the prior year's budget or on the basis of the current year's unapproved budget as adopted and revised by the Board, whichever budget contains a lower total spending authority. (Education Code 42127.4)

**TRANSFER OF FUNDS**

**Cautionary Notice:** As added and amended by SBX3 4 (Ch. 12, Third Extraordinary Session, Statutes of 2009) and ABX4 2 (Ch. 2, Fourth Extraordinary Session, Statutes of 2009), Education Code 42605 grants district flexibility in "Tier 3" categorical programs. The Ravenswood City School District has accepted this flexibility and thus is deemed in compliance with the statutory or regulatory program and funding requirements for these programs for the 2008-2009 through 2012-2013 fiscal years. As a result, the district may temporarily suspend certain provisions of the following policy or regulation that reflect these requirements. For further information, please contact the Superintendent or designee.

The Board of Trustees recognizes its responsibility to monitor the district's fiscal practices to ensure accountability regarding the expenditure of public funds and compliance with legal requirements.

*(cf. 3100 - Budget)*

*(cf. 3400 - Management of District Assets/Accounts)*

The Board may transfer funds during or at the end of the fiscal year in accordance with law as necessary to meet district needs or to permit the payment of district obligations. (Education Code 16095, 17582-17592, 42600-42603, 42605, 42841-42843, 52616.4)

**Tier 3 Categorical Flexibility**

From the 2008-09 through 2012-13 fiscal years, the Board has determined that it is in the best interest of the district to utilize the categorical program flexibility authorized by Education Code 42605. Funds received for programs identified by law as Tier 3 categoricals may be expended for any educational purpose.

The Board shall hold a public hearing to take testimony from the public, discuss, and approve or disapprove the proposed use of the funding, and shall make explicit for each of the categorical budget items the purposes for which the funds will be used. (Education Code 42605)

During the hearing, the Board shall consider the district's goals for student learning and determine funding priorities and program focus. The Board may also discuss statutory constraints, available resources, and whether program modifications might improve educational outcomes.

The Superintendent or designee shall regularly report to the Board regarding how the district is exercising the flexibility and whether the desired results are being achieved. He/she shall also complete any necessary reports required by the California Department of Education.

*(cf. 0420 - School Plans/Site Councils)*

*(cf. 0420.1 - School-Based Program Coordination)*

*(cf. 0440 - District Technology Plan)*

*(cf. 0520.1 - High Priority Schools Grant Program)*

*(cf. 1312.4 - Williams Uniform Complaint Procedures)*

*(cf. 3111 - Deferred Maintenance Funds)*

**TRANSFER OF FUNDS (continued)**

*(cf. 3530 - Risk Management/Insurance)*  
*(cf. 4111 - Recruitment and Selection)*  
*(cf. 4112.2 - Certification)*  
*(cf. 4112.21 - Interns)*  
*(cf. 4113 - Assignment)*  
*(cf. 4131 - Staff Development)*  
*(cf. 4131.1 - Beginning Teacher Support/Induction)*  
*(cf. 4138 - Mentor Teachers)*  
*(cf. 4139 - Peer Assistance and Review)*  
*(cf. 4231 - Staff Development)*  
*(cf. 4331 - Staff Development)*  
*(cf. 5123 - Promotion/Acceleration/Retention)*  
*(cf. 5136 - Gangs)*  
*(cf. 5141.32 - Health Screening for School Entry)*  
*(cf. 5144.1 - Suspension and Expulsion/Due Process)*  
*(cf. 5145.6 - Parental Notifications)*  
*(cf. 5146 - Married/Pregnant/Parenting Students)*  
*(cf. 5147 - Dropout Prevention)*  
*(cf. 5148.1 - Childcare Services for Parenting Students)*  
*(cf. 5149 - At-Risk Students)*  
*(cf. 6111 - School Calendar)*  
*(cf. 6141.5 - Advanced Placement)*  
*(cf. 6142.6 - Visual and Performing Arts Education)*  
*(cf. 6142.91 - Reading/Language Arts Instruction)*  
*(cf. 6146.1 - High School Graduation Requirements)*  
*(cf. 6151 - Class Size)*  
*(cf. 6161.1 - Selection and Evaluation of Instructional Materials)*  
*(cf. 6162.52 - High School Exit Examination)*  
*(cf. 6163.1 - Library Media Centers)*  
*(cf. 6164.2 - Guidance/Counseling Services)*  
*(cf. 6172 - Gifted and Talented Student Program)*  
*(cf. 6176 - Weekend/Saturday Classes)*  
*(cf. 6177 - Summer School)*  
*(cf. 6178 - Career Technical Education)*  
*(cf. 6178.2 - Regional Occupational Center/Program)*  
*(cf. 6179 - Supplemental Instruction)*  
*(cf. 6184 - Continuation Education)*  
*(cf. 6185 - Community Day School)*  
*(cf. 6200 - Adult Education)*  
*(cf. 9323.2 - Actions by the Board)*

*Legal Reference: (see next page)*

**TRANSFER OF FUNDS (continued)**

*Legal Reference:*

EDUCATION CODE

- 78 Definition governing board*
- 5200 Districts governed by boards of education*
- 16095 Transfer of district funds to district state school building fund*
- 17582 Deferred maintenance fund; establishment; purpose*
- 17583 Deferred maintenance fund; transfer*
- 17584 Budgeting certification deferred maintenance fund; apportionment*
- 17585 Applications for deferred maintenance funding*
- 41301 Section A state school fund allocation schedule*
- 42125 Designated and unappropriated fund balances*
- 42600 District budget limitation on expenditure*
- 42601 Transfers between funds to permit payment of obligations at close of year*
- 42603 Transfer of monies held in any fund or account to another fund; repayment*
- 42605 Tier 3 categorical flexibility*
- 42840-42843 Special reserve fund*
- 52616.4 Expenditures from adult education fund*

*Management Resources:*

CSBA PUBLICATIONS

*Flexibility Provisions in the 2008 and 2009 State Budget: Policy Considerations for Governance Teams, Budget Advisory, March 2009*

CALIFORNIA DEPARTMENT OF EDUCATION CORRESPONDENCE

*Fiscal Issues Relating to Budget Reductions and Flexibility Provisions, April 2009*

WEB SITES

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

*California Department of Education: <http://www.cde.ca.gov>*

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

**DEFERRED MAINTENANCE FUNDS**

**Cautionary Notice:** As added and amended by SBX3 4 (Ch. 12, Third Extraordinary Session, Statutes of 2009) and ABX4 2 (Ch. 2, Fourth Extraordinary Session, Statutes of 2009), Education Code 42605 grants district flexibility in "Tier 3" categorical programs. The Ravenswood City School District has accepted this flexibility and thus is deemed in compliance with the statutory or regulatory program and funding requirements for these programs for the 2008-2009 through 2012-2013 fiscal years. As a result, the district may temporarily suspend certain provisions of the following policy or regulation that reflect these requirements. For further information, please contact the Superintendent or designee.

In order to help meet the district's facility maintenance needs, the Board of Trustees shall discuss proposals and plans for expenditures of deferred maintenance facility funds at a regularly scheduled public hearing.

*(cf. 3100 - Budget)*

*(cf. 3110 - Transfer of Funds)*

*(cf. 7000 - Concepts and Roles)*

*(cf. 7210 - Facilities Financing)*

In any year that the district does not set aside one-half of one percent of its current-year revenue limit average daily attendance for deferred maintenance, the Board shall submit a report, by March 1, to the Legislature, with copies to the Superintendent of Public Instruction, the State Board of Education, the Department of Finance, and the State Allocation Board. (Education Code 17584.1)

The report shall include all of the following: (Education Code 17584.1)

1. A schedule of the complete school facilities deferred maintenance needs of the district for the current year, including a schedule of costs per school site and total costs
2. A detailed description of the district's spending priorities for the current year, and an explanation of why those priorities, or any other considerations, have prevented the district from setting aside sufficient local funds so as to permit it to fully fund its deferred maintenance program and, if eligible, to participate in the state deferred maintenance funding program as set forth in Education Code 17584
3. An explanation of how the Board plans to meet its current-year facilities deferred maintenance needs without setting aside the funds set forth in Education Code 17584

Copies of the report shall be made available at each school site and shall be provided to the public upon request. (Education Code 17584.1)

*(cf. 3580 - District Records)*

**DEFERRED MAINTENANCE FUNDS** (continued)

*Legal Reference:*

EDUCATION CODE

*17565-17591 Property maintenance and control, especially:*

*17584 Deferred maintenance*

*17584.1 Deferred maintenance reports*

*Management Resources:*

WEB SITES

*Department of General Services, Office of Public School Construction: <http://www.opsc.dgs.ca.gov>*