

Resolution to Commit Funds

Board Meeting
June 23, 2022
Agenda Item No. 10.1

Acronyms

SCOE Sacramento County Office of Education
EC



Presentation Agenda

- Overview/Background Information
- 2022-23 Proposed Budget Reserves
- Options to Address 10% Cap Limitation
- 2022-23 Proposed Commitments
- Questions
- Approve Resolution



Overview of Public School System Stabilization Account

- PSSSA established in 2014 (“rainy day fund”)
 - Protect school districts by providing stability to the State budget during fiscally challenging periods
 - Imposes a 10% cap on school districts’ combined assigned and unassigned reserves when the PSSSA balance reaches or exceeds 3% of the total Proposition 98 funding
 - 2021-2022 PSSSA balance reached the 3% triggering the 10% cap on school districts for their 2022-2023 budgets



2022-2023 Projected Budget Reserves

- The District's 2022-23 Budget projects an estimated total assigned and unassigned fund balance (reserves) of \$96.7M approximately (after accounting for restricted balances and non-spendable funds)
- The District's 10% reserve cap is calculated at \$64.7M approximately
- Therefore reserves are estimated at \$31.9M above the 10% cap



2022

Three Options to Address 10% Reserve Cap Limitation

Three Options to address reserves above 10% cap:

1. Spend down the excess reserves on ~~one~~ programs supported by a defined plan
2. Seek a temporary waiver from SCOE per EC 42127.01(b) (valid for 2 years only)
 - a) Statement substantiating the need for excess reserves
 - b) Identify extraordinary fiscal circumstance
 - c) Provide evidence of no other fiscal resource to fund the extraordinary fiscal circumstance (can be considered a commitment)
3. Reclassify the excess reserves to the committed or restricted category (recommended)
 - a) Committed amounts constrained to a specific purpose by the Board
 - b) All committed funds shall be approved by a majority of the board () 6.4 vo

Recommended Option to Address 10% Reserve Cap Limitation

- District recommendation option three to address reserves above 10% cap Reclassify the excess reserves to the committed category



2022-2023 Proposed Commitments

Proposed One-Time Commitments:	Estimated Amount
Professional Learning Communities (PLC)	\$3,100,000
History/Social Science and World Language Textbook Adoption	\$13,000,000
Multi-Tiered Systems of Support (MTSS)	\$400,000
EPOCH anti-bias and anti-racist professional learning	\$400,000
Communications	\$60,000
Summer school programs	\$5,000,000
Transitional Kindergarten support	\$48,000
3% Additional Reserve per board policy 3100	\$19,431,681
Total Committed Amount	\$41,439,681



Proposed Commitments & Projected Reserves

Projected Assigned/Unassigned Fund Balance 96,727,518

Proposed Commitments 41,439,681

Estimated Assigned/Unassigned Fund Balance After Commitments \$55,287,837



Summary

Questions



Approve Resolution No. 3279

