## SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 11.2\_

Meeting Date: June 22, 2023

Subject: Approve Resolution No. 3332 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

Recommendation: Rescind Prior Resolution No. 3279 and

**Division**: Business Services

For the 2023-24 Adopted Budget, Resolution No. 3332 will commit funds utilizing portions of its general fund ending balance, as indicated by the committed fund classification in its financial statements, for the following purposes:

Proposed One-Time Commitments	Amount
Unsettled Labor Negotiations Projected Multi-Year Cost	85,832,540.00
Total Committed Amount	85,832,540.00

**Background/Rationale:** In order to comply with California Education Code 42127.01 (a) which imposes a 10% cap on districts' combined assigned and unassigned reserves. The 10% cap is based on the total general fund expenditures, transfers out and other uses.

Failure to comply may result in one of the following consequences:

- 1. Disapproved budget
- 2. Conditionally approved budget and requirement to address the excess fund balance to receive approval
- 3. Approved budget with comment regarding excess fund balance and directive to remedy the condition

<u>Financial Considerations</u>: 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:** 

## **Board of Education Executive Summary** Business Services



#### **II. DRIVING GOVERNANCE:**

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#### III. BUDGET:

2022-23 Commitments

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## **Board of Education Executive Summary** Business Services



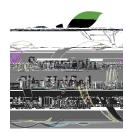
#### 2023-24 Commitments

Proposed One-Time Commitments	Estimated Amount
<b>Total Committed Amount</b>	85,832,540.00

2023-24 Adopted Budget	
Projected Assigned/Unassigned Fund Balance After Commitments	38,385,511

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## **Board of Education Executive Summary** Business Services



IV. GOALS, OBJECTIVES AND MEASURES:	
V. MAJOR INITIATIVES:	
VI. RESULTS:	
VII. LESSONS LEARNED/NEXT STEPS:  •	
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# SACARMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

#### **RESOLUTION NO. 3332**

Resolution No. 3332 Of The Board Of Education Of The Sacramento City Unified School District Designating Certain General Funds As Committed Fund Balance

WHEREAS, the Governmental Standards Accounting Board (GASB) has issued Statement No. 54, establishing a hierarchy clarifying constraints that govern how a government entity can use amounts reported as fund balance; and

WHEREAS, the Sacramento be revised, removed or redirected for other purposes by the Board in the same manner as the Board originally approved the commitment;

and

WHEREAS, on June 23, 2022, the Governing Board of the Sacramento City Unified School District adopted Resolution No. 3279 committing portions of its general fund ending balance, which is hereby rescinded; and

WHEREAS, the Board has determined it has spokopified 4 u9rru3@dsard

**BE IT FURTHER RESOLVED**, that such funds cannot be used for any purposes other than directed above, unless the Board adopts a successor resolution to revise or remove the constraint, or otherwise redirect the funds for other purposes; and

**BE IT FURTHER RESOLVED**, that the district's Superintendent, or their designee, is hereby authorized and directed to finalize the amounts to be committed for the purposes directed above based on the unaudited actual financial report for fiscal year 2023 24 no later than September 15, 2024.

**PASSED AND ADOPTED** by the Board of Education of the Sacramento City Unified School District on the 22<sup>nd</sup> day of June, 2023, by the following vote:

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