

BUDGET ADOPTION AND REVISION

The County Board of Education (CBE) accepts responsibility for adopting a sound budget which includes the Local Control Accountability Plan (LCAP) expenditures for the Santa Cruz County Office of Education (SCCOE) programs.

It is the responsibility of the County Superintendent of Schools or designee to develop a budget to be adopted within the time limits set by law. The budget shall show a complete plan and itemized statement of all proposed revenues and expenditures in each fund of the SCCOE for the current budget year and for the next two fiscal years. In addition, the plan will include the estimated cash balances for the current budget year. The budget shall include a comparison of expenditures and revenues estimated for the budget year with the estimated actual amounts of the expenditures and revenues for the prior fiscal year.

The budget shall be developed in accordance with standards and criteria adopted by the State Board of Education. (Education Code 33127, 33129; 5 CCR 15467-15479)

In reviewing a proposed budget, the CBE may consider past, current and future fiscal obligations of the SCCOE, stability of funding sources, the LCAP, enrollment trends, anticipated increases and/or decreases in the cost of services and supplies, use of one-time resources, and any other factors necessary to ensure that the budget is a realistic plan for SCCOE revenues and expenditures.

The SCCOE budget shall include a general fund reserve for economic uncertainty that meets or exceeds the requirements of 5 CCR 15474.

Adoption of County School Service Fund Budget

The CBE expects the County Superintendent or designee to present the proposed county school service fund budget to the CBE early enough in the fiscal year to allow the CBE sufficient time to meet the requirement to adopt the budget by July 1. The budget shall include the expenditures identified in the LCAP and any updates to the LCAP that will be effective for the budget year. (Education Code 1622)

On or before July 1 of each year, the CBE shall adopt a county school service fund budget for the budget year, and the County Superintendent of Schools shall file the budget with the Superintendent of Public Instruction (SPI), the County Board of Supervisors and the county auditor. The CBE shall not adopt a budget before adopting, approving, or updating the LCAP. (Education Code 1622)

Before adopting the county school service fund budget, the County Board shall hold a public hearing. An 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. During the hearing, any member of the public, including taxpayers directly affected by the budget, may speak to the proposed budget or any item in the budget. (Education Code 1620, 1622)

If the SPI disapproves the county school service fund budget, the CBE and County Superintendent shall review and respond to his/her recommendations at a regularly scheduled CBE meeting on or before October 8. That response shall include the proposed actions to be taken, if any, as a result of those recommendations. (Education Code 1622)

No later than 45 days after the Governor signs the annual Budget Act, it is the responsibility of the County Superintendent to make available for public review any revisions made to the budget to reflect the funding made available by the Budget Act. (Education Code 1622)

Transfer of Funds

The CBE recognizes that the County Superintendent or designee, may spend funds appropriated in the budget within major object budget categories without CBE approval and may make transfers of appropriated funds between major object budget categories to meet necessary expenses. Any transfer of funds between major object budget categories shall be included in timely financial reports to the CBE.

Financial Reports

The CBE shall review interim budget reports presented by the County Superintendent twice annually. The first interim report shall cover the financial and budgetary status of the SCCOE for the period ending October 31 (projected through June 30). The second interim report shall cover the period ending January 31 (projected through June 30). Both reports shall be reviewed by the CBE no later than 45 days after the close of the period being reported. (Education Code 1240)

Budget Revision

As defined in the California School Accounting Manual, a budget revision means a net increase or decrease to the budget. Any revision to the budget in excess of \$25,000, whether a net increase or decrease in the amount of funds appropriated, shall be incorporated into the next interim financial report or other CBE report and presented to the CBE for discussion and approval at a regularly scheduled public meeting of the CBE. (Education Code 1280, 2016 California School Accounting Manual)

Any budget revision \$25,000 or less may be included in timely financial reports to the CBE but shall not be subject to CBE approval.

A consultant's contract for \$25,000 or more may constitute a budget revision requiring CBE approval if the contract causes a net increase to the total budget. (Education Code 1280, 1281)

Increases of Salary or Retirement Benefits to Employees by County Superintendent

The County Superintendent shall bring to the CBE at a regularly scheduled CBE meeting for discussion purposes only any proposed salary increase or bonus for any SCCOE employee that is \$10,000 or more. The County Superintendent shall also bring to the CBE at a regularly scheduled meeting for discussion and approval any proposed increase to the retirement benefits of any SCCOE employee. (Education Code 1302)

Legal Reference:

EDUCATION CODE

1040 Duties of boards
1042 Additional powers
1240 General duties; reports
1280 Revisions to annual budget
1281 Hiring of consultants
1302 Increases of salary or retirement benefits or bonus to employees
1620-1630 County office of education budget approval
33127 Development of standards and criteria for local budgets and expenditures
33128 Standards and criteria
33129 Standards and criteria; use by local agencies
42120 Budget completion

GOVERNMENT CODE

7900-7914 Expenditure limitations

CODE OF REGULATIONS, TITLE 5

15467-15479 Criteria and standards for county office of education budget

Management Resources:

CSBA PUBLICATIONS

Professional Governance Standards for CBEs, October 2014

CCBE PUBLICATIONS

CBE Member Handbook: A Guide to Effective Governance, 2015

CDE PUBLICATIONS

2016 California School Accounting Manual

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>

School Services of California, Inc.: <http://www.sscal.com>

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