



Pacifica School District

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Preparing Students for an Evolving World

www.pacificasd.org

MEMORANDUM

Administrative Services

Meeting of

06/03/15

TO: Wendy S. Tukloff, Ed.D., Superintendent
For Board of Trustees

FROM: Josephine Peterson, Chief Business Official

SUBJECT: Reserves in Excess of the State Minimum Level

Background

Senate Bill 858 and EC Section 42127 (a)(2)(8) take effect starting with the 2015-2016 Adopted Budget. The provisions state that if the combined assigned and unassigned ending fund balance is greater than the State Board of Education (SBE)-designated minimum reserve, school districts shall provide the following at a public hearing separate from the public hearing on the Budget:

- The minimum reserve level required each year
- The amount of assigned and unassigned ending fund balance that exceeds the minimum in each year
- Reasons for the reserve being greater than the minimum

This requirement is in place for the adopted budget and the multiyear projections submitted with it.

The attached statements were made available for public review and discussion at tonight's meeting.

District: Pacifica School District
CDS #: 41-68932

**Adopted Budget
2015-16 Budget Attachment
Balances in Excess of Minimum Reserve Requirements**

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances			
Form	Fund	2015-16 Budget	Objects 9780/9789/9790
01	General Fund/County School Service Fund	\$2,303,533.00	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$723,468.00	Form 17
Total Assigned and Unassigned Ending Fund Balances		\$3,027,001.00	
District Standard Reserve Level		3%	Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties		\$868,176.13	Form 01CS Line 10B-7
Remaining Balance to Substantiate Need		\$2,158,824.87	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	Fund	2015-16 Budget	Description of Need
01	General Fund/County School Service Fund	\$1,200,000.00	NEW-May 19th--One Time Discretionary Funds-PSD will develop spending plan after Final State Budget is adopted. Need to determine amount and timing of payments to school district.
01	General Fund/County School Service Fund	\$235,356.87	Reserved for 16-17 Employee Compensation Multi Year Comp Agreement was signed, funds have been set aside to fund those agreements.
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$723,468.00	Board Designated Reserve- Board Policy 3100 The Board intends to maintain a minimum assigned and unassigned fund balance in an amount the Board deems sufficient to maintain fiscal solvency and stability and to protect the district against unforeseen circumstances.
Total of Substantiated Needs		\$2,158,824.87	

Remaining Unsubstantiated Balance \$0.00 Balance should be Zero

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.

District: Pacifica School District
CDS #: 41-68932

**Adopted Budget
2016-17 Budget Attachment
Balances in Excess of Minimum Reserve Requirements**

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances			
Form	Fund	2016-17	Objects 9780/9789/9790
01	General Fund/County School Service Fund	\$2,147,046.00	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$725,000.00	Form 17
	Total Assigned and Unassigned Ending Fund Balances	\$2,872,046.00	
	District Standard Reserve Level	3%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	\$858,358.20	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	\$2,013,687.80	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	Fund	2016-17 Budget	Description of Need
01	General Fund/County School Service Fund	\$1,200,000.00	NEW-May 19th--One Time Discretionary Funds-PSD will develop spending plan after Final State Budget is adopted. Need to determine amount and timing of payments to school district.
01	General Fund/County School Service Fund	\$88,687.80	Reserved for 17-18 Employee Compensation Multi Year Comp Agreement was signed, funds have been set aside to fund those agreements.
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$725,000.00	Board Designated Reserve- BP3100 The Board intends to maintain a minimum assigned and unassigned fund balance in an amount the Board deems sufficient to maintain fiscal solvency and stability and to protect the district against unforeseen circumstances.
	Insert Lines above as needed		
	Total of Substantiated Needs	\$2,013,687.80	

Remaining Unsubstantiated Balance \$0.00 Balance should be Zero

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.

District: Pacifica School District
CDS #: 41-68932

**Adopted Budget
2017-18 Budget Attachment
Balances in Excess of Minimum Reserve Requirements**

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances			
Form	Fund	2017-18 Budget	Objects 9780/9789/9790
01	General Fund/County School Service Fund	\$2,215,964.81	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$730,000.00	Form 17
Total Assigned and Unassigned Ending Fund Balances		\$2,945,964.81	
District Standard Reserve Level		3%	Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties		\$868,245.84	Form 01CS Line 10B-7
Remaining Balance to Substantiate Need		\$2,077,718.97	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	Fund	2017-18 Budget	Description of Need
01	General Fund/County School Service Fund	\$1,200,000.00	NEW-May 19th--One Time Discretionary Funds-PSD will develop spending plan after Final State Budget is adopted. Need to determine amount and timing of payments to school district.
01	General Fund/County School Service Fund	\$147,718.97	Set Aside: Increase site funding Increase Campus Safety Increase Library Support
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$730,000.00	Board Designated Reserve- BP3100 The Board intends to maintain a minimum assigned and unassigned fund balance in an amount the Board deems sufficient to maintain fiscal solvency and stability and to protect the district against unforeseen circumstances.
Insert Lines above as needed			
Total of Substantiated Needs		\$2,077,718.97	

Remaining Unsubstantiated Balance \$0.00 Balance should be Zero

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.