INFORMATION SHEET 06/20/2024 TRUSTEES' MEETING

ATTACHMENT: 7.6

TO: Jim Bridges, Superintendent

FOR: Board of Trustees

FROM: Celli Coeville, CBO

ISSUE: Resolution 2024-06-02 Committed Fund Balance

In conformance with GASB 54 and Education Code section 33127 the District is able to commit a portion of the fund balance for future needs. This resolution would create a board-committed designation to prevent reduction of educational services resulting from temporary revenue shortfalls or unpredicted expenditures.

The Committed Funds requirement was triggered for the first time in 2022-23 for all school districts unless ADA was under 2,501. This requirement is triggered when the State's rainy day fund exceeds a certain percentage. When triggered, districts can only have a total Assigned/Unassigned fund balance of 10% or less. Jefferson was exempt from this requirement in 2022-23 because our ADA was under 2,501. In 2024-25, our projected ADA currently is 2,985.

The state only requires a three percent reserve which is $1,387,249 at the 2024-2025 budget. As in previous years, the state can defer revenues, but the District is obligated to meet its expenditures. A commitment of unassigned General Fund balance for future technology updates, textbook adoptions, and facilities, in the amount, adjusted as needed, to adhere to requirements in Education Code (EC) section 42127.01.

Recommendation: Approve Resolution 2024-06-02 Committed Fund Balance

Jefferson Elementary School District
Resolution No. 2024-06-02

RESOLUTION OF THE GOVERNING BOARD TO COMMIT FUND BALANCE

WHEREAS, the balance in the State's Public School System Stabilization Account has triggered a statutory limitation on school district reserves for the 2022-23 budget period, pursuant to Education Code (EC) section 42127.01(e); and

WHEREAS, pursuant Education Code (EC) section 42127.01, the District reserve shall not contain a combined assigned and unassigned ending general fund balance of more than 10 percent of those funds; and

WHEREAS, Jefferson Elementary School District is required to comply with Education Code (EC) section 42127; and

WHEREAS, fund balance measures the net financial resources available to finance expenditures in future periods and will be maintained to provide the District with sufficient working capital to address future spending needs; and

WHEREAS, the District is committed to being fiscally prudent and dedicated to preparing for economic uncertainties; and

WHEREAS, the fund balance of the District may be committed for a specific purpose by formal action of the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees hereby makes the following commitment of funds in accordance with Education Code (EC) section 42127.01 for the 2022-23 fiscal year:

A commitment of unassigned General Fund balance for future technology upgrades, textbook adoptions, and facilities, in the amount, adjusted as needed, to adhere to requirement in Education Code (EC) section 42127.01.

AND BE IT FURTHER RESOLVED that committed fund balance may be redirected by the Board of Trustees to other purposes, any amendments or modification to the use of committed funds require approval by formal action of the Board of Trustees.

PASSED AND ADOPTED THIS 20th DAY OF JUNE 2024.

AYES:

NOES:

ABSENT:

ABSTAIN:

James W. Bridges, Superintendent	Pete Carlson, President, Board of Trustees