

Fullerton Joint Union High School District
2015/16 Fiscal Year Budget

Budget Guidelines
(June 9, 2015)

PURPOSE

Budget guidelines provide the overarching set of instructions that District staff members will use in the creation of the fiscal year budget. Guidelines set consistent parameters and goals that drive the formation of the budget.

GENERAL

1. At a minimum, the primary consideration in developing the budget is the provision of an effective and contemporary educational program, which meets District and State standards and regulations at all grade levels.
2. Expenditures for the budget year and subsequent two years, including appropriations for contingencies for the General Fund and each special fund, will not exceed the total revenues plus any carryover from prior years, or beginning balances available for that fund.
3. Budget assumptions shall be developed, reviewed, and updated on an ongoing basis.
4. A budget calendar shall be created and used as a planning guide for budget development.
5. The District Goals, Objectives, and Standards, along with Board established priorities and initiatives will be a driving force in the development of the budget to the extent allowed within the available funding.
6. When the Board authorizes or approves a new goal, project, or program, it shall specify the allocation or reallocation of resources required to appropriately execute the new initiative.
7. When new projects, plans, or programs are presented to the Board for approval, the estimated fiscal impact of the project and available funding sources shall be included.
 - 7.1 Upon approval, the budget shall be adjusted as deemed appropriate based on the availability of funds and the Board's priorities.
8. The budget shall include a General Fund Reserve for economic uncertainty of no less than 3 percent of the total General Fund expenditure codes 1000 through 7000.

9. Staffing shall be maintained so as to appropriately carry out Board Policies, support program offerings, accommodate student enrollment, and honor collective bargaining agreements.
10. The Cafeteria Fund, Child Care Fund, and Associated Student Body funds shall be self-supporting and, where allowable, shall include allocations for direct, indirect, and support costs.
11. The District will utilize a Multiple-Year Projection tool in order to meet the requirements of AB 1200 as well as facilitate the compilation of the current and multi-year budget projections.
12. The budget development process will include user-friendly information that provides revenue and expenditure projections for all 13 District funds.
13. 2014/15 Board Priority B. Eliminate Structural Deficit

Develop and administer District finances and budgets that continue reduction and elimination of the structural deficit ~~by 2015/16~~ in order to assure quality educational programs.

Prepare a Board-approved general five-year financial plan and continue developing and implementing detailed three-year financial budgets and plans consistent with the sustainability objective.

REVENUE

14. General Fund revenues will be budgeted in accordance with State-dictated methodologies.
15. Local Control Funding Formula (LCFF) – The LCFF, implemented in fiscal year 2013/14, made fundamental changes in the way Proposition 98 revenues are allocated to schools. At full implementation in fiscal year 2020/21, the LCFF will fund every student, depending on grade span, at the same base rate. At full implementation in 2020/21, the target State funding for high school students (grades 9-12), is projected to be as follows:

2014/15 Base Grant Entitlement per ADA	\$8,491	
2015/16 COLA (1.02%)	\$ 87	
2015/16 Base Grant per ADA	\$8,578	
CTE Augmentation Grant (2.6%)	\$ 223	
Adjusted Base Grant per ADA	\$8,801	(LCFF Target Funding)

Two factors, known as Supplemental and Concentration Grants, will be applied to the LCFF base grant for eligible students. Supplemental and Concentration Grant increases are calculated based on the unduplicated percentage of total enrollment accounted for by English language learners, free and reduced-price meal (FRPM) program-eligible students, and foster youth.

Supplemental Grant (20%)	\$1,760
Concentration Grant (50%)	\$4,401

Supplemental Grant funding is provided for each qualifying student. Concentration Grant funding is provided for program-eligible students exceeding 55 percent of the District's enrollment. The District does not currently have sufficient eligible students to qualify for Concentration Grant funding.

The 2020/21 LCFF Target receives a Cost of Living Adjustment (COLA) each year. A portion of the shortfall, or gap, between the LCFF Target and the current's year funded base grant will be provided each year from 2013/14 to 2020/21 until the Base Grant Entitlement is reached in 2020/21. The State will provide gap funding based on available revenues.

16. Restricted and categorical fund revenues will be budgeted based on either known or estimated amounts in accordance with the rules applicable to the particular funds.
17. COLA, equalization amounts, and appropriate deficit factor(s) will be based on forecasts contained in the Governor's May Budget Revision and the School Services of California Dartboard for the budget year.
18. One-time sources of funding shall not be used to facilitate ongoing expenditures. However, the current fiscal crisis necessitates the District use reserves in order to close the budget gap between revenues and expenditures.

EXPENDITURES

19. Funds shall be made available in the budget to support current and anticipated collective bargaining commitments.
20. Within the context of negotiations and available resources, the District will endeavor to provide employees with competitive salary and benefits packages that reflect a level sufficient to continue to attract and retain qualified people. Salaries, benefits, and related costs will be charged to the appropriate fund and budgeted in accordance with collective bargaining agreements, Board Policy, and previous Board actions.
21. Any/all debt service or leasing obligations shall be included in the budget.
22. All categorical programs shall be self-supporting and, where allowable, include allocations for indirect and support costs. Special education, transportation, and JROTC are not recognized as self-supporting at this time; however, a goal of self-support shall be maintained. Each of these programs shall be monitored to ensure minimal impact to the General Fund. General Fund unrestricted monies will not be used to support restricted categorical programs except as noted above.

23. Categorically-funded programs will absorb increased costs including, but not limited to, salaries and benefits to the extent possible given reductions in State funding. Authorized indirect cost rates will be charged to the appropriate categorically-funded program as authorized by the State and Federal governments.
24. Revenue and expenditures in the General Fund for Regional Occupational Program/Center (ROP/C) operation will be budgeted in accordance with the provisions of agreements and contracts between ROP/C and the District.
25. Allowance shall be made for increases and/or decreases in the cost of services and supplies; e.g., gasoline, natural gas, electricity, insurance, water, postage, trash collection, telephone services, lease agreements, debt repayment, employee retirement contributions, or benefits mandated by law.
26. Furniture and equipment, vehicles, and large asset replacement will be funded to the extent that can be justified in relationship to available resources.

OTHER

27. Restoration of Funding for Deferred Maintenance

Deferred Maintenance Fund – The annual Deferred Maintenance transfer from the General Fund, which in years prior to 2009/10, was one-half of one percent (0.5 percent) of General Fund expenditures, excluding capital outlay and other outgoings, was flexed as part of the multi-year Tier III provisions of SBX3-4 from 2009/10 through 2012/13 and is now part of the LCFE Base Grant Entitlement. The transfer requirement no longer exists; however, districts are still responsible for ensuring that facilities are kept in good order and that necessary deferred maintenance repairs are carried out using base grant funds. The District made no transfers to the Deferred Maintenance Fund from 2009/10 through 2013/14.

It is the intent of the District to rebuild the Deferred Maintenance Fund by restoring the District's portion of the annual transfer up to the full one-half of one percent (0.5 percent) of General Fund Expenditures beginning with the 2015/16 fiscal year.

28. Restoration of Funding for Routine Restricted Maintenance

The annual Routine Restricted Maintenance Account (RRMA) transfer from the General Fund, which in years prior to 2008/09, was an amount equal to three percent (3.0 percent) of General Fund expenditures, excluding capital outlay and other outgoings, was reduced as part of the multi-year Tier III flexibility provisions through 2014/15. Beginning with fiscal year 2015/16, an amount equal to three percent of General Fund expenditures, excluding capital outlay and other outgoings, will be placed in an account (the RRMA) for the purpose of providing routine repairs and maintenance of District facilities.

29. All carryover funds in Federal categorical programs are considered restricted balances and will be continued as deferred income.

30. As part of the adoption and review of the District’s fiscal year budget and related financial activities, the District is required to prepare specific reporting documents. These documents, and their associated filing deadlines, are indicated below:

Adopted Budget	Prior to June 30
Revised Budget ¹	Within 45 days of the Governor signing the State Budget
First Interim Report	Within 45 days of October 31, or by December 15
Second Interim Report	Within 45 days of January 31, or by March 17
Third Interim Report ²	Within 31 days of April 30, or by June 1
Independent Audit Report	Prior to December 15, after the close of the fiscal year

End of Guidelines

¹ Each district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by the Budget Act (E.C. 42127[i][4]).

² A third interim report becomes necessary with the filing of a qualified first or second interim report.