

**BUDGET DEVELOPMENT, ADOPTION AND REVISIONS**

The Monterey County Board of Education (County Board), as a county agency, fiscally and managerially independent of the County Board of Supervisors, recognizes its critical responsibility for adopting a sound budget for each fiscal year, which is aligned with the Monterey County Office of Education's (MCOE) vision, goals, and priorities. MCOE's budget shall guide administrative decisions and actions throughout the year and shall serve as a tool for monitoring MCOE's fiscal health.

The Monterey County Superintendent of Schools (County Superintendent) or designee shall establish an annual budget development process and calendar in accordance with the single budget adoption process described in Education Code 1622.

The County Board, County Superintendent and staff may establish other budget assumptions or parameters which may take into consideration the stability of funding sources, legal requirements and constraints on the use of funds, anticipated increases and/or decreases in the cost of services and supplies, categorical program requirements and flexibility, if any, as well as other factors necessary to ensure that the budget is a realistic plan for MCOE revenues and expenditures.

The County Superintendent is expected to include a staff organization plan as an integral part of the final MCOE budget. The plan shall include certificated and classified positions, but exclude positions for those persons serving as consultants, summer school employees, or short term employees.

The staff organization plan shall be an integral part of and be presented with the final budget of the Office of the Monterey County Superintendent of Schools to the County Board for review.

The County Board encourages public input in the budget development process and shall hold public hearing(s) and meeting(s) in accordance with Education Code 1620.

The budget that is formally adopted by the County Board shall be in the format prescribed by the Superintendent of Public Instruction. The County Superintendent or designee may supplement this format with additional information as necessary to effectively communicate the budget to the County Board, staff, and public.

In developing the MCOE budget, the County Superintendent or designee shall analyze criteria and standards adopted by the State Board of Education which address estimation of funded average daily attendance (ADA), projected enrollment, ratio of ADA to enrollment, projected revenue limit, salaries and benefits, other revenues and expenditures, facilities maintenance, deficit spending, fund balance, and reserves. The

budget review, by the County Superintendent or designee, shall also identify supplemental information regarding contingent liabilities, use of one-time revenues for ongoing expenditures, contingent revenues, contributions, long term commitments, unfunded liabilities,, and the status of labor agreements.

The County Board shall establish and maintain a county school service fund reserve for economic uncertainty of at least three percent (3%).

The County Board shall approve a plan for meeting the MCOE'S long-term obligations to fund non-pension, other post-employment benefits (OPEBs). This plan shall include a specific funding strategy and the method that will be used to finance the MCOE annual fiscal obligations for such benefits in a manner that continually reduces the deficit to the MCOE to the extent possible.

The County Board reserves the authority to review and amend the funding strategy as necessary to ensure that it continues to serve the best interests of the MCOE and maintains flexibility to adjust for changing budgetary considerations.

When the County Superintendent or designee presents a report to the County Board on the estimated accrued but unfunded cost of OPEBs, the County Board shall disclose, as a separate agenda item at the same meeting, whether or not it will reserve a sufficient amount of money in its budget to fund the present value of the benefits of existing retirees and/or the future cost of employees who are eligible for benefits in the current fiscal year.

The County Board annually shall certify to the Superintendent of Public Instruction (SPI) the amount of money, if any, that has been reserved in the budget of the for the cost of those benefits.

When the County Superintendent or designee presents a report to the County Board on the estimated accrued but unfunded cost of workers' compensation claims, the County Board shall disclose, as a separate agenda item at the same meeting, whether or not it will reserve in the budget sufficient amounts to fund the present value of accrued but unfunded workers' compensation claims or if it is otherwise decreasing the amount in its workers' compensation reserve fund.

The County Board annually shall certify to the SPI the amount of money, if any, that has been reserved in the budget of the MCOE for the cost of those claims.

Whenever revenues and expenditures change significantly throughout the year, the County Superintendent or designee shall recommend budget amendments to ensure accurate projections of the MCOE's net ending balance. When final figures for the prior-year budget are available, this information shall be used as soon as possible to update the current-year budget's beginning balance and projected revenues and expenditures.

Budget amendments shall be submitted for County Board approval within 45 days after the state budget is adopted. In addition, budget amendments shall be submitted, if necessary, for County Board approval when collective bargaining agreements are accepted, income declines, increased revenues or unanticipated savings are made available, program proposals are significantly different from those approved during budget adoption, and/or other significant changes occur that impact budget projections can be accomplished during the submission of the interim reports to the County Board.

*Legal Reference:*

EDUCATION CODE

1040	<i>Authority of county board to approve annual budget 1040 (d)</i>
1080	<i>Duties that may be transferred to county board of education</i>
1240	<i>Duties of county superintendent of schools</i>
1280	<i>Revisions to annual budget</i>
1620-1630	<i>County office of education budget approval</i>
33127-33131	<i>Standards and criteria for local budgets and expenditures</i>
35161	<i>Powers and duties, generally, of governing boards (ref. E.C. 35160.2)</i>
42605	<i>Tier 3 categorical flexibility</i>

GOVERNMENT CODE

7900-7914	<i>Appropriations limit</i>
29040	<i>Submission of anticipated revenue and expenditures</i>

CODE OF REGULATIONS, TITLE 5

17340-17343	<i>County School Services Fund budget procedures</i>
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Approved: 4/17/85

Revised: 4/02/97; 3/01/00; 3/3/10; 05/15/13