

ANNUAL OPERATING BUDGET

CE
(LOCAL)

Fiscal Year	The District shall operate on a fiscal year beginning July 1 and ending June 30.
Budget Planning	<p>Budget planning shall be an integral part of overall program planning so that the budget effectively reflects the Board's goals and the District's programs and activities and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered, as well as input from the District- and campus-level planning and decision-making committees, and other advisory committees as determined necessary by the Board. Budget planning and evaluation are continuous processes and shall be a part of each month's activities.</p> <p>To aid in budget planning, the administration shall annually present to the Board a general fund budget forecast for the three upcoming years to account for future implications of budget proposals and revenue estimates.</p>
Budget Meeting	<p>The annual public meeting to discuss the proposed budget and tax rate shall be conducted as follows:</p> <ol style="list-style-type: none">1. The Board President shall request at the beginning of the meeting that all persons who desire to speak on the proposed budget and/or tax rate sign up on the sheet provided.2. Prior to the beginning of the meeting, the Board may establish time limits for speakers.3. Speakers shall confine their remarks to the appropriation of funds as contained in the proposed budget and/or the tax rate.4. No officer or employee of the District shall be required to respond to questions from speakers at the meeting.
Authorized Expenditures	The adopted budget provides authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the District's approved purchasing procedures. The expenditure of funds shall be under the direction of the Superintendent or designee who shall ensure that funds are expended in accordance with the adopted budget.
Budget Amendments	The budget shall be amended by the Board when a change is made increasing any one of the functional spending categories or increasing revenue object accounts and other resources.
Budget Parameters	The following budget parameters shall be considered when developing and adopting the budget:

- The Board recognizes the need to target resources into programming that supports achievement growth for all schools, including supplemental resources for schools facing specific additional instructional needs.
- The Board seeks to maintain competitive compensation levels in an effort to recruit and retain a highly qualified workforce and shall consider adjustments necessary for the District to be competitive in this area.
- Staffing ratios shall meet or exceed state standards and shall be approved by the Board before the staffing process begins.
- The Board recognizes its fiduciary responsibility to adopt a balanced budget, but recognizes that some limited use of fund balance may be appropriate for non-recurring expenditures or to sustain services.
- If projected expenditures exceed projected revenue and budget reductions become necessary, the District will first seek budget reductions with the least impact on classrooms.

Fund Balance	Fund balance classification shall be recorded in accordance with governmental accounting standards as promulgated by the Governmental Accounting Standards Board.
<i>Order of Expenditure</i>	The order of spending and availability of the fund balance shall be to reduce funds from the listed areas in the following order: restricted, committed, assigned, and unassigned. Negative amounts shall not be reported for restricted, committed, or assigned funds.
<i>Fund Balance Target</i>	<p>The District shall strive to maintain an unassigned fund balance in the general fund equal to a minimum of 16.67 percent of the District's general fund operating expenditures in an effort to ensure a sufficient operating reserve to support operating costs for at least two months, maintain a bond rating of Aa1 or higher, and maintain a School's FIRST rating of "Superior Achievement."</p> <p>In the event the unassigned fund balance amount falls below the 16.67 percent targeted level, the Board shall, within 24 months, adopt a plan to restore this balance to the target level.</p>
Fund Balance Classifications	<p>Fund balance shall mean the difference between governmental fund assets and liabilities reflected on the balance sheet. Governmental fund assets are those of the general fund, special revenue funds, debt service funds, and capital project funds.</p> <p>The five classifications of fund balance of the governmental types are as follows:</p>

ANNUAL OPERATING BUDGET

CE
(LOCAL)

- Nonspendable Fund Balance* 1. Nonspendable fund balance shall mean the portion of the gross fund balance that is not expendable.
- Examples of nonspendable fund balance for which fund balance shall not be available for financing general operating expenditures include:
- Inventories; and
 - Deferred expenditures.
- Restricted Fund Balance* 2. Restricted fund balance shall include amounts constrained to a specific purpose by the provider, such as a creditor, grantor, contributor, or law or regulation of other governments.
- Examples of restricted fund balances include:
- Debt service fund balance;
 - State high school allotment;
 - Construction programs; and
 - Resources from other granting agencies.
- Committed Fund Balance* 3. Committed fund balance shall mean the portion of the fund balance that is constrained to a specific purpose by the Board.
- The Board may commit fund balances by a majority vote in a scheduled meeting. The Board's commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of nonspendable and restricted fund balances since that practice would commit funds that the District does not have.
- Examples include:
- Potential litigation, claims, and judgments;
 - Natural gas fund balance;
 - Local construction fund revenues and other resources generated through transactions other than bond issues; and
 - Grand Prairie TIF #2 rebates.
- Assigned Fund Balance* 4. Assigned fund balance shall mean the portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose.

The Board delegates to the Superintendent or other person designated by Board action the authority to assign fund balance.

In current practice, such plans or intent may change and may never be budgeted or may result in expenditures in future periods of time.

Assignments are limited to:

- General fund encumbrances; and
- General fund budget deficits.

Unassigned Fund Balance 5.

Unassigned fund balance shall include amounts available for any legal purpose. This portion of the total fund balance in the general fund is available to finance operating expenditures.

The unassigned fund balance shall be the difference between the total fund balance and the total of the nonspendable fund balance, restricted fund balance, committed fund balance, and assigned fund balance.