

BOARD AGENDA ITEM

January 23, 2024

SUBJECT:

Proposed One-Time Use of Fund Balance

BACKGROUND:

Board policy DA describes the District's fund balance thresholds. Board policy establishes a minimum of two months' reserves with a desire to have at least three months. At the conclusion of the June 30, 2023, audit, the District had approximately 3.37 months' unassigned reserves. Fund balance has been utilized periodically to address one-time (non-recurring) needs while continuing to maintain fund balance at sufficient levels.

ADMINISTRATIVE CONSIDERATION:

The Administration requests consideration to using a portion of fund balance for the following one-time items:

1. \$250,000 for District-wide pressure washing at ACPSD facilities to improve appearance, curb appeal, and perception. The District's maintenance budget is historically exhausted through normal operations and uses, and the District's 8% funds are not an appropriate funding source for pressure washing services.
2. \$331,018 to write-off student meal balances. Of this balance, approximately \$80,000 relates to students who are no longer actively rostered with ACPSD. The District's transition to universal CEP, which provides free reimbursable breakfast and lunch meals, did not relieve unpaid meal balances that carried forward from prior years. The District has little recourse to collect funds (meals, activities, report cards or diplomas cannot be withheld for failure to pay) other than persistence with periodic unpaid balance reminders. The District has made very little progress on collections since the beginning of the year and, in all likelihood, will continue to carry these balances for years to come. Guidelines prohibit School Food Service from absorbing any write offs.
3. \$125,000 to replace the District's current time clock system used to track hourly employees. The current system has been in place for 7+ years. Its inefficiency and periodic unreliability hinders payroll processes. These one-time funds would be used for the initial purchase and implementation of a new system. [Note: Recurring annual costs under the new system would be comparable to annual costs associated with the current timeclock system.]

If approved, the fund balance will still remain at three-plus months' reserves.

RECOMMENDATION:

Approve utilization of approximately \$706,000 from fund balance to cover District-wide pressure washing services, the write-off of student meal balances, and for the purchase of a new timeclock system.

PREPARED BY:

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