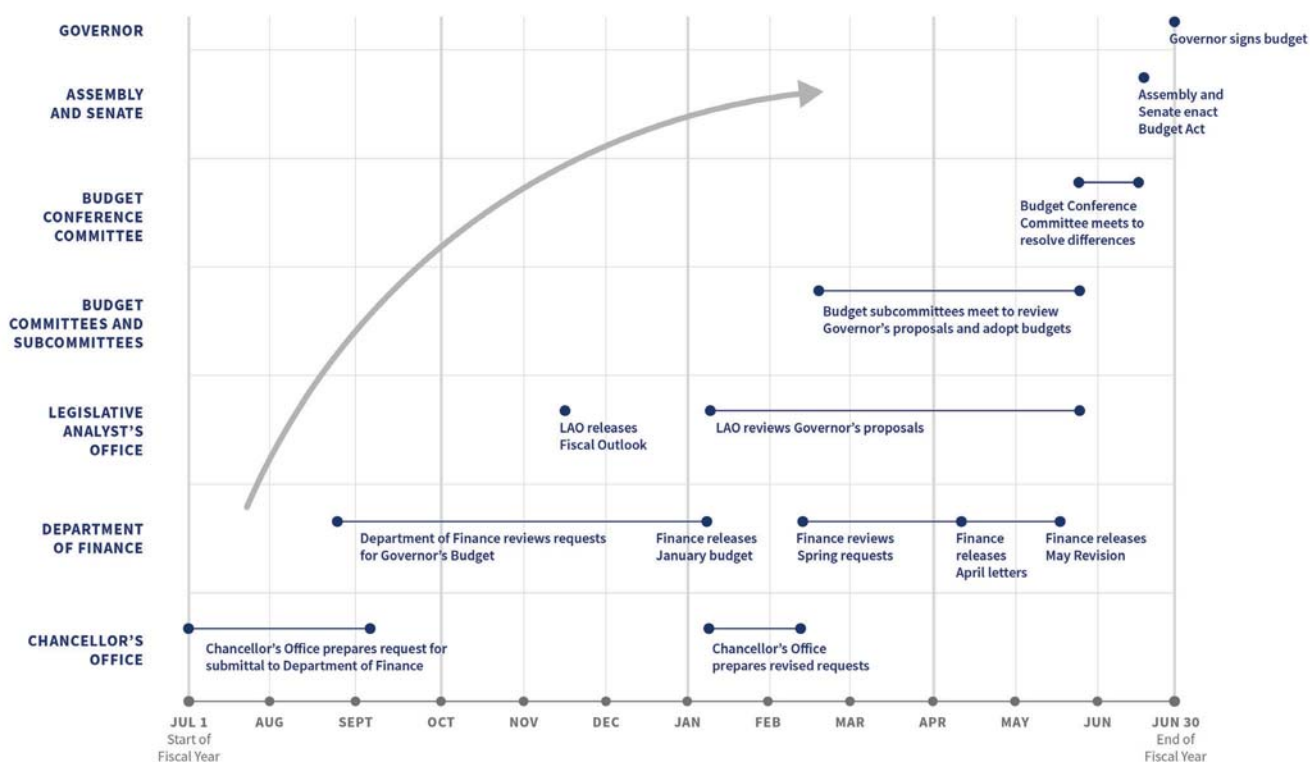




## Sequence of the Annual State Budget Process



## STATE REQUIREMENTS FOR APPROVAL OF LOCAL BUDGETS

Existing law requires the governing board of each district to adopt an annual budget and financial report that shows proposed expenditures and estimated revenues. Specifically:

- By July 1, each district is required to adopt a tentative budget.
- By September 15, each district is required to hold a public hearing and adopt a final budget.
- By September 30, each district is required to complete its adopted annual budget and financial report.
- By October 10, each district is required to submit its adopted annual budget and financial report to the Chancellor.

If the governing board of any district fails to develop a budget as described, the Chancellor may withhold any apportionment of state or local money to the district for the current fiscal year until the district makes a proper budget. These penalties are not imposed on a district if the Chancellor determines that unique circumstances make it impossible for the district to comply with the provisions or if there are delays in the adoption of the annual state budget.

The total amount proposed for expenditure for each major classification of expenditures is the maximum amount that may be expended for that classification for the fiscal year. Through a resolution, the governing board may make budget adjustments or authorize transfers from the reserve for contingencies to any classification (with a two-thirds vote) or between classifications (with a majority vote).