

Financial literacy helps classified leaders connect daily decisions to allowable use, long-term sustainability, and public trust.

FUNDING Where does the money come from?		ALLOWABILITY What may it pay for?		SUSTAINABILITY Can we sustain the full cost?
Pattern to Notice	What It Looks Like	Cognitive Risk	Shift in Thinking	Leader Move / Mediative Question
Funding headlines	“The state added money. Why is our request still on hold?”	Treating a statewide announcement as a local spending allocation.	Prop 13 limits property taxes. Prop 98 sets minimum statewide K-14 funding. Local allocations, restrictions, timing, and existing commitments still matter.	Verify the local allocation before promising services. “What actually changed for our department, and what conditions came with it?”
Enrollment and student need	Enrollment looks stable, but attendance or service use declines.	Assuming enrollment, attendance, and revenue move together.	LCFF links funded average daily attendance (ADA) and student need to base, supplemental, and concentration grants. Basic Aid districts retain local property taxes above their LCFF entitlement.	Review attendance and service trends with Finance. “Which revenue assumptions apply here, and which costs remain when participation changes?”
Available and allowable	“There is money in that account. Let’s use it.”	Confusing a positive balance with permission to spend.	State, federal, and local identify origin. Restricted and unrestricted describe use. Unrestricted LCFF still carries LCAP and service obligations.	Check purpose, eligible costs, award period, and approvals. “What evidence shows this expenditure is allowable and serves the intended students?”
Temporary funds and lasting costs	A one-time grant supports a permanent position or ongoing service.	Letting today’s relief hide tomorrow’s commitment.	Compare ongoing revenue with full recurring cost. Include benefits, future increases, and a continuation or exit plan when temporary funding ends.	Review current-year and next-two-year projections. “What pays for this after the grant ends, and what changes if revenue or costs differ?”
Budget, balance, and cash	The budget shows a balance, yet spending or payment timing is constrained.	Reading budget authority, fund balance, and cash as the same thing.	Budget authorizes the plan. Encumbrances record commitments. Cash pays bills. A positive fund balance can coexist with an annual deficit.	Read the forecast and cash schedule. “What is already committed, how much is restricted, and when must payments occur?”
The account string	A familiar code is copied without checking the actual work or funding.	Assuming a valid code makes a purchase allowable or accurately described.	SACS connects funding, program, activity, and transaction type to reports. Resource identifies the funding stream; object identifies the cost type.	Decode the string with Business Services. “Does each segment match this work, and which report will show its effect?”
Costs that accumulate	Overtime, renewals, deferred maintenance, and rework become routine.	Judging each small expense alone and missing the pattern.	Daily operating choices create future obligations. Compare total cost, service benefit, and risk across staffing, contracts, and equipment life cycles.	Track one recurring cost driver and test a redesign. “What is this pattern costing us, and what process change could reduce the pressure?”
A difficult financial decision	“Budget issues” becomes the explanation for a denied or delayed request.	Leaving an information gap that people fill with blame or unfairness.	Explain the specific constraint, decision criteria, and alternatives. Acknowledge the impact while keeping expectations accurate and consistent.	Name what is possible and the next review point. “How might we explain the tradeoff clearly and preserve dignity and trust?”

SACS QUICK REFERENCE

Fund	Resource	Project year	Goal	Function	Object
01 General Fund	0000 Unrestricted	0 No separate project year	0000 Undistributed	2700 School Administration	2400 Clerical / office salaries

Illustrative school-office salary string. Benefits use separate objects. Local systems may add fields. SACS = Standardized Account Code Structure. LCFF = Local Control Funding Formula.

REPORTS TO ASK FOR 01 / 01: General Fund • MYP / MYPI: current + next two years • CASH: payment timing • A / AI: attendance assumptions

30-DAY MICROGOAL Decode one department account string, track one recurring cost, and explain one financial decision using its specific constraint.

Sources: Gleason, R. (2026). Building Classified Capacity: Operations Leadership in California Schools, ch. 9, pp. 86–101. Center for Educational Excellence, LVUSD.
Companion: CELP School Finance Overview, slides 2–34. Technical definitions: CDE, California School Accounting Manual (2024), procedures 301–330; LCFF FAQ; SACS Web forms guide.