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File ID Number	19-2080
Introduction Date	10/23/19
Enactment Number	19-1615
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Memo

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Luz Cazares, Interim CFO (Consultant)

Board Meeting Date October 23, 2019

Subject Confirmation of Commitment To Fiscal Solvency - Fiscal Years 2020-2021 and 2021-2022: Change of Date for Recalibration of Expenditure Reduction Targets and/or Revenue Enhancement Targets

Action Adoption by the Board of Education of Resolution No. 1920-0171 - Confirmation of Commitment To Fiscal Solvency - Fiscal Years 2020-2021 and 2021-2022: Change of Date for Recalibration of Expenditure Reduction Targets and/or Revenue Enhancement Targets.

Background On June 26, 2019, the Governing Board (Board) approved Resolution 1819-0219 – Confirming Oakland Unified School District’s Commitment to Fiscal Solvency – Fiscal Years 2020-2021 and 2021-22. The resolution affirmed that the Board’s commitment to expenditure reductions and/or revenue enhancements of an ongoing \$10 million in 2020-21 and \$10.5 million in 2021-22 in order to maintain a 3% reserve for economic uncertainties pursuant to Board Policy 3100.1.

Further, the Resolution stated that these numbers may be recalibrated based on the outcome of the 2018-2019 Unaudited Actuals (Closing the Books); the final State and Federal revenue; and/or any other changes to the multi-year assumptions and will be updated and presented to the Board no later than October 15, 2019.

Discussion/Fiscal Impact The Resolution changes the date to recalibrate the expenditure reduction and/or revenue enhancement targets to be on or before December 31, 2019 instead of October 15, 2019 as listed in Resolution 1819-0219.

Fiscal Impact N/A

Attachment

Resolution No. 1920-0171 - Confirmation of Commitment To Fiscal Solvency - Fiscal Years 2020-2021 and 2021-2022: Change of Date for Recalibration of Expenditure Reduction Targets and/or Revenue Enhancement Targets

**RESOLUTION OF THE BOARD OF EDUCATION
OF THE OAKLAND UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 1920-0171**

**Confirmation of Commitment To Fiscal Solvency - Fiscal Years 2020-2021 and 2021-2022:
Change of Date for Recalibration of Expenditure Reduction Targets and/or Revenue
Enhancement Targets**

WHEREAS, the Governing Board adopted Resolution 1819-0219 on June 26, 2019, which, among other things, expressed the Governing Board’s commitment “to expenditure reductions and/or revenue enhancements of an ongoing \$10,000,000 in 2020-2021 and \$10,500,000 in 2021-2022”; and

WHEREAS, Resolution 1819-0219 called for the District to recalibrate these expenditure reduction and/or revenue enhancement targets “based on the outcome of the 2018-2019 Unaudited Actuals (Closing the Books); the final State and Federal revenue; and/or any other changes to the multi-year assumptions . . . be updated and presented to the Board no later than October 15, 2019.”

NOW, THEREFORE, BE IT RESOLVED, that any recalibration of these expenditure reduction and/or revenue enhancement targets “based on the outcome of the 2018-2019 Unaudited Actuals (Closing the Books); the final State and Federal revenue; and/or any other changes to the multi-year assumptions” be presented to the Board on or before December 31, 2019 instead of October 15, 2019 as listed in Resolution 1819-0219.

PASSED AND ADOPTED by the Governing Board of the Oakland Unified School District, Alameda County, State of California, on October 23, 2019, by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NOE: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE: None

AYES: Jumoke Hinton Hodge, Gary Yee, Roseann Torres, James Harris, Vice
President Jody London, President Aimee Eng

NOES: None

ABSTAINED: Shanthi Gonzales

RECUSE: None

ABSENT: Student Director Garibo, Student Director Smith-Dahl

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District, held on October 23, 2019.

Legislative File Info.	
File ID Number:	19-2045
Introduction Date:	10/23/19
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Enactment Date:	10/23/19

OAKLAND UNIFIED SCHOOL DISTRICT

Aimee Eng

Aimee Eng
President, Board of Education

Kyla Johnson-Trammell

Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

Board Office Use: Legislative File Info.	
File ID Number	19-1499
Introduction Date	6/26/19
Enactment Number	19-1245
Enactment Date	6/26/19 er



Memo

To Board of Education

From Kyla Johnson-Trammell, Superintendent

Board Meeting Date June 26, 2019

Subject Resolution Regarding Commitment to Fiscal Solvency

Action Adoption by the Board of Education of Resolution No. 1819-0219 - **Confirming Oakland Unified School District’s Commitment To Fiscal Solvency – Fiscal Years 2020-2021 and 2021-2022.**

Background In response to questions raised by the Board at the June 19, 2019 first reading of the 2019-20 Budget and in further consultation with the Alameda County Office of Education (“ACOE”), staff recommends the Board adopt a resolution prior to final 2019-2020 Budget demonstrating the District’s commitment to fiscal solvency.

Discussion/Fiscal Impact The resolution recommends the District, beginning in October 2019, identify a plan for reductions or revenue enhancement of \$10,000,000 for the 2020-21 school year, with finalization no later than March 2020 and the identification of \$10,500,000 in reductions and/or revenue enhancements for 2021-22 to be finalized no later than March 2021.

Attachment Resolution No. 1819-0219 Commitment to Fiscal Solvency Resolution

**RESOLUTION OF THE BOARD OF EDUCATION
OF THE OAKLAND UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 1819-0219**

Confirming Oakland Unified School District’s Commitment To Fiscal Solvency – Fiscal Years 2020-2021 and 2021-2022

WHEREAS, the Governing Board recognizes that the Oakland Unified School District (“District”) is committed to ensure that the District remains fiscally solvent to best serve the students in Oakland in the next three (3) school years, as well as years to come; and

WHEREAS, The Education Code specifies that on or before July 1 of each year, each school district shall adopt a budget; and

WHEREAS, Education Code section 42127(c) provides, in relevant part, that the County Superintendent of Schools shall: “Determine whether the adopted budget will allow the school district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the school district to satisfy its multi-year financial commitments . . . [and] shall either conditionally approve or disapprove a budget that does not provide adequate assurance that the school district will meet its current and future obligations and resolve any problems identified in studies, reports, evaluations, or audits described in this paragraph. ”; and

WHEREAS, based on the District’s multi-year projections of revenue and expenditures in the 2019-20 Adopted Budget, it is projected that the District will not meet its required minimum state required reserves of 2% in the 2021-2022 fiscal year; and

WHEREAS, Board Policy 3100.1 (Financial Reserves) adopted by the Board in August 2017 states that “The Board views the 2% as a floor for the desired level of reserves, and, based on best practices, the District strives to budget and maintain a minimum level of Unassigned Fund Balance in the General Fund equivalent to three months of regular, on-going operating expenditures (including transfers out)”; and

WHEREAS, understanding that Board Policy 3100.1 is a long-term, aspirational goal to be achieved over time, the immediate goal outlined in Resolution 1819-0144 passed in March 2019 requires the Superintendent develop a conservative budget that achieves at minimum a 3% reserve for economic uncertainty beginning in FY 2019-20 in order to address unforeseen budgetary increases in future years; and

WHEREAS, the projected multi-year assumptions included in the 2019-20 Adopted Budget presentation to the Board on June 19 and 24, 2019 shows that beginning in the 2021-2022 fiscal year, the District will no longer meet a 3% minimum; and

WHEREAS, these numbers may be recalibrated based on the outcome of the 2018-2019 Unaudited Actuals (Closing the Books); the final State and Federal revenue; and/or any other changes – whether positive or negative – to the multi-year assumptions (including, for example incorporating Measure G1 Parcel tax dollars into the multi-year revenue assumptions or additional investments needed with respect to personnel); and

WHEREAS, the Governing Board further recognizes the impact of investments to employee compensation negotiated in the contract with Oakland Education Association (“OEA”) and a proposed tentative agreement with Service Employee International Union 1021 (“SEIU”) and have included these in the multi-year assumptions; and

WHEREAS, the Governing Board desires to minimize the impact on the level of service and quality of staff and education programs for District students by identifying and planning for budget reductions with advance notice;

NOW, THEREFORE, BE IT RESOLVED, based on the above recitals to meet its obligations and in order to ensure that the District remains fiscally solvent, the Governing Board is committed to expenditure reductions and/or revenue enhancements of an ongoing \$10,000,000 in 2020-2021 and \$10,500,000 in 2021-2022; and

BE IT FURTHER RESOLVED, that the District’s target numbers may be recalibrated based on the outcome of the 2018-2019 Unaudited Actuals (Closing the Books); the final State and Federal revenue; and/or any other changes to the multi-year assumptions and will be updated and presented to the Board no later than October 15, 2019; and

BE IT FURTHER RESOLVED, the District is committed to identify and provide further clarity and information beginning in October 2019 on how it plans to meet the necessary expenditure reductions and/or revenue enhancements for the 2020-21 school year, and will finalize these plans no later than March 2020; and

BE IT FURTHER RESOLVED, the District is also committed to finalize no later than March 2021 how it plans to meet the necessary expenditure reductions and/or revenue enhancements for the 2021-22 fiscal year; and

BE IT FURTHER RESOLVED that, given the District’s history of budget and fiscal miscalculations, the Board will continue to require the District to establish a more conservative target for reductions to achieve a minimum of a 3% reserve in FY 2019-20, 2020-21, and 2021-22 in order to address unforeseen budgetary adjustments, recognizing that Board Policy 3100.1 sets a higher target reserve the Board aspires to work towards; and

BE IT FURTHER RESOLVED that the Governing Board is committed to work together with various partners and stakeholders to explore and pursue any and all options to increase revenue including local, state, federal grants, facilities leases and additional remedies as provided by the State; and

BE IT FURTHER RESOLVED that the Governing Board directs the Superintendent at the first Regular Meeting in August to reconcile budget revenue and expenditures based on the adopted, signed State budget, and including but not limited to deferred maintenance, position control analyst, and staff to support the Escape financial management system.

PASSED AND ADOPTED by the Governing Board of the Oakland Unified School District, Alameda County, State of California, at a Special Meeting on June 26, 2019, by the following vote:

Passed by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NOE: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE: None

AYES: Jumoke Hinton Hodge, Gary Yee, Shanthi Gonzales, Roseann Torres, Vice President Jody London, President Aimee Eng

NAYS: James Harris

ABSTAINED: None

RECUSE: None

ABSENT:

Student Directors Yota Omosowho and Josue Chavez

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Special Meeting of the Board of Education of the Oakland Unified School District, held on June 26, 2019.

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OAKLAND UNIFIED SCHOOL DISTRICT



Aimee Eng
President, Board of Education



Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

NOES:

ABSTAINED:

RECUSE:

ABSENT:

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District, held on October 23, 2019.

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OAKLAND UNIFIED SCHOOL DISTRICT

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