

**OAKLAND UNIFIED SCHOOL DISTRICT  
GOVERNING BOARD  
RESOLUTION 1819-0041**

**CONFIRMING OAKLAND UNIFIED SCHOOL DISTRICT'S  
COMMITMENT TO FISCAL SOLVENCY**

**WHEREAS**, the Governing Board recognizes that the district is highly dependent on revenue from the State of California and that revenue source is dependent on the on-going stability of the California State economy;

**WHEREAS**, the Governing Board recognizes that the Governor's 2018/2019 Budget proposal projects out year increases tied to cost of living adjustments only, and that these budget components have a direct impact on the District's multiyear projections;

**WHEREAS**, the Governing Board further recognizes the impact of declining enrollment and increasing STRS/PERS pension costs on the District's budget;

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

**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 multiyear 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."

**WHEREAS**, based on the District projections of revenue and expenditures and the District's current fiscal challenges, it is projected that the District will not meet its required minimum reserves in the 2019-2020 and 2020-21 fiscal years, and the District will have a negative ending fund balance (currently estimated at approximately -20,300,000 and -\$59,000,000 respectively);

**WHEREAS**, the Governing Board desires to minimize the impact on the level of service and quality of staff and education programs for District students;

**WHEREAS**, the Governing Board recognizes that the District's health and welfare benefits package is a significant factor in the District's ability to recruit and retain highly qualified teachers and staff, and the Governing Board is committed to minimizing the impact on the level of such benefits within the District's fiscal constraints and without major disruption to plan benefits;

**WHEREAS**, the Governing Board desires to avoid draconian budget reduction measures beginning in the 2019-2020 fiscal year;

**WHEREAS**, the Governing Board remains committed to collaboration with its employee representatives and bargaining units in addressing the District's fiscal challenges in hopes of avoiding any draconian cuts to Reductions in Force;

**WHEREAS**, the Governing Board recognizes that the current multiyear projection included in the District's proposed budget projects a negative fund balance of approximately \$20,300,000 in 2019-2020 fiscal year, and \$59,000,000 in the 2020-2021 fiscal year, and further recognizes that the projections may increase or decrease depending on the final State revenue allocated to Proposition 98 as adopted by the State of California in the 2018-2019 and/or 2019-2020 state budget, or any other changes to the multi-year assumptions;

**WHEREAS**, the Governing Board recognizes that if the District's current fiscal circumstances do not change materially for the positive on or before January 31, 2019, then it will be necessary to either increase revenue and/or make appropriate expenditure reductions in order for the District to remain fiscally solvent beginning in FY 2019-20 and the two subsequent years fiscal as mandated by California State law;

**WHEREAS**, the Governing Board has been advised of the risk in delaying reductions which may allow the projected negative ending fund balance (approximately -\$59,000,000) by 2020-2021 to grow larger;

**NOW, THEREFORE, BE IT RESOLVED**, based on the above recitals and in order to ensure that the Oakland Unified School District remains fiscally solvent, the Governing Board is committed to reducing expenditures in all budget areas including salaries, employee benefits, services and operating expenses, capital outlay, other outgoing and other financing sources;

**BE IT FURTHER RESOLVED** that, absent a material positive change in the District's projected revenues or reduction in District expenses, the District will be required to consider and implement budget reductions in force beginning in FY 2019-20 of at least 234 FTE Certificated positions and 104 FTE Classified, Management and Confidential positions for approximately \$26.4 million to be identified on or before February 28, 2019, books and supplies of \$400,000 and \$3.5 million services and operating expenses to address the District's negative ending fund balance.

**BE IT FURTHER RESOLVED** that, given the District's history of budget and fiscal miscalculations, the Board will require the District to establish a more conservative target for reductions to achieve a minimum of a 3% reserve beginning in FY 2019-20 in order to address unforeseen budgetary increases;

**BE IT FURTHER RESOLVED** that, during the 2018-19 fiscal year, the District will work in collaboration with the bargaining units and the Board to provide alternatives to reductions in force which would be enacted in the absence of new money or equivalent savings identified by January 31, 2019; and

**BE IT ADDITIONALLY RESOLVED** that the Governing Board is committed to explore and pursue any and all options to increase revenue including local, state, federal grants, and additional remedies as provided by the State.

**PASSED AND ADOPTED** by the Governing Board of the Oakland Unified School District, Alameda County, State of California, on August 8, 2018, by the following vote:

Passed by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NAYS: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE None:

PREFERENTIAL ABSENCE: Josue Chavez (Student Director), Yota Omosowho (Student Director)

AYES: Jody London, Nina Senn, Shanthi Gonzales, James Harris, Vice President Jumoke Hinton Hodge, President Aimee Eng

NOES: None

ABSTAINED: None

RECUSED: None

ABSENT: Roseann Torres


**CERTIFICATION**

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Governing Board of the Oakland Unified School District held on August 8, 2018.



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Aimee Eng  
President, Governing Board



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Kyla Johnson Trammell  
Secretary, Governing Board

Legislative File No. 18-1723  
Introduction Date: 8/8/18  
Enactment No. 18-1266  
Enactment Date 8/8/18  
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