

<b>Board Office Use: Legislative File Info.</b>	
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# Memo

**To** Board of Education

**From** Marion L. McWilliams, General Counsel  
Michael L. Smith, Deputy General Counsel

**Board Meeting Date** December 13, 2017

**Subject** Installment Payments on Judgments Against Oakland Unified School District

**Action Requested** Adoption of Resolution No. 1718-0028 by the Board of Education for Payment of Judgments in up to Ten (10) Annual Installments

**Background** California Government Code Section 970.6 authorizes a local public entity, including the District, to adopt a resolution finding that an unreasonable hardship will result unless a judgment is paid in up to ten (10) equal annual installments.

**Discussion** The District faces a fiscal crisis that will require it to make several million dollars in budget cuts during the 2017/2018 fiscal year, and anticipates several million dollars more in budget cuts will be needed in advance of the 2018/2019 fiscal year and beyond. The District must make the foregoing budget cuts in an effort to, among other things, avoid takeover of the District's operations by the State of California, and if the District is required to make a one-time lump sum payment on any outstanding or future judgment, its precarious fiscal position will only worsen. The District must be provided as much fiscal flexibility as possible in order to continue to serve all of its students. Because of the foregoing, any judgment entered against the District will result in an unreasonable hardship to the District unless said judgment is paid in up to ten (10) annual installments.

**Recommendation** It is recommended that the Board of Education of the District approve the attached resolution and in doing so find that an unreasonable hardship will result unless a judgment against the District is paid in up to ten (10) equal annual installments and authorizing the District's legal counsel to determine and to take necessary actions, including the execution of related documents, to request that a Court so hold in relation to any judgment at issue.

**Fiscal Impact** If allowed by the Court on a judgment at issue, then the District will be able to make up to ten (10) annual installment payments on said judgment, which would include interest as legally required as to the judgment at issue.

**Attachments**

- Resolution No. 1718-0028

**RESOLUTION NO. 1718-0028**

**RESOLUTION OF THE BOARD OF EDUCATION OF OAKLAND UNIFIED SCHOOL DISTRICT FINDING THAT AN UNREASONABLE HARDSHIP WILL RESULT UNLESS A JUDGMENT AGAINST THE OAKLAND UNIFIED SCHOOL DISTRICT IS PAID IN UP TO TEN (10) EQUAL ANNUAL INSTALLMENTS**

**WHEREAS**, California Government Code Section 970.6 authorizes a local public entity, including the Oakland Unified School District (“District”), to adopt a resolution finding that an unreasonable hardship will result unless a judgment is paid in up to ten (10) equal annual installments; and

**WHEREAS**, the District faces a fiscal crisis that will require it to make several million dollars in budget cuts during the 2017/2018 fiscal year; and

**WHEREAS**, because of the District’s fiscal crisis, the District anticipates it will need to make several million dollars more in budget cuts in advance of the 2018/2019 fiscal year, as well as one or more fiscal years beyond the 2018/2019 fiscal year; and

**WHEREAS**, the District must make the foregoing budget cuts in an effort to, among other things, avoid takeover of the District’s operations by the State of California; and

**WHEREAS**, if the District is required to make a one-time lump sum payment on any outstanding or future judgment, the District’s precarious fiscal position will only worsen; and

**WHEREAS**, the District must be provided as much fiscal flexibility as possible in order to continue to serve all of the students within the District; and

**WHEREAS**, because of the foregoing, any judgment entered against the District will result in an unreasonable hardship to the District unless said judgment is paid in up to ten (10) annual installments;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Education of the District, as follows:

**Section 1. Recitals.** All of the above recitals are true and correct, and the Board so finds.

**Section 2. Authorization to Move Court.** As determined by the District’s legal counsel, the Board authorizes legal counsel to request the court to enter an order, as to any judgment at issue, allowing for the District to pay said judgment in not exceeding ten (10) equal annual installments, as allowed by statute.

**Section 3. Delegation of Authority.** The District's legal counsel is hereby authorized and directed, jointly and severally, for and in the name of and on behalf of the District, to do any and all things which counsel may deem necessary or advisable in order to consummate the actions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

**Section 4. Approval of Actions.** All actions heretofore taken by the District's legal counsel with respect to any judgment at issue, as set forth above, are hereby approved, confirmed and ratified.

**Section 5. Effective Date.** This Resolution shall take effect from and after its date of adoption.

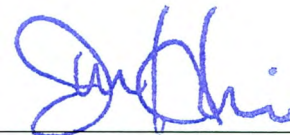
**PASSED AND ADOPTED** this 13<sup>th</sup> day, December 2017.

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

NOES: None

ABSTAINED: Jumoke Hinton Hodge, Roseann Torres

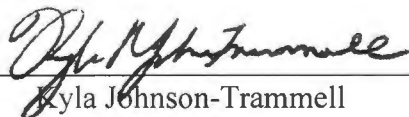
ABSENT: None



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James Harris  
President of the Board of Education of the  
Oakland Unified School District

ATTEST:



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Kyla Johnson-Trammell  
Superintendent and Secretary of the Board  
of Education  
Oakland Unified School District