

RESOLUTION
OF THE
BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT

RESOLUTION No. 1718-0242

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

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

WHEREAS, the Board of Directors 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

Board of Directors 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 Board of Directors desires to avoid draconian budget reduction measures beginning in the 2019-2020 fiscal year;

WHEREAS, the Board of Directors 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 Board of Directors 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 Board of Directors 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 Board of Directors 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 Board of Director's 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 \$27,000,000 beginning in FY 2019-2020 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 Board of Directors 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.

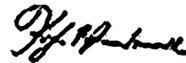
PASSED AND ADOPTED by the Board of Directors of the Oakland Unified School District, Alameda County, State of California, on June 27, 2018, by the following vote:

Passed by the following vote:

PREFERENTIAL AYE: None
PREFERENTIAL NOE: None
PREFERENTIAL ABSTENTION: Student Director Gema Quetzal
PREFERENTIAL RECUSE: None
AYES: Roseann Torres, Shanthi Gonzales, Nina Senn, James Harris, Jody London, Vice President Jumoke Hinton Hodge, President Aimee Eng
NOES: None
ABSTAINED: None
RECUSE: None
ABSENT: Student Director Enasia Mc-Elvaine

CERTIFICATION

I, Kyla Johnson Trammell, 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 June 27, 2018.



Kyla Johnson Trammell
Secretary, Board of Education

Legislative File	
File ID Number:	18-1593
Introduction Date:	6/27/18
Enactment Number:	18-1046
Enactment Date:	6/27/18
By:	os