

ALBANY UNIFIED SCHOOL DISTRICT  
COUNTY OF ALAMEDA, STATE OF CALIFORNIA

Res. No. 2017-18-02

RESOLUTION RECOGNIZING THE FIDUCIARY RESPONSIBILITY OF THE BOARD OF EDUCATION TO MAINTAIN FISCAL SOLVENCY AND OUTLINES BOTH THE TIMELINE AND TARGET DOLLAR AMOUNT IN ONGOING REDUCTIONS TO BE IMPLEMENTED WITH THE 2018/19 BUDGET

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WHEREAS, this Board of Education (the “Board of Education”) of the Albany Unified School District (the “District”), located in the County of Alameda, California (the “County”), is responsible for the approval of the school district’s annual budget; and

WHEREAS, the Board of Education adopted Board Policy 3460 stating “The Board of Education is committed to ensuring the fiscal health of the district and providing public accountability. The Board shall adopt sound fiscal policies, oversee the district’s financial condition, and continually evaluate whether the district’s budget and financial operations support the district’s goals for student achievement”; and

WHEREAS, Board Policy 3460 further states “If district conditions predict fiscal distress or indicate that the district might not be able to meet its fiscal obligations, the Board and Superintendent or designee shall act quickly to identify and resolve these conditions. The Board shall work cooperatively with the County Superintendent of Schools to improve the district’s fiscal health and may contract with an external individual or organization to advise the district on fiscal matters”; and

WHEREAS, State changes in policy or economics have resulted in sudden adjustments to projections, so a prudent budget reserve will help with program and fiscal stability; and

WHEREAS, the Alameda County Office of Education issued an official letter regarding the District’s 2017/18 Adopted Budget and is expecting a Board Resolution stating how the Board plans to act in 2017/18 to align District expenditures with revenues; and

WHEREAS, the Board of Education adopted a Budget Priority Process with the goals of ensuring time is available for community input on ongoing reductions and provide clarity on when this input would be collected; and

WHEREAS, Governor Brown noted in his January 7, 2016 letter to the State Legislature that the State has a pattern of ten economic recessions since 1945 which results in, on average, a recession every seven years; and

WHEREAS, the State of California implemented significant cash deferrals to school districts during the Great Recession with the last cash deferral occurring in 2014; and

WHEREAS, State projects economic growth through 2020/21, but State revenues are volatile which could result in a sudden recession negatively impacting the District's current financials; and

WHEREAS, the Board of Education adopted the 2017/18 Budget on June 27, 2017 which shows the 2017/18 fiscal year is projected to end with a 11.70% reserve, the 2018/19 fiscal year is projected to end with a 6.30% reserve, and the 2019/20 fiscal year is projected to end with a negative 0.51% reserve; and

WHEREAS, the 2017/18 Adopted Budget shows a shortfall of \$2,273,931 for 2017/18, a shortfall of \$2,444,787 in 2018/19, and a shortfall of \$3,222,382 in 2019/20 ; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF ALBANY UNIFIED SCHOOL DISTRICT:

Section 1. The Board of Education will follow the Budget Priority Process and make ongoing expenditure reductions by February 2018.

Section 2. The Board of Education will adopt an expenditure reduction plan on or before the February 13, 2018 Board Meeting.

Section 3. The specifics of the ongoing expenditure reductions will be finalized through the Budget Priority Process with community engagement during the months of August 2017 to January 2018.

Section 4. The target amount to frame the Budget Priority discussions will be a reduction in ongoing expenditures of \$1.15 Million effective in 2018/19 in order to meet the State minimum reserve level.

PASSED AND ADOPTED by the Board of Education of the Albany Unified School District of the County of Alameda, this 12<sup>th</sup> day of September, 2017, by the following vote:

AYES: 4  
NOES: 1  
ABSTAIN: 0  
ABSENT: 0



President of the Board of Education  
Albany Unified School District



Secretary of the Board of Education  
Albany Unified School District