



**Dr. Matt Wayne, Superintendent**

24411 Amador Street, Hayward, CA 94544 T 510.784.2600

Agenda Item: H.3.h.

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Board Meeting Date: 06/24/20

Consent: No

**BOARD OF EDUCATION RESOLUTION 2021-08  
BOARD COMMITMENT TO EXPENDITURE REDUCTION  
SUPPLEMENTAL CERTIFICATION**

**WHEREAS**, Board Policy 3460: Financial Reports and Accountability states:

“The Governing Board is committed to ensuring public accountability and the fiscal health of the district. 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: Financial Reports and Accountability 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**, one factor the State and County Offices of Education use to assess fiscal distress is the school district’s ability to maintain a minimum reserve for economic uncertainties for the current and two subsequent fiscal years; and

**WHEREAS**, Hayward Unified School District is within the Average Daily Attendance range of 1,001 to 30,000, thereby requiring a minimum reserve for economic uncertainties of 3% of the combined General Fund; and

**WHEREAS**, the Alameda County Office of Education informed the Board on January 31, 2020 that a Board resolution formally acknowledging the Board’s commitment to maintaining the fiscal solvency of the District would be required with the submission of the 2019-20 2nd Interim Budget Report; and

**WHEREAS**, at the January 22, 2020 Board Meeting up to \$14.25M in projected necessary reductions were reflected to meet the minimum 3% reserve requirement and this was reduced to \$10M in projected necessary reductions due to updates from the Governor’s Budget Proposal and Budget Guidelines from the February 12, 2020 Budget Workshop; and

**WHEREAS**, the Board adopted Resolution 1920-25 at the March 11, 2020 Board Meeting to make the projected necessary reductions of up to \$10M discussed; and

**WHEREAS**, soon after school facilities across the State closed due to the COVID-19 pandemic and now a health crisis has led to a financial crisis; and

**WHEREAS**, the Governor’s May Revise reflected this health and financial crisis by making proposals to address the projected State budget shortfall of \$54.3B and one of the proposals was an over 10% reduction to education funding for 2020-21; and



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**WHEREAS**, the Governor's May Revise would require the District to make an additional \$12.5M in reductions, beyond the actions already taken by the Board, to meet the minimum budget reserve requirements; and

**WHEREAS**, the State Assembly and State Senate rejected the Governor's May Revise and approved a budget for the Governor's review that protects funding for education at a time where large investments in education are needed to help with the economic recovery; and

**WHEREAS**, the State moved the deadline to file taxes from April 15 to July 15, therefore they do not have a clear picture of their own financial status and project the need for a Revised Budget by August 15, and

**WHEREAS**, with this level of uncertainty at this late stage in the budgeting process, the Alameda County Office of Education is requiring school districts that need to make expenditure reductions to meet the State minimum reserve for economic uncertainty in 2020-21 do so by September 15, 2020 when the ACOE has to make a determination on whether to Approve, Conditionally Approve, or Disapprove the District's budget;

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. In accordance with Board Policy 3460, based on the outcome of the State Budget for 2020-21, the Board commits to take action, or set of actions deemed necessary by September 15, 2020 for the school district to meet the State minimum reserve for economic uncertainty in 2020-21.

PASSED AND ADOPTED by the following called vote this 24<sup>th</sup> day of June 2020:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

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Clerk of the Board of Education of  
Hayward Unified School District of  
Alameda County, State of California