

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION**

**RESOLUTION TO IDENTIFY THE AMOUNT OF BUDGET REDUCTIONS NEEDED IN
2020-21 AND 2021-22 AND TO REQUIRE THAT A LIST OF BUDGET REDUCTIONS FOR
2020-21 AND 2021-22 BE INCLUDED IN THE 2019-20 SECOND INTERIM REPORT**

WHEREAS, the Board of Education has a fiduciary duty to meet its financial obligations in the current fiscal year and two subsequent fiscal years pursuant to Education Code 42127; and

WHEREAS, current budget projections for 2020-21 show the District having a structural deficit of \$9 million; and

WHEREAS, in the absence of substantial budget reductions, current budget projections show that the District's ending fund balance of \$13.6 million in 2019-20 will decline to an ending fund balance of \$5.7 million by 2021-22, which leaves the District's reserve \$618,646 above the State required 3% Reserves for Uncertainties; and

WHEREAS, for 2020-21 through 2022-23 it is projected that the district will need to implement budget reductions or revenue enhancements that result in a cumulative amount of approximately \$9 million; and

WHEREAS, the Superintendent is creating a Budget Advisory Committee composed of district and community stakeholders to advise with respect to these necessary budget reductions/revenue enhancements and any other available options; and

WHEREAS, given the relative unpredictability of district revenues as SMMUSD becomes a "community-funded" district, these projections will need to be regularly re-visited; and

WHEREAS, the Board of Education will continue to sustain a high quality education program for our students despite the need for budget reductions necessary to maintain the fiscal stability of the district, and

NOW, THEREFORE, BE IT RESOLVED, if the fiscal condition of the District remains as currently projected, the district will implement necessary budget reductions and/or revenue enhancements in 2020-21 through 2022-23 that achieve full or substantial alleviation of the district's structural deficit; and

BE IT FURTHER RESOLVED, that the district will submit a detailed plan of proposed budget reductions and/or revenue enhancements for 2020-21, 2021-22, and 2022-23 and a timeline for implementation with the 2019-20 Second Interim Report and an update at Third Interim Report. This resolution supplements the District's 2019-20 First Interim Budget Report.

PASSED AND ADOPTED by the Santa Monica-Malibu Unified School District Board of Education on December 12, 2019, by the following vote:

AYES: 6
NOES: 0
ABSTAIN: 0
ABSENT: 1



Mr. Jon Kean
Board of Education President


12/12/19
Date



Dr. Ben Drati
Superintendent

12/12/19
Date

I, Dr. Ben Drati, Clerk/Secretary of the Governing Board, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by said Board at a regularly called and conducted meeting held on said date.


Clerk/Secretary of the Governing Board