



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC Adoption of Resolution re: Rainy Day Fund

SUBMITTED BY: Juan J. Cruz **OF:** School Attorney

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: March 23, 2011

RECOMMENDATION:

It is recommended that the United ISD Board of Trustees Adopt Resolution re: Rainy Day Fund.

RATIONALE:

BUDGETARY INFORMATION

BOARD POLICY REFERENCE AND COMPLIANCE

RESOLUTION

WHEREAS, the 82nd Texas Legislature is currently in regular session; and

WHEREAS, Texas school districts face challenging economic circumstances due to the economic downturn and reductions in contributions to public education from the government of the State of Texas; and

WHEREAS, Texas school district trustees and administrators are having to re-evaluate staffing requirements and make tough choices in the face of reduced budgets; and

WHEREAS, the State of Texas faces a substantial budget shortfall for the coming biennium in spite of reduced state contributions to fund public education since the 2006 changes to the education finance system; and

WHEREAS, the Texas Comptroller reports that the State of Texas' Economic Stabilization Fund, the so-called "Rainy Day Fund" contains at least \$9 Billion in cash reserves; and

WHEREAS, in testimony to the Legislature, the Comptroller noted that the Rainy Day Fund reserves had been spent in the fiscal years 1993, 1994, 2003 & 2005 to fund state Medicaid obligations, the Teacher Retirement System, and the Texas Enterprise Fund; and

WHEREAS, the Comptroller additionally testified that spending from the Rainy Day Fund in those years for those purposes did not have a negative impact on the State's credit worthiness or ratings; and

WHEREAS, the current economic environment in Texas constitutes, at the very least, a steady drizzle with unemployment rates at their highest levels since 1992; and

WHEREAS, the wise expenditure of at least a portion of the Rainy Day Fund could aid school districts and prevent additional unemployment throughout Texas in the form of faculty and staff layoffs in our Texas public schools.

THEREFORE, be it resolved that the Board of Trustees of the United Independent School District encourages the 82nd Texas Legislature to make judicious use of at least a portion of the Rainy Day Fund to relieve some of the financial pressure on school districts and increase state financial contributions to fund public education in Texas.

THEREFORE, be it RESOLVED on this the ____ day of March, 2011 that the Board of Trustees for the United Independent School District does hereby approve the resolution described herein.

President

UISD Board of Trustees

Secretary

UISD Board of Trustees