

**SYLVAN UNION SCHOOL DISTRICT  
RESOLUTION 2019/2020 - #28**

**TEMPORARY SUSPENSION OF PLAN TO  
PREFUND OPEB OBLIGATIONS**

**WHEREAS**, GASB 45 establishes standards for governmental employers to measure and report their costs and obligations relating to postemployment benefits other than pensions. The term “postemployment benefits” refers to benefits earned during employment but taken after employment has ended.

**WHEREAS**, the intent of GASB 45 is for governmental employers to recognize their costs and obligations relating to OPEB, other postemployment benefits, systematically over the employees’ years of service and to project future cash outflows for benefits.

**WHEREAS**, GASB 45 requires an actuarial valuation of OPEB obligations every two years, the basis for measurement of annual OPEB cost determining the annual required contribution (ARC).

**WHEREAS**, the new standard requires no change in how OPEB plans are funded. GASB 45 requires that employers disclose their annual calculated OPEB cost and a liability for any difference between the annual OPEB cost and amounts actually funded.

**WHEREAS**, the liability for unfunded OPEB benefits can be significant the California Department of Education encourages districts to develop plans to meet their annual OPEB obligation.

**WHEREAS**, the Sylvan Union School District Board of Education adopted resolution 2010/2011 - #06 on October 20, 2010 to adopt a plan to prefund OPEB obligations beginning in fiscal year 2012-2013 in an amount equal to \$78,300 for two years, \$131,440 in 2014-2015 and 2015-2016, and \$314,450 beginning in 2016-2017. All funds to be placed in a separate fund, Special Reserve Fund for Postemployment Benefits.

**WHEREAS**, there is a current global crisis with the COVID-19 pandemic that has had an immediate and significant impact to the global economy, causing a recession.

**WHEREAS**, the State of California has released a May Revise with a 2020-2021 revenue reduction of 10% over the January Governor’s Budget.

**WHEREAS**, this May Revise reduction results in a direct impact and reduction to projected 2020/2021 revenue for Sylvan Union School District of \$7.4 million.

**WHEREAS**, the Sylvan Union School District is reducing budgeted expenditures for the 2020/2021 year to offset this projected revenue reduction.

**NOW, THEREFORE, BE IT RESOLVED** that the **SYLVAN UNION SCHOOL DISTRICT** Board of Trustees does temporarily suspend the plan to continue setting aside funds to prefund OPEB obligations beginning in fiscal year 2020-2021 and 2021-2022 in an annual amount equal to \$337,000. Existing funds accumulated through 2019-2020 will continue to be maintained in a separate fund, Special Reserve Fund for Postemployment Benefits.

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTENTIONS:**

I, **DEBRA HENDRICKS**, Secretary of the Board of Trustees, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Board of Trustees of the **SYLVAN UNION SCHOOL DISTRICT** at a Regular Meeting of June 2, 2020, which Resolution is on file in office of said board.

**DATE:** June 2, 2020

**SIGNED:** \_\_\_\_\_  
Debra Hendricks,  
Secretary Board of Trustees