

Oakland Unified School District

DRAFT

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Minutes (Long)

Wednesday, April 06, 2011

5:00 PM

(Special Meeting)

**Board Room, Paul Robeson Building, 1025 2nd Avenue, Oakland, CA
94606-2212**

Board of Education

President Gary Yee, Ed.D.

Vice President Jody London

***Directors: Jumoke Hinton Hodge, David Kakishiba, Noel Gallo, Christopher Dobbins,
Alice Spearman***

Student Directors: Nikita Mitchell and Lashae Robinson

Staff: Edgar Rakestraw, Jr., Secretary, Board of Education

A. Call To Order

President Yee called the meeting to order at 5:13 P.M.

B. Roll Call

Roll Call: Present: David Kakishiba, Jumoke Hodge, Christopher Dobbins, Alice Spearman, Jody London and Gary Yee

Absent: Lashae Robinson, Nikita Mitchell and Noel Gallo

C. New Business



11-0123 **Governor's Proposed 2011-2012 State Budget**

Presentation by Superintendent of Schools or designee, of the Governor's Proposed 2011-2012 State Budget and its prospective effect, impact on the District for same fiscal year and beyond, as of April 6, 2011, in the context of the Board's budget priorities of 1) Improve Teacher Retention; 2) Eliminate Structural Deficit; and 3) Increase Employee Compensation, adopted January 26, 2011, and further determination and direction to Superintendent by the Board regarding development of the 2011-2012 District Budget.

Attachments: [11-0123 - April 6, 2011 - Working Agenda - Special Board Meeting - 2011-2012 FY Budget - .pdf](#)
[11-0213 - BOE - Special Presentation 4-6-11.ppt](#)
[11-0213 - Budget Development 2011-12 Unrestricted General Fund Assumptions.pdf](#)
[11-0213 - Summary of Consultants.pdf](#)
[Document\(s\)](#)

President Yee stated the purpose of today's meeting is for the Board to receive information from the Superintendent and Deputy Superintendent in light of the current budget realities established by the State of California which provides about 80% of the District's operating budget. President Yee acknowledged there was an overflow crowd and asked anyone without a seat in the audience to take advantage of the fourth floor Hunter Hall where the meeting is also being telecasted. He noted this meeting is a Study Session and the primary conversation for the meeting will be between Deputy Superintendent Vernon Hal and Members of the Board of Education.

President Yee said the meeting is starting about 15 minutes late. He said the meeting was scheduled from 5:00 P.M. to 8:00 P.M. He said he anticipate Public Comments will not occur until about 7:30 P.M. at the earliest. President Yee said if there is anyone in the audience to provide public comment on the item, they will have to wait until that time for public comments.

President Yee turned the meeting over to Director Kakishiba, Chair of the Finance and

Human Resources Committee.

Director Kakishiba said there are two objectives to achieve today. The first objective is for the Board to have a detailed understanding about the planning assumptions the District is operating from as it develops the 2011-2012 District Budget. The second objective is while walking through the assumptions and looking through the hard numbers, the Board will provide the Superintendent some direction on what the Board believes the budget priorities are going forward between now and June as the Board develops next year's budget. He said in January the Board voted three priorities to be reflected in the budget to guide the Superintendent's planning work. The three priorities are (1) Increase teacher retention; (2) Eliminate the structural budget deficit; (3) Increase all employee compensation. He said tonight the Superintendent will present information in the context of both what's new in terms of State revenue and place where the budget planning process is in the context of the three budget priorities set by the Board in January. Director Kakishiba called Superintendent Smith.

Superintendent Smith said there is a tremendous amount of energy and upset about the budget situation. He said the District shares that upset. He said the news the District received last week was based on an all cuts budget and school districts are told to be prepared for -\$844 less per pupil. He said the funding for public education in California is criminal. Everyone needs to organize around public school finance and getting it right. He said one of the clearest examples of structural racism in the United States is California school finance. He said the more diverse we become, the less financed public education has become. He said in this budget the District does not know how much money it will receive and is being told to budget -\$844 less per pupil is challenging to present. He said he is trying to create a space to prepare the Board to look at what that will look like with all cuts and what it will look like using every resource the District has. He said the District has made a commitment to share information as it is received. At the direction of Director Kakishiba, this Study Session is an opportunity to share that information. He said there will be questions from the Board following each section. Superintendent Smith recognized Vernon Hal, Deputy Superintendent, Business & Operations.

Mr. Vernon Hal had a PowerPoint Presentation for today's Study Session. Mr. Hal said the District shares everyone's concern about what's going on in California, the state of the economy and education. He said he doesn't feel good about what is going on at the State level, but he feels good about what's going on locally. He said the District is about to put something in place in Oakland that Oakland needs and if we continue to work with the Strategic Plan and Five Year Goals, some of the things the District is concerned about in the different neighborhoods can be realized.

Slide 1

Major Planning Assumption for 2011-2012 OUSD Budget

Budget Priority #1 - Increase Teacher Retention

Budget Priority #2 - Eliminate Structural Budget Deficit

Budget Priority #3 - Increase Employee Compensation

Public Comment

Board's Sense on Budget Priorities

Slide 2

Mr. Hal said nearly 90% of District's unrestricted revenue comes from the State. Changes

to the State budget have a significant impact on District's main operating budget. Unrestricted dollars are the funds the District sends out to the school sites to fund teachers, librarians, counselors, custodians, security officers, etc. He said the District has been planning on a budget of about -\$350 less per pupil and that yielded the District about \$12.6 million. The District's assumption is the State's extension of taxes will not occur. Now the District is being told based on the fact that the Governor has cut off negotiations at the State level with the Republicans to expect about -\$844 less per pupil. For the District that amounts to \$30.5 million less over the current year in unrestricted fund dollars

Slide 3

Listed the total available resources

Slide 4 - How State funding has changed

Mr. Hal said the slide gives you a sense of what the problem is. He said the slide shows the amount of dollars per pupil the District should receive as State funding if the District were to stay level. This is the loss of the Cost of Living Increase that the District has not received. He said what the State is doing is funding at the lower levels. He said if the Tax Extensions had passed, the District's funding would be flat, about -\$19 less per pupil next year. He said the District was told if the Tax Extensions were not on the ballot and extended, the District would receive -\$337 less per pupil in funding from the State. He said the District's budget was built on that funding model. He said with the -\$844 less per pupil the District is now at almost \$4,440 per pupil. He said the difference of what the District should receive \$6,500 and what the District is looking at \$4,400, the difference on an annual basis is about \$75 million less. He said that is the problem.

Director Spearman wanted to know in the May Revise is the number could change from the -\$844.

Mr. Hal said it could.

Director Spearman wanted to know if that was a probability.

Mr. Hal said that is the problem everyone in California is facing. He said this is the best information he has. He said it can get worse. He said the District is competing with other cuts in other areas. If the State Government decides not to cut in certain areas like child care and other social services, education can take further reductions.

Director Spearman wanted to know if it was safe to say the District might be looking at a steep cut, maybe not as much as she has heard, but close to -\$900 less per pupil.

Mr. Hal said the District is close to that amount right now.

Slide 5 - 2010-2011 Snapshot of OUSD Schools

Mr. Hal said as of the 2009-2010 Oakland is the 13th largest school district in California with about 100 school sites; student enrollment is between 38,000-39,000 including Special Education Students; the average student to teacher ratio is about 23, and the average school is size over 375. There are 13 schools with 500 or more students, 46 schools with 300-499 students and 38 schools with 299 or less.

Slide 6 - Total District Expenses as of the 2nd Interim of 2010-2011

Mr. Hal said the total expenditures for all funds is \$641.6 million. School districts have to account for their funding in different places. He said today for the most part we will talk about the General Fund. There are other funds Adult Education, Child Development, Cafeteria, Facility Funds, and Self Insurance. He said for the most part the education fund is in the General Fund. The discretionary funds are in the unrestricted funds.

Slide 7 - Unrestricted General Fund - Budget Assumptions

Mr. Hal said early scenarios were based on the Governor's January budget proposal, including funding for education through tax extensions. The District's assumption is that the taxes will be placed on the ballot and will not pass. The District will absorb any structural deficit through reduction in expenditures at school sites, the use of one-time funds that are available through 2014, and maintain central office expenditures to support school sites. He said with the impasse last week, the information the District has been given is the reduction in revenue per pupil is more like -\$844 or about \$30 million less in funding next year than we had this year.

Slide 8 - Unrestricted General Fund - Budget Development Assumptions

Mr. Hal said in the Blue Column is the projections for the current year. He said in the two scenarios for 2011-2012 the expenditures exceed the revenue. He said with the -\$349 less per ADA reduction, the District is looking at \$12.6 million. He said with the new information of -\$844 less per ADA reduction, the District is the amount is up to \$35 million.

Slide 9 - Options for Meeting Reduction in State Revenues

Mr. Hal talked about revenue enhancement, expenditure decreases, fund balance, proposed expenditure increases which yield a deficit of \$48 million. He said with the scenario at \$38 million there would be a difference of about \$17 million. Mr. Hal said what the District has identified is more than enough to meet the needs of the -\$884 less ADA scenario. Mr. Hal reviewed each category.

Revenue Enhancements

Mr. Hal said Adult Education receives about \$11 million. In the current year the District has flexed about \$4.5 million. This will flex another \$6.3 million with Adult Education retaining about \$1 million of its \$11.8 million budget. He said Adult Education does have an unallocated fund balance of about \$2.5 million which is flexible. The District will use that to absorb the deficit. He said the State Loan transfer from Fund 17. The District has a loan from the State for \$65 million spent years ago and another \$35 million drawn in a particular fund to use for audit findings and other one-time costs related to the District going into receivership. The District has identified enough money for one more payment. He said today there is about \$3 million in Fund 17. The payment for the \$35 million is about \$2.1 million annually so the District has enough for one additional payment for 2011-2012.

Expenses Decreases

A reduction to school site budgets after adding the "Balancing Pool" of \$3.1 million. Schools have received their budgets, they have made their choices, and they were given about \$14.6 million less than the current year. This is an ongoing expense reduction

The District has \$6.4 million in Federal Jobs Bill Funds that the District designed to be used to fund the Early Retirement Program. The District offered an Early Retirement

Program and the Board approved the program. The total cost of the program is over \$10 million funded over a five year period [\$2 million yearly].

The elimination of four of twenty centrally funded music teacher positions at a cost of \$320,000.

Reduce Elementary site budgets based on unrestricted class size maximum. Mr. Hal said there are schools that have purchased more teachers than class size maximum.

Mr. Hal said the District must have 2% set aside for economic uncertainty. Currently the District has above that amount set aside. He suggested putting the additional amount on the table for possible use to go towards the \$30 million problem the District is facing.

Proposed Expense Increases

A 2% mid-year salary increase for all employee - about \$2 million.

Part of the additional use of Adult Education flex for secondary counseling, literacy, A-G offering and family literacy programs.

Additional budget is needed to offer a full summer school program. He said schools which offer summer school will pay for the teachers through Title I Restricted Funds and need assistance for the rest of the program such as the principal, custodian, etc. and other costs associated with summer school.

Slide 10 - Recommended Action

Maximum use of one-time funds, maximum reduction of on-going expenditures and a combination of one-time funds and reductions, and the District's best thinking. Mr. Hal said in all three scenarios the use of all the revenue enhancements totals about \$10.8 million. He said under expenditure decreases, sites have gone through their budgeting and this is a result of that. The District is not looking to change that. The maximum use of one-time funds, Federal Job Funds to help out with the \$30 million problem He said to use the \$2 million as part of the one-time funds the District does not recommend that. He said the District has made a commitment for \$10 million for the Early Retirement Program and it would be prudent for the District to have at least three years' worth of payments. He said the Early Retirement helped the District not have to make reductions in staffing for next year by 100-200 persons.

Board Member Comments

Director Hodge asked Mr. Hal to go back to page nine, line seven. She said people loaded budgets according to State numbers and wanted to know if they can do something different.

Mr. Hal said the District allocated funds to schools and the sites determined the best use of the resources. He said most school districts use staffing formulas. The District allocates resources and the schools make the determination how best to use those funds. Based on what schools have done with the purchase of teachers from unrestricted funds, the District knows what enrollment projections are by grade level. The District compares that number to how many teachers are purchased by each school. He said if there is a difference the District looks at the difference and takes those funds out of those schools.

Director Hodge wanted to know if the difference between the minimum levels of class size

the District can assign teachers to.

Mr. Hal said there is a contract maximum.

Director Hodge wanted to know if principals did the staffing based on the lower class size number.

Mr. Hal said principals did it lower than the maximums.

Director Dobbins said on page nine it says to eliminate four out of twenty centrally funded music positions and he wanted to know what sites these positions will come from.

Mr. Hal said it not based on schools.

Director Dobbins said on slide 10 under the best thinking, he said from his analysis no teacher positions are being cut if the District follows that.

Mr. Hal said the assumption is the District will not undue what the schools have done in their budgeting process.

Vice President London talked about the \$3 million the District recommends flexing from Adult Education to be used for secondary counseling, literacy, A-G, and family literacy programs. She wanted to know what was the money currently funding the Adult Education Program?

Mr. Hal asked Maria Santos, Deputy Superintendent, to speak to that.

Ms. Santos said \$1 million has been reserved in Adult Education not to flex. That one million will be used to support all of the programs funded by categorical funds that are not flexible. It will provide the infrastructure to carry out those kinds of programs such as: Some GED Programs, Career Technical Education Activities, and courses for adults. The additional funds that will be flexed will diminish the Adult Education Program significantly. She said by keeping the one million the District is trying to have some programming. She said with most of that programming being funded out of categorical funds what has not been funded out of categorical funds will be reduced.

Vice President London said she is trying to understand what is it the District will be taking out of the Adult Education Program.

Ms. Santos said it will be most programs with the exceptions of real limited GED and some of the CTE courses. She said most of the adult programming will be gone.

Vice President London wanted to know what other districts have been doing in terms of the flexibility they have available to them around Adult Education.

Ms. Santos said many district do not have an Adult Education Program at all. They have completely flexed.

Director Spearman wanted clarification on the proposal of the mid-year 2% salary increase for all employees listed on slide 9. She wanted to know if the 2% was included in

the budget development. She said recently the State decided not to fund a new piece of Special Education where the District now pays for non-public schools education of students of need. She said as of April 1st the District is now picking up that cost. She said the amount she heard will be close to \$2 million from now until the end of June. Director Spearman wanted to know if the District factored in how the District will fund that Special Education encroachment.

Mr. Hal said the District continues to work with the Special Education Program. He said that is a concern of the District for any additional significant contribution that will have to be made. He said for the current year the Special Education Department has carryover Stimulus Funds. He said that will help the District this year. He said he has not had a chance to sit down with the Special Education Department and go through the assumptions they are making, looking at their budget to make sure there is no significant increase to the District's contribution for this year and next year.

Director Spearman said the District will probably see an increase in Special Education encroachment but the District does not know how much.

Mr. Hal said that was correct. He said one of the assumptions the District is making is the contribution will increase about \$1 million over the current year. The current contribution to Special Education excluding transportation is about \$17 million.

Director Spearman talked about line 10 on slide 10, the A-G Offerings in high schools. She said although the Board said some years ago it will offer A-G Courses, she wanted to know was there a possibility the A-G Courses will not be required because of the fiscal problems?

Mr. Hal said not to his knowledge.

President Yee asked Mr. Hal to explain why his best thinking is better than the other options.

Mr. Hal said the difference in the use of the unrestricted unallocated 2% reserved for economic uncertainty. He said the maximum use of one-time funds - the first column and the last column is exactly \$2 million. He said that \$2 million is the fact that in the first column the maximum use of one-time funds you see item 5 is the difference. He said in the maximum use of one-time funds you will use the \$2 million for the Federal Jobs Bill. He said because he is not recommending that, there will be additional use of the ending fund balance. He said he thinks it is prudent for the District to make sure the District uses of all the Federal Jobs Bill to pay for the Early Retirement Program the District has obligated itself to allowing the District to bring more people back and not have as many layoffs.

President Yee wanted to know if this is an adequate ending fund balance for the District or does it imply something about the structural deficit or any other potential mid-course corrections? He said in the past when closing the books the District has found the ending fund balance is not what the District thought it was going to be. He asked Mr. Hal if he felt comfortable that this was an adequate amount to leave in the ending fund balance.

Mr. Hal said he did. He said given the state of affairs the District is in and not having to upset as many programs and people's thinking, he said the District's best thinking is prudent. He said the District is starting with \$19 million and he would not want that

number to go below \$10 million or \$8 million. By using \$8.5 million it will leave [in addition to the 2% for economic uncertainty] about \$10.5 million.

President Yee said none of the revenue numbers include speculative revenue such as audit findings. He said the District still has a package of funds in reserve should the State come and say "Pay us Up". He wanted to know if the District still has means to complete that.

Mr. Hal said that's what the \$10.5 million will be there for. He said there is a question as to where the District stands with audit findings and the outcome.

Superintendent Smith said it is important to remind people that coming out of State Administration the District took a \$100 million loan. He said as long as the District owes the State money, the District is required to have a State Trustee. Superintendent Smith said he and Mr. Hal have been meeting with and talking about the budget proposals with the Trustee and the \$10 million is within the Trustee's comfort range.

President Yee said he needs assurance from the Superintendent and the Chief Academic Officer that there is enough built into the proposal to ensure that the Strategic Plan is not dead on arrival and there are adequate resources in the District to ensure the principles and Board Priorities around the Strategic Plan are adequately funded.

Ms. Santos said as the budget was developed, the Strategic Plan was taken into consideration and have been very prudent in that area making sure those high priority areas will be funded.

Vice President London said she is looking at line 7, slide 9, regarding the 90 FTE's that have come through the Results Based Budgeting (RBB) process. She said when the schools when through RBB part of what they looked at was how many teachers were going to take the Early Retirement package. She wanted to know if the school sites looked at all the factors in this presentation.

Mr. Hal said the schools rolled up the factors that are part of the allocations they were given. He said part of that would include any early retirements they would know about at the site. He said the budget development process was started before the Board approved the Early Retirement Program. Once that information became available, schools were allowed to go back through their budget and make any adjustments to their budget that was needed to be based on the fact they may have staff that may be retiring.

Director Spearman said to the Superintendent throughout the budget process you see RBB which is a practice of the District, not a Policy of the District. She said each school has been given a budget and each school feels like it is not for their individual school. She said there have been some things that has been missed. She said this is the Oakland Unified School District and when you look at the budget in total, you have to look at the budget as an instrument for the entire District and not individual schools. She asked the Superintendent to elaborate on this because everyone is trying to protect their separate turf. She said there is no separate turf. She said she is sensitive to the ending fund balance and the fund for economic uncertainty. She said the District cannot disseminate those funds. She said that is one reason the District did get into trouble with the State. She said other school districts have made cuts in sports and teachers and Oakland has not done that.

Director Kakishiba said these kinds of questions are reserved for the last part as a deliberation of the Board on what direction to give the Superintendent for which way to go. He said part of that context is part of that deliberation. He said at this point Board Members can ask questions or to make clarifying information presented or not presented today, moving each section of the presentation.

Director Hodge said not listed in the presentation is the facilities maintenance fund which the District has done some flexing in the past. She wanted to know is that fund typically under unrestricted funds.

Mr. Hal said how the accounting works you will see that fund as part of a contribution from unrestricted funds to restricted funds. The number is typically around \$9 million and the District is proposing not to change that contribution between this year and next year.

Director Hodge wanted to know had there been some State change around flexing those funds.

Mr. Hal said the fund can be reduced down to 1% but that would not be prudent for the District given the number of buildings the District has and the staff to maintain those facilities. He said the District is trying to maintain the levels of today.

Student Director Mitchell wanted to know if there were any required expenditures for every school site.

Mr. Hal said teachers and attendance clerks. He said the District makes sure all schools have someone to take attendance to ensure the District received the maximum funding the District should receive from the State.

Director Kakishiba said on page 11 under the three best scenarios, the Federal Jobs Bill is outlined. He said his understanding is the \$6.4 million is in the Federal Jobs Bill allocation. He said previously the District was looking at using that money to pay a liability close to \$10 million on the Early Retirement. He asked Mr. Hal in his best thinking will the District still do that?

Mr. Hal said "Yes."

Director Kakishiba wanted to know was there a plan for the remaining \$3.6 million that the District still owes.

Mr. Hal said "No". He said part of what was talked about with early retirement package was using that \$6.3 million in addition to item number two, the Adult Education unallocated balance. He said part of the \$19 million talked about [one-time funds] is about \$1.8 million. He said the \$2.5 million will take care of the situation for this year. He still wants to leave the \$6.4 million for the obligation that will buy the District three years of payments. He said in the fourth and fifth year the District will see what its finances look like.

Director Kakishiba said when talking about a structural deficit, allocations were given to the schools to do RBB, he wanted to know what is the amount of the structural deficit.

Mr. Hal said the structural deficit was about \$7 million or so.

Director Kakishiba said under the best thinking scenarios, the District is looking at using about \$19.3 million in one-time only funds.

Mr. Hal said "Yes".

Director Kakishiba said the District would flex Adult Education and use \$3 million of that. He said this is a one-time flex but an ongoing expense.

Mr. Hal said the flex for Adult Education goes through 2014. The use of the expenditures will be available resources through that time and after that the District will have to reassess.

Superintendent Smith talked about the structural deficit. He said when the District was returned to local control, the District was received with a fully drawn down \$100 million loan and a \$40 million structural deficit. He said the on-going expenses were \$40 million greater than the on-going revenue. He said as a commitment to the community, the District said it would eliminate the structural deficit over three years. Last year the District reduced the structural deficit by \$12 million. When the State informed the District as to how much money it would be receiving, the State had demonstrated an on-going cut of \$250 less per pupil that would always be taken away. When the State finally approved a budget in October, the \$250 per pupil was restored which took the structural deficit to \$7 million. He said the State said it will give the money to the District starting in July 2011 to backfield. He said there is still a question mark about the \$250 per pupil.

Status of Budget Priority 1 - Increase Teacher Retention

Barbara Gee, Executive Director, Human Resources, talked about the next section of the presentation.

Ms. Gee said the District has a short term and a long term issue of teacher retention. She said the short term being the budget challenge the District is dealing with right now and the things the District will try to do to preserve as many of the current jobs as it can.

Historical Teacher Turnover

Ms. Gee said in 2008 there was an effort in the District to define teacher turnover and to create the data systems and reports so the District can report on this. She said 2009 is the first year of solid data. Twenty sites have 2009-2010 turnover rates greater than 25. Since 2004 73% of the new teachers recruited are gone within five years. She said with the Strategic Plan, the Effective Teachers Task Force has done a lot of work around defining effective teachers and getting input from teachers about teaching in Oakland. There will be a Teacher's Convention coming soon. The District will launch a survey at the end of the convention to poll teachers on working conditions to start gathering data to put together effective retention strategies. The District is looking at how to restructure departments and consolidate a number of functions in the District as well as resources to support the recommendation coming out of the Effective Teacher Task Force to focusing on teacher recruitment, retention, professional development, evaluations and career ladders. She said in May there will be a dedicated Board Session to talk about teacher recruitment and retention. The District is also be re-looking the partner programs the District uses for

recruitment and has disconnected from any placement commitment made this year given the budget situation.

2011-2012 Teacher Turnover - Calculation based on:

- Number of positions budgeted in RBB
- Early Retirement
- Non-Re-Elects
- Temp Releases

She said the voluntary separation information will come later.

- The District is reducing the overall number of teaching position by 137 FTE. Early Retirement, Temp Releases and Non-Reelections currently total 223 people.

Director Kakishiba asked for an explanation for the total numbers if the schools have reduced in elementary, middle and high school a total of 137 FTEs through the other modes of separation the number will be higher.

Mr. Hal said preliminary indications indicate between the number of layoff notices given out and the ones that will receive final notices the number is much lower than what the District noticed.

Measure G Revenues

Recommendation: Maintain current funding allocations

- To attract and retain qualified teachers
- Reduce class size
- Maintain libraries, music and art programs
- Maintain elective courses for students
- Administrative Costs - Alameda County

He said the schools have gone through their budgeting process and these dollars were allocated as part of the process and the District recommends no adjustment from the process. He said if there are concerns around how the funds were allocated and you want to make changes going forward, that conversation should happen early on or now. He said those are funds the citizens of Oakland have approved and they are on-going resources of \$26 million.

Fiscal Impact of Reducing Non-Instructional Workdays

Mr. Hal said looking at all the bargaining units figuring out their annual costs, salary, and benefits, and the pay work days dividing that by the number by the pay work days it yields about \$1.3 million per day. Mr. Hal said any reductions to work days will have to be negotiated.

Strategies to Mitigate Disproportionate Impact of Teacher Layoffs at High-Needs Schools

Ms. Gee said the District can work closely with the OEA on how the District calls back teachers and return teachers to sites where they were to minimize the disruption. The District anticipates a fair amount of movement among classified staff. Schools may be going through a high degree of change in staff compared to previous years.

Board Member Comments

Director Hodge wanted to know about the hold on the teacher training programs and the cost savings?

Ms. Gee said the Measure "G" recommendation is to start looking for other funding or not have the New Teachers' Contract. She said the District has a one year obligation left on that contract. When that obligation is up, that will free up monies as the District develops retention strategies coming out of the Strategic Plan the District can make room for some retention work.

President Yee had a follow-up question to Director Hodge's question. He said the District is obligated to place people in the Pipeline Program for one more year as a priority over staff the District may be laying off or temporary teachers that the District has laid off.

Ms. Gee said in the past with the Partner Programs, the District has made placement commitments to them, they recruit a certain amount of teachers of a certain kind of subject area, and the District makes a commitment to them. She said the District has disconnected itself from that kind of responsibility this year. In the case of the New Teacher Project Contract, the District is turning off the recruiting part of their work. The District is in conversations with the OPT Program (In House Credentialing for Special Education) about the possibility of opening up a non-intern program that experienced teachers can apply to.

President Yee said on slide 14 regarding the projected teacher staffing, Column C seems to be a description of position control, not people. He said the people in those positions may or may not be the people in D, E, and F. He said you can't subtract one from the other and come up with a number that is the potential surplus. He said he did not want anyone leaving thinking the District still needs to recruit 86 teachers because that may not be the case.

Ms. Gee said when the analysis is done at the secondary level the District will have a different story at each level.

President Yee said the District has a group of 101 Temporary Teachers that were just laid off. He wanted to know if those 101 Temporary Teachers had any priority in terms of any rehiring the District may need. He said his understanding is Temporary Teachers have no 39 months rehiring priority.

Director Hodge said her understanding is Temporary Teachers are often qualified, effective, and credential teachers in some cases.

President Yee said slide 18 that talks about Measure "G" revenues. He said the bulk of Measure "G" funds is used in class size reduction.

Mr. Hal said "Yes".

President Yee said under RBB the District has increased class sized to the contracted maximum. He wanted to know if the money is a part of what the District will be able to use at the contracted maximum and not the State maximum or is this money applied from the contracted maximum down to some lower level?

Mr. Hal said it is a little bit of both. He said some schools are under the contracted maximum. He said no discussions are about the State maximum because our contract is below the State maximum and the District cannot go above the contract. The way the District allocates resources and the fact the State is doing a poor job of funding education, this money [for a lot of schools] is used not be above the contract maximum.

President Yee said he understood these funds are not allocated evenly across all schools.

Mr. Hal said they were.

President Yee said going forward with Mr. Hal's recommendation around Measure "G" he wanted it to be clear for Board Members and the public. He said because schools are at the contract maximum in the District that is not a violation of the use of Measure "G" funds for reducing class size.

Mr. Hal said he did not think it was a violation.

President Yee talked about the Furlough Days. He said in talking with people in various settings, there are varying interests in the Furlough Days as well as the 2% pay increase. He said each Furlough Day will save the District \$1.27 million by having everyone not working that day and not be paid for that day.

Mr. Hal said that is the only way for the District to receive the savings.

President Yee wanted to know if there was any negative impact on the ADA in the Furlough Days strategy.

Mr. Hal said these would be non-instructional work days. He said he recommends not reducing the number of instructional days.

Vice President London talked about the significant movement among the classified staff. She said the movement from site to site concerns her. She said the District has gone through a lot of effort to empower the principals to recruit teams that will fulfill their educational mission. This school year she saw some very negative impacts from last minute administrative assignments and wanted to know if that will include time frames?

Ms. Gee said with the classified staff, the District plans to use the output from RBB to drive the layoff analysis. She said the District's intention is by the end of April to be able to issue the classified layoff and not to wait all summer to get final placement.

Vice President London wanted to know if there is any opportunity for the District to negotiate with the unions around not having the "Bumping" occur.

Ms. Gee said "Bumping" is dictated by the Education Code and it is not something the District can negotiate.

Director Dobbins wanted to know how many other districts are using Furlough Days.

Superintendent Smith said many school districts in the Bay Area have already initiated Furlough Days.

Director Dobbins wanted to know how many Furlough Days other school district had.

Superintendent Smith said some districts are up to ten days.

Director Spearman noted that the Mt. Diablo School District is using three Furlough Days just to get through this school year. Director Spearman wanted to know if the Furlough Days had to be negotiated.

Mr. Hal said "Yes."

Director Spearman said the District was not talking about instructional days.

Mr. Hal said that is correct.

Director Spearman wanted to know how many Furlough Days the District is looking at.

Superintendent Smith said staff was directed to prepare an analysis of what that would look like. He said there has been no recommendation by staff. He said this is in response to Board Member request.

Director Hodge wanted to know if Measure "G" is the Oversight Committee that actually created the percentages or was it through the actual legislation?

Mr. Hal said those are the categories Measure "G" funds can be used in.

Director Hodge wanted to know who made the decision around the percentages.

Mr. Hal said staff has done this over the last few years.

Director Hodge said typically it's the Measure "G" Oversight Committee that's approving the expenditures.

Mr. Hal said the Oversight Committee has been reviewing the expenditures. He said the Oversight Committee does not approve, they advise and have a retrospective look at what has been done to ensure that funds have been used appropriately.

Mr. Hal said the Oversight Committee has some different views on what their role is and they would like to have some discussions about the committee bylaws.

Director Kakishiba talked about slide 17, Measure "G" allocations by percentage. Director Kakishiba said when the District talks about reduced class size and doing an accounting of whether or not these funds were spent for this purpose at a school site, he wanted to know if the funds went to a teacher's salary.

Mr. Hal said that was correct.

Director Kakishiba said library, music, and art programs are for librarian/librarian's assistant, and music teachers.

Mr. Hal said that was correct.

Director Kakishiba said on elective courses for students, the District spent close to \$1 million for the last three years or more for middle school students.

Mr. Heal said "Yes."

Director Kakishiba said when the District allocates \$1 million to middle schools for middle school electives, it is a per student allocation.

Mr. Hal said that was correct.

Director Kakishiba wanted to know if there was a way to verify that each school has created an elective course with their allocation.

Mr. Hal said he could not answer that question. He said he had not looked at that item in enough detail to determine whether or not the allocation is traceable to actual electives. He said he is assuming it does.

President Yee said in an earlier slide there was discussion about a restructuring of the Adult Education Program in order to flex the funds. President Yee said his assumption is that will require the noticing of Adult Education permanent teachers. He said many of the permanent Adult Education employees are veteran teachers who may have credentials that allow them to teach in another school. He said on the call back strategy on slide 20, if there is a school with a disproportionate impact of teacher layoffs at the school and there is a vacant position. He said it is conceivable that an Adult Education teacher who is interested could claim that position and claim that job over the teacher who is being disproportionately laid off.

Mr. Gee said that is true. She said the District has thought about doing call backs in blocks and working with OEA and not one teacher at a time.

Director Spearman wanted to know about the classified positions. She said when you talk about the sites developing their budget and school safety, cleanliness, and office staff, Director Spearman wanted to know where was this impacted in the budget?

Mr. Hal said classified employees are an issue as a result of the RBB process. He said schools have the flexibility to budget for what is best for their communities. He said on the last page of the presentation you will see the results of the classified. He said from school sites there is a 25% reduction in classified positions. He said these are the tough choices the schools and the communities have to make with limited resources. He said as a District going forward with the Community Schools Model, the District has to look at some guidelines to make sure you don't continue to see a major reduction of the classified positions in the schools.

Director Spearman wanted to know if the District is going to allow a school not to have someone to answer the telephone.

Mr. Hal said there are guidelines. He said each school must have the appropriate staff to take attendance and custodial staff based on the square footage of the school site. Schools

have used some of their resources to purchase additional SSO's in the past. This year that is not seen. He said the District is still working on the analysis of the budget for the Police which include the SSO's. He said he believes there will be a signification reduction in number of SSO's next school year.

Director Spearman wanted to know if parents know about the infrastructure in the schools. She said the Board is always hearing about safety and wanted to know if the parents know that this is a site decision if the school does not have any SSO's, cafeteria workers and staff working on the yard?

Mr. Hal said for the SSO's a lot are funded centrally and there are additional allocations to schools based on the site request for additional services. Mr. Hal noted all high schools have lost at least one SSO. He said the additional purchase of service is a site allocation and a site decision in terms of those services.

Director Spearman said the District could potentially have a school with no SSO's because the school decided not to purchase any SSO's.

Mr. Hal said much reduced, not zero.

Director Hodge wanted to hear more about the balancing fund.

Mr. Hal said when the budget allocations were sent out to the school sites, \$3 million was set aside for a "Balancing Pool". As schools did their budgets and balanced their budgets, some school submitted a request for some of the \$3 million pool. He said principals and management responsible for principals met, developed certain criteria on how best to appropriately use the \$3 million pool in services for the schools most in need and the funds were allocated.

Priority #2 - Status of Budget Priority #2

Structural deficit, central office allocations, contracted services, the use of Tier II Funds in audit findings, and reserves.

A structural deficit is when your ongoing expenses exceed your ongoing revenues.

Mr. Hal said the estimated structural deficit for the current year is just under \$5 million. He said next year the District will go from a \$4 million structural deficit to a \$22 million structural deficit. The difference is going from receiving -\$349 less per student to -\$844 less per pupil is about \$18 million less dollars the District will receive from the State. He said the structural deficit grows \$18 million.

Central Department Budgets

There is \$41 million in unrestricted funds and \$108 million in restricted for a total of \$150 million. He said the biggest budget for unrestricted funds is in Police Services which included SSO's. Mr. Hal said a \$65 million of the \$108 million goes to Special Education with another \$10 million for Special Education transportation. Other restricted items that will be centrally funded for Title I such as Supplemental Education Services and professional development for highly qualified teachers. There is about \$9 million for Buildings & Ground.

Consultants - School Related

Mr. Hal said as of April 3rd the total consultant cost was about \$28 million. He said between 2008/2009 and 2009/2010 the dollars decreased about \$7 million or 12%. The largest contracts are for direct services to children in the restricted category. He said the largest contracts for unrestricted funds deals with schools to pay for Street Academy, Gateway to College and Advance Path. Restricted funds at schools site totals about \$8 million with about \$5.8 million used for afterschool programs.

Consultants - Central Office - Unrestricted - 2.7 Million

The three largest contracts total \$900,000 paying for the New Teacher Project, College Summit, and buses for the OAL League.

Consultants - Central Office - Restricted - \$14 Million

Almost \$9 million goes to Special Education - Non Public Schools, \$1.2 for Special Education transportation, and about \$2 million for Supplemental Education Services.

Audit Findings

Since 2002-2003 our external auditors have identified findings totaling \$23.93 million. An additional \$1.3 million has been spent in fees to defend audits. The District is currently in the Education Audit Appeals Panel process to appeal a \$1.3 million finding from 2006-2007 for the administrator/teacher ratio. The remaining \$2.1 million is in federal findings. The 2007-2008 audit is being finalized. Mr. Hal said while under State Administration the District's cash and payroll liabilities were not reconciled for six years. He said within the last year the Board saw this as a priority and made sure an audit firm was hired to help the District with its cash and payroll liabilities. He said both are being reconciled. Mr. Hal said the funds are held in reserve for potential audit findings and needs to remain there until the District gets a resolution of the issue. He said in the \$3.4 million, about \$1.5 million deals with the administrator/teacher ratio issue the District has been under for some time. He said as the District has reduced some of the schools over the past few years, the District is getting closer to not having a problem in that area.

Director Spearman wanted to know if the problem was directly related to the number of small schools in the District where each school has an administrator.

Mr. Hal said Yes."

Mr. Hal said the unrestricted general fund ending balance is \$27,962,560 in the following categories:

Reserve for Economic Uncertainty - \$8,732,691
Revolving Cash - \$150,000
Audit Findings & One-time Items - \$8,461,463
Designated for Deferred payment - \$10,618,406

Mr. Hal said the initial plan was for the District to fund a 2% immediate raise for all employees. He said given where the District is in State funding, the District does not think it is prudent to provide that increase at this time.

Board Member Comments

Director Dobbins said employees were promised a raise and now they will not receive it. He said if the District does go forward with the raise, where would the District have to cut?

Mr. Hal said this is an ongoing expense and you have to reduce ongoing expenditures.

Director Dobbins said page 29 talks about central office contracts, unrestricted, and buses for the OAL League. He wanted to know if this expense comes out of the OAL budget or was it on top of their budget?

Mr. Hal said it was a part of the OAL budget \$900,000 budget.

President Yee wanted to know if the District expects a continued decline in consultant contracts?

Mr. Hal said as the resources are lower, non-personnel expenses will go down as well. He said at school sites there are site based decisions and he cannot speak to how schools have allocated their resources and determined their priorities.

President Yee said some people have questioned the expenditure of District funds on professional development and whether or not the money could offset the negative consequences of the layoffs at school sites. President Yee said he is concerned that professional development, a strategy to improve the quality of education, is used to offset the potential decline in the number of students or increased class size. He said he would be careful not to use one pot of money to offset another unless it is intentional or strategic.

Director Hodge said she wants to have that conversation around professional development. She said some of the conversations the Board has begun to have around institutional racism that exists and structural things that don't happen correctly. She said she want to be clear about that. She said she does want to see recourse around how to improve teaching and making sure young teachers are getting the right support and principals are getting the right support. She said she doesn't want to throw money into a system that can be potentially harmful.

Director Spearman commented on professional development. She said she was told the principal was the academic leader of a school. She said a lot of principals are new and the District is providing money to professionally develop the supervisors of the principals and professional development for the principals. She said it might be prudent for the District to start recruiting principals with some experience and that can help. She said it might cost the District in salary but it might save in the long term.

Director Spearman said the 2% salary increase was never promised. She said as a member of the Finance and Human Resources Committee, she remembers there was a report that said the District should do it, but it was never promised.

Director Spearman noted the State has deferred payments to the District and asked how far behind was the State in becoming current with its payments to the District?

Mr. Hal said he believes of the monies the District should receive this year, there is about \$25-\$30 million the District should receive this year and will not receive until after June 30th.

Director Spearman said the Board will not go bankrupt and must be mindful of where the

cash is, how much cash is received, and when the cash is received.

Mr. Hal said as part of the management of the District, cash flow projections are updated monthly.

Student Director Mitchell wanted to know if there is an evaluation process for the programs and consultants or a definition for both.

Ms. Santos said the District does have an evaluation for the afterschool program. She said for some of the grants there is an evaluation attached to the grant program. At the school site level it is the school site that justifies their needs for those resources and evaluates those services at the site. She said Supplemental Education Services (SES) is funded out of Title I and does not have that Federal requirement so there is not an evaluation.

Director Gallo said the business of the District is to teach students and that's it. He said the most valuable person to teach the students is the teacher. He said the District needs to look at the budget to make sure the teacher is supported. He said the District has seen gains at Manzanita Seed School and many other schools. He said when you talk about social justice, you have to protect and support those schools where Black and Brown students are doing well.

Director Gallo said in terms of Measure G Funds, he thinks the District can utilize those funds in light of the crisis it is in.

Director Gallo said in terms of the audit findings, those are actions the State took. He said the District should use its attorney to sue the State not to pay the audit findings. He said that is an action the State committed and why should the District pay for their mistake.

He said the focus and discussion that should be how to maintain the growth academically that the District has made after for years.

Director Kakishiba said the three priorities given to the Superintendent to work with the Board is doing exactly what Director Gallo was saying. He said when talking about retaining teachers and increasing compensation.

President Yee said at this point in the meeting he proposes to have a half hour of public comment and deliberations.

Public Comments

Catherine Carter, Principal, Manzanita Seed Elementary, said she appreciates the best thinking scenario of today's presentation. She said she appreciates there are no additional cuts proposed to school sites and the District looking to use one-time flexible funds. She said she is concerned about the structural deficit and analyzed non-core expenses that do not live at school sites. She said over the last two years Manzanita Seed has lost teacher professional development, collaboration time, counseling services, arts enrichment and reading intervention.

Jean Higgins, Grandparent, asked the Board to move as much money as possible from central administration and use one-time flexible money to fund sites to avoid layoffs. She said Think College Now hold high expectations for students and parents. Students are

expected to make gains in literacy and math each year. She said Think College Now has strong a family environment and community partnerships.

David Tidball, Teacher, said an error was made by the District when more than 20 RF Letters were sent to instrumental music teachers. He said one teacher sent an email to Barbara Gee and received a reply saying a mistake had been made. The intention was to only send out eight letters and she discovered there were more music teachers that they realized. Mr. Tidball asked the Board to recommend that the letters sent in error to music teachers be rescinded and a formal letter with an apology be sent to those teachers.

Bruce Burtner, District MSW, talked about Medi-Cal Medicare funding. He said the District is spending funds based on Medi-Cal. He said the District may lose this contract in the next two weeks. He said the Board has to sign off on a new application. He said if the application is not renewed, the District will lose its Medi-Cal Billing.

Katie Elmore, Psychiatric Social Worker, said there is a \$1 million dollar contract with Medi-Cal the District may be losing. She said the District has the opportunity to grow the contract with recent State and Federal regulation on how mental health services are reimbursed by the County. She said they need to meet with the Board and the Superintendent to get this item approved and hopefully rescind the 13 psychiatric social workers layoff notices to continue bringing money to the District in the future.

Paula Gonzalez, MSW Intern, Learning Without Limits, said 16 or the 17 credential teachers at Learning Without Limits will be laid off. She said this will impact the children and families of the school. She said the District has to find some type of funding.

Rachel Amsterdam, Teacher, Learning Without Limits, said she received a March 15th Letter. Ms. Amsterdam read a letter that a student had written: Dear School Board Directors, my name is Tanya. Our school is important because we are good learners and the teachers are important. The teachers are nice and kind and they want us to go to college. Ms. Amsterdam said what is happening is about the children and not about teachers losing their jobs.

Kevin, Learning Without Limits School Student, said the students learn a lot at their school. He said everyone is nice to each other. The teachers help the students.

Vanessa Madrigal, Parent, said it is sad to hear 16 our 17 teachers are getting laid off. She said this is the best school. She said her daughter has been at the school since kindergarten. She said the people care about the students and not just there because it is a job.

David de Leeuw, Teacher, said the intention is to vilify the State. He said the District did things that made the situation worse. He said the District did not have to schools with all new teachers who received 16 out of 17 layoff notices. He said the District could have tried to staff those schools with some experienced teachers and some new teachers.

Alice Phillips, Counselor, said the students have started a petition regarding the teachers. Ms. Phillips had the student to read the petition. The student read: These teachers might be getting laid off next year because of budget cuts. This is not good because the teachers really care about us and they are hard working. This is unfair because most of the money

in California is going to something else rather than education. Stop the injustice and save the future generations. Rest in peace my future.

Betty Olson Joes, President, Oakland Education Association (OEA), said it is unfortunate the Board choose not to hold the meeting in a larger venue. She said this is a time of cuts and have to be careful about divide and conquer, new teachers against veteran teachers, and schools against schools. She said the problem is with the State budget and we have to work at changing how schools are funded and how social services are funded. She said in the meantime allow the time to hear from everyone. She said she did not hear anything about the non-mandated testing where \$5 million-\$10 million is used for this testing. She said that can be cut immediately. She said in terms of professional development, the Effective Teaching Task Force has found many ways of cutting that money and restoring it to the teachers.

Sarah Green, Teacher, wanted to know why the District entered into a contract with the Oakland Teaching Fellows? She said there are thousands of teachers who are fully credential and happy to take those positions. She said Megan McGowan has a master's degree and her students' parents love her. The school will lose her and some other teacher with less experience will take her job. She said something is wrong with that.

Brett Wilson, Teacher, read a message from the Principal, Larissa Adams. Mr. Wilson said the District currently has the data from RBB to determine the number of FTE's needed and the number of separations to be expected in each credentialed area. He said Ms. Adam's recommendation to the Board is to immediately rescind all unnecessary layoffs and recognize the best teachers are in the fourth and fifth years are being offered jobs. He said the District cannot wait until May 15th but must send a message to our strong teachers and young teachers that the District values them.

Mary Rose Taruc, Parent, Ascend School, said children have a constitutional right to an equal education opportunity. She many any proposal to disrupt fragile schools with extensive teacher turnover is a violation of these children constitution rights. She said research demonstrates that teacher retention and minimal turnover are highly correlated to student achievement. She said the proposal to reduce elementary site budgets by maximizing class size can only be done by returning to the pre RBB days allocating FTE's to schools.

Megan McGowan, Teacher, said she did not receive a Pink Slip because she said she holds a Temporary Contract. She said upon being hired by the District she was told her contract would be switched to a Probationary Contract. She said the District has yet to do so and she has lost hope they will. She said she put herself through five years of school earning a Bachelor's Degree and earning her Master's Degree and teaching credential from the University of San Francisco. She said teaching is her calling. She said her school has become her extended family. She said she wonders why she earned her credential because she would have had more job security by going through a program that would have allowed her to teacher without one.

Yee-Ji Riddell, Parent, Joaquin Miller School, said she supports the teachers and the schools. She said she is speaking on behalf of Meghan McGowan, her daughter's kindergarten teacher. She said it would be a mistake to remove Ms. McGowan from the classroom. She said if Ms. McGowan is not a teacher at Joaquin Miller School she should

not be removed from the classroom because teaching is her calling.

Michael Fee, Parent, Joaquin Miller School, said instability kills progress. He said Joaquin Miller is fortunate because they will only lose two teachers this year. He said the school has managed to achieve some stability through keeping the principal for two years, turnover of almost no teachers, test scores are up, and the achievement gap is closing. Mr. Fee asked the Board to do whatever they can to rescind letters and restore teachers back to their schools.

China Anderson, Parent, Fred T. Korematsu School, said it feels like class warfare in Oakland. She said she finds it to be very disheartening. She said this has nothing to do with someone at the top's paycheck or their retirement plan. She said it is about teachers who get up every morning to teach children and not being paid well.

Wendy Caporicci, Principal, Emerson School, said quality education looks at the school site leader and they are only as good as the teaching staff. She said principals are collaborators and leaders. Children come first and then teachers. She said good principals are a part of that good team. She said if Oakland is going to make education number one of children and to have the opportunity to attend college, we have to put children and teachers first.

Jo Anna Lougin, United Administrators of Oakland, said the teachers in every school are valued. She said she also wants to value the administrators at each school. She said if the teacher is teaching the children like they usually are, the administrators are doing the things that keep the schools running. She said administrators also received Pink Slips.

Malina Willis, Teacher, Learning Without Limits, said she was drawn to Oakland with its small schools movement and the vision of the Learning Without Limits School. She said from day one the teachers have been building relationships with staff, community and students. She said the District asked for the brightest and the best and that is what they brought.

Evan Reeves, Parent, Peralta School, said he had some recommendations for the Board. Eliminate un-mandated baseline testing rather than teaching positions and to exclude teacher salaries from site based budgeting. She said that penalizes schools like Peralta who have a high number of experienced teachers on staff.

Lori Davis asked the children in the room to turn their heads. Ms. Davis held up pictures of her son while he was alive and she held up pictures of her son deceased with bullet wound. She said the officer is now working at Manzanita Elementary School. She said the officers should be on leave until the investigation is over. She said a lawsuit is pending. She said John Burris is going to make sure she gets justice for her son. She said all the parents need to know the District have murderers in their schools. She said wherever they are someone will let her know where they are working.

Kristopher Brown, Brother of Raheim Brown, Jr., said all he wants is justice for his brother. He said if he shoots someone he is going to jail 25 years to life. He said the officer has the right to kill because he has a badge. He said if you have lost a brother you will understand.

Tania Kappner, Teacher, said if the Board thinks this community is going along with the teacher layoffs you are wrong. She said more people need to come back next Wednesday. She said California is not poor and we will not take this anymore. She said we can win this fight if we organize. She said we cannot rely on the Board making these cuts.

Noel Dominguez, Fred T. Korematsu School, said a few years ago the government spent billions to help private institutions [like the banks] and they say there is no money for the children. He said they spend billions. He said they are building a lot of private jails around the country. He said the government is cutting money from transportation, health and energy. He wanted to know why schools are not being built.

Adriana Vital, Parent, Think College Now, said the school's API Score is 859 and it has been a high achieving school for seven years. She said 95% of the students receive free and reduced lunch. She said the school is succeeding in spite of challenges because of a dedicated staff working together meeting the needs of the students. She said the Board has told them potentially 79% of their teachers will be laid off. She said this will destroy the success they have worked so hard for. She said schools in the hills have lay off rates around 20%. She said layoff should not happen, but if they should they should be done in an equitable manner.

Hugh Morrison, Parent, Glenview School, said the music program at Edna Brewer Middle School is one of the highlights among many families across the District. He said if that program is cut the District will lose people. He said parents at Glenview School implemented a composting and recycling program that saved \$7,000. He said the school did not receive any of that money. He requested the Board look at operational savings when the heat is on and in other areas.

Ben Visnick, Teacher, Oakland High School, said it is not freedom of assembly if everyone can get into the room. He said Oakland High has 75% of its students receiving free and reduced lunch and the school has 20 layoffs. He said not to pit the schools against one another. He called for no layoffs. He said the Furlough Days, teachers in Oakland took a furlough from 2002-2008 that amounted to four percent. He said teachers got the four percent back but combined with the health benefits, Oakland teachers are still at the bottom of the pay scale for Alameda County. He said not to discuss Furlough Days with the teachers. He said Measure G was a promise to the people of Oakland.

Jabarri Shaw, Parent, Manzanita Seed School, said he thinks it is a great school and they can't afford to lose anybody. He said last week the school had a community walk and he witnessed officer Boulsa there. He said he made a joke to the officer asking if he was the officer that killed Raheim Brown? He said the officer told him to keep up the fight and shook his hand. He said the officer has three lawsuits against him from the City of Oakland and he was forced to resign. He said the Oakland Police Department let him go and the District hired him. He said that is wrong.

Sheri M., Parent, said since her son has been enrolled in the District there have been talks about cuts and school closures. She said if you are in a position to say or do something about what's wrong and you don't do it, you are just as wrong as Hitler. She said everyone who has power or a position of power to reach the people in the so called higher power need to do something about it. She said stop killing people and to stop the gang injunction. She said it is all evil, a wolf in sheep's clothing.

President Yee requested Director Kakishiba provide a brief summary of the direction of where he would like the Study Session to go.

Director Kakishiba said a good place to start would be on page 11 getting to the Superintendent's recommendation. He said his sense of the Superintendent's recommendation is:

1. By absorbing the new \$18 million loss of revenue from the State and absorbing that through a number of one-time revenue sources keeping the school site budgets where they are currently in a combination with things the District has done in the last few months around the Early Retirement Package. In terms of maintaining and retaining teachers, the District will do well or come close barring some other catastrophe in Sacramento. He said the District can come close not having to issue any layoffs for the majority of the people already issued March 15th Letters.

2. The structural deficit has increased because of State revenue. Director Kakishiba cautioned the Board of the notion of incorporating a 2% compensation for all employees. He said given that it is an on-going expense and the District is in a declining revenue situation. He said that is unlike the use of flexing the Adult Education money and using it to augment high school education. He said the concept around structural deficit is the District is trying to lower that amount. He said a \$3 million dollar investment in high school education in concept is right. It is important for the Board to hear an explanation from the Superintendent of what the District is buying with the \$3 million from Adult Education.

3. He said Measure G's a stable funding source. He said it is unrestricted and the voters voted for providing a better high school education in the form of elective courses. He said it is an appropriate source for doing the kind of work the Superintendent wants to do with the Adult Education money and he encourages the Superintendent consider redirecting the investment of middle school electives to high school education maybe using some of the Adult Education flex to keep the middle schools whole for the coming year and go from there.

Board Member Comments

President Yee asked Board Members what they thought of the presentation, the three budget priorities the Board established, the public comments, and their own review of the presentation.

Student Director Mitchell said she wanted to address the \$3 million the Board wants to take from Adult Education and place it in high school instruction. She wanted to know if the money will go towards fulfilling the A-G Requirements the District has committed to and if not, where will the funds come from.

Ms. Santos said the intent of those dollars is to fulfill the A-G Requirement and put into place the type of courses and supports so that students graduate meeting those requirements.

President Yee asked Student Director Mitchell if she thought the Superintendent's staff is

moving in the right direction?

Student Director Mitchell said she feels the District has stretched itself as much as possible. She said with the money spent on consultants the District needs to look at how to get those monies back into the classroom. She said the District is doing well and need to pressure the State for more funds.

President Yee asked Student Director Mitchell if she had enough information to represent this discussion to All City Council?

Student Director Mitchell said the packet is not student or parent friendly. She suggested the packet be more student and parent friendly that is accessible and understandable.

Director Dobbins suggested reducing the document down to one page. He said he likes the breakdown of consultant contracts. He noted that a lot of parents in District 6 don't have access to email and the District has to look at different mediums in getting this information across. He said he agrees the meeting needs to be held in a larger venue. He said the Board did not realize there would be such a large turnout. He said his understanding when implemented the contract the District would give a 2% salary increase across the board. He said economic times have changed. He said he thinks that needs to be explored more. He said overall the District is heading in the right direction.

President Yee asked Director Dobbins if the 2% was put back on the table, did he have any suggestion of where the District may get the funds from?

Director Dobbins said Mr. Hal is pushing that back to the school sites which pit the unions against the school sites. He said it is something the District needs to explore.

Director Spearman acknowledged the presence of District 7 principals in attendance at the Board Meeting. She said whenever the Board does the budget it is real difficult. She said this year it is traumatic. She said she has heard numbers ranging from \$500 up to \$1,300. She said the District does not what the final numbers will look like. She said the 2% salary increase has to go. She said she would like to see the professional development money benefit someone and not be used for other purposes. She said it sounds like the District will only layoff but two or three people in the certificated staff. She said she is real worried about the classified staff; about who will open the doors to the school, and who will keep the schools clean. She said a speaker said it was a constitutional right for children to have an education. She said it is not a constitutional right for anyone to have a public education. She said it is State mandated that between the ages of 5-16 a child attend school.

President Yee said Director Spearman identified classified layoffs as a strong concern for her. President Yee wanted to know if Director Spearman was making a recommendation to be aware of to restore some budget for some classified positions?

Director Spearman said she wished she could. She said there has to be someone cleaning the restrooms, someone has to answer the telephones, and there has to be security. She said it is upon the school site to take the funds from their budgets to fund these positions.

President Yee stated Director Spearman's recommendation that there be some requirement

to ensure that schools have that kind of services and the cost comes from of the site budget.

Director Hodge said the loss in Adult Education Funding needs to be explored. She said they have already taken substantial cuts. She said the professional development funds need to be explored to see if the funds can be sent to the school sites. She said based on the strategic framework the District is building and the direction the District is going in, where the District is saying it will dismantle some of the institutional racism that exist within the system, she said she does not believe it will be in the District's best interest to leave all those resources in a place where they may not get managed in a way or tactically directed in a way it needs to be done in the Strategic Plan. She said she believes the Strategic Plan will move the District toward effective teaching, and Full Service Community Schools will move the District in a direction of dismantling some of the oppressive factors that have been there. She said professional development is one way for Ms. Santos to be able to look at that, analyze it and direct those resources. She said she needs for Ms. Santos to have that authority.

Director Hodge wanted to know about rescinding layoff notices. She said she knows the concern is if the District does not rescind and bring people back, they will continue to interview for jobs in other districts and continue to walk away from the District and serving our children because they must feed themselves and their families. Director Hodge said she is ok with that. She said the District will still be left with young people in the District that must be served. Director Hodge wanted to know how soon will teachers be notified?

Superintendent Smith said all the credential reviews are being done right now. He said the District's intention is to move as quickly as possible. He said the District just received the new budget number and still 85% of the money the District does not know how much money it will receive. He said the District has every intention per its best thinking, to hold what the schools did already and that is what the credentialing analysis was based on and he will get that information to the Board as soon as possible.

General Counsel Jackie Minor said part of the process is a hearing on the layoffs. The settlement conference is scheduled with OAH and OEA for the District will be held on April 15th. The District anticipates having made a decision before April 15th.

Director Hodge said a week ago the Board looked at the Asset Management Plan. She said the District is not closing schools to right size the District absent a strategic and tactical approach. She said the District will know why it will close schools [if necessary] and look at it and weigh it out. She said that cannot be done quickly. She said it will not be the District's quick fix around resources. She said the District will have to think about the Asset Management Plan and how the District uses those assets are done in a way that it does save the District money. She said she would like to get back into that conversation sooner rather than later. She said another element that was a bit controversial was about potentially selling property as a resource for generating revenue income for the District. She said it could be a scary thing to deal with, but there have to be real conversations about this and she hopes the Board can move forward with that.

President Yee said there has been some Board disagreement around Priority 3 and the 2% salary increase and Director Hodge's focus making sure professional development is strong and attached to the Strategic Plan. President Yee asked Director Hodge if that is workable within the budget parameters recommended as the best ideas or is she identifying a

particular investment she would like to make and transfer the money from somewhere else or ask Mr. Hal to find the money?

Director Hodge said she wants to support teachers receiving a 2% salary increase and a larger increase. She said she supports custodians getting a salary increase. She said she keeps the 2% on the table because it includes all the employees of the District. She said the elephant in the room is the District has to look at the leadership among teachers and how they are negotiating, how they are in dialogue with the District, how there is a split, a lack of real unity, and a lack of relevant and real conversation about what is needed in the teaching profession for our children in Oakland. She said she wants those professionals to be at the table pushing the District to make sure the teaching profession in Oakland is lifted up. She said the District imposed a contract because there was no movement in the dialogue. She said it was intractable and she said the 2% increase was not respected or regarded as far as she is concerned. She said people said the 2% was not enough. But in the mist of things the District had to impose a contract but will fight hard in the mist of all of this to make sure teachers get a 2% salary increase. She said in her estimation there still has not been a level of respect or regard and pushing on how do we improve this profession to benefit young people. Director Hodge said she supports all employees receiving a 2% salary increase but she is also saying we need to do something different within the leadership of the OEA to move people into a different kind of conversation.

Director Spearman said two of her colleagues said they support the 2% salary increase for all employees. She said she finds it difficult to support the 2% increase and then cut the classroom 10%. She said if she could find the 2% without any other kind of hurt, she rather to put the 2% back into the classroom versus putting 2% on the paycheck. She said if the District can find the money for a 2% salary increase why not put the 2% back into the classroom. She said if that kind of money is there, the Board needs to look at decreasing the cut to the classroom versus trying to find compensation for all employees.

Student Director Mitchell said from a student's prospective and not someone who sits on the Board, she thinks whenever anything is brought to the table the Board has to ask itself is this essential for the learning and the environment? Who is the initiative for? Who is it benefitting? Who is it for in the long run? She said teachers do need to be able to feed their families. She said when you look at where the money is needed it is in the high schools. She said if that means giving money to teachers that's what it means. If it means giving money to an elective class that's what it means. She said the Board needs to ask who this is for and involve everybody to come up with a communal solution.

Vice President London said this is a personal issue for her with children in the 4th and 6th grade in District schools. She said her 4th grader has an outstanding teacher who is on a temporary contract. She read information regarding compensation last year at PG & E. Peter Darby, CEO, PG& E salary fell to \$8.4 million, Chris Johns, President, PG & E stock awards last year was only \$1.93 million and the CFO stock award last year was \$1 million. She said if you are a director of PG & E as opposed to the District or any other public agency of board, your compensation last year was \$55,000 which she believes is more than most District teachers make currently. She said she offers this information to show this is happening all over corporate America. She said the priorities in the State are wrong. She said we need to take the information and anger about the system to where there is some influence. She said what is being done here is fighting over crumbs critical to the future of our children.

Vice President London said she is very concerned about the impact of taking \$3 million out of Adult Education. She said last year when the Board trimmed that budget it lost a lot and any further cuts to that program will have devastating impacts of the ability of our families to support their students and for people to recover credits and walk out with a GED.

Vice President London said she does not understand what the District spends on professional development, what that's going to, and who's receiving the professional development. She said she is interested in exploring Furlough Days which is a tradeoff of the salary increase. She said all are choices the District should not have to make. She said anything the Board can do to give certainty will be wonderful understands there are rules that govern temporary teachers. She said if there are teachers who have spent a year in our classrooms and doing exemplary work, she would like for the Board to find a way to retain those people even if they are on a temporary contract this year. She said if it looks like there will be positions opening she would like to find a way to do that.

Vice President said she echoes Director Hodge's comments about some of the facility decisions. She said in the back of her mind has been if the Governor does not get his election and the District does not get the taxes, the Board may have to make some decisions a year ahead of when the Board might have otherwise.

Vice President London said she would like to hear more about mandatory testing. She wanted to know what testing is the District doing that some think is non-essential, how much does that testing cost, and what are the consequences of not pursuing that.

Vice President London said the Board needs to provide as much stability as it can in the workforce. She said she is concerned if the District knows now it will not issue as many layoffs as it had to issue. She said she would like to see the District move sooner rather than later to let those people know. She said this includes the classified staff as well.

Vice President said she believes there needs to be three or four more Study Sessions scheduled now and the end of June between the budget and the Strategic Plan. She would like to see the Board identify the topics, the dates, start to publicize that well, and think about the venue. 43141

President Yee wanted to know from Vice President London if she saw how she wanted to rearrange the priorities to recover the \$3 million for Adult Education or is she asking Mr. Hal to add that to the \$5 million.

Vice President London said she wanted to look at the professional development and look at the contracts a little. She said there may be other ways to deliver the professional development and maybe we only take \$1 million from Adult Education. She said she wants to better understand what the tradeoffs are.

President Yee wanted to know about the 55% /45% administrator to teacher ratio. President Yee wanted to know with the proposals to restructure and the reduction in the number of teachers without closing schools and if the District is moving closer to compliance in that area or moving further away?

Mr. Hal said he thinks the District is moving closer this year given the 20% cuts made to

central office. He said anytime you reduce the number of teachers without reducing the reducing the cost associated, you raise the risk of not meeting the 55%.

Student Director Mitchell said she wanted the Board to keep in mind when talking about the administrative ratio, small schools was a community initiative. She wanted to know how the District keeps the community's vision in mind as you create better learning environments.

President Yee's closing remarks.

President Yee said he appreciates each Board colleague for their thoughtful responses and providing direction. He said he hopes the Superintendent and his staff have a good sense of where people are, the areas of agreement, and the areas of difference. He said he appreciates Director Hodge for calling out the importance of addressing inequities in the system. He talked about his ten years as a teacher and administrator in the District believing the only relationship that is important is the relationship between the teacher and the student. He said if that was the case we would not have social inequities in the public school system but we do. He said we would not have schools that perform differently but we do. He said the notion of effective accountability is the responsibility of the Board. He said he expects for the District's Strategic Plan puts that front and center. He said the original Board priorities on expenditures needs to be revisited in its entirety as soon as the Strategic Plan is completed so that the Strategic Plan and its call to interrupting inequities, providing high quality instruction, and high school graduation for all is what drives the District. He said for the moment the three Board priorities including the 2% salary increase feels ok to him as long as everyone understand that has to be placed in the end. He said within the context of the Strategic Plan and as a Board, the Board cannot abdicate its responsibility to hold the whole system accountable by saying it will redistribute the money to school sites and ask them to be accountable.

President Yee said most of the principals he heard came in to speak in support of keeping the staff whole from the perspective of the elementary schools and the Board acknowledges that elementary schools are important. He said Student Director Mitchell called out the importance of the high schools to be transformed to be successful. He said he takes that as a huge responsibility and would like to see that built into the fiscal priorities as well. He said he is delighted about the \$3 million put in that area and expects the Superintendent and Deputy Superintendent Santos to closely align with benchmarks and accountability, how that will be rolled out this year, and how the District will measure success.

Director Kakishiba said compensation is 80% of the District's budget. He said managing compensation and structuring compensation is one of the most important things to do for an organization. He said if the salary scale is such, coupled with the District's benefit package, Oakland teachers are among the lowest paid and the District had a young work force for some time, he is concerned about ten years down the road. He said if the District can hang on to these people. Every year we retain them the more expensive it becomes. He said it will move quickly unless the District manages that well, know that, project that out well, and layering over the increase on the salary schedule in addition to longevity. He said the same way the District manages health benefits in saying you have to have some kind of cap some kind of employee compensation is a similar concept. He said that is why employee compensation and making that a priority is important to him. He said the 2% increase and spreading it across the salary schedule is not exciting to him but it is a

starting point for the District to think about how it might structure its compensation package for all staff. He said it is number one. He said with a bunch of elected officials you just look at the most immediate things and push off things. He said he thinks that why the District is in the situation it is in. He said direct services are important. He said the Board has to be strategic about how it will do this. He said it is hard to do when the lifespan is every two year when the election occurs. He said he is excited and looking forward to what will come out of the Task Forces. He said he agrees the Board need to try and understand the impact of the reductions on Adult Education Programming. He said as a matter of public policy for him, in this era there are many school districts that do not provide Adult Education. Not because the money was cut, but they chose not to provide Adult Education. He said those Adult Education resources should be more at the secondary level as an investment in strengthening. He said the issues around professional development the District needs to have very clear, concrete, and substantive performance measures in the various departments. He said performance measures need to be looked at semi-annually and make budget decisions based on that. He said that is a work in progress. He said it is one thing if the professional development is done poorly that can get fixed. He said it's another thing to say we don't need it at all and let's spend it in a different way.

President Yee said the Board is affirming the work of staff towards a decision in early May regarding the positions and the people and if there are enough pieces in place to propose a balanced budget in June and have enough in place to sustain the Strategic Plan for the coming time.

Vice President London said she is hopeful if there are people not being laid off so they can be notified sooner than later.

President Yee announced the dates for upcoming Board Meetings. April 27th, May 11th, and May 15th, June 22nd and a Special Board Meeting on June 29th to adopt the budget.

President Yee asked Board Members about additional Study Sessions. The May 7th Strategic Plan Meeting was postponed to a later date to be determined.

Director Spearman said after tonight she is not open to additional Study Sessions.

Roll Call (Secretary's Observation)

Noel Gallo present at 5:17 P.M.

Roll Call: Present: David Kakishiba, Jumoke Hodge, Noel Gallo, Christopher Dobbins, Alice Spearman, Jody London and Gary Yee
Absent: Lashae Robinson and Nikita Mitchell

Roll Call (Secretary's Observation)

Student Director Mitchell present at 5:35 P.M.

Roll Call: Present: Nikita Mitchell, David Kakishiba, Jumoke Hodge, Noel Gallo, Christopher

Dobbins, Alice Spearman, Jody London and Gary Yee
Absent: Lashae Robinson

Roll Call (Secretary's Observation)

Noel Gallo absent at 8:45 P.M.

Roll Call: Present: Nikita Mitchell, David Kakishiba, Jumoke Hodge, Christopher Dobbins, Alice Spearman, Jody London and Gary Yee
Absent: Lashae Robinson and Noel Gallo

D. Adjournment

President Yee adjourned the meeting at 10:03 P.M.

Prepared By: _____

Approved By: _____