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Board Cover Memorandum

To Board of Education

From Jennifer Brouhard, President
Valerie Bachelor, Vice President

Meeting Date September 24, 2025

Subject Resolution Directing the Preparation of Budget Scenarios to Address District's Projected Fiscal Years 2026-27 and 2027-28 Structural Deficit

Board Action Approval by the Board of Education, upon recommendation by the Budget and Finance Committee, of Resolution No. 2526-0177 - Directing the Preparation of Budget Scenarios to Address District's Projected Fiscal Years 2026-27 and 2027-28 Structural Deficit, authorizing District staff to submit at least three scenarios reflecting the areas of suggested budget adjustments to the General Fund as described in the Resolution

Background & Discussion The Interim Superintendent requested the Board to provide direction to her on where adjustments in the 2026–2027 budget should be made to address expected budget cuts of at least \$80 million. The Superintendent requested the Board to provide the direction not later than October 8, 2025.

This Resolution provides the necessary direction so the Superintendent or her designee can prepare at least three budget scenarios reflecting adjustments in the amount of \$80 million. The Resolution intends to focus budget adjustments on areas that will have the least impact on students and staff who directly serve them. While recognizing that all OUSD staff ultimately serve students, this Resolution emphasizes protecting site-based staff wherever possible.

The adjustments will need to be made from the General Fund. Another purpose of the Resolution is to begin exploring options for restructuring central office staff, services, and contracts in anticipation of at least two years of potential budget reductions.

In her letter dated September 15, 2025, Alameda County Superintendent of Schools Alysse Castro warned that OUSD will face significant budget reductions in the 2026–27 and 2027–28 fiscal years. This Resolution is a proactive step to ensure fiscal stability and maintain local control of the District’s finances.

Fiscal Impact

The fiscal impact will be determined when the three scenarios are presented to the Board in November.

Attachment(s)

Resolution No. 2526-0177 Directing the Preparation of Budget Scenarios to Address District’s Projected Fiscal Years 2026-27 and 2027-28 Structural Deficit

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Board of Education
of the
Oakland Unified School District

Resolution No. 2526-0177

Directing the Preparation of Budget Scenarios to Address District's Projected Fiscal Years 2026-27 and 2027-28 Structural Deficit

Submitted by Jennifer Brouhard, Board President, and Valarie Bachelor, Board Vice President

WHEREAS, it is the joint responsibility of the Board of Education (Board) and District to center students with the most needs and the staff who work directly with them so that all OUSD students can graduate college-, career-, and community-ready, and so that families can confidently send their children to OUSD schools knowing they will be prepared for life after graduation; and

WHEREAS, the Board recognizes that the Oakland Unified School District (OUSD) faces a structural deficit, in which projected ongoing expenditures exceed projected ongoing revenues. In a letter dated September 15, 2025, the Alameda County Superintendent of Schools stated that ongoing minimum budget adjustments of \$78M will need to be made in 2026-27, and \$73M will need to be made in 2027-28; and

WHEREAS, the budget adjustments come directly from the General Fund; and

WHEREAS, the Board must work with District leadership to develop a budget that reflects the vision and needs of the communities it serves, including parents and caregivers who want schools with optimal learning conditions, clean and safe spaces; and

WHEREAS, the Board must also prioritize staff retention and compensation to provide continuity in schools and ensure that students and families feel a sense of belonging; and

WHEREAS, it is the responsibility of the Board to approve a budget that keeps the District solvent and maintains local control of its finances; and

WHEREAS, the Board has a duty to monitor expenditures to ensure fiscal responsibility and maintain solvency; and

WHEREAS, to maintain a solvent District, the Board must direct staff to identify positions and financial practices that (1) do not directly impact students in schools, (2) are funded by one-time funds or grants with end dates, or (3) are no longer necessary or affordable; and

WHEREAS, students identified as focal groups in the OUSD Local Control and Accountability Plan (LCAP)—including Black students, Latinx students, newcomer students, foster students, unhoused or housing-insecure students, and students with disabilities must be prioritized in the District budget.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Education directs the Superintendent to prepare at least three budget scenarios for Board review and community input. Each scenario shall address the following and include both cost and impact on students:

1. Central Services and Network Restructuring

The Board directs staff as follows:

- a) Identify and cut positions and financial practices that (1) do not directly impact students in schools, (2) are funded by one-time funds or grants with end dates, or (3) are no longer necessary or affordable.
- b) Provide options for consolidating the elementary network to one or two networks, noting that larger districts with more schools and students operate with one or two elementary networks.
- c) Provide options for restructuring the middle school and high school networks to ensure cost savings and efficiency.

2. Improving Student Attendance

Provide a comprehensive plan for improving daily attendance at each site, including monitoring and support for schools struggling to improve attendance. An increase of 1% in attendance would yield approximately \$5.25 million.

3. Leveraging Other Agencies and Resources

Provide options for potential cost savings from leveraging other agencies and resources.

4. Financial Systems Improvements

Provide options for improving financial systems, such as limiting outsourcing contracts.

5. Programs & Services

- a) Inventory the District's programs and services, assess their usage and impact on student achievement, and identify programs and/or services that could be consolidated or eliminated for 2025-26 and 2026-27. Staff will present to the Teaching and Learning committee and recommendations from that committee will be brought to the full Board.
- b) Identify and cut positions and financial practices that (1) do not directly impact students in schools, (2) are funded by one-time funds or grants with end dates, or (3) are no longer necessary or affordable.

6. Centralizing Contracts and Services

Provide options for additional centralizing contracts and services—such as, but not limited to,

afterschool providers, mental health services, furniture replacement, and equipment purchases—to increase the District’s return on investment.

BE IT FURTHER RESOLVED THAT, the Superintendent shall timely request approval of the Board for new expenditures not in an approved budget and, in addition to statutory reports, also formerly notify the Board monthly if and when expenditures of an approved budget at any time during the fiscal year is running 80% above budget allocation. The Superintendent shall timely present the Board with proposed adjustments, thereof, to maintain a balanced budget.

Passed by the following vote:

PREFERENTIAL AYE:

PREFERENTIAL NOE:

PREFERENTIAL ABSTENTION:

PREFERENTIAL RECUSE:

AYES:

NOES:

ABSTAINED:

RECUSED:

ABSENT:

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District held on September 24, 2025.

OAKLAND UNIFIED SCHOOL DISTRICT

Legislative File ID.: 25-2351
Introduction Date: 9/24/2025
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By:

Jennifer Brouhard
President, Board of Education

Denise G. Saddler, EdD, Interim Superintendent and
Secretary, Board of Education