

Board Office Use: Legislative File Info.	
File ID Number	19-1575
Introduction Date	9/11/19
Enactment Number	
Enactment Date	



**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

**RESOLUTION
OF THE
BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT**

NO. 1920-0159

District's Fiscal Year 2019-20 Budget, Revision No. 1

WHEREAS, the Governing Board of the District adopted a budget for the 2019-20 Fiscal Year on June 26, 2019; and,

WHEREAS, after the District closed its books for 2018-19 Fiscal Year some assumptions that the 2019-20 Fiscal Year Budget were based upon changed; and,

WHEREAS, as the 2019-20 Fiscal Year progresses, the District receives budget information and adjustments from the State and how its actual needs and expenditures compare to the projected/adopted budget and makes revisions accordingly; and,

WHEREAS, in accordance with Education Code sections 42130, 43131, (a) (1), and 43131, (a)(2), the board passed adopted budget on June 26, 2019, which contained the District budget for the 2019-20 Fiscal Year, and,

WHEREAS, Exhibit A: Budget Revision Memo and Exhibit B: Special Education Budget Revision #1 of this Resolution reflects further adjustments made to the District budget as of September 11, 2019,

NOW, THEREFORE, BE IT RESOLVED THAT, that the Governing Board hereby adopts District Budget Revision No. 1, Fiscal Year 2019-20, as of September 11, 2019 as identified in Exhibit A: Budget Revision Memo and Exhibit B: Special Education Budget Revision.

PASSED AND ADOPTED by the Board of Education of the Oakland Unified School District this 11th day of September, 2019, by the following vote:

PREFERENTIAL AYE:

PREFERENTIAL NOE:

PREFERENTIAL ABSTENTION:

PREFERENTIAL RECUSE:

AYES:

NOES:

ABSTAINED:

RECUSE:

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 11, 2019.

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By:	

OAKLAND UNIFIED SCHOOL DISTRICT

Aimee Eng
President, Board of Education

Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

Exhibit "A" - Budget Revision Memo

Exhibit "B" - Special Education Budget Revision

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Memo

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Luz Cazares, (Consultant) Interim Chief Financial Officer

Board Meeting Date September 11, 2019

Subject 2019-20 Budget Revision

Action The Board of Education will adopt the 2019-20 Budget Revision

Discussion

The OUSD commits to developing and revising our budget to reflect the best information available to us as a standard practice. With this standard in mind, we have updated our FY19/20 Adopted Budget to reflect the revisions listed below. Please note these revisions are reflected in the FY19/20 budget presented as part of the FY18/19 Unaudited Actuals.

Revisions to Revenues

- Special Education Early Intervention Preschool Grant – \$4.0M of one-time, unrestricted revenue for this new program to provide funding for early intervention services for preschoolers with individualized education programs.
- Revenue enhancements – \$0.3M increase in local revenue for facilities use
- Revenue shifts – \$8.9M shift of Redevelopment Agency (RDA) dollars from an unrestricted resource code to a restricted resource code with 90% used toward the District contribution to the Restricted Maintenance Account (RMA) and 10% to the Special Reserve Fund for Capital Outlay Projects (Fund 40)

Revisions to Expenditures

- California State Teachers’ Retirement System (CalSTRS) Rate – \$0.8M

increase in STRS expenditures to reflect the increase in the STRS rate in the Budget Act.

- California Public Employees' Retirement System (CalPERS) Rate – \$0.9M decrease in PERS expenditures to reflect the decrease in the PERS rate in the Budget Act
- Tentative Agreement between the OUSD and SEIU - \$3.4M increase in expenditures for salaries and benefits
- Maximizing restricted resources – \$0.6M shift in contracts from unrestricted to eligible restricted resources
- Developer Fees – \$0.2M transfer of direct costs from the Capital Fund (Fund 25) to reimburse the General Fund for administrative costs related to the collection of developer fees up to 3% of the total developer fees collected during the fiscal year
- Reinstated positions - \$0.4M increase in expenditures to reflect the positions reinstated by the Board on August 14, 2019
- Budget Development 2.0 – The OUSD team conducted a review of our Special Education budget and identified revisions aimed at addressing the needs of our current students as well as refining our budgeting process to ensure the Board has the best information available at each reporting period. The attached memo details the results on the review, including the budgetary impact.

As always, the Budget Team is working diligently to update the budget. As we continue with Budget Development 2.0, we will bring additional revisions to the Board for approval. Our next update is planned for October, which will include revisions based on our 20 Day enrollment counts.

Exhibit "B"



To Board of Education

From Kyla Johnson-Trammell, Superintendent
Sondra Aguilera, Chief Academic Officer
Neena Bhathal, Executive Director, Special Education
Luz T. Cázares, Interim Chief Financial Officer (Consultant)

Date September 11, 2019

Subject Funding the Needs of Our Students with Special Needs

Overview

The purpose of this memo is two-fold. First, we will update the Board on the needs of our current students, including the associated funding required to meet those needs. Second, we will update the Board on refinements we are making to our budgeting process to ensure our budget is accurate and adjusted throughout the year.

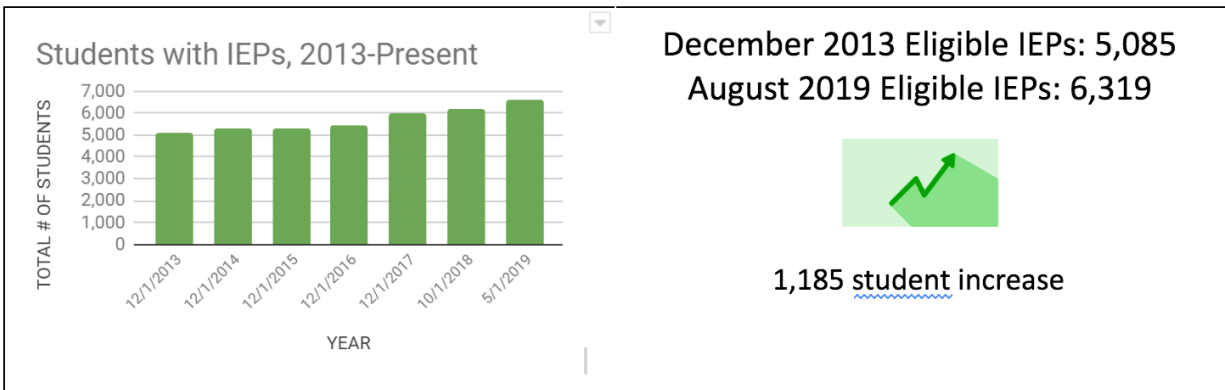
The net impact of the new programs/services and the budget refinements is a \$2.6M decrease to our fund balance. The impact to our fund balance has two components: a \$1.6M increase in the contribution to our special education program plus a designation of our fund balance of \$1.0M for potential one-time costs (e.g., settlements). The individual budget revisions are detailed below and summarized in Attachment 1.

Student Needs: Programs and Services

All students identified as needing Special Education services are legally entitled to a free and appropriate public education (FAPE) and the district is legally mandated to provide supports and services as outlined in IDEA. Furthermore, all students require a qualified teacher, support staff, and services as stipulated in each Individualized Education Plan (IEP).

Currently, Special Education maintains some form of programming at every OUSD public school, including a continuum of services from inclusive services in general education, to special day classes, to specialized Special Education centers for preschoolers and young adults (up to age 22). Over the last five years, our numbers of eligible students have continued to rise. While this is a trend experienced across California and the nation, we have seen an accelerated rate of growth.

As of August 15, 2019, the OUSD serves 6,319 students with Individualized Education Plans (IEPs). This is an increase of 144 students with IEPs from September 2018. Furthermore, we currently have 733 pending assessments for students who may become eligible for Special Education services in the 2019/20 school year.



With the increase of students matriculating to Kindergarten, Middle School, and High School, we developed plans in FY18/19 for nine (9) new classrooms in FY19/20. We have opened the new classrooms as described below:

Pre-School	Elementary School	Middle School	High School
Deaf/Hard of Hearing for Infants & Toddlers Burbank Pre-School	K-2 Autism SDC Hoover Elementary	6-8 Moderate/Severe United for Success	Deaf/Hard of Hearing 9-12 Skyline High School
Mild/Moderate SDC Reach Academy	K-2 Moderate/Severe CUES3-5 Moderate/Severe Carl Munck	6-8 Mild/Moderate Melrose Leadership Academy	9-12 Moderate/Severe Castlemont

With the start of the school year behind us, we are able to update our pupil counts and consolidate classrooms. To date, we have eliminated 5.5 FTE.

There are 13 Federally-recognized categories under which a child can become eligible. This table summarizes the highest incidence disabilities in public schools in Oakland. Note that this includes primary eligibility only, and students may have other areas of additional disability. As an example, a student may be primarily eligible for Autism and secondarily receive speech and language services as well.

Primary Disability Category	2018/19 Incidence	2019/20 Incidence
Speech Language Impairment (SLI)	1318	1316
Specific Learning Disability (SLD)	2239	2256
Autism (AUT)	886	1122
Other Health Impairment (OHI)	723	761
Intellectual Disability (ID)	495	554
Emotional Disturbance (ED)	299	310

Over the last three years, the District has seen an increase in eligibility under the category of Autism. This is part of a nation-wide increase and primarily impacts our preschool and K-2 classroom settings due to the age of onset of the disability. As a part of our state-mandated Performance Plan Indicators (SPPIs), we have continued to closely monitor our number of students eligible under Emotional Disturbance and have decreased this category by almost 100 students.

The table below captures the increase in FTE for each position that is directly supporting programs. The Special Education Department determines staffing ratios based on student need and service minutes reflected in students' IEPs.

Position	FY18/19 FTE	FY19/20 FTE
Teachers (includes RSP, Burbank)	426	451
Para Educators	262	284
Instructional Support Specialists	112	126
Total	800	861

Per OEA contract, the district is obligated to monitor soft caps for all Special Education Teachers. The Special Education Department monitors ratios every month with OEA to ensure we are accountable to the agreed upon contract. When a teacher does exceed the soft cap, the Special Education administrator provides a support plan within 15 days which consists of a menu of supports. Please review the soft caps below:

Resource	28 Students (Ed Code CAP)
Inclusion	13 Students
Mild/Moderate	13 Students
Moderate	13 Students
Moderate/Severe	10 Students

Student Needs: Budget Refinements

The OUSD team has conducted a review of our Special Education budget and identified revisions aimed at refining our budgeting process to ensure the Board has the best information

available at each reporting period. Below are the refinements we are implementing in revising the FY19/20 budget for special education.

- The salary assumption for vacant positions is high and can be adjusted downward. Our vacant special education teacher positions assume teachers will be hired with more years of experience and training than we are experiencing. Specifically, we assume we will hire at \$72K based on our salary schedule, and based on the identified trend, we are hiring at \$53K.
 - ✓ We will adjust the salary assumption for vacant special education teacher positions from \$72K to \$61K. On a monthly basis, a portion of the remaining savings will be shifted to Non Public Agencies (NPAs) and Non Public Schools (NPSs) to provide the services required by IEPs regardless of vacancies.
- The health/welfare assumption for vacant positions is high and can be adjusted downward. Our vacant special education teacher and classified positions assume they will require a greater health/welfare employer contribution than we are experiencing. Specifically, we assume we will hire employees who require a \$15K contribution, and we are hiring at \$11K.
 - ✓ We will adjust the health/welfare contribution from \$15K to \$11K.
- We consistently have vacant positions (certificated and classified) throughout the year.
 - ✓ We will adjust our budget for compensation savings on a monthly basis based on actual vacant positions. As an example, we will adjust our budget to reflect \$424K in compensation savings for vacant certificated and classified positions in August.
 - ✓ We will monitor class sizes and consolidate classrooms as appropriate. To date, we have eliminated 5.5 FTE since the opening of school by consolidating classrooms and developing support plans for teachers who may go above the soft cap.
- Legal expenses are budgeted at \$1.5M and are comprised of settlement costs as well as the District's legal expenses. Going forward, we will separate the budget for the District's ongoing legal expenses from our one-time anticipated settlement costs. Specifically, we will:

- ✓ Reduce the legal expenses budget of \$1.5M by \$0.2M and shift \$1.0M from budgeted expenditures to an assignment of the ending fund balance.
 - This will leave a budget of \$0.3M for the District's ongoing legal expenses, which is consistent with the District's FY18/19 expenditure level of \$0.3M. Of note, the District negotiated a new contract for FY19/20 to help contain legal expenses.
 - This will remove one-time costs from the budget and allow the District to update the budget for settlement costs as they are approved by the Board.

Summary

The Special Education Department in Oakland Unified School District supports school sites with the compliant provision of services for identified students with disabilities in accordance with the IDEA and state law. Every student has the right to a high-quality education and our students with disabilities require additional resources to meet their needs. We serve over 6,000 students from birth through age 22 in all OUSD public schools, charter schools, hospitals, nonpublic facilities, and homes, including Specialized Academic Instruction, speech-language services, occupational and physical therapy, mental health services, assistive technology, adaptive physical education, and specialized transition and prevocational services. With the increase in our special education student population, additional funding is required to provide resources and services for students who are being served in separate day classes and inclusive settings.

Attachment 1

Special Education Budget Revisions		
As of September 5, 2019		
IMPACT TO THE SPECIAL EDUCATION CONTRIBUTION		
<i>The increase in expenditures requires an increase in our contribution.</i>		
Item	Descriptions	Expenditures
A)	Increase in FTE for new programs/services	4,643,210
B)	Change in assumptions for column/step of new special education	(585,352)
C)	Change in assumption for H/W of new special education teachers	(372,000)
D)	Compensation savings for new special education teachers and	(424,278)
E)	Eliminate positions based on current needs of students	(473,601)
F)	Reduce legal expenses	(200,000)
G)	Shift settlement costs from legal expenses to an assignment of the	(1,000,000)
Impact to the Contribution to Special Education		1,587,979
IMPACT TO THE FUND BALANCE		
<i>The increase in contribution and the set-aside for potential settlement costs reduces our fund balance.</i>		
H)	Increase in contribution to Special Education	(1,587,979)
I)	Shift settlement costs from legal expenses to an assignment of the	(1,000,000)
Impact to the Fund Balance		(2,587,979)

Attachment 2

JOB CLASS	2019-20 FTE	2018-19 FTE	Increase/ (Decrease)
ADMNASST124	3.00	3.00	-
ADMNASST3B	1.00	1.00	-
CASE MGR24	4.00	4.00	-
CDC SITE ADM	1.00	1.00	-
CLK BIL	1.00	1.00	-
COM RELASST2	1.00	1.00	-
COM SVC WKR1	1.00	1.00	-
COOD SPED	5.00	6.00	(1.00)
CUST HEA AID	0.80	0.80	-
DIRSCHPEC	1.00	1.00	-
EXEDIR PEC	1.00	1.00	-
FINAN ANL	0.40	0.40	-
IA SPED	16.00	16.00	-
INTER DEAF2	1.60	1.60	-
INTER DEAF3	0.80	0.80	-
ISS	126.88	112.48	14.40
OCCU THERA	13.00	12.00	1.00
PARA EDUCAT	284.80	262.40	22.40
PECFINOPSANL	1.00	1.00	-
PSYCH	49.60	44.60	5.00
SOCIAL WRKER	11.80	16.80	(5.00)
SP DATA MGT	1.00	1.00	-
SP TRANSCHI	1.00	1.00	-
SP TRANSP	1.00	1.00	-
SP TRANSSPN	1.00	1.00	-
SPEECH THPST	55.75	47.75	8.00
STAFF ATTOR	0.50	0.50	-
TCHR ADT PE	4.00	4.00	-
TCHR HEARING	2.80	2.80	-
TCHR HOM HOS	4.00	4.00	-
TCHR RSP	123.90	109.65	14.25
TCHR SDC NON	125.50	119.50	6.00
TCHR SDC SEV	98.20	92.20	6.00
TCHRVISIMPAI	3.00	3.00	-
TRCHORIENTMO	3.00	3.00	-
TSA CLASS10	6.80	6.80	-
TSA CLASS11	19.00	19.00	-
TSA PROGSP11	11.60	11.60	-
WKABIL COACH	-	2.00	(2.00)
TOTALS:	987.73	918.68	69.05