



OAKLAND UNIFIED
SCHOOL DISTRICT

expect **Success**

Impact of Governor's Budget Proposal and Proposed Reductions in 2008-09 and 2009-10

Tuesday, January 27, 2009

Agenda

- Governor's Proposal for 2008-09 Mid-Year Cuts
 - Impact to OUSD
 - Actions to Mitigate Mid-Year Cuts
- Governor's Proposal for 2009-10 Budget
 - Impact to OUSD
 - 2009-10 Proposed Unrestricted Budget Cuts
- Support for 2009-10 Budget Development

Impact to OUSD Budget under Governor's Proposal: 2008-09

Category	2008-09
Eliminate 0.68% COLA	(\$1,468,000)
Reduce current year revenue limit (Approximately 4.5% or \$302 less in revenue limit funding per ADA)	(\$10,997,000)
Total Impact to OUSD in 2008-09	(\$12,465,000)

Summary of Suggested Actions to Mitigate Mid-Year Budget Cuts: 2008-09

Proposed Action	Est. Savings
Reduction in Special Education Contribution	\$1,500,000
Central Office Vacancies and Targeted Hiring Freeze	2,000,000
Insurance and Settlement Most Moved to Self-Ins Fund	2,400,000
Routine, Restricted Maintenance Acct. Flexibility	1,000,000
Categorical Carryover <u>Already Held</u> for Flexibility (??)	4,000,000
Categorical Carryover <u>Already Allocated to Central</u> (??)	3,000,000
Out-of-state employee travel and conferences	400,000
Reduce Ending Fund Balance for 2008-09	4,637,000
Reduce 2008-09 Budget at School Sites	0
Total	?? 18,937,000

?? – represents the uncertainty of the suggested action as it is contingent on state legislation.

Actions Initiated by District to Mitigate Mid-Year Budget Cuts: 2008-09

1. Temporary hiring freeze for all vacant Central Office classified positions.
2. Schools will be allowed to carryover 80% of unspent funds in selected school-based resources.
3. Hold back of certain categorical dollars in the event that categorical flexibility is available.
4. Temporary freeze on all out-of-state travel.
5. Scrutiny of contracts using GP resources.
6. Look into reducing employee overtime.

School-Based Carryover

2008-09 to 2009-10

In light of the state budget crisis, the District is encouraging all schools to conserve their resources for a tight budget year in 2009-10.

Therefore, for the 2008-09 fiscal year, 80% of any unspent funds by the school will be returned in the following fiscal year (2009-10). This applies to the resources listed below.

- General Purpose
- EIA – SCE
- EIA – LEP
- School, Library, Info Block Grant
- Arts & Music Block Grant

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Impact to OUSD Budget under Governor's Proposal: 2009-10

Category	2009-10
Reduction in revenue limit allocations (Approximately 7% or \$410 less in revenue limit funding per ADA over current year)	(\$14,227,000)
Other Adjustments:	
<ul style="list-style-type: none"> Anticipated reductions in other unrestricted revenues 	(\$2,164,000)
<ul style="list-style-type: none"> Eliminate current year deficit spending 	(\$5,741,000)
<ul style="list-style-type: none"> Reduction in indirect cost 	(\$2,742,000)
<ul style="list-style-type: none"> Reductions in Transfers In from State Loan 	(\$3,667,000)
Total Impact to OUSD in 2009-10	(\$28,541,000)

Unrestricted Budget Cuts

School versus Central Office Reductions

Location	2008-09 Budget*	2009-10 Proposed Reduction	Reduction as % of Budget
School Sites	\$179,203,025	(\$6,601,575)	(3.7%)
Central Office	51,342,139	(21,939,731)	(42.7%)
TOTAL	\$230,545,164	(\$28,541,306)	(12.4%)

* - 2008-09 school site budget based on lower projected enrollment for 2009-10.

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Unrestricted Budget Cuts Detail 2009-10

	Amount	
Total Unrestricted Cuts for 2009-10 Fiscal Year	(\$28,541,306)	A
Reduction of 4.5% to School Allocations	(\$6,601,575)	B
Identified District-wide Cuts and/or Adjustments	(8,700,000)	C
Central Office General Purpose (GP) Cuts	(4,528,444)	D
Measure E/G Allocations (Shifted to Schools)	(6,301,859)	E
TIIG Allocations (Shifted to Schools)	(2,539,928)	F
Total Unrestricted Cuts for 2009-10 Fiscal Year	(\$28,671,806)	Sum B:F

Actions Recommended **Not** To Be Taken to Mitigate 2009-10 Budget Cuts

Category	Potential Savings*
Eliminate K-3 class size reduction (CSR) in schools	\$4,500,000
Reduce number of instructional days by 5, from 180 days to 175 days - Suggested flexibility under Governor's Proposal for 2009-10	\$6,000,000
Close and/or merge small schools	\$400,000 per school

* - Please note that these numbers are approximate.

Identified District-wide Cuts and/or Adjustments

	Amount
Identified Districtwide Cuts and/or Adjustments	(\$8,700,000)
Reduction in Special Education Contribution	(\$1,500,000)
Freeze Central Office Vacancies	(1,000,000)
State Loan Expenses for IFAS Loan and Audit Findings	(1,800,000)
Insurance/Settlement Cost to Self-Insurance Fund	(2,400,000)
Eliminate Oakland Police Department (OPD) Contract	(1,000,000)
Reduction to Routine, Restricted Maint Acct (RRMA)	(1,000,000)
TOTAL	(\$8,700,000)

Measure E/G Allocation Compare

School versus Central Office Allocation

Location	2008-09 Budget	2009-10 Proposed*	Difference
School Sites	\$12,361,247	\$18,663,106	\$6,301,859
Central Office	8,676,386	3,588,876	(5,087,510)
Fund Balance Reserve	1,000,000	0	(1,000,000)
TOTAL	\$22,037,633	\$22,251,982	\$214,341

* - 2009-10 proposed allocation to schools of \$18,663,106 includes \$1,900,000 of one-time, anticipated carryover from Measure E. Funding is not recurring and will not be available in 2010-11.

Measure G Proposed Allocations

School Site: 2009-10

Program	2008-09 Budget	2009-10 Proposed	Comments
Veteran Teachers Subsidy	\$525,000	\$0	Included in core classroom support for 2009-10
Teacher Health Benefits	2,877,633	0	Included in core classroom support for 2009-10
Core Classroom Support (Tchr)	0	9,704,492	Per student allocation – all schools
Elementary Teacher Prep Time	2,928,614	2,928,614	Per FTE allocation – elementary schools
Class Size Reduction	3,500,000	3,500,000	K-3 and 9 th grade ELA/Math
School Libraries	1,530,000	1,530,000	Per student allocation – elementary and middle schools
Middle School Electives	1,000,000	1,000,000	Per student allocation – middle schools
TOTAL SCHOOL SITES	\$12,631,247	\$18,663,106	

Measure G Proposed Allocations

Central Office: 2009-10

Program	2008-09 Budget	2009-10 Proposed	Comments
School Security Officers, Afterschool	\$400,000	\$200,000	Reduction in SSO sub pool, permanent FTE, uniforms, training
School Security Officers, Substitutes	125,000	0	Reduction in SSO sub pool, permanent FTE, uniforms, training
Textbooks and Materials	1,000,000	0	Smaller than expected adoption costs
Community Day/DHP Case Managers	420,000	0	Reduction of 4.0 FTE and Seneca contract
New Teacher Project	708,876	708,876	Recruit/Hire qualified teachers
Teach Tomorrow for Oakland	0	135,000	Recruit/Hire qualified locally, diverse teachers
Music Program	1,690,000	1,690,000	21 music teachers deployed to schools
School Libraries (Central Support)	198,115	223,000	Library database, Rotary, Reading is Fundamental
Art Program	500,000	500,000	Arts for 30+ schools

Measure G Proposed Allocations

Central Office: 2009-10 (continued)

Program	2008-09 Budget	2009-10 Proposed	Comments
Oratorical Festival/Std Performance	70,000	70,000	Oratorical Festival, Spelling Bee
Summer Arts Program	60,000	62,000	Oakland Fine Arts Summer School
College Readiness and Secondary Ed	221,395	0	UC-Berkeley A to G partnership
Middle School Electives Master Schedule	23,000	0	Consultant to coordinate mstr sch
West High/Middle School Algebra Teachers and Coaching	850,000	0	Additional math teachers at high schools and professional development
Early Behavior Intervention (K-5)	110,000	0	Mental health social work interns
High/Middle School Science Professional Development	100,000	0	Matching new and experienced science teachers for mentorship
East High Team Teaching – Math/ELA	350,000	0	Partial release to team teach for new teachers
East High/Middle Leadership Development	250,000	0	School leadership teams support (Focus on Results)

Measure G Proposed Allocations

Central Office: 2009-10 (continued)

Program	2008-09 Budget	2009-10 Proposed	Comments
Leadership Development – Data-based Inquiry, Elementary	550,000	0	School leadership team support (Performance Fact)
SiSwun Math Program (K-5)	775,000	0	Currently serves 21 red, orange, and yellow elementary schools
Middle School Math Teachers and Professional Development	275,000	0	Teacher coaching and peer observation
TOTAL	\$8,676,386	\$3,588,876	

TIIG Allocation Comparison

School versus Central Office Allocation

Location	2008-09 Budget	2009-10 Proposed*	Difference
School Sites	\$3,263,947	\$4,799,428	\$1,535,481
Central Office	5,770,553	4,286,158	(1,484,395)
Site Support – SSOs	3,196,650	3,196,650	0
Indirect Cost <small>(smaller rate in 2009-10)</small>	786,867	600,057	(186,810)
Unallocated Funds	287,936	0	(287,936)
TOTAL	\$13,305,953	\$12,859,592	(\$446,361)

* - 2009-10 proposed allocation to schools of \$4,799,428 includes \$250,00 of one-time, anticipated carryover from TIIG.

TIIG Proposed Allocations

School Site: 2009-10

Program	2008-09 Budget	2009-10 Proposed	Comments
Core Classroom Support (Tchr)	\$0	\$2,539,928	Per student allocation – all schools
Small Schools Subsidy	2,586,647	2,250,000	Per student allocation according to small school formula
Start-up Support for New Schs.	601,500	10,000	
Closing Schools	75,800	0	Costs related to closing/phasing-out schools
TOTAL SCHOOL SITES	\$3,263,947	\$4,799,928	

TIIG Proposed Allocations

Central Office: 2009-10

Department/Program	2008-09 Budget	2009-10 Proposed	Comments
Instructional Services	\$246,197	\$507,197	Additional for AP testing fees
Secondary Education	572,510	400,010	Supports College & Career Readiness
Complementary Learning	417,500	417,500	Support JPA fee and integrated support
Vocation Education	157,363	149,495	
Superintendent	400,000	0	Reduce Chabot field trips
Research and Assessment	315,300	235,300	Reduce 1.0 FTE
School Portfolio Management	410,255	365,255	Reduction in supplies
Alternative Education	262,505	152,355	Reduce TAP teacher and aide

TIIG Proposed Allocations

Central Office: 2009-10 (continued)

Department/Program	2008-09 Budget	2009-10 Proposed	Comments
Health Services	859,608	859,608	Supports nurses at schools
Family Community Office	843,258	613,125	Reduce parent engagement
Communications	31,000	0	Reduce consultants
Network Offices	377,427	0	Expenses moved to Title 2
Attend and Achieve	458,000	166,787	Eliminate Truancy Center
Technology Services	105,000	105,526	
Teacher Overhire	314,000	314,000	Supports opening of school with teacher in every class
GRAND TOTAL CENTRAL OFFICE	\$5,769,923	\$4,286,158	

Unrestricted Revenue: 2009-10 Allocations Used for RBB

Revenue Source	2009-10 Budget	Included in RBB Formula	Other School Allocations	Comments
Revenue Limit	\$187,908,150	\$187,908,150		
Federal Revenue	\$123,529			
Class Size Reduction	14,973,242		\$14,147,882	Allocated separately to ES/HS
Lottery	4,458,823	4,252,161		Excludes Adult ADA for calc
Medical Admin Act (MAA)	1,012,500	1,012,500		
Charter Pass Thru	4,629,902			Amt passed to charter schools
Other State Revenue	1,229,563			
Other State Revenue	26,304,030	5,264,661	14,147,882	
Measure E/G	22,251,982		18,663,306	Amt allocated directly to schs
Interest Earnings	1,312,500	1,312,500		
Other Local Revenue	4,445,717			
Other Local Revenue	24,858,217	1,312,500	18,663,306	
TOTAL REVENUE	\$239,193,925	\$194,485,311	\$32,810,988	

2009-10 RBB Calculation:

Districtwide Expense and Transfers/Contributions

Total Unrestricted Revenue to be Allocated	\$194,485,311
Districtwide Expenses	
Emergency Loan Payment (\$65 million)	(3,890,534)
Legal Settlements	(950,000)
Property/Loss Insurance Premiums	(2,680,708)
School Site Contingency	(1,250,000)
TOTAL – Districtwide Expenses	(8,771,242)
Transfers/Contributions	
Special Education Transfer (Program + Transportation)	(20,874,287)
ROTC Transfer and Community Day School	(867,323)
Routine Repair & Maintenance Transfer	(10,468,912)
TOTAL – Transfers/Contributions	(32,210,522)
TOTAL DEDUCTIONS	(40,981,764)
NET REVENUE AVAILABLE FOR SCHOOLS AND CENTRAL	\$153,503,547

2009-10 RBB Calculation: Per Student Allocation

Total Unrestricted Revenue to be Allocated	\$153,503,547
Amount to be allocated to Schools (87%)	133,548,086
Amount to be allocated to Central Office (13%)	19,955,461
RBB Target for Schools	
Amount to be allocated to Schools	133,548,086
Measure G allocation to Schools	14,873,932
Class Size Reduction (CSR) for K-3 and 9 th grade ELA/Math	14,147,882
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Subtotal – Allocation to Schools	162,569,017
Increased contribution to schools to minimize reductions	9,851,305
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TOTAL SCHOOLS ALLOCATION	\$172,420,322

RBB Calculation:

Per Student Comparison: Basic Program

	2008-09	2009-10						
Grade Span	Total	General Purpose	Measure G	Lottery: UR	TIIG	Total	Diff.	%
Elementary	\$4,013	\$3,381	\$265	\$116	\$69	\$3,832	(\$181)	(4.5%)
Middle	4,327	3,646	286	126	75	4,132	(195)	(4.5%)
High	4,383	3,693	290	127	76	4,186	(197)	(4.5%)
K-8	4,170	3,513	276	121	72	3,982	(188)	(4.5%)
6-12	4,355	3,669	288	126	75	4,159	(196)	(4.5%)
K-12	4,240	3,573	280	123	73	4,049	(191)	(4.5%)

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Support for 2009-10 Budget Development

Given the current fiscal crisis that the District faces, providing schools with the necessary support to build a balanced and strategic budget is essential. Below are some of the items that are being offered to assist principals.

1. RBB training sessions occurring on February 5th and 6th in part during Network meeting time;
2. Single Plan for Student Achievement (SPSA) review sessions lead by NExO and Principal up to start of RBB sessions;
3. Network meeting time dedicated to offering collaboration time with colleagues to prepare for RBB; and
4. Publication of a school budget handbook.

Support for 2009-10 Budget Development: School Budget Handbook

In an effort to assist site administrators with developing their budget, the District will publish a **School Budget Handbook**. Among other things it will include:

1. Final per student allocations;
2. Recommended school staffing guidelines;
3. Final calendar indicating each site's RBB session;
4. RBB session checklist;
5. Common school-based staff job descriptions; and
6. Direct service agreement forms.