



OAKLAND UNIFIED
SCHOOL DISTRICT

expect **Success**

Multi-Year Fiscal Sustainability Plan: 2008 - 2011

February 13, 2008

Purpose of Today's Meeting

- The Multi-Year Fiscal Sustainability Plan (MYFSP) is an update to the Multi-year Fiscal Recovery Plan (MYFRP) published in July 2005.
- The purpose of this presentation is to come to an agreement on the contents to be included in the MYFSP.
- After coming to an agreement on the contents of the plan a first reading of the draft plan will be presented during the May 14th Board meeting. We proposed presenting the final version of the MYFSP during the June 11th Board meeting.

“Establishing an Additional Five-Year Sustainable Financial Recovery Plan”

BOARD RESOLUTION REQUEST (No. 0708-0013)

1. Impact of declining enrollment
2. Optimum enrollment size by grade configuration
3. Impact of proposed school closings, consolidations and reconfigurations
4. Identification and disposition of surplus property
5. Impact of Expect Success initiative
6. OUSD’s use of city redevelopment funds

Proposed Content of the MYFSP

The MYFSP will focus on these key areas:

1. Strategic budget alignment to District goals
2. Impact analysis of external conditions and internal initiatives
3. Fiscal Policy and Controls
4. Revenue Enhancements
5. Expenditure Controls

1. Strategic Alignment

The MYFSP will provide guidance to ensure that we clearly align our limited resources to support our goals.

- Analysis of Results Based Budgeting (RBB) goals and effectiveness including resources for students with special needs, site spending flexibility, and actual vs. average salaries
- Analysis of “service economy” model including purchase of optional services for the purpose of supporting increased student achievement
- Management of categorical programs to assure we are aligning resources with our goals, meeting spending and carryover targets, and completing expenditure trend reports

2. Impact Analysis

The MYFSP will perform the following analysis to ensure the financial sustainability of the district.

- Enrollment analysis including impact of declining enrollment, charter school management, and truancy reduction
- “Financially optimal” enrollment sizes and outline for monitoring process
- Impact of school closings, consolidations, and reconfigurations
- Impact of Expect Success investments and long-term sustainability of those initiatives

3. Fiscal Policy and Controls

The MYFSP will provide updates and will recommend new policies and controls to ensure fiscal sustainability.

- Audit findings control strategy, negotiation of waivers/payment plans, and strategy to get audits up to date
- Routine cash flow management analysis
- Collective bargaining strategies which promote hiring and retaining exceptional employees in a financially responsible manner
- Debt structure/controls including analysis of state loan drawdown, Certificate of Participation (COPS) debt and Tax and Revenue Anticipation Notes
- Credit rating restoration strategy including presentations to credit rating agencies
- FCMAT recommendations and implementation process

4. Revenue Enhancements

The MYFSP will describe opportunities for us to increase revenues received by the district, which include:

- Increasing Average Daily Attendance (ADA)
- Exploring opportunities for additional parcel taxes
- Analyzing the use of city redevelopment funds
- Identifying and disposing/leasing surplus property
- Capitalizing on hourly program reimbursements
- Increasing class size reduction funds
- Maximizing federal E-rate grant funds
- Continuing to raise private dollars to support strategic initiatives

5. Expenditure Controls

The MYFSP will identify and monitor expenditure control strategies. Potential strategies include:

- Investing in technology to improve student performance and increase operational efficiency including upgrading the network infrastructure and providing software and equipment that provide tools for teachers and support student learning.
- Containing vacation & sick leave costs
- Monitoring central office general purpose fund hiring
- Monitoring special education encroachment
- Performing monthly budget reviews for Central Office departments and schools

Next Steps

- Board and CEO come to agreement on content of MYFSP document at this meeting
- Draft of MYFSP presented during May 14th BOE Meeting
- Final report of MYFSP presented during June 11th BOE Meeting