



**OAKLAND UNIFIED
SCHOOL DISTRICT**

Community Schools, Thriving Students

Budget & Finance/Audit Committee

Budget Development Process and Board Policy Update



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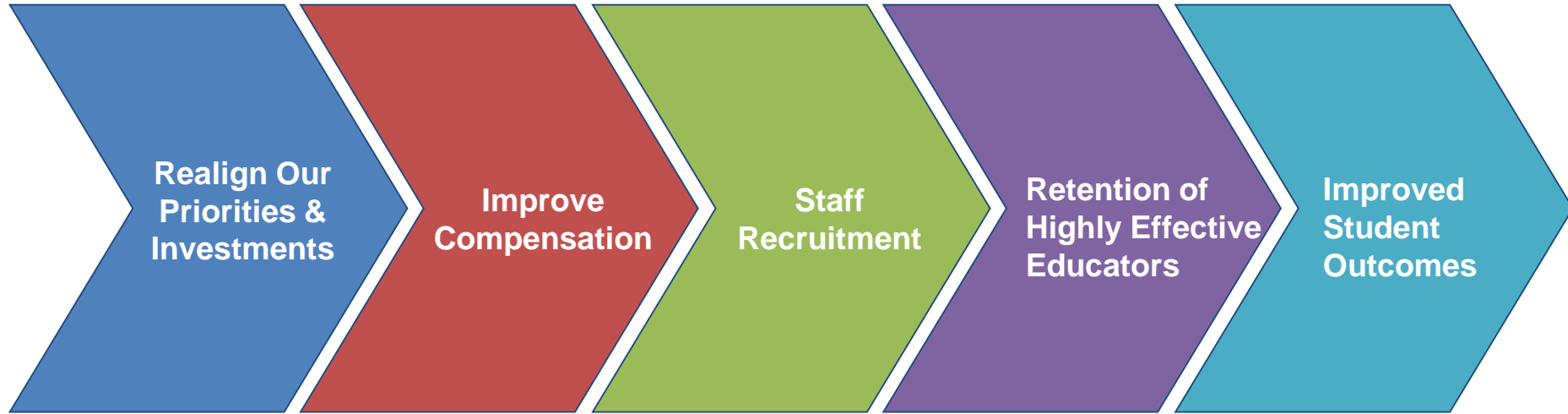
OAKLAND UNIFIED
SCHOOL DISTRICT
Community Schools, Thriving Students

2020-21 Budget Development Process



iam OUSD

Why?



A Structured Process Toward Smarter School Spending



Plan and Prepare

Establish a partnership between finance and instruction

Develop principles and policies to guide the budget process

Analyze current levels of student learning

Identify communications strategy



Set Instructional Priorities

Develop goals

Identify root cause of gap between goal and current state

Research & develop potential instructional priorities

Evaluate choices amongst instructional priorities



Pay for Priorities

Apply cost analysis to the budget process

Evaluate & prioritize use of resources to enact the instructional priorities



Implement Plan

Develop a strategic financial plan

Develop a plan of action

Allocate resources to individual school sites

Develop a budget presentation



Ensure Stability

Put the strategies into practice and evaluate results

BP 3150 Allocation of Unrestricted Funds

<p>Administrative 12%</p>	<p>Leadership: <i>Superintendent's Office</i>, Chief of Staff, Board Office, Ombudsman, Legal Counsel,</p> <p>Instructional Services: <i>Office of CAO</i>, Elementary Networks, Middle School Networks, Elementary Networks, Linked Learning, Office of CAO, ELLMA, Continuous School Improvement, Academic Innovations, OAL, Community Schools and Student Services</p> <p>Operations: <i>Office of CSSO</i>, Student Assignment, Facilities Planning, Human Resources, Warehouse Distribution, Communications, Print Services, Tech Services</p> <p>Financial Services: Office of CFO, Strategic Resource and Planning, Risk Management, Procurement & Distribution, Accounting, Budget, Payroll, Accounts Payable</p>
<p>Services to Schools</p>	<p>Transportation, Special Education, Summer Programs, Food Services, OUSD Police Department, Custodial Services, Buildings and Grounds, Counseling, Health Services,</p>
<p>School Site Allocations</p>	<p>Base Staffing, Discretionary Funds, Supplemental, Concentration,</p>

What is the “do different?”

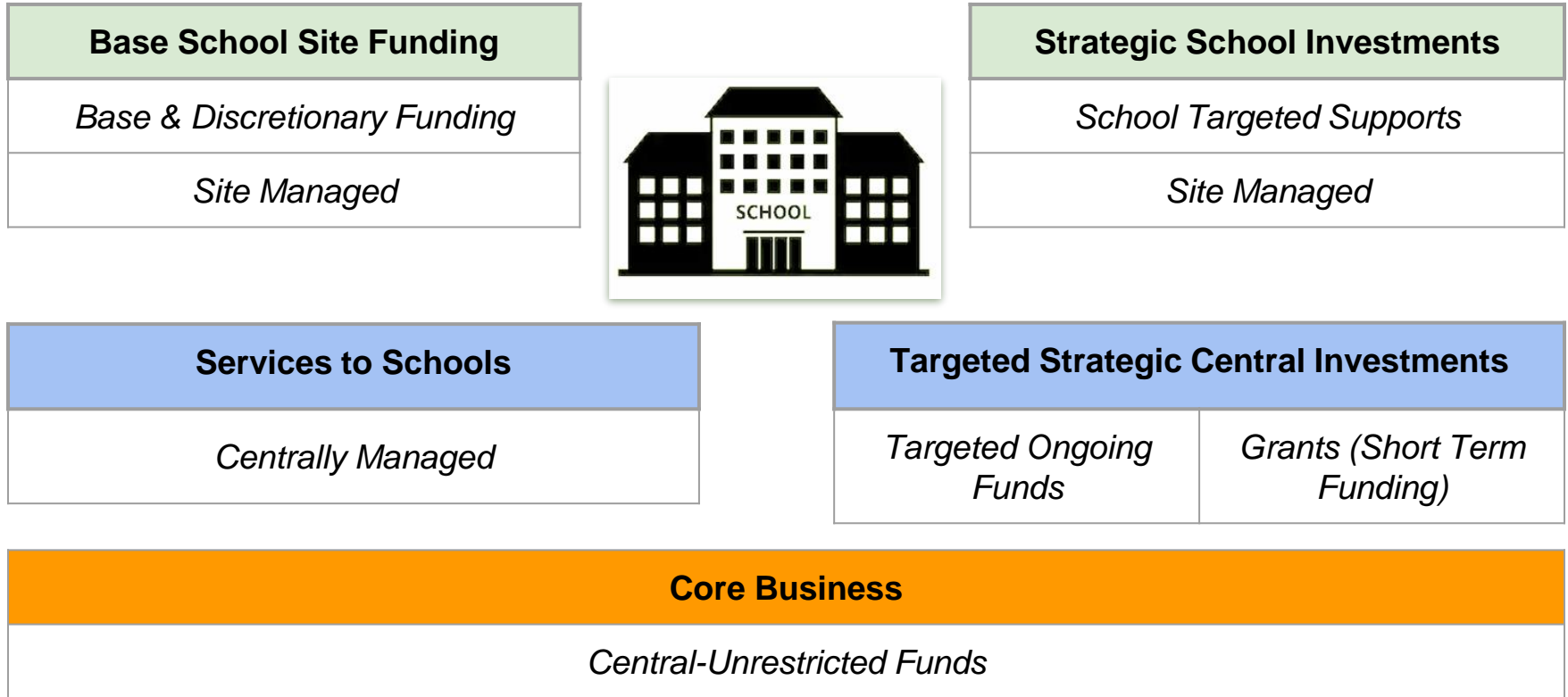
1. Moving up the timeline from **central departments** to plan prior to school
2. Improving into in-depth conversation about investments
3. Not doing straight % cuts put focusing on **prioritization** our investments
4. Identify **interdependencies** across departments and work streams
5. Modeling **continuous improvement** in round 1
6. Using **KPI's and academic data** to drive the prioritization

Core vs. Strategic Functions

	Definition	Probing Questions
Core Business	Legally/ Contractually Mandated/Standard Business Operations	<ul style="list-style-type: none">● What law or contract requires the work to be done?● What is the minimum number of positions are needed to fulfill our obligations?● Strategic staffing: Is this a mandated function, but strategically staffed at a higher level● What types of positions/job classifications are needed to complete the work?
Strategic	Not legally Mandated; (Targeted to Improve Outcomes, Reduce Long-Term Costs)	<ul style="list-style-type: none">● Where would you choose to invest money over and above core function?● Tier strategic investments by order of priority



Critical Framing- BP 3150





Budget Consultancy with Each Department

1. Strengths, Challenges and Root Causes
 1. Collaboration and Dependencies
 1. GFOA Identifying Cost Savings Screening Tool
 1. Prioritization of Strategic Investments



Cost Savings Options: Screening & Sizing Tools

Category	#	Opportunity	Total Screening Points	Relative Size of Opportunity	Would you like to complete a preliminary light-touch sizing analysis for this opportunity?																		
Reducing operational costs	1	Can the district free up funds from general education transportation ?	80	Worth exploring	<input checked="" type="checkbox"/> View sizing tab?																		
	2	Can the district free up funds from energy expenditures ?	30	Not worth exploring	<input type="checkbox"/> View sizing tab?																		
	3	Can the district free up funds from maintenance services ?	130	Small relative opportunity	<input checked="" type="checkbox"/> View sizing tab?																		
	4	SIZING TOOL				<input type="checkbox"/> View sizing tab?																	
	5	Can the district free up funds from food services?				<input type="checkbox"/> View sizing tab?																	
	6	<p><i>Note: The Sizing Tools can identify opportunities that are worth further analysis, but are not intended to replace a "deep dive." More rigorous analysis is required to accurately estimate the potential financial impact of the most promising opportunities.</i></p> <p>Instructions: Please fill in all yellow-shaded areas. (They are currently filled in with example data.) White-shaded areas calculate automatically.</p> <table border="1"> <thead> <tr> <th colspan="2">Part 1. Input data</th> </tr> </thead> <tbody> <tr> <td>Total points from Screening Tool</td> <td>15</td> </tr> <tr> <td>Last year's total annual food services revenue</td> <td>\$20,000,000</td> </tr> <tr> <td>Last year's total expenditures related to food services, including capital expenditures, staffing and supervision costs, central office management costs, etc.</td> <td>\$21,250,000</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Part 2. Estimate funds freed up by bringing expenditures in line with revenue</th> </tr> </thead> <tbody> <tr> <td>Estimated funds freed up by bringing expenditures in line with revenue</td> <td>\$1,250,000</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Part 3. Assess further opportunity to free up funds</th> </tr> </thead> <tbody> <tr> <td>Percent potential opportunity to free up additional funds from food services, based on Screening Tool score</td> <td>0%</td> </tr> <tr> <td>Estimated additional potential funds freed up from food services</td> <td>\$0</td> </tr> </tbody> </table>				Part 1. Input data		Total points from Screening Tool	15	Last year's total annual food services revenue	\$20,000,000	Last year's total expenditures related to food services, including capital expenditures, staffing and supervision costs, central office management costs, etc.	\$21,250,000	Part 2. Estimate funds freed up by bringing expenditures in line with revenue		Estimated funds freed up by bringing expenditures in line with revenue	\$1,250,000	Part 3. Assess further opportunity to free up funds		Percent potential opportunity to free up additional funds from food services, based on Screening Tool score	0%	Estimated additional potential funds freed up from food services	\$0
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Operations-Sample Custodial

Question	Answers	Points	Score
1 Has enrollment decreased in the past five years?	Yes, by greater than 5% points	40	0
	Yes, by between 2% points and 5% points	20	
	No, or by less than 2%	0	
2 If the district subcontracts custodial services, has the district closely reviewed contracts and/or changed vendors in the past five years?	Yes	0	0
	No	40	
	NA - no contracts with vendors	0	
3 Do custodians in a given building have overlapping schedules (e.g., two custodial shifts overlap during high-use hours such as lunch, but do not overlap in the early morning and late afternoons, when time can be dedicated to cleaning)?	Often	0	20
	Sometimes	20	
	Rarely, if ever	30	
4 Do custodial staffing levels vary based on school size and/or use?	Often	0	0
	Sometimes	20	
	Rarely, if ever	40	
5 Are custodians assigned to more than one building?	Often	0	10
	Sometimes	10	
	Rarely, if ever	20	
6 Can the district easily and accurately produce reports that track custodial overtime and have these reports been reviewed by district leadership in the last two years?	Yes	0	30
	No	30	
Total points			60



Academics-Sample SPED

Question	Answers	Points	Score
1 Has the number of students with severe disabilities served in-district been increasing, decreasing, or flat in the past five years?	Increasing significantly	0	0
	Increasing slightly	5	
	Flat	25	
	Decreasing	50	
2 Has the number of students being returned to the district from out-of-district placements been increasing, decreasing, or flat in the past year?	Increasing significantly	0	0
	Increasing slightly	5	
	Flat	25	
	Decreasing	50	
3 In the budget, has the cost of out-of-district tuitions been increasing in the past three years?	Do not know	50	50
	Yes, in smaller proportion than the overall budget	0	
	Yes, in greater proportion than the overall budget	50	
	Yes, in proportion to the overall budget	0	
4 Are students whose primary disability is mild autism served out-of-district?	Do not know	50	5
	Very few if any	0	
	Yes, some students with mild autism are served out-of-district	5	
	Yes, many students with mild autism are served out-of-district	10	
5 Are students with behavior issues served out-of-district?	Very few if any	0	5
	Some students with behavior issues are served out-of-district	5	
	Many students with behavior issues are served out-of-district	10	
	Most students with behavior issues are served out-of-district	20	
6 Are any students with specific learning disabilities served out-of-district?	Yes	50	0
	No	0	
7 In cases where students with severe disabilities do not have access to suitable programs in their home school, are they transferred to other in-district schools with a suitable program (as opposed to starting a new program at the home school or enrolling the student in an out-of-district program)?	Rarely, if ever	10	0
	Sometimes	5	
	Often	0	
8 In the past three years, has the district increased its staffing levels of professionals who are experts in serving students with autism and/or behavior issues?	Little or no increase	10	0
	Yes, some increase	5	
	Yes, significant increase	0	
		Total points	60



Impact on Culture

“Culture Eats Strategy for Lunch”

“First time I have ever really been involved in the budgeting process.”

“I have had a plan to improve this for 2 years, it was great to share it”

“This is the first time I was introduced to KPI’s (Key Performance Indicators)”

“That session was awesome, we need to do this more often!”

Getting to the necessary reductions?

Reductions and Strategic Alignment of Resources

County Feedback and Areas for Inquiry

- Copiers and Printers
- Nutritional Services Utilization
- Transportation
- Utilities Review
- Master Schedule Analysis

Budget Prioritization

- Departmental Prioritize
- Cost Savings Opportunities
- Collaboration
- Increase Revenue
 - Facilitron
 - Saturday School

Board and Community Engagement

Purpose: Engage community members across Oakland in dialogue from November to January about budgeting dilemmas, feedback, guidance and decision making related to building 2020-21 budget development.

Board Engagement:

- Both regular Budget & Finance Committee Meetings and Board meetings from November through January being used for progress updates, dialogue and guidance.

Community Engagement:

- Parent Student Advisory Committee (PSAC) engagement on process and recommendations
- Board-sponsored engagements by Board district offered to each Board member to support feedback and guidance
- Community Partner and Union engagement through District Budget Advisory Committee (DBAC)
- Stakeholder survey on staff recommendations



Budget Development Central Next Steps

Date	Description
pre 10/27	Dept. leads complete budget spreadsheets
10/27-30	Budget Consultancies
Nov. 1	Advisory work time, Lock spreadsheets, and process information
Nov. 4	SLT Work Session 1: Review Budget Spreadsheets, define core, Identify cost savings to pursue, start strategic prioritization,
Nov. 5-18th	Clarifying questions, budget reviews, costing out possible savings, realignment possibilities, budget consultancy (Round 2)
Nov. 19	SLT Retreat: Draft Prioritization
Mid-Dec	SLT recommendations to the BOE

Board Timeline

