

To Board of Education
From Dr. Denise Saddler, Interim Superintendent
Date: October 30, 2025
Subject Update on Resolution No. 2526-0177: Directing the Preparation of Budget Scenarios to Address OUSD's Structural Deficit

On October 13, following the Board's October 8th approval of Resolution No. 2526-0177, Chief Business Officer Lisa Grant-Dawson informed the County Superintendent and her staff of the District's actions to meet the conditions set forth in the County Superintendent's 2025-26 Budget Conditional Approval letter.

Key remaining Board-related dates for next steps in the process to meet the requirements and requests set forth in Resolution No. 2526-0177 include:

- November TBD: **Rescheduled Teaching & Learning**
- November 6: **Budget & Finance Committee** Meeting
- November 7: Weekly Message to the Board that will include Resolution 2526-0177's action item to provide a **2025-26 savings/impact report** and 3% reserve restoration adjustments status.
- November 12: **Regular Board Meeting** that will include the above mentioned 2025-26 savings/impact/3% restoration report on the agenda.
- November 18: **Currently scheduled Teaching & Learning Committee** Meeting. See related notes for rescheduling needs.
- November 19: **Special Board Meeting** - Progress Update and Scenarios Draft 1; 4 Members confirmed attendance; 3 cannot attend. Note, this is also the same night as a PSAC Meeting.
- December 3: **Special Board Meeting** - Progress Update and Scenarios Draft 2 Review; 5 Members confirmed attendance; 2 cannot attend..
- December 4: **Budget & Finance Committee** Meeting
- December 10: **Regular Board Meeting** that will include action by the Board to approve a scenario and provide budget development direction to staff.

Below is a copy of Resolution No. 2526-0177's clauses, in table form, with pertinent staff updates and points of clarification or support needed from the Board.

BE IT RESOLVED CLAUSES	STAFF UPDATE as of OCTOBER 30	POINTS OF CLARIFICATION OR SUPPORT NEEDED FROM THE BOARD
Prepare at least two budget scenarios for community input and Board review that total \$100 million in budget adjustments.	SLT is exploring the best format to present the scenarios. Currently SLT is using a format similar to Attachment A as a starting point working document.	
Include both the costs and the impact on students. Do not include school closures or mergers.	Will also include impact on staff. Work currently being conducted may need to cease or be reduced/slowed significantly.	
1. Central Services and Network Restructuring		
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.	In process. Initial draft will be presented November 19 with additional recommendations to be presented December 3 and 10.	
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.	In process. An update will be provided at the November 19 Board Meeting.	Please see the areas below regarding programs and services inventory (Clause 5) that would inform the central structures.
c) Provide options for restructuring the middle school and high school networks to ensure cost savings and efficiency.	In process. An update will be provided at the November 19 Board Meeting.	Please see the areas below regarding programs and services inventory (Clause 5) that would inform the central structures.
d) Budget reductions must include substantial restructuring of the central office, including significantly reducing our administrative overhead and positions, reducing spending on outside services and contracts, and centralizing budget decisions for academic alignment and efficiency.	In process. All central office departments are reviewing opportunities for additional restructuring and efficiencies, including further blending and braiding of funding sources to try to relieve the General Purpose fund.	

	Will review Outsourcing Task Force recommendations.	
2. Improving Student Enrollment and Attendance		
a.1) The Superintendent will ensure we are continuing work to increase our District's enrollment.	Enrollment team continues this effort.	
a.2) The Superintendent will 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.	Plans are in place and continue to evolve. An update on 25-26 attendance data and improvement strategies will be presented at the November 12 Board Meeting as part of the Superintendent's Report. SLT has not yet been able to tackle related board policy considerations, such as an attendance requirement related to open enrollment.	
3. Leveraging Other Agencies and Resources		
a) Provide options for potential cost savings from leveraging other agencies and resources.	Conversations with ACOE, City of Oakland, Oakland Children's Initiative, and others are ongoing.	
4. Strengthen Fiscal Controls		
a) The Superintendent will notify the Board when new expenditures are added;	Ongoing budget adjustments are included in Interim Reports. Current practice is that the Board is notified about new revenue and associate expenditures as part of the Board's approval/ratification of new grants and the associated budget plan <i>prior</i> to the grant being added to the District's budget. Example: May 2023 21st Century Community Learning Centers After School Safety and Enrichment	Staff will need clarity on Board expectations, including associated timelines, for this clause if the current practice that is consistent with school district standard practice, board policies, and statutory requirements is insufficient. Staff prefer not to add additional processes, but to work with the Board to better utilize current practices and processes. The Board receives updates during First Interim, for all changes made from July 1 - October 31, Second Interim, July 1 - January

	for Teens funding to support the after school program at Oakland International High School • November 2024 California Newcomer Education & Well Being Grant Agreement • August 2025 Golden State Pathways Grant Award Health	31, and due to our Qualified status, Third Interim, July 1 - April 30th. The Board also receives Board Memos and has a Budget and Finance Committee. Additionally, new expenditures are presented in different ways, to include recent labor agreements (AB1200 projection), new grants and resources (see middle column for examples), and all other applicable changes that may occur during the year, including revenue changes.
b) The Superintendent will notify the Board when a budget area approaches 80% of its budget allocation;		This creates 2 new layers of reports. Staff currently provide three Interim Reports annually in December, March, and June (see above detail) which reflect changes in revenue, expenditures, and revised projections. Through the Interim Reports, the Board is notified when expenditures are nearing, under, or over projections and when budget modifications may be needed. New revenues and programs are also brought to Board for approval. If the request of the 80% notification is in reaction to the Special Education budget, there is more context. The expenses were submitted after the third interim as we were closing the books for the year; thus, we were not notified in advance and were within budget based on expenditures made. Internal discussions about this matter have ensued.
c) Include a plan for sunseting those programs and/or positions funded by resources and/or grants that are expiring during the fiscal years included in any budget balancing solutions presented.	In process.	

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.	The intent of the October 22 Teaching and Learning Committee Meeting was to ensure staff was providing the information requested by the Board regarding the inventory of District programs and services. The documents that were to be used are the LCAP Actions and Services excerpt. As an attempt to make the LCAP metrics and actions and services more digestible, the Continuous School Improvement Staff put together strategy maps to provide more details regarding the inputs for a given strategy.	Staff have requested that the November 18 Teaching & Learning Meeting date be adjusted to allow for more time between T&L and presentation to the full Board so that T&L feedback can be incorporated. However, staff have not received a response from T&L Chair to coordinate a rescheduled date. Scheduling assistance is needed from T&L members in order for staff to adequately incorporate this resolution clause into the scenario development. If T&L is not rescheduled to an earlier date, updates that incorporate T&L feedback will not be able to be included at the November 19 Special Meeting. In setting the T&L date and agenda, it would be helpful for the T&L Chair and/or Members to inform staff if the documents being prepared will meet the intent of the Oct 8 Resolution request.
b) Base allocation to school sites and prioritization of additional programs, positions, and services will be presented to Teaching and Learning for discussion and recommendation to the full board for inclusion in the final budget balancing proposal.	Awaiting Teaching & Learning Committee feedback and direction. Reference documents include:  SY2025-26 Budget Development Handbook fo...  OUSD School Site Funding Profile  Board Memo Response to Board Questions 9...	See above regarding Teaching & Learning Committee supports needed. The goal of the October 22 Teaching and Learning Committee Meeting was to understand the Board's direction of not adjusting the allocations to school sites. It is not mathematically possible to only reduce at the central office and meet the \$100 million reduction.
6. Maintain the mandated 3% reserve in 2025-26		
Consider the impact of instituting a temporary hiring freeze, review vacancies, and propose additional unrestricted-balance savings, returning	District staff were notified of the hiring freeze on October 10. View the staff message here. Please note and support the request of staff to not	

to the Board with a savings/impact report by November 8, 2025	advocate for special staffing decision favors from Board members. All vacancies are currently under review. Decisions on those being frozen or exempted will be completed by approximately October 31. A written report will be provided to the Board as part of Superintendent Saddler's weekly message to the Board the week of November 4. The report will be agendized for Board review and discussion at the November 12 Regular Board Meeting.	
If vacancy savings are less than needed to maintain mandated 3% reserve in 2025-26		
Identify additional budget balancing options including but not limited to: contract freezes or cancellations, reducing conference and travel fees, or consolidating purchases and department reimbursables (for example, hot spots, cellular plans, software).	Once vacancy elimination/freeze savings are assessed, further budget balancing solutions will be considered in order to return to a projected 2025-26 3% ending fund balance reserve.	
Budget balancing scenarios may include the need to amend Board Policy		
As options may include ending or limiting open enrollment to strengthen neighborhood schools and ensure all schools have adequate enrollment to support base programming and centralize some decisions that are currently held at sites and departments;	Initial exploratory discussions are underway, though not as far along as SLT would like to be in order to adequately consider the impacts to the budget of any BP changes.	
Present the Board with proposed adjustments to maintain a balanced budget.	November 19, December 3, and December 10 Board Meetings	