

# Oakland Unified School District

Board of Education  
Paul Robeson Building  
1025 2nd Avenue, Suite 320  
Oakland, CA 94606-2212  
(510) 879-8199 Voice  
(510) 879-8000 Fax

**DRAFT**



## ACCESSIBILITY OF AGENDA AND AGENDA MATERIALS

Agenda and agenda materials, if any, associated with this meeting are accessible on the Board of Education's World Wide Web Site at <http://webportal.ousd.k12.ca.us> or from any computer terminal in the Office of the Board of Education at the above-stated address.

## AMERICANS WITH DISABILITIES ACT COMPLIANCE

Individuals requiring a reasonable accommodation to participate in meetings other than handicapped access, should notify the Office of the Board of Education seventy-two (72) hours prior to the meeting at either (510) 879-8678 (VM); or [boe@ousd.k12.ca.us](mailto:boe@ousd.k12.ca.us) (E-Mail); or (510) 879-8739 (TTY/TDD); or (510) 879-8000 (Fax).

## **Minutes (Long)**

**Monday, November 28, 2011**

**6:00 PM**

**Special Meeting**

**Board Room, Paul Robeson Building, 1025 2nd Avenue, Oakland, CA  
94606-2212**

## **Board of Education**

***President Jody London***

***Vice President Jumoke Hinton Hodge***

***Directors: Gary Yee, David Kakishiba, Noel Gallo, Christopher Dobbins, Alice Spearman***

***Student Directors: Isabel Montoya, (Vacancy)***

***Staff: Edgar Rakestraw, Jr., Secretary, Board of Education***

## A. Call To Order

*President Jody London called the Special Meeting to order at 6:23 P.M.*

## B. Roll Call

**Roll Call:** Present: Isabel Montoya, David Kakishiba, Gary Yee, Noel Gallo, Christopher Dobbins, Alice Spearman, Jumoke Hodge and Jody London

## C. New Business



### 11-3139 District Budget - Priorities - Fiscal Year 2012-2013

Adoption by Board of Education of Resolution No. 1112-0091 - District Budget Priorities for Fiscal Year (FY) 2012-2013, including but not limited to consideration of the following issues:

1. How will District schools and programs be affected by the impending State revenue reductions for FY 2011-2012 (mid-year) and FY 2012-2013?
2. What planning assumptions is District using to establish FY 2012-2013 enrollment and attendance projections?
3. How is District spending FY 2011-2012 General Fund (unrestricted and restricted) revenues?
4. What is the status of the District's Strategic Plan Year One Landmarks?

**Attachments:** [11-3139 - Presentation - District Budget - Priorities - Fiscal Year 2012-2013 .pdf](#)  
[11-3139 - Presentation - District Budget - Priorities - Fiscal Year 2012-2013.ppt](#)  
[11-3139 - Resolution - District Budget - Priorities - Fiscal Year 2012-2013.pdf](#)

*President London said the primary reason for this Special Board Meeting is to begin planning the budget for the next fiscal year beginning July 1, 2012 through June 30, 2013. President London said the Board will hear a presentation on several issues including: (1) How District schools and programs will be affected by potential revenue reductions that may happen in the middle of this fiscal year? (2) To look at the planning assumptions the District will use for next year in terms of enrollment and attendance. (3) How the District is spending its current year General Fund - restricted and unrestricted revenues. (4) To talk about the status of the Strategic Plan Year One Landmarks as they are supported by the budget. (5) The Board will have a Closed Session.*

*Superintendent Smith said the way the District budgeted and with the expectations that the revenue projections the State was making, the District did not anticipate being paid the*

money [the State said it owed the District] that the State said it would pay. He said the position the District took in its adopted budget put the District in a good position.

Vernon Hal, Deputy Superintendent, used a PowerPoint Presentation for the Study Session. Mr. Hal said the overall budget includes several different funds: Adult Education, Cafeteria, and Construction. He said in total the District has a \$500 million operating budget. He said tonight he will talk primarily about the General Fund - about \$400 million (unrestricted funds) which finances the educational programs. Mr. Hal said the unrestricted funds include: Principals, teachers, custodians, clerical support, and central office.

#### *Executive Summary*

State revenues for fiscal year 2011-2012 are lower than projected. Mr. Hal said the State Budget was built with the assumptions of increased revenues. He said so far the reports out of Sacramento are that the revenues are lower than projected and therefore midyear cuts to education appear to be on the horizon. He said for the District that means about \$8.3 million will be reduced in the unrestricted General Fund. He said based on the reductions, the District does not believe it will have to make any midyear cuts. These cuts will be absorbed by the District's Fund Balance. On January 10, 2012 the Governor will announce next year's budget and the District will get a sense of any midyear cuts. He said barring any significant cuts in State funding, the District will not have to make any reductions in next year's budget. He said if those cuts remain for next year the District will not have to make any cuts next year. If the State goes any lower the District will have to look and see if it can absorb any cuts in addition to any midyear cuts this year.

#### *Enrollment - Factors affecting next year's enrollment projections*

School closures, additional charter schools/charter school conversions, grade expansions and additional programs. Mr. Hal said next year's enrollment is projected to be about 38,166 - 126 students higher than the current year's 20th day count [the enrollment number the District funds its schools on].

#### *General Fund Expenditures - 2011-2012*

This year the District made a significant investment in high schools. The student/teacher ratios on average is about 1.4 students higher than the prior year.

#### *State Budget Update*

Mr. Hal said the Legislative Analyst's Office (LAO) forecasts State Revenues to be about \$3.7 billion short of the estimated budget. When the State passed the budget, there are Triggers if revenues do not materialize. He said you take the higher of the analysis between the Legislative Office and the Department of Finance. Mr. Hal said if State Revenues are \$2 billion less, it will trigger cuts.

- \$1.1 billion to K-12 education - on or after February 1, 2012
- \$2 billion to community colleges
- \$1 billion to University of California, etc.

The most the State will cut in funding to the District is 4% of revenues, \$260 per Average Daily Attendance (ADA) and 50% of transportation funding which includes Special Education transportation. He said the LAO forecasts \$3.7 billion below the budget - the

*District will be at \$189 per ADA.*

*State Budget Update Challenges for 2012-2013*

*The LAO is projecting a \$3 billion problem for the State this year and another \$10 billion next year. He said most of the problems for next year is money the State owes to education (\$6 billion of the \$10 billion is increased funding to education).*

*Impact on the District*

*The District does not anticipate having to make any midyear reductions. The District believes the \$8.3 million impact can be absorbed in the fund balance.*

*Superintendent Smith said the District did not allocate those resources.*

*Mr. Hal said ADA is estimated to be 300 lower than the adopted budget due to lower enrollment. The impact to the District is a reduction of \$1.6 million in revenue. Other changes in revenue are approximately \$900,000 in the District's fund balance. He said with the adjustments to the beginning fund balance the actual fund balance will decrease from \$45 million to \$33 million. He said the District will still have the 3% for economic uncertainties (\$12 million) and \$21 million for audit findings and deferred payments from the State. He said total resources are down by \$6 million and expenses are up by \$5 million. The change in the fund balance is about \$11-\$12 million.*

*Impact on the District for 2012-2013.*

*The Governor will release the State's proposed 2012-2013 State budget on January 10, 2012 and the proposed reductions to education will be released at that time. For 2012-2013 the District estimated the General Fund unrestricted to be \$6 million lower than the current year's allocation assuming the midyear cuts continue; the 300 ADA reduced this year will continue with no more reductions for next year; and other one-time items in the budget will be eliminated. He said based on those estimations, funding for schools will increase just below one million dollars. After the school closures more money can be allocated to the remaining school - the average amount is about \$219,000 higher per school.*

*Question 2 - What planning assumptions is the District operating from to establish its 2012-2013 enrollment and attendance projections?*

*Mr. Hal said next year's enrollment projections include grade progressions, the impact of closed schools, additional charter schools, charter conversions, grade expansions and District programs. He said the enrollment projection is 38,116 about 126 higher than the current year's 20th day count.*

*Summary of changes*

*K-5 - an increase of 208 students*

*6-8 - an increase of 1 student*

*9-12 - a decrease of 83 students*

*Enrollment Projections 2012-2013 Assumptions*

*· Closing schools student loss for 2012-2013 - an estimated loss of no more than 5%-10%*

*· Grade configuration change schools student gains for 2012-2013*

· *The District assumes with the K-9 and 6-12 configuration it will hold on to more students that would normally leave the District.*

*Expanding Charter Schools - Student Loss For 2012-2013 - New charters approved by Alameda County; charter conversions; and other new charter schools looking to occupy District space may reduce the number of students in the District.*

*Transition Kindergarten Loss For 2012-2013 - The date for kindergarten eligibility has moved from December to September - less students are kindergarten ready.*

*Expanded Seat Capacity in High Demand Elementary School Gains For 2012-2013 - In support of transitioning families of schools that are closing and increased seats for waiting list students, a number of high demand schools will have an increase seat capacity.*

*Question 3 - How is the District spending its 2011-2012 General Fund (unrestricted and restricted) Revenues? Measure G Allocations, Adult Ed Flex Allocations and Student Teacher Ratios?*

*After midyear cuts this year's revenue is \$270.3 million. Unrestricted revenue and sources for 2011-2012*

- *School sites - \$160 million to school site budgets (59%)*
- *State loan, transfers out, Special Education and Buildings & Grounds - \$44.6 million (17%)*
- *Central Office - \$43 million (16%)*
- *District wide in centrally funded school expenses - \$17.1 million (6%)*
- *Contributions to fund balance - \$5.6 million (2%)*

*Measure G Allocations - \$20.6 million*

- *\$18 million allocated and inside school site budgets*
- *\$375,000 - centrally (helps pay for school site expenditures)*
- *\$653,000 - prep time for Special Education teachers*
- *\$862,000 - recruitment*
- *\$366,000 - a fee charged by the county to collect taxes*

*Adult Ed Flex Allocations*

*Secondary reading specialists, 8 counselors, and support for secondary and high school work.*

*Student Teacher Ratios*

- *Last year the student teacher ratios were 22.2 to 1 and this year the ratio is 23.6 to 1.*
- *QEIA schools receive additional funds to reduce class size.*

*Restricted General Fund - 2011-2012*

- *\$183.8 restricted funds budgeted*
- *\$44.3 million is allocated to schools*
- *\$139.5 million is allocated centrally*
  - o *Special Education - \$85.8 million*
  - o *Buildings & Grounds - \$8.5 million*
  - o *Early Retirement Program - \$6.3 million*
  - o *Title I - \$4.4 million*

*o Professional Development - \$2 million*

*Question 4 - What is the status of the District's Strategic Plan Year One Landmarks? Superintendent Smith said he will discuss the question of content and Year One work around academics in January at a Study Session and in March for the Balance Score Card. He said generally he thinks the District did a good job. He said more support is needed for the high schools and a better job with English Language Learners.*

*Deputy Superintendent Maria Santos said more support in middle school programs will increase the high school graduation rate.*

*Mr. Hal said the State passed a budget assuming the revenues would be \$4 billion higher. The State said if those revenues did not materialize, the State would have automatic midyear cuts based on a "Trigger". He said it looks like a Trigger is eminent. Based on what the District knows today, the impact to the District will be about \$8.3 million. He said the State said budgets had to be adopted with flat revenues and the District did that. The District did not allocate all the revenues to expenditures waiting for the midyear cuts to occur. The State now says budget assuming the Trigger. Mr. Hal said the District is not looking to make any midyear expenditure or program reductions in the unrestricted program. He said for next year the District doesn't know what it looks like or if the Trigger will happen.*

*Board Member Comments*

*Director Spearman asked for clarification regarding the District subsidizing schools because they don't generate enough revenue to keep them open and why those schools were not targeted to be closed?*

*Mr. Hal said there are some schools where the District is trying to make investments to get them to be more robust.*

*Superintendent Smith said one of the benefits the District will see from the action of the Board is the need of the Balancing Pool will decrease. He said after the Options Process if there are schools with very low numbers the District has a process; the principals and community will be brought in early to determine if the school is viable.*

*Director Spearman wanted to know if there was a way to increase McClymonds' academics (AP Classes) in the second semester.*

*Superintendent Smith said at the midyear point, whatever money the District has he would like to invest in high schools with direction from the Board.*

*Director Spearman wanted to know if there was any strategy to work with African American children with ELL problems?*

*Ms. Santos said the District is making a major investment in academic language and literacy development for all students within the discipline areas. She said this will build the capacity for all teachers to deliver these strategies, not only for English Language Learners but for any student struggling with the academic language content.*

*Director Yee said he was struck by the slide around the average class size increases. He said the District is well within the State maximums, well within contract maximums and within past practices.*

*Director Yee noted for the 2011-2012 elementary schools class distribution the presentation shows there was one class that had over 32 students and 44 classes that had over 31 students out of 855 classes.*

*Vice President Hinton Hodge talked about the cuts to the Family and Community Office and how this department is shifting and changing and wanted to know how it will take on the really important work of Full Service Community Schools.*

*Mr. Hal said the five FTE's are funded from one particular resource, not the whole department. He said the department has other staff that is funded with other resources.*

*Ms. Santos said these were positions to bolster Parent Engagement. The office includes all the resources of Complimentary Learning and the Family Community & Office that has been blended into one working in partnership to service the community.*

*Vice President Hinton Hodge said on page 34 of the presentation talks about funds used for teacher retention programs that will now be under the human resources department and asked Mr. Hal to talk about that.*

*Mr. Hal said the Associate Superintendent for Human Resources is looking at recruitment. He said he believes there is a plan to bring to the Board the recruitment plan. He said there was a presentation to the Finance and Human Resources Committee in term of the operational expectations of human resources and recruitment and teacher retention.*

*Director Kakishiba asked if the RBB formula at schools is uniform?*

*Mr. Hal said "Yes" in terms of the process and the dollar amount per school. He said it can vary depending upon elementary, middle and high school especially the general purpose funds. He said for other funds the formula is the same. He said there are a few resources targeted for a few schools such as the Pupil Retention Block Grant.*

*Director Kakishiba wanted to know if it is possible to increase high school education funding so that all high schools receive more money without getting into compliance issues through the audit process?*

*Mr. Hal said using unrestricted funds "No" because there are no compliance issues. He said certain funds are just for elementary schools such as K-3 Class Size Reduction from the State and a Measure G Allocation.*

*Director Kakishiba said the enrollment assumptions are very optimistic. He said every aspect of the assumption looks good and asked Board Members to study it more. Director Kakishiba said he would caution to be more conservative on enrollment.*

*Vice President Hinton Hodge asked Mr. Hal to talk about the percentages going directly to school site budgets.*

*Mr. Hal said it is about an 80%/20% split.*

*President London said it was her impression coming out of the Task Forces that operated last year the District would see some proposed revisions in the way the District does its budget formula and wanted to know the status of that.*

*Mr. Hal said there were a lot of different meetings and it was difficult for Task Force Members to gain some consensus. He said what came out of it was a recommendation to do nothing until the District reduced its number of schools.*

*Sele Nadel Hayes, Lead Staff for Results Based Budgeting Task Force, said the Task Force did come up with a lot of core values that are starting to be reflected in the current year's budget development cycle.*

*President London noted at a Board Meeting in April where there was 40 minutes of public comments with parents from schools where teachers were being cut said if those parents were here they would say the program at their school merits a certain number of teachers and the District is not giving the school the funding.*

*Ms. Hayes said with declining resources the District currently does not have enough money to fund the programs they want at all schools. She said part of why it was so important for the Board to adopt the Resolution to reduce the number of school is to keep from spreading the resources so thinly.*

*President London wanted to know what will happen differently next fiscal year from this fiscal year?*

*Ms. Hayes said feedback from principals is being incorporated on how to make the process work better and to be closer practicing the values agreed to as a school community.*

*President London wanted to know the status of the funding for the Gifted and Talented Education (GATE) Program?*

*Mr. Hal said that particular program is a Tier III Flex Program so the District has the flexibility not to use those resources just for Gifted and Talented Education.*

#### *Public Comments*

*Betty Olson Jones said the perception among teachers the District is still top heavy and class sizes are on the increase. Mrs. Olson Jones asked how were the projections for 2011-2012 off because there were big overages in high schools reflected in the report? She said students miss having counselors at the school sites. Mrs. Olson Jones wanted to know if charter schools were exempt from all contributions to Special Education and Buildings & Grounds?*

*Joel Velasquez said parents are not happy with the transition process. He said transportation continues to be an issue. Mr. Velasquez wanted to know how are parents to choose a school when they don't know how they will get there. He said many Board Members and the superintendent said no more new charter schools would be opened but how does the District say no to great ideas. Mr. Velasquez said there is a communication problem and many parents feel left out.*

*Board Member Discussion*

*Director Kakishiba said the Board in adopting the Strategic Plan and the Vision of Every Student Graduating High School Prepared has made a broad commitment to high school education. Director Kakishiba said what's missing is concrete leverage results, outcomes, and measurements to see whether or not the District is making progress. He said when talking about increasing the number of students graduating high school, transcript analysis in the 11th and 12th grade is great but it has to be done every semester. He said the District has to know every semester if the students have earned their credits; whether 10th graders have passed their CAHSEE; and whether students are in class. He said more is needed at the high school level than at the elementary school level.*

*Director Yee said the Board needs to decide if it wants to send more money to school sites or not. He said that is a discussion around site based decision making. Director Yee said there was the question on how the Board prioritizes the different structures within the schools and central office. He said the question then becomes does the District focus on particular programs or class sizes? Director Yee asked how does the District allocate resources within the school? Does it allocate towards lowering class sizes or adding programs? He said the Board has to decide the ratio between central office and the schools.*

*Director Kakishiba said there are two things that have come up in the audit from the State Controller's Office: (1) The District not making the 55% and (2) The administrator to teacher ratio is high.*

*Director Dobbins said on page 27 the report talks about expanded seat capacity in the District and asked for clarification.*

*David Montes de Oca talked about the balancing pool and its implications. He said one of the things that impacted schools last year the District managed enrollment to the projections. The District projected sufficient students across all schools to make sure the same students were not being reallocated to another school to increase their enrollment. By taking one school's enrollment to another the District managed to the projections. By reducing the number of schools the District now has the opportunity to assign the additional students to the available seats.*

*President London wanted clarification on class size increases at these schools and wanted to know if there actually vacant classroom space?*

*Mr. Montes de Oca said at some of the schools there are vacant classrooms. He said in terms of class sizes this provides an opportunity for an additional staff to be allocated in the RBB process. He said in some cases the average class size is 24 or 25 at some grade levels in grades 3, 4, and 5 and by the 20th day the schools may have only had 21 or 22.*

*Director Yee said the District is balancing choice, budgets and staffing and that is the kind of policy discussion the Board needs to have.*

*Director Dobbins wanted to know if a school had space last year why couldn't the District have shifted the resources that way and the students could have attended the school.*

*Superintendent Smith said the schools were artificially capped - there are spaces in the*

school. He said in terms of the enrollment projection you can't say we will fill this school completely and this school suddenly will not have enough students. He said there are mechanisms inside the Options Process where the District took responsibility to not make it so that some schools had too few students. He said once the process is complete in the spring, if there are schools well under projection the conversation among principals, leadership, and union partners is should there be Balancing Pools for those schools or talk about combining schools. If parents do not send their children to a particular school, can the District keep those very tiny schools open? He said some of the grade configurations will hold students in high performing schools.

Director Dobbins said it has been said by closing five schools the District will save \$2.3 million. He wanted to know how many students does the District need to have in order not to lose over \$2.3 million?

Superintendent said the 20% loss of students was the national trend. The District never anticipated a loss of 20% of its students due to school closures. He said 5% - 10% is an operating number.

Vice President Hinton Hodge said she would like to better understand how the District gets to the projections and how staff are managing that.

### **Roll Call (Secretary's Observation)**

*Jumoke Hinton Hodge present at 7:01 P.M.*

**Roll Call:** Present: David Kakishiba, Gary Yee, Noel Gallo, Alice Spearman, Jumoke Hodge and Jody London  
Absent: Isabel Montoya and Christopher Dobbins

### **Roll Call (Secretary's Observation)**

*Christopher Dobbins present at 8:15 P.M.*

**Roll Call:** Present: David Kakishiba, Gary Yee, Noel Gallo, Christopher Dobbins, Alice Spearman, Jumoke Hodge and Jody London  
Absent: Isabel Montoya

### **Roll Call (Secretary's Observation)**

*Alice Spearman absent at 8:30 P.M.*

**Roll Call:** Present: David Kakishiba, Gary Yee, Noel Gallo, Christopher Dobbins, Jumoke Hodge and Jody London  
Absent: Isabel Montoya and Alice Spearman

## **D. President's Statement Disclosing Item(s) To Be Discussed In Closed Session Today**

*President London stated the meeting will recess to Closed Session to discuss Labor Matters and Public Employee Matters.*

## **E. Closed Session Item(s):**

### **10-0798 Conference With Labor Negotiators**

United Administrators of Oakland Schools (UAOS), Service Employees International Union - Local 1021 (SEIU), Oakland Education Association (OEA), Oakland Child Development Paraprofessional Association (OCDPA), American Federation of State, County and Municipal Employees-Local 257 (AFSCME), Brotherhood of Teamsters, Auto Truck Drivers-Local 70 of Alameda County, Brotherhood of Teamsters, Warehouse, Mail Order, Retail Employees- Local 853 of Alameda County, American Federation of Teachers/CFT-Local 771 (AFT), Building and Construction Trades Council of Alameda County, California School Employees Association (CSEA) .

Principal District Representative: Jacqueline Minor, General Counsel

### **11-2076 Public Employee Performance Evaluation**

Superintendent of Schools

## **F. Recess to Closed Session**

*President London recessed the meeting to Closed Session at 8:56 P.M.*

## **G. Reconvene To Public Session**

*President London reconvened the meeting to Public Session at 11:10 P.M.*

## **H. Second Roll Call**

Roll Call: Present: David Kakishiba, Noel Gallo, Christopher Dobbins, Jumoke Hodge and Jody London  
Absent: Isabel Montoya, Gary Yee and Alice Spearman

## **I. President's Statement of Reportable Action Taken In Closed Session and the Vote or Abstention of Members Present, If Any**

*President London stated there was no reortable action taken in Closed Session.*

## J. Adjournment

*President London adjourned the meeting at 11:12 P.M.*

Prepared By: \_\_\_\_\_

Approved By: \_\_\_\_\_