



Alameda County Office of Education

Alysse Castro, Superintendent

April 5, 2024

Dr. Kyla Johnson-Trammell, Superintendent
 Members of the Board of Education
 Oakland Unified School District (OUSD)
 1000 Broadway, Suite 680
 Oakland, CA 94607

RE: Public Disclosure of the Collective Bargaining Agreement between OUSD and the American Federation of State, County and Municipal Employees Local 257 (AFSCME)

Dear Superintendent and Members of the Board,

On March 21, 2024, ACOE received a Public Disclosure of Collective Bargaining Agreement (CBA) and Tentative Agreement (TA) between OUSD and AFSCME as required by Government Code (GC) Section 3547.5 and Assembly Bill (AB) 1200 (Statutes of 1991, Chapter 1213). The TA includes an ongoing salary schedule increase of 2.25%, effective February 1, 2024, and is scheduled to be approved by the District's Governing Board (Board) on April 10, 2024.

Per the Public Disclosure, the cumulative fiscal impact of this agreement is:

Description	2023-24	2024-25	2025-26	Cumulative Cost over 3 years
One-Time Fiscal Impact	0	\$0	\$0	0
Ongoing Fiscal Impact	\$281,910	\$676,583	\$676,583	\$1,635,076
Total Fiscal Impact	\$281,910	\$676,583	\$676,583	\$1,635,076

The fiscal impact of this TA further compounds the District's deficit spending and the need for implementation of budget adjustments identified following other settled negotiations, below.

Required Ongoing Budget Adjustments at First Interim as Compared with the District's Public Disclosure Documents:

Description	2024-25	2025-26	Total
Combined "other adjustments" to Certificated &	\$67,397,169	\$12,897,165	\$80,294,334

Classified staff – Public Disclosure			
Combined “other adjustments” to Certificated & Classified staff – First Interim	\$34,129,554	\$7,332,054	\$41,461,608
Increase in OUSD’s required adjustments:	\$33,267,615	\$5,565,111	\$38,832,726

The Public Disclosure states that the salary increase will be funded through further reductions and restructuring building on plans approved in February 2024, which were themselves intended to free up funds for previously promised labor agreements, but as yet fall short of the total needed for the prior agreements. This agreement adds to the total reductions needed.

On February 28, 2024, the Board approved Resolution 2324-0137 Proposed Budget Adjustments for Fiscal Year 2024-25 and Restructuring Recommendations for 2025-26. In addition, the Board has taken the first steps to implement those adjustments by approving:

- Resolution 2324-0118 Classified Reduction in Force Due to Lack of Funds and/or Lack of Work, and
- Resolution 2324-0121 Eliminate Certificated Positions due to a Reduction in Particular Kinds of Service.

Note that while the board has approved the *intent* to restructure, it still must take action in the coming weeks and months to realize the now \$80 million in tradeoffs needed over the next two years.

The AFSCME TA, in Item 1.a.ii., included the following language: *“All compensation included in this section is contingent upon a determination by the Alameda County Office of Education that the combined financial impact of all tentative agreements with OUSD labor partners reached in the 2023-24 school year do not endanger the fiscal well-being of the District.”*

The primary responsibility of a school board is the fiscal stewardship of the school district. After 20 years of external oversight, the current OUSD board has returning to full local control as a stated priority, a goal wholeheartedly shared by ACOE. A self-governing school board takes continuous action toward a balanced budget by identifying reductions and tradeoffs whenever committing to increased expenditures.

If the Board wishes to prioritize compensation increases for all staff, there are many possible paths to doing so in a balanced budget, but all involve following through on

making hard tradeoffs and reductions in other areas. It is the elected board's right and responsibility to decide what to prioritize and how to implement those changes, acknowledging the reality that there are no significant remaining places to cut that do not impact school sites. So long as the board continues to take action on reductions equal to proposed increases, they retain full decision making autonomy. However, as a district in receivership, the Fiscal Oversight Trustee is responsible for preventing the district from taking actions that may negatively affect the financial condition of the school district.

In plain terms, the ball is in the Board's court - where it belongs. It will stay there so long as the board continues to make tradeoffs and reductions that keep pace with new investments and expenditures. This requires the board to avoid the ever present temptation to take action on new expenditures - however valuable - before making progress toward restructuring - however unpleasant.

If you have any questions or concerns regarding our review, please feel free to contact my office at (510) 670-4140.

In community,

A handwritten signature in black ink, appearing to read 'Alysse Castro', with a stylized flourish at the end.

Alysse Castro
Alameda County Superintendent of Schools

cc: Lisa Grant-Dawson, Chief Business Official, Oakland USD
Tony Thurmond, State Superintendent of Public Instruction, CDE
Michael H. Fine, Fiscal Crisis and Management Assistance Team
Luz Cázares, Fiscal Oversight Trustee
Allan Garde, Associate Superintendent, Business Services, ACOE
Shirene Moreira, Chief of District Business & Advisory Services, ACOE
Joan Laursen, Director III, District Business & Advisory Services, ACOE
Members of the Alameda County Board of Education (ACBOE)