

RESOLUTION
OF THE
BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
NO. 1819-0144

Budget Reduction Recommendation to Achieve Fiscal Year 2019-2020 3%
Reserve for Economic Uncertainty

WHEREAS, the Governing Board (hereafter “Board”) passed Commitment to Fiscal Solvency Resolution 1819-0041 on August 8, 2018 to address the Oakland Unified School District’s projected deficit which at the time was estimated to grow from an estimated \$20,300,000 in 2019-20 fiscal year, and \$59,000,000 in the 2020-21 fiscal year and provided for reductions of \$30.3 million beginning in 2019-20 to address the budget shortfall and provide for a minimum 3% reserve beginning in 2019-20 fiscal year; and

WHEREAS, this Resolution supersedes Resolution No. 1819-0041 and provides for all Board reductions based on updated budget information at First Interim, release of the Governor’s 2019 Budget proposal, and a consideration of required employee investments; and

WHEREAS, the Board recognizes that the District is highly dependent on revenue from the State of California and that revenue source is dependent on the on-going stability of the California state economy; and

WHEREAS, the Board recognizes that the Governor’s 2019/2020 budget proposal projects out year revenue increases tied to primarily cost of living adjustments only, and that these budget components have a direct impact on the District’s multi-year projections; and

WHEREAS, the Board understands the increased costs of living to staff in the Oakland community and greater Bay Area and the impacts on recruiting and retaining highly skilled teachers and staff, and the Board is committed to increasing investments in staff salaries; and

WHEREAS, the Board further recognizes the impact of declining enrollment and increasing California State Teachers’ Retirement System (CalSTRS) and California Public Employees’ Retirement System (CalPERS) pension costs on the District’s budget; and

WHEREAS, under certain circumstances state law requires the District to provide to the Alameda County Office of Education a full disclosure of proposed impacts, costs, and multi-year projections to support any negotiated salary investments; and

WHEREAS, Education Code section 42127(c) requires, in relevant part, that the County Superintendent of Schools:

“Determine whether the adopted budget will allow the school district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the school district to satisfy its multi-year financial commitments . . . [and] shall either conditionally approve or disapprove a budget that does not provide adequate assurance that the school district will meet its current and future obligations and resolve any problems identified in studies, reports, evaluations, or audits described in this paragraph”; and

WHEREAS, based on the District projections of revenue and expenditures and the District’s current fiscal challenges and commitment to staff salaries, it is projected that without offsetting reductions, the District would not meet its required minimum reserves beginning in the 2019-2020 and 2020-21 fiscal years, and the District would have a negative ending fund balance which would vary based on the level of employee salary commitments and other district drivers of revenue and costs; and

WHEREAS, the Board desires to minimize the impact of budget reductions on the level of service, quality of staff and education programs for District students; and

WHEREAS, the Board has a commitment to improving opportunities and outcomes for all students and closing equity gaps for our historically underserved and most vulnerable students (low-income students, English Language Learners, foster and unsheltered youth), while maintaining financial stability; and

WHEREAS, on November 14, 2018, the Board passed Resolution No. 1819-0013 providing direction on the fiscal years 2018-2019 and 2019-2020 budget reductions, including desired minimum reserve levels that achieve \$30 million in reductions for the 2019-20 year and focus on: 1. implementing BP 3150; 2. redesigning the District; 3. providing competitive employee compensation; and, 4. committing to shared decision making and multi-stakeholder teams; and

WHEREAS, the Superintendent presented information to the Board relating to the 2019-2020 budget on January 9, 2019 and January 23, 2019, which included potential options for budget reductions, a recommendation for 2019-2020 budget reductions on February 6, 2019, for first read, additional detail and information related to the recommendation on February 11, 2019 and February 19, 2019, and a final vote on proposed budget reductions for the 2019-2020 budget on February 25, 2019; and

WHEREAS, the Superintendent recommends (1) a reduction of \$11.93 million in central administrative costs, a total of 90.23 FTE to be eliminated or moved to restricted funding

sources; (2) a reduction of \$3.75 million in central services to sites, a total of 57.8 FTE to be eliminated or moved to restricted funding sources; (3) reallocation of a portion of supplemental funds to support educator retention and compensation; (4) a reduction of \$3 million from school site discretionary budgets; (5) \$1.47 million in reductions to contracts and maximizing restricted resources; and (6) \$1.6 million in additional operational cost savings and revenue generation.

NOW, THEREFORE, BE IT RESOLVED, this Resolution supersedes Resolution No. 1819-0041 and provides for all Board reductions based on updated budget information at First Interim, release of the Governor's 2019 budget proposal, and a consideration of required employee investments; and

BE IT FURTHER RESOLVED, the Governing Board hereby adopts the Superintendent's recommendation relating budget reductions to achieve its Fiscal Year 2019-20 3% Reserve for Economic Uncertain and investments in educator compensation through: (1) a reduction of \$11.93 million in central administrative costs, a total of 90.23 FTE to be eliminated or moved to restricted funding sources; (2) a reduction of \$3.75 million in central services to sites, a total of 57.8 FTE to be eliminated or moved to restricted funding sources; (3) reallocation of a portion of supplemental funds to support educator retention and compensation, subject to engagement of stakeholders (as set forth below) around a framework to demonstrate in our Local Control Accountability Plan how the funded strategies will be effective in supporting our district's high need students (English Language Learners, low-income students, foster and unsheltered youth) as evidenced by specific measurable outcomes which will be used to monitor impact in serving these students over time; (4) a reduction of \$3 million from school site discretionary budgets; (5) \$1.47 million in reductions to contracts and maximizing restricted resources; and, (6) \$1.6 million in additional operational cost savings and revenue generation; and

BE IT FURTHER RESOLVED, the Board directs the Superintendent to reallocate Measure G Library Funds, which are currently included in the 2019-20 School Site One Pagers, to sites based on an equity criteria prioritizing K-12 schools serving a concentration of 85% or above unduplicated pupils, excluding schools that currently have a City of Oakland funded library co-located at its site; and

BE IT FURTHER RESOLVED, for the 2019-20 school year only, once the 3% Reserve for Economic Uncertainty has been met and all legal and mandatory obligations are met, that any additional unrestricted general fund revenue, including but not restricted to one-time funds from the Governor's May Revision budget, be allocated to schools for site-based budgeting in order to replenish the \$3 million in reduction to school site discretionary budgets mentioned above; in allocating these funds, first priority will be given to school sites with a disproportionate impact of multiple reductions to their school in 2019-20 (money and positions) and are serving a concentration of our most vulnerable and highest needs students. Schools will be instructed that any additional revenue provided through this process is for one-

year only. A report to the Board on the further distribution of any funds will be given prior to budget adoption in June 2019; and

BE IT FURTHER RESOLVED, prior to recommending a final 2019-20 budget, the Superintendent shall follow state law and board policies in consulting with and seeking the advice of stakeholders, including the Parent Student Advisory Committee, District English Language Learner Subcommittee, Foster Youth Advisory Committee, and school communities including School Site Councils on any revisions to the Local Control Accountability Plan, including without limitation, the use of a portion of supplemental funds to support educator retention and compensation; and

BE IT FURTHER RESOLVED, that the Board will receive monthly updates on the progress of the Central Office redesign efforts during the Spring 2019 to ensure the realignment of resources to OUSD's Theory of Action and to strategically and in fact support the rapid acceleration of students' academic outcomes and improved social emotional well-being as described and set forth in Resolution 1819-0013 Recommendations For 19/20 Budget Development and Prioritization from the Special Committee on Fiscal Vitality. As part of this process, staff shall establish clear metrics to evaluate the impact of central office and site-based investments and strategies to improve student outcomes and eliminate equity gaps in schools across the district; and

BE IT FURTHER RESOLVED, that when external resources, grants or other restricted funds are identified, or when municipal partnerships are established to maintain critical services for students that are impacted by these budget reductions, OUSD may support, re-imagine, and/or re-organize key positions and programs in aligned departments and school sites, and leverage these resources and partnerships to provide near-term support for the transition of student services as long as the external funds are available, while developing a financially sustainable model for Central Office service delivery to school sites in line with the Superintendent's strategic plan, priorities of the All City Council and students, organizational redesign, and the district's Theory of Action; and

BE IT FURTHER RESOLVED, that the Board and Superintendent will continue to collaborate with our stakeholders including students, families, teachers, school staff, principals and community, with support from central office leaders to build stronger partnerships with the City, County, and State to better align resources to the district's priorities, including but not limited to working with the Youth Ventures Joint Powers Authority and the City of Oakland Education Partnership Committee; and

BE IT FURTHER RESOLVED, that the Board hereby directs the Superintendent to initiate all steps necessary to implement these budget reductions, including without limitation, statutory notices relating to layoff or reassignment and to incorporate these budget reductions in the proposed Fiscal Year 2019-2020 District Budget to be adopted by Board not later than June 30,

2019; and

BE IT FURTHER RESOLVED, that given Board Policy 3100.1 and the District’s budget, the Board requires the Superintendent to develop a budget using conservative revenue projection assumptions that achieves at minimum a 3% reserve beginning in FY 2019-20 in order to address unforeseen budgetary increases.

PASSED AND ADOPTED this 4th day of March, 2019, at a Special Meeting of the Governing Board by the following vote:

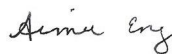
PREFERENTIAL AYE: None
 PREFERENTIAL NO: Josue Chavez (Student Director)
 PREFERENTIAL ABSTENTION: None
 PREFERENTIAL RECUSE: None
 AYES: Gary Yee, Shanthi Gonzales, Vice President Jody London, President Aimee Eng
 NOES: Jumoke Hinton Hodge, James Harris, Roseann Torres
 ABSTAINED: None
 RECUSED: None
 ABSENT: Yota Omosowho (Student Director)

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Special Meeting of the Board of Education of the Oakland Unified School District, held on March 4, 2019.

Legislative File Info.	
File ID Number:	18-2727
Introduction Date:	1/9/19
Enactment Number:	19-0262
Enactment Date:	3/4/19 er

OAKLAND UNIFIED SCHOOL DISTRICT



Aimee Eng
President, Board of Education



Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education