2025-26 Budget Balancing Solutions, Attachment C Board Study Session

Presented by: **Lisa Grant-Dawson, Chief Business Officer**

December 2, 2024

OAKLAND UNIFIED SCHOOL DISTRICT

Community Schools, Thriving Students

Our Vision

All OUSD students will find joy in their academic experience while graduating with the skills to ensure they are caring, competent, fully-informed, critical thinkers who are prepared for college, career, and community success.

Our Mission

Oakland Unified School District (OUSD) will build a Full Service Community District focused on high academic achievement while serving the whole child, eliminating inequity, and providing each child with excellent teachers, every day.

Ask of the Board

It is recommended that the Board review and accept the 2025-26 Budget Balancing Solutions in preparation for staff's recommendation of the adoption of the Budget Balancing Solutions and Scenarios.

The Board Faces a Fork in the Road

The Current Path:

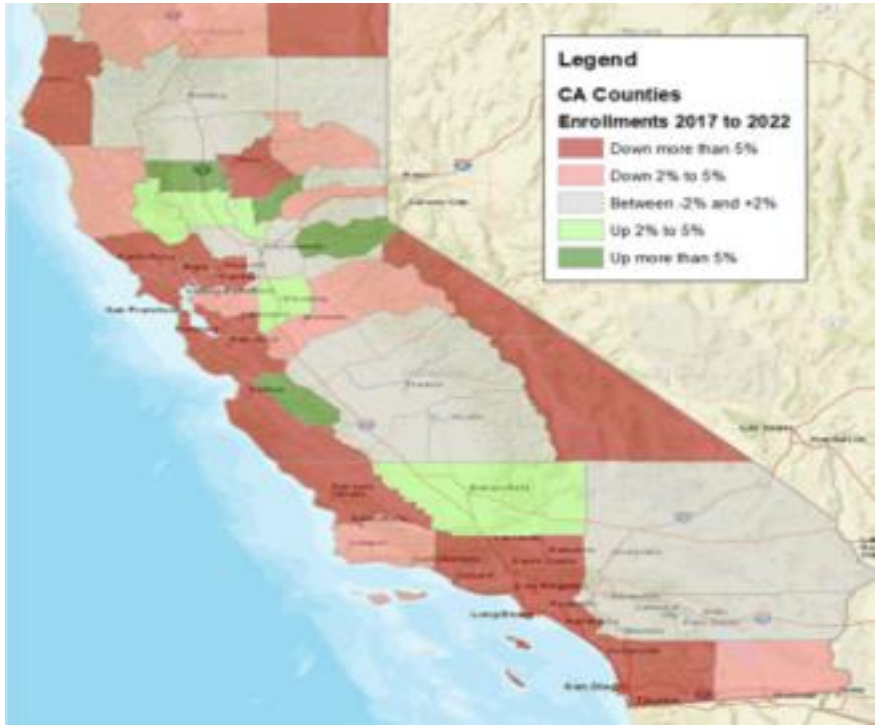
- Board continues to agonize over budgets and school closures.
- State/County intervention likely in 2025-26, with loss of democratic local control.
- Resources continue to be spread too thin across too many sites to adequately support equity and student success.
- Voters may deny renewal of parcel tax in 2028, and new board seeking 2028 facilities bond may be unsuccessful.

A New Path Forward:

- Board takes action now to plan for declining enrollment over the coming years.
- Board can then pivot to focus on student outcomes, not just perennial agonizing over budget adjustments.
- Oakland Unified exits receivership in 2026 after 23 years.
- District attracts an excellent new Superintendent for 2026-27.
- Voters approve renewal of parcel tax in 2028, and new board in 2028 seeking facilities bond will be successful.

Financial and Quality Dilemma

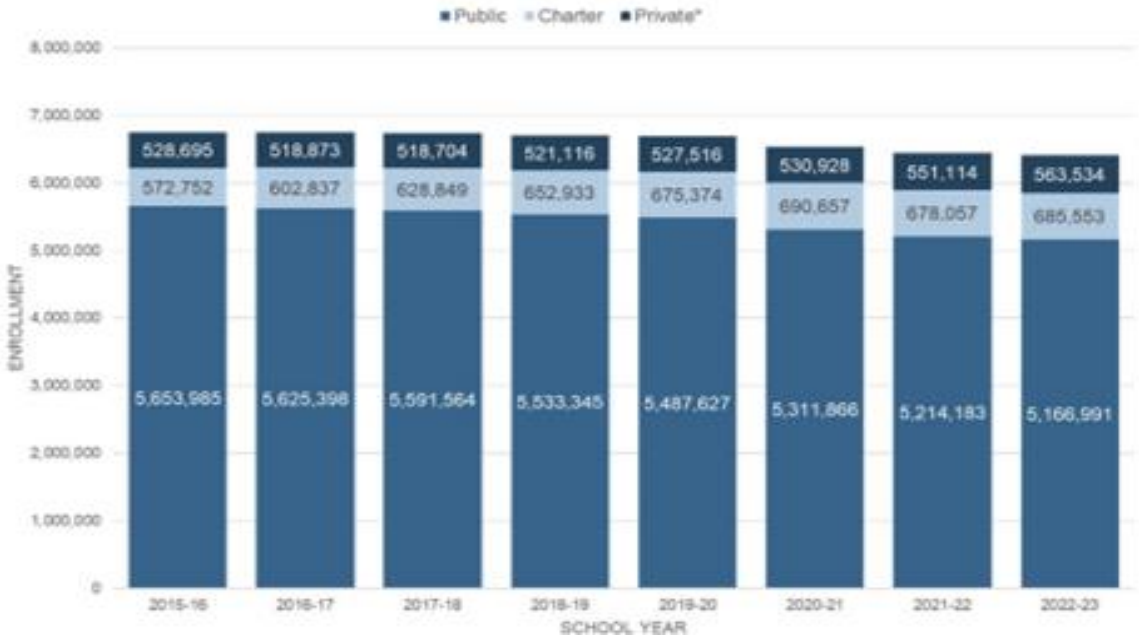
Enrollment Projections: declining enrollment in most counties, statewide



The majority of counties saw a net enrollment decline since 2017, including many of the most populous counties. Alameda county is part of this trend.

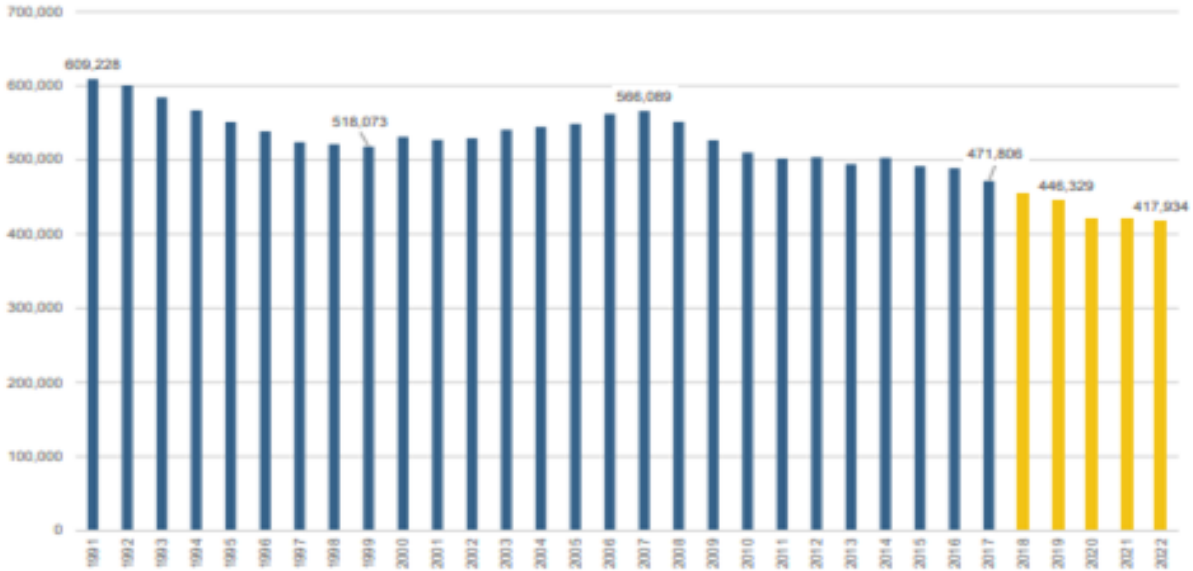
Enrollment Projections: declining enrollment, across systems, statewide

Inclusive of all systems, California's total student enrollment is in a multi-year decline.

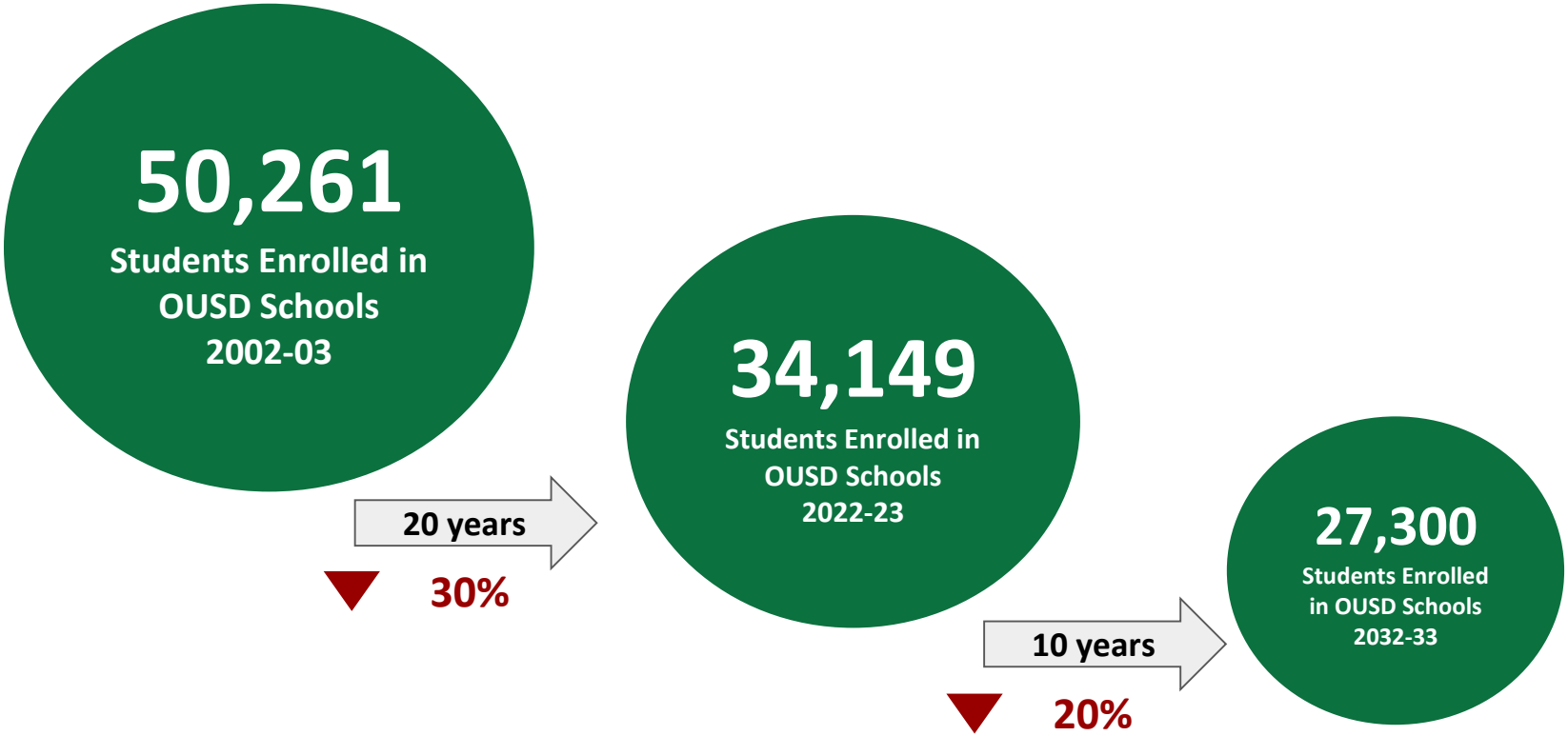


Enrollment Projections: declining birthrates, statewide

A significant factor is the decline in birth rates in California. This trend is impacting both Alameda County and the city of Oakland.

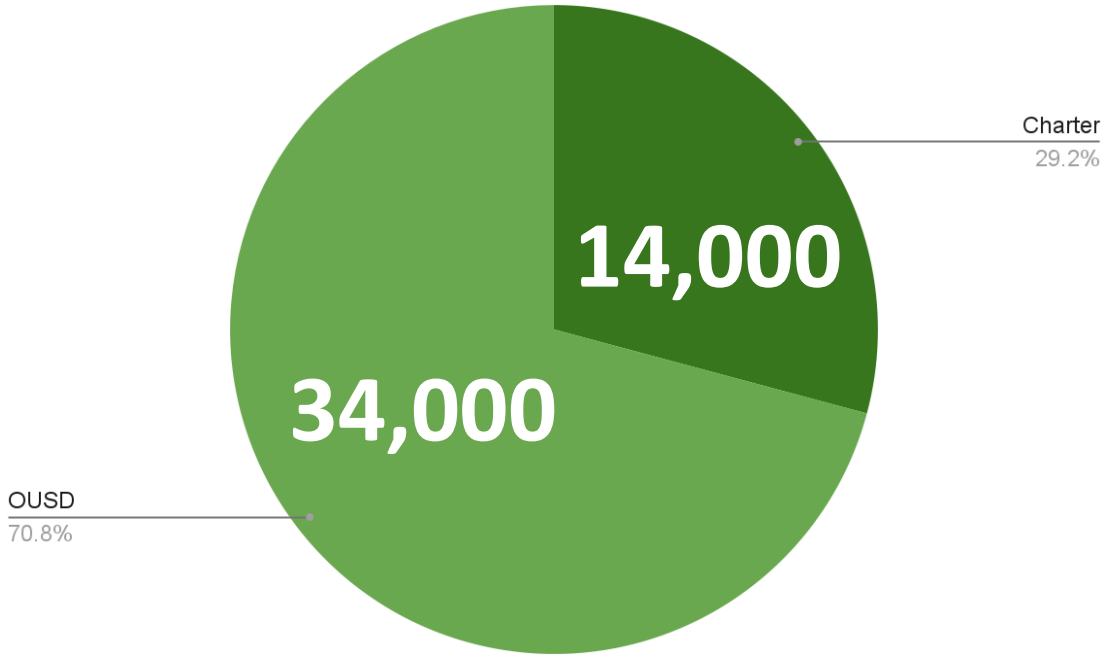


Fast Facts: OUSD Historical & Current Enrollment



Source: State of California, Department of Finance, California Public K-12 Graded Enrollment and High School Graduate Projections by County, 2023 Series. Sacramento, California, October 2023.

District Run Schools & Charter Schools



There are roughly 50,000 students in Oakland Public Schools.

34,000 attending district schools & 14,000 attending charter schools.

Fast Facts: OUSD Facilities Assets

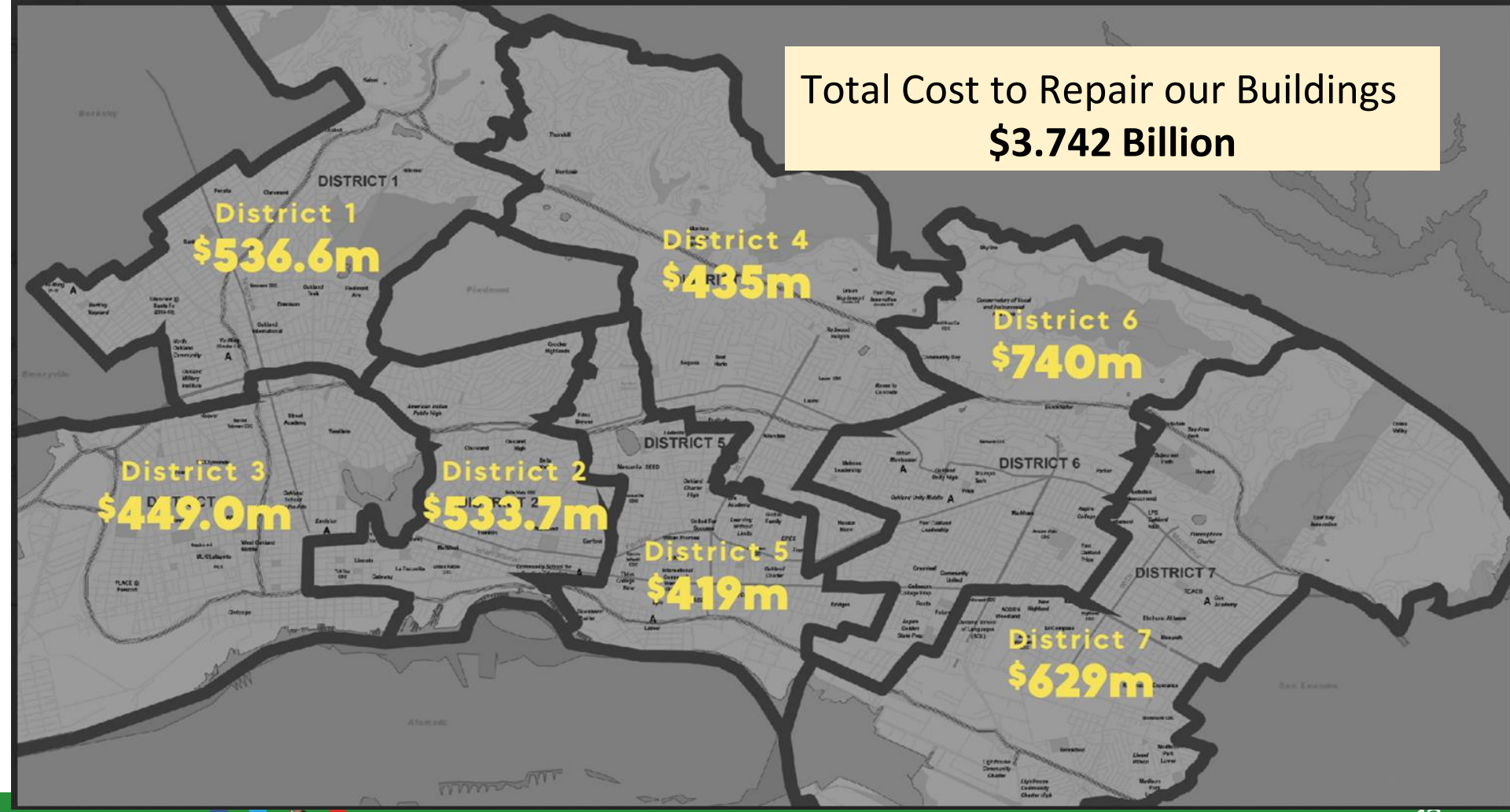
School Year (SY) 2023-24

6 million *square feet*
(equivalent to 6.5 Oracle Arenas)
482 *Acres of Land*

- **297** District buildings
- **80** District-Run Schools/Programs
- **8** OUSD PreK CDC
- **1** Adult Education/Community Based Organization
- **16** Charters on District Facilities
- **6** Vacant Properties
- **3** Vacant/Leased Properties

FACILITIES AND INFRASTRUCTURE

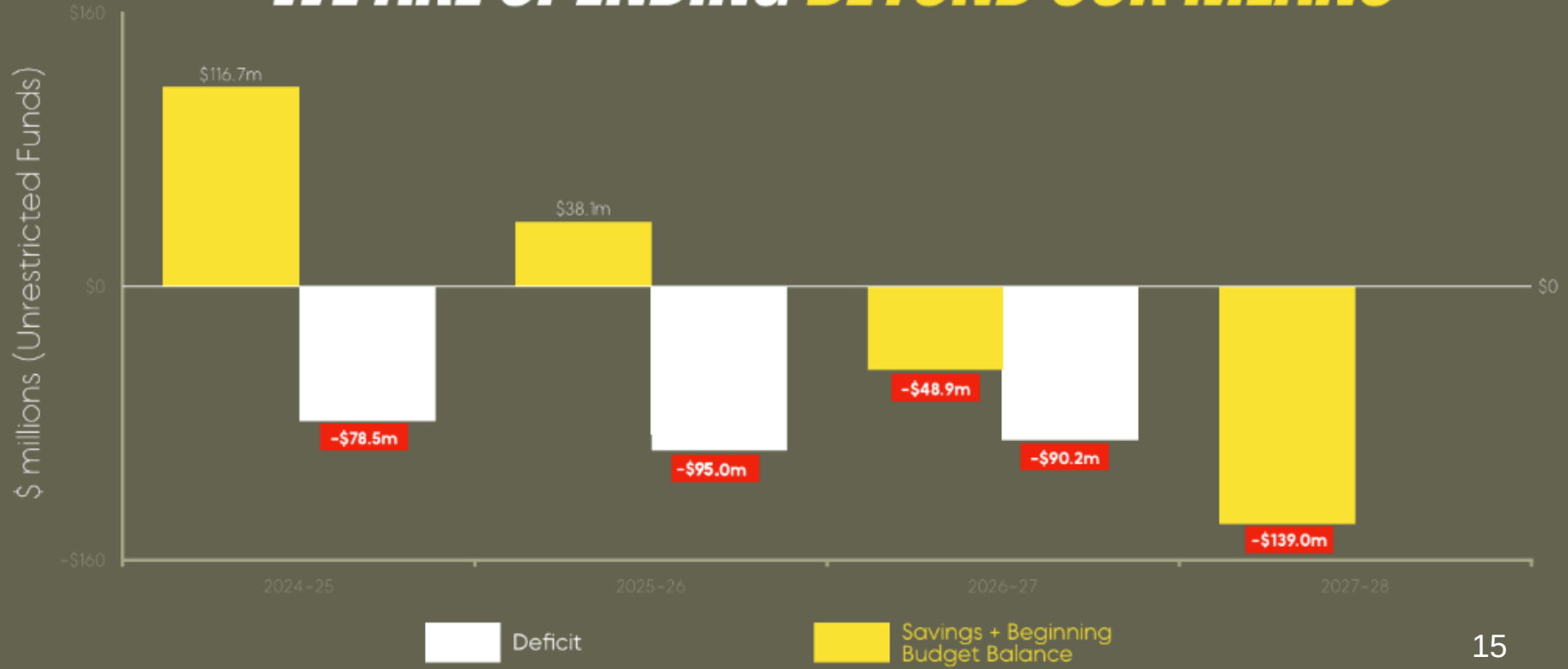
School District	Number of Students	Number of Schools	Students Per School
Los Angeles	435,958	778	560
Fresno	73,381	98	749
Long Beach	69,708	81	861
San Francisco	58,705	104	564
Stockton	40,627	45	903
Riverside	40,083	48	835
Fontana	35,461	45	788
Fremont	34,782	41	848
Oakland	**34,428**	**80**	**430**
Twin Rivers	33,008	43	768
Anaheim	28,404	21	1353
San Jose	25,677	42	611
Hayward	21,638	31	698


Total Cost to Repair our Buildings
$3.742 Billion
DISTRICT 1
District 1
$536.6m
District 4
$435m
District 6
$740m
DISTRICT 5
DISTRICT 6
District 3
$449.0m
District 2
$533.7m
District 5
$419m
DISTRICT 7
District 7
$629m

INCREASE IN SALARY

We made strategic investments in Oakland people and talent because we believe they are best equipped to connect with our students and provide positive and joyful experiences for all Oakland students. These Salary Increases have added significant cost to the overall budget and insufficient spending reductions have been put in place to account for those increases.

WE ARE SPENDING BEYOND OUR MEANS



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OAKLAND UNIFIED SCHOOL DISTRICT

Our Dilemma

- Declining enrollment and the expansion of charters;
- Sustaining too many schools, although many Districts with the same enrollment operate fewer schools;
- Deferred maintenance has resulted in an extensive backlog of repairs, exceeding available funding;
- Increased salaries, knowing the need to make commensurate budget reductions;
- Not financially able to provide the resources our students deserve, resulting in poor achievement; and
- Successfully exiting State Receivership.

2025-26 Budget Balancing Solutions

I. Conditional Budget Approval and the Way Forward

II. Continuing the Sustainable Path Forward: The 2024-25 Budget Development Process

III. A Summary of Budget Balancing Solutions - Attachment C

IV. Budget Balancing Solutions: Rationale & Impact

V. Next Steps

I. Conditional Budget Approval and the Way Forward

2024-25 Budget Adoption Conditional Approval Requirements

Budget Conditional Approval		Completion Status	Description
June 2024	2024-24 Budget and LCAP Adopted	X	• Adopted June 26, 2024 • LCAP was approved
Sept 2024	ACOE Conditionally Approves the Budget	X	• Conditional Approval letter dated September 16, 2024. District provided with several required deadlines for compliance and pending review and final disposition of the 2024-25 Budget.
Sept 2024	Task 1 - Sept 30th District Confirms Budget Target for 2025-262	X	• Target revised from $87M at adoption to $95M
Oct 2024	Task 2 - October 8th Cohesive & Aligned Strategic Plan/Budget Balancing Solutions & Board Study	X	• Draft Budget Balancing Solutions Submitted and Study Session Date set for October 23, 2024
Oct 2024	Task 3 - Sept 23rd Board Study Session	X	• Present Budget Balancing Solutions and Board to provide Staff with Direction on Budget Scenarios by October 30th

2024-25 Budget Adoption Conditional Approval Requirements

Budget Conditional Approval		Completion Status	Description
Nov 2024	Task 3 - ACOE will conduct a review of all the items and make final Budget determination	X	• District continues to meet with Trustee and ACOE to provide updates on strategic and cohesive plan • ACOE meets with Trustee and District to review and support cohesive alignment
Nov 2024	Task 4 - Board Take Action on A Budget Balancing Scenario	X	• Moved to December 2, 2024 • By November 30th ○ Ideal timeline for actions November and December, but not later than
Dec 2024	Task 5 - Board to take action or set of actions to implement Budget Solutions		• Board Meeting December 11th • Due Date - By December 15th
Jan 2025	Continue Set of Actions and Implementation		
Feb 2025	Final Board Actions for Budget Development and Balancing		• The District must meet March 15th as well as finalize site and department budget development for timely adoption of a balanced budget

Annual Budget Balancing Activity Cycle

The District has annually developed budget balancing solutions

- Over the last three years have developed a Budget calendar process in communication with the ACOE:
  - October - Budget Balancing Solutions/Options
  - November - January - Engagement and Strategy development
  - February - Board Decisions
  - June - Adopt the Budget
- For 2025-26, we continue to review Attachment C, Draft 3 which includes the implementation of the prior year Attachment B and 2024-25 adopted Restructuring Plan

Annual Budget Balancing Activity Cycle

- The District **REQUIRES** a long-term, sustainable budget plan, moving away from annual fixes.
  - This has been the 20+ year conundrum.
  - Every school has a different budget story
  - Each school has unique budget solutions tailored to it's community's needs.
    - The Small School Movement, Community School Model, and BP 3150 leaned heavily on supporting schools with site based decision making and optimizing allocations to address each school's needs.
    - After a 20+ years of implementation, the numbers show that we cannot maintain this level of allocation, autonomy **and** also be a sustainable school district.
  - As a **Unified School District**, we have to simplify our approach so that we can better guarantee a high quality school in every neighborhood that aligns with and delivers on our district's core values and the Superintendent and Board Goals

II. Continuing the Sustainable Path Forward:
The 2024-25 Budget Development Process

2024-25 Budget Balancing Solutions and 2025-26 Restructure Plan

February 28, 2024

- Board Approved Agenda Item 23-2308D, Resolution 2324-0137
  - $16.5M of 2024-25 Budget Balancing Solutions and 2025-26 Restructuring Plan which includes:
    - A. Restructuring of Schools Aligned to AB1912 Process
    - B. Restructuring of Staff Formula to Schools
    - C. Restructuring of Continuous School Improvement (CSI) Division
    - D. Restructuring of Business/Operations to Centralize Services & Asset Management
    - E. Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies to Move from Results-Based Budgeting to a More Centralized Approach with Clear Criteria for Earned Autonomies

2024-25 Budget Balancing Solutions and 2025-26 Restructure Plan

- The Budget Balancing Solutions address Restructure Strategies B - E
- Each strategy is aligned to the Three R's Resolution - Re-envision, Redesign and Restructure OUSD
- Restructuring Strategy A. Restructuring of Schools Aligned to AB1912 Process
  - Follows a parallel, but different process timeline per the legislation and as directed by the Board
  - Though not presented as part of the Budget Solutions, Restructuring the District's footprint is imperative to the District's sustainability.

2024-25 Budget Balancing Solutions and 2025-26 Restructure Plan

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III. Summary of Budget Balancing Solutions:

Attachment C

2025-26 Budget Balancing Solutions Summary

~~28~~ 30 Options (Includes Expanded Options)

- ~~15~~ 18 - Re-Envision
  - Unrestricted $~~41.4M~~ $49.6
  - Restricted ~~$3.6M~~ $64.4
- 6 - Redesign
  - Unrestricted $2M
  - Restricted ~~$0~~ $2.8M
- ~~7~~ 11 - Restructure
  - Unrestricted ~~$18.6M~~ $55.6M
  - Restricted $0

$95.0M Unrestricted Target

$68.2M Ongoing Options

$39.0M One Time Options

$106.6M Total Options

$11.6M Over Target

(With Use of HEAVY One Time for 2025-26 - Ongoing Reductions Must Occur)

2025-26 Budget Balancing Solutions Summary

2025-26 Budget Balancing Solutions Summary, Attachment C

Attachment C Summary - $95M		Ongoing				One Time				Grand Total
		Unrestricted		Restricted		Unrestricted		Restricted		
		Personnel	Non-Personnel	Personnel	Non-Personnel	Personnel	Non-Personnel	Personnel	Non-Personnel	
Re-Envision	School Site	-$40.06	-$1.00	-$46.04	-$2.00	$0.00	$0.00	$0.00	-$12.50	-$101.60
	Central Office	-$2.20	-$2.00	-$1.86	-$2.00	$0.00	$0.00	$0.00	$0.00	-$8.06
	Other	-$3.70	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	-$3.70
Redesign	School Site	-$2.00	$0.00	-$2.80	$0.00	$0.00	$0.00	$0.00	$0.00	-$4.80
	Central Office	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Other	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Restructure	School Site	-$12.64	$0.00	$0.00	$0.00	-$30.00	$0.00	$0.00	$0.00	-$42.64
	Central Office	-$2.00	$0.00	-$0.80	$0.00	-$9.00	$0.00	$0.00	$0.00	-$11.80
	Other	-$2.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	-$2.00
Total	School Site	-$54.70	-$1.00	-$48.84	-$2.00	-$30.00	$0.00	$0.00	-$12.50	-$149.04
	Central Office	-$4.20	-$2.00	-$2.66	-$2.00	-$9.00	$0.00	$0.00	$0.00	-$19.86
	Other	-$5.70	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	-$5.70
Grand Total		-$64.60	-$3.00	-$51.50	-$4.00	-$39.00	$0.00	$0.00	-$12.50	-$174.60

Unrestricted Target	$95.0
Ongoing Reductions	-$67.6
One Time Adjustments	-$39.0
Total Adjustments	-$106.6
Variance -Over/Under	-$11.6

IV. Budget Balancing Solutions:

Rationale & Impact

Option 1: *Centralize copier purchases and copier contracts, Fleet Management, Mail Services, & Procurement*

Rationale:

The District must build a sustainable budget and avoid spreading resources too thin

Impact:

The District spends more money than necessary by allowing each individual department and school to purchase and maintain their own copiers, printers, vehicles, mailing services, and overall contracts. Centralizing these services will yield greater savings based on bulk discounts and streamlined purchasing with vendors who can provide us with the best services for the least costs. Schools and departments will not be able to purchase their own copiers, printers, vehicles, or mailing services. Procurement department will support a central contract and purchasing for these items.

Area D: Restructuring Operational Services

Option 2: *Elimination of management positions in SLT departments*

Rationale:

Target: 3M across all SLT divisions. SLT leaders may need to reduce FTEs in restricted resources to make room to shift strategic positions to get to reduction target. Review staffing and communicate clear impact to operations.

Impact:

There will be significant reductions in the services senior leaders will have the capacity to continue.

Depending on which positions are eliminated and the restructuring of the work, overall impact may be reduced flexibility for school and department leaders and reduced responsiveness from central departments. One example will be reducing the ability to make funding changes to how positions are paid for in the middle of the year; all funding changes should happen during the annual budget development process only.

Area D: Restructuring Operational Services

Option 3: *Reduce additional staffing to school sites beyond strategic staffing positions*

Rationale:

The District must build a sustainable budget and avoid spreading resources too thin

Impact:

Schools will receive fewer FTE allocated to fewer categories; FTE allocation will follow enrollment and UPP-based thresholds. Small schools will receive partial FTEs across multiple categories.

Area E: Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies

Option 4: *Centralized Materials and Supplies*

Rationale:

The District must build a sustainable budget and avoid spreading resources too thin.

Impact:

The District can achieve savings by centralizing purchases of items such as technology, including Chromebooks, computers, and printers. District-wide contracts achieve bulk discounts that would not be available to every site purchasing on their own.

Area D: Restructuring Operational Services

Option 5: *Provide a recommendation for cash reduction to school sites for 25-26 budget*

Rationale:

The District must build a sustainable budget and avoid spreading resources too thin.

Impact:

Schools will receive less discretionary cash across unrestricted resources. These savings will be used to pay for FTE allocated to school sites in base formulas.

Area E: Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies

Option 6: *Reduce Consultant Contracts*

Rationale:

The District must build a sustainable budget and avoid spreading resources too thin.

Impact:

Services to schools and central offices will be reduced by eliminating and reducing overall contracts. One example is reducing ParentSquare training and technical support; this is a contract that will be eliminated for SY25-26.

Area D: Restructuring Operational Services

Option 7: *Spend down all reserves in parcel taxes for 25-26 and 26-27*

Rationale:

This would be one time use for 2025-26/26-27; would need to include language that positions would be eliminated once carryover is exhausted in these funds. Projected EFB:

- Measure G1 (MS) - $5.8M
- Measure H $.3M
- Measure G $10M
- Measure H $7.3M.

Impact:

These one-time funds can be strategically used to minimize the impacts of staffing reductions across the District at school sites, but they will not be available to continue funding any positions or programs beyond the full spend down of the current reserve balance. Lack of a reserve balance in these restricted resources in SY25-26 and SY26-27 further put the District in greater financial jeopardy at that point in time.

Area E: Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies

Option 8: *Eliminate/Significantly Reduce extended contracts*

Rationale:

Need 1-2 year analysis of spend on extended contracts. Develop centralized approval process, moving forward (restructuring component: improve budget monitoring). The District had 4,128 HRA's in 2023-24

Impact:

Reduction in overtime/extended pay for staff by applying specific allowable rules for additional pay. May reduce the over-and-above

Area E: Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies

Option 9: *ADA Target to Increase Attendance*

Rationale:

The District's Enrollment to ADA has not reached 94% and remains at 89% since the pandemic. We are now funded by a three year average, which for the 2024-25 budget is 29,985. If the average daily attendance increased in 2024-25 by 3% (250 increase in ADA by Gradespan) we would earn $3.8M more in revenue. If the trend continued into 2025-26, we would earn $13.8M more in 2025-26. Increase attendance: In 2023-24 Elementary: 46% > 90% and 54% below 90%. Middle School, 44% above 90% and 56% below. High School 75% above 90%, 25% Below.

Impact:

During the pandemic, the state held districts harmless in terms of attendance, given the sharp drop in ADA across California. Districts are no longer held harmless and are funded based on who attends schools. The strategic focus on improving attendance is important for moving student outcomes and for ensuring some financial sustainability and increases in revenue moving forward. This additional revenue, derived from achievable increases in attendance will help offset the overall financial deficit.

Area D: Restructuring Operational Services

Option 10: ***Restructure school site allocations through revision of staff formula to eliminate (with a few exceptions) cash allocations to school sites. Move All AP's to Supplemental , include General Funded AP's $4.7M. Move a portion of FTE for Attendance Specialist to Concentration due to additional non base focus ($4.3M) 25% = $1.1M.***

Rationale:

The District must build a sustainable budget and avoid spreading resources too thin.

Impact:

Schools will have reduced ability to choose the quantity and types of additional positions to staff at their sites.

Area B: Restructuring Staff Formula

Option 10A: Noon Supervision

Rationale:

ES needs adequate yard supervision and yard coverage during recesses. Students need to participate in organized play during recesses.

Impact:

Larger schools will likely receive additional FTE, to meet the new 1:60 ratio; smaller schools will receive fewer, resulting in larger lunch periods, filling cafeterias and yards to the maximum, instead of more, smaller lunch periods for classes.

Area E: Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies

Option 10B: Assistant Principals

Rationale:

AP's are constantly changing, yet necessary Admin allocations for safety and infrastructure at schools. Goal is to create a more consistent allocation and funding methodology for AP's.

Impact:

Small schools with significant safety/suspension incidents will see impacts in terms of workload on other administrators and staff, with Assistant Principals being eliminated at these sites based on enrollment size. Supports needed at too-small schools with high numbers of suspensions cannot be afforded, financially. Schools of a sustainable enrollment size will earn Assistant Principal allocations to support additional safety/suspension work.

Area E: Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies

Option 10C: Attendance Specialist

Rationale:

Allocate an Attendance Specialist at schools with high rates of absences, chronic absenteeism and high rates of unverified absences. Most schools purchase the difference in FTE using allocated site funds.

At the secondary level, case management is necessary to return students to schools.

Impact:

Final impact will be known when budgets are created for school sites in December; smaller schools will see a reduction in their allocation, receiving partial FTE, where a full-time FTE may have been allocated in previous years.

Option 11: Eliminate any TSAs that may be funded by on-going dollars

Rationale:

Prioritize TSA Allocation based on contractually required/MOU driven parameters and Literacy TSA strategy.

Impact:

Final impact will be known when budgets are created for school sites in December; this is a full elimination of some TSA positions in 0000 and a funding change for other TSAs currently funded in 0000. Some centrally-funded TSAs will also be eliminated, resulting in reduced services to schools, in order to prioritize Literacy TSA site-based work. This will result in a net decrease of TSA positions across the district, in order to achieve a standard that can be afforded and maintained with restricted resources. Schools will be impacted by reduced supports on site with fewer TSAs in all areas. Smaller schools will have fewer than 1.0FTE TSA allocation, resulting in reduced days of service at each site.

Area E: Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies

Option 12: Elimination of 80% of All Vacancies x Job Class or create Minimum Vacancy Pool x Job Class- Centralized Strategy

Rationale:

The District has numerous vacancies that it budgets for annually, but never fills. These expenditures can be used to fund for actual positions that are filled while the District continues it's restructure work.

Impact:

When positions are vacant, departments and schools make do with the absence by either leaving work undone or by sharing the workload across existing staff members, where appropriate. By eliminating all vacancies of non-core positions required by law/contract, we will achieve savings.

Area B: Restructuring Staff Formula

Option 13: Hiring Freeze OR permanent elimination of historically vacant positions -

Second of Two Vacancy Options - NOT RECOMMENDING

Rationale:

Annual Surplus vacancies exist and the budget is unable to use the allocated resources in a strategic manner. Eliminate all vacancies. Hiring Freeze Leaves positions open and in the budget. Current presentation is all vacancies.

Impact:

By freezing new hiring, we reduce future costs for currently vacant positions. When positions are vacant, departments and schools make do with the absence by either leaving work undone or by sharing the workload across existing staff members, where appropriate. By eliminating all vacancies of non-core positions required by law/contract, we will achieve savings.

Area B: Restructuring Staff Formula

Option 14: Target to increase staff attendance

Rationale:

The District is experiencing an increase in requests for substitutes and is reviewing absence rates for all job classes, sites, and departments. The District is also analysing the impact of staff attendance and student attendance and will provide a subsequent analysis for the District's review as part of this process.

Impact:

Reducing staff absences will reduce overall substitute costs. Increased staff attendance should also have a positive impact in other areas, including in consistency in terms of instruction and services provided to students.

Option 15: Fixed Asset Revenue Strategy

Rationale:

New RFP issued and vendor selected to review our fixed assets and support the update our Facility Plan. Fixed Asset Review of Vacant Properties by DCI and Brookwood Partners to provide options for the board on reuse, development and potential sale of district property.

Impact:

Board will determine future use of existing assets, as informed by the Fixed Asset Review, which could yield additional revenue in the form of sales, development, reuse, or rentals of District property.

Area D: Restructuring Operational Services

Option 16: Eliminate Co Principals

Rationale:

The District needs to assign 1 Principal to every site and add additional Admin Support through AP's as needed. Currently 1 Site - Life Academy & Joaquin Miller.

Impact:

Only 2 schools will be impacted; one site is currently already in planning to reduce to 1 principal in SY25-26, so impacts are known and are being managed.

Area B: Restructuring Staff Formula

Option 17: 12M CSMs and Case Managers become 11M or 10M

Rationale:

Evaluate rationale for staff to be year round versus following the school year and prioritize the decision on program need and not availability of funding.

Impact:

Cost reduction based on fewer working days for each position. Summer services will continue to be provided to students via the summer school budget: summer school payments are provided through staff who work an additional 1-2 months after the end of the normal school year.

Area B: Restructuring Staff Formula

Option 18: Identify 11 and 12 mo positions that can be converted into 10 month positions

Rationale:

Need list of positions and recommendation for changes.

Impact:

Cost reduction based on fewer working days for each position. Summer services will continue to be provided to students via the summer school budget: summer school payments are provided through staff who work an additional 1-2 months after the end of the normal school year.

These positions were created during a time when an expanded year was a part of the program design, which is no longer the case.

Area B: Restructuring Staff Formula

Option 19: Revise Budget Handbook guideline to decrease FTE and other allocations

Rationale:

Make changes to criteria.

Impact:

No financial impact; this move will ensure that principals have clarity around the changes to their budgets and new allowability rules.

Area D: Restructuring Operational Services

Option 20: Outsourcing annual related positions to NPA/Consultants

Rationale:

Land on work to be accomplished in 25-26; undetermined if immediate savings can be realized for 25-26.

Impact:

No financial impact planned for SY25-26. Impact will be planned for SY26-27 based on work in the next school year.

Area D: Restructuring Operational Services

Option 23: Eliminate/Significantly Reduce Overtime Eliminate overtime, except for emergency core services: B&G for repairs, Custodians to cover vacancies, Payroll

Rationale:

Manage labor cost to perform essential duties and assignments and adjust additional support excluding necessary or emergency circumstances. Develop a centralized process to approve overtime; need analysis of projected cost to adjust down budget.

Impact:

Some maintenance, supervision, and additional work will not occur or will take longer to happen during the regular work day, as overtime will be strictly limited to emergency circumstances.

Area D: Restructuring Operational Services

Option 24: Moving hs to 6/8 master schedules out of base should minimize other teacher fte purchases out of random resources. And get rid of the ELD/electives and a-g category of fte allocation. The Two TSA's for AP (Chabot and Montclair) will be eliminated in 2025-26. New Allocation - AP Allocation.

Rationale:

The District has reviewed it's Master Schedules and seeks to provide symmetry in the staffing allocations and master schedule expectations across the high school network first and subsequently the middle school networks.

Impact:

An 8-period day for students is best practice for CTE academies and high school students, as it allows for adequate opportunities for students to take core A-G classes, credit recovery, CTE electives, and ELD classes, without compromising pathways and cohorting. In addition, a 6/8 schedule, where teachers receive 2 prep periods, is more cost effective than a 5/7 schedule, and ensures that teachers receive one prep period each day, in A/B 4x4 block schedules.

Area B: Restructuring Staff Formula

Option 25: Reserve the 2025-26 Loan Payment to be paid in 2024-25 after the Fiscal Systems Audit which is scheduled to be completed in May 2025.

Rationale:

The Loan payment would be reserved with one time funds at First Interim for a projected June 2025 payment or Accounts Payable Accrual, therefore relieving our expenditures of $2M in 2025-26.

Impact:

Reduce overall planned expenditures out of unrestricted base resources in SY25-26 by increasing expenses in SY24-25. This would move the District closer to exiting state receivership, which is pending on other additional factors as well.

Area D: Restructuring Operational Services

Option 26: Positions for review in S & C in 2024-25: These positions were retained for an additional year in Resource 0006: Assistant Principals at High Need Schools ($3.24.2M S&C - 22 FTE)
11-Month Teachers at select high schools ($1.3M S&C)
Electives Teachers for Students Required to Take ELD ($3.9M S&C)
Teachers for Late-Arriving Newcomer Students ($1.8M S&C)
Teachers for Late-Arriving Continuation Students ($1.5M S&C)

Rationale:

Propose positions placed in 2024-25 in Resource 0006 for permanent elimination. As shared in 2024-25, as S & C carryover declines or other areas of investment are prioritized, we would eliminate the positions out of Resource 0006 and review if and how we prioritize these positions using other funding.

Impact:

Positions allocated to schools will follow staffing formulas based on contractual requirements, and will not be additionally allocated in these categories. Some schools will receive fewer staff in these areas as a result; other schools will remain similarly staffed. In particular, if the master schedule move is made, the impact of fewer FTE will not be felt by students, as they will have access to all the classes they need for graduation, for their CTE pathway, credit recovery, and other required classes.

Area B: Restructuring Staff Formula

Option 27: The District will Exit HBGB to allow analysis and recommended changes to benefit packages that can be negotiated with Bargaining Unit groups.

Rationale:

Land on work to be accomplished in 25-26; no immediate savings for 25-26.

Impact:

No planned impact in SY25-26.

Area D: Restructuring Operational Services

Option 28: OUSD Safety Investments

Rationale:

The District is in the process of establishing a funding methodology and practice for it's safety needs, which is a high imperative for families seeking to attend OUSD schools. No post mortem was done since the police department closure.

Impact:

No planned financial impact in SY25-26.

Area B: Restructuring Staff Formula

Option 29: ***Shift 2025-26 2025-26 Eligible and planned expenditures into Resource 0006 Supplemental and Concentration Carryover to spend down the historical and projected carryover first (First In First Out).***

Rationale:

The District plans to use carryover funds from Supplemental and Concentration resources as a **one-time option** to support specific 2025-26 investments while restructuring and exploring alternative solutions in response to declining resources and rising costs. Ongoing positions cannot be maintained at previous levels using these funds. The District intends to allocate resources earned annually for enrolled and eligible students, drawing on a projected $15M from Resource 0006 and an additional $15M anticipated as carryover in current year allocations for Resources 2-5.

Impact:

To utilize the carryover funds for eligible 2025-26 expenditures as the District advances its restructuring plan.

Area B: Restructuring Staff Formula

Option 30: *Reduce Central Supplemental Allocation as the District works to Restructure its operations.*

Rationale:

The District is seeking to make as many resources available in Supplemental resources to shift appropriate expenditures in 2025-26 while the District continues its work on the District restructure plan.

Impact:

To utilize the carryover funds for eligible 2025-26 expenditures as the District advances its restructuring plan.

Area D: Restructuring Operational Services

V. Next Steps

1. December 2, 2024
    - Board Study Session - Budget Balancing Solutions
2. December 11, 2024
    - Board take **first series of actions** to implement the 2025-26 Budget Balancing Solutions
    - Present and Adopt the First Interim
3. December 2024 - Target Distribution Date
    - Staff Continue to operationalize and implement the Budget Balancing Solutions
    - Distribute One Pagers to Sites
    - Central One Pagers have been distributed and budgets will yield adjustments and reductions
4. January 2025
    - Governor's Budget
    - District 2023-24 Financial Audit to Include Parcel Tax Program Audit

Questions

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Community Schools, Thriving Students

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