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Board Cover Memorandum

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Joshua R. Daniels, Chief Governance Officer

Meeting Date June 21, 2023

Subject School Closures Agreement

Ask of the Board Approval of the Agreement between the Oakland Unified School District and the Oakland Education Association Regarding School Closures

Background & Discussion On May 13, 2023, the District and the Oakland Education Association (“OEA”) reached the attached School Closures Agreement (“Agreement”).

Under Government Code section 3540.2 (sometimes referred to as “AB 1200”), OUSD is required to allow the Alameda County Office of Education (“ACOE”) time “to review and comment on any proposed agreement made between the exclusive representative and the public school employer, or designated representatives of the employer” so that ACOE can notify OUSD if the agreement “would endanger the fiscal well-being of the school district.” ACOE has reviewed the Agreement and has not provided any notice that it would endanger the fiscal well-being of the District.

Separately, Government Code section 3547.5(a) requires a school district to disclose the “major provisions” of a “written agreement with an exclusive representative covering matters *within the scope of representation.*” While section 3547.5(a) does not apply in this situation as the Agreement is not within the scope of representation, the major provisions are nonetheless summarized below in the interest of transparency.

- **AB 1912:** Assembly Bill No. 1912, which added Education Code section 41239, requires OUSD to follow certain processes and to conduct certain analyses prior to closing or consolidating schools. With one exception, the Agreement would require OUSD to follow the AB 1912 procedures even if OUSD is not in fiscal distress.

There would be no increase in costs associated with this Agreement, which would expire without precedent on June 29, 2025.

Fiscal Impact None

Attachment(s)

- Agreement between the Oakland Unified School District and the Oakland Education Association Regarding School Closures
- Alameda County Office of Education Letter

Agreement Between the Oakland Unified School District ("OUSD") and the Oakland Education Association ("OEA") Regarding School Closures

1. Prior to closing or merging an OUSD-operated school that exclusively serves one or more grades between grades TK through 12, OUSD shall follow the process outlined in subdivisions (a) and (d) of Education Code section 41329, as it read on May 10, 2023.
 - a. Paragraph 1 shall apply even if OUSD is no longer in financial distress as defined in Education Code section 41329.
 - b. With respect to the possible closure of an OUSD-operated school, the OUSD Board of Education, by unanimous vote, may override one or more of the process requirements set forth in Paragraph 1.
2. This Agreement in no way abrogates the ability or authority of OUSD to close or merge schools.
3. Unless otherwise specified herein, for purposes of resolving problems that may arise from the application or interpretation of a provision of this Agreement, OEA and OUSD agree to utilize the process outlined in Article 14 of the OEA-OUSD Collective Bargaining Agreement.
4. This Agreement and the commitments and undertakings described in this Agreement, and all communications of every type by or between the District and OEA or to the public or third parties discussing, leading up to, or after finalization of this Agreement:
 - a. do not establish any past practice and do not establish any precedent;
 - b. are not intended to (i) be mandatory subjects of bargaining or constitute bargaining over permissible subjects, (ii) make these commitments or undertakings permissive subjects of bargaining beyond the scope of this Agreement, or (iii) expand the scope of mandatory or permissive subjects of bargaining; and
 - c. shall not limit in any way the District's policy, managerial, or operational rights or discretion unless explicitly and expressly stated herein.

If OEA claims otherwise in any proceeding, or if any court or other tribunal determines otherwise, the commitments and undertakings in this Agreement shall become immediately null and void.

5. Except for Paragraph 4, if any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired, or invalidated in any way.

6. This Agreement shall expire in full without precedent on June 29, 2025 and, as of that day, shall cease to have any force or effect.

IN WITNESS WHEREOF, OEA and OUSD hereto agree and execute this Agreement and to be bound by its terms and conditions contingent upon approval by the OEA membership and the OUSD Board of Education:

For OEA:

Ismacel Armendariz
 Name
[Signature]
 Signature

For OUSD:

Joshua R. Daniels
 Name
[Signature]
 Signature

May 13, 2023

May 13, 2023

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

[Signature] 6/22/2023

Mike Hutchinson, President, BOE

[Signature] 6/22/2023
 Kyla Johnson-Trammell, Superintendent & Secretary, BOE



June 21, 2023

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 Four Agreements between OUSD and the Oakland Education Association (OEA) & 2022-23 Third Interim Budget Report Update

Dear Superintendent and Members of the Board,

ACOE has received OUSD's 2022-23 Third Interim Financial Report along with OUSD's Public Disclosure of the fiscal impact associated with the four (4) separate Agreements between OUSD and the OEA.

The four Agreements reviewed by ACOE are:

1. Agreement between OUSD and the OEA regarding Black Thriving Community Schools (including Amendment No. 1)

Primary elements of the Black Thriving Community Schools Agreement include:

- OUSD shall create a Reparations for Black Students Taskforce (TF) to support Historically Black Schools and their transformation into Black Thriving Community Schools;
- OUSD will contract with a third party to study and evaluate the impact of the Black Student Thriving Plan;
- TF will develop & Implement a fundraising plan to support the Black Student Thriving Plan;
- TF will support grant writing to launch and sustain Black Students Thriving Plan programs;
- Annual Stipends (approximately \$500) – OUSD shall make a good faith effort to provide for stipends (or find a third party to provide) to TF members who are OUSD parent/guardian or student;
- OUSD shall create and maintain 5.0 FTE Teachers on Special Assignment (TSAs) for 2023-24 through 2025-26 to support the Black Student Thriving Plan;
- Expires June 29, 2025.

The Fiscal Impact as assessed by OUSD's Business Office to fund the TSAs from 23-24 through 25-26 is approximately \$749,375 annually, for a total fiscal impact through the fiscal year 2025-26 of \$2.25 million. OUSD proposes to use the District's current staff to absorb the other primary functions. OUSD has projected to use the District's fund balance to address the \$2.25 million obligation for the TSAs. ACOE's Business Office believes the proposed agreement has additional associated costs once it is operationalized.

2. Agreement between OUSD and the OEA regarding the Community Schools Grant

Primary elements of the Black Thriving Community Schools Agreement include:

- 53 OUSD-operated schools received a grant;
- OUSD has created a Community Schools Steering Committee (CSSC);
- Goal of increasing family and community engagement;
- Provide recommendations as to how Community Schools can reach their goals;
- Goal of expanding support services;
- Good faith effort to provide (or find a third party to provide) for annual stipends to any committee member who is an OUSD parent/guardian or student;
- Report at least twice per year to the OUSD board;
- Expires June 29, 2025.

OUSD's Business Office does not project an associated cost. ACOE's Business Office believes the proposed agreement has additional associated costs that are addressed by current OUSD staff and the California Community Schools Partnership Program Grant.

3. Agreement between OUSD and the OEA regarding Housing and Transportation

Primary elements of the Housing and Transportation Agreement include:

- OUSD & OEA will work collaboratively with other public agencies and non-profits to support housing-insecure families;
- OUSD will collaborate with OEA to implement Board Policy 7351 to identify possible locations that could be developed for housing;
- OEA & OUSD will work with the transportation authority for free bus passes;
- OEA & OUSD will collaborate with the city of Oakland to institute traffic safety improvements;
- Agreement shall expire on June 29, 2025.

OUSD's Business Office does not project an associated cost. ACOE's Business Office believes the proposed agreement has additional associated costs that are addressed by current

OUSD staff, possibly other Oakland agencies, and OUSD, should resources be needed to execute the agreement.

4. Agreement between OUSD and the OEA regarding School Closures

Primary elements of the School Closures Agreement include:

- Prior to closing or merging an OUSD-operated school that serves TK-12, OUSD shall follow the process outlined in EC 41239 -
 - Section (a): The condition of a school facility.
 - Section (d): Special programs available at the schools being considered for closure or consolidation and whether those programs will be provided at the same current level at the schools to which pupils will be diverted.
- Agreement shall expire on June 29, 2025.

OUSD’s Business Office does not project an associated cost. ACOE’s Business Office believes the proposed agreement has additional associated costs that will be addressed by current OUSD staff.

District’s Projected Reductions increased at Third Interim compared with Second Interim

OUSD’s Second Interim Financial Report identified a need for \$46.7 million in reductions. The Third Interim Financial Report increased that amount to \$55.1 million in required reductions detailed in Chart A below. No additional actions by the Board were identified.

Chart A: Changes from Second Interim to Third Interim

District Projected Reductions from Second Interim to Third		
	2023-24	2024-25
Combined Classified & Certificated Reductions 2 nd Interim:	\$30.1 Million	\$16.6 Million
Combined Classified & Certificated Reductions 3 rd Interim:	<u>\$33.2 Million</u>	<u>\$21.8 Million</u>
Difference:	\$3.1 Million	\$5.2 Million
Projected Reductions have increased without corresponding Board-approved planned reductions		

ACOE identified a discrepancy between the financial documents presented to OUSD and the SACS web software submission available to the State regarding certificated reductions of approximately \$400K in 2023-24 and 2024-25. ACOE’s analysis in Chart B below is based on the SACS web financials.

Chart B: Adjustments identified in Third Interim (net reduction \$55.0 million over 2 years)

District Adjustments to Salaries in SACS MYP at Third Interim		
	2023-24	2024-25
Unrestricted Certificated Adjustments (Reductions)	(\$11.0 Million)	\$2.8 Million
Restricted Certificated Adjustments (Reductions)	(\$16.9 Million)	(\$15.6 Million)
Unrestricted Classified Adjustments (Reductions)	\$0	\$1.2 Million
Restricted Classified Adjustments (Reductions)	(\$5.3 Million)	(\$10.2 Million)
<i>Total Net Adjustments (Reductions) per FY</i>	\$33.2 Million	\$21.8 Million

Board Actions Approving Reductions/Budget Adjustments

March 9, 2023, the OUSD Board approved Resolution 2223-0040A Proposed Adjustments for 2023-24 which outlined a plan of funding shifts, reductions in ongoing expenditures through position reductions and eliminations, reductions in ongoing non-staffing costs, and the use of one-time money to pay for ongoing expenditures. At the same meeting, the Board approved Resolution No. 2223-0185A.2 Classified Employees Reduction in Force Due to Lack of Funds and/or Lack of Work (2023/24 Fiscal Year) which had a net reduction of 98.4 full-time equivalents (FTE). These resolutions identify reductions and shifts totaling \$41.7 million.

Of the \$41.7 million in budget savings, \$16.4 million is from ongoing reductions, and \$25.3 million is fulfilled by one-time money and will have to be addressed in 2024-25 by further reductions or new revenue, as detailed in Chart C. There is also a need to address the gap between additional staffing reductions for 2024-25 included in the Third Interim report and the reductions already approved by the board.

Chart C: Impact of Board-Approved Action

Impact of Board-Approved Action		
Board Action Taken:	2023-24	2024-25
Net ongoing Budget Savings to Unrestricted General Fund:	\$11.3 Million	\$11.3 Million
Net ongoing Budget Savings to Restricted General Fund:	\$5.1 Million	\$5.1 Million
Reductions deferred due to shifts to One-time Funding	\$25.3 Million*	
Subtotal of Board Action:	\$41.7 Million	\$16.4 Million
Board Action Needed:		
Reductions deferred due to shifts to One-time Funding:		\$25.3 Million*
Unaddressed Third interim assumptions		\$5.4 Million
*One-time sources will require additional board action in future years		

Summary

While OUSD's Public Disclosure of Collective Bargaining anticipates minimal fiscal impact because of the four (4) Agreements, it is important to note that this is mainly due to OUSD's existing staff taking on the new expected duties. Should additional costs be associated with these Agreements, ACOE expects additional discussions and disclosure confirming the revisions and budget adjustments necessary to afford the additional costs associated.

The Board has begun the work of addressing the budget adjustments needed by passing Resolutions 2223-0040A and 2223-0185A.2. There remain additional adjustments needed for 2024-25 to address the anticipated loss of one-time funds and continued budget shortfalls due to declining enrollment and increasing costs. It is critical that the Board maintain its commitment to the existing resolutions as well as provide clear direction for 2024-25. ACOE will review the District's upcoming financial reports and Board action as we monitor OUSD's progress with its long-term fiscal recovery plan.

We want to acknowledge and express our appreciation to the District staff, the Board, and the community for their continued diligence and hard work. If you have any questions or concerns regarding our review process, please feel free to reach out to my office at (510) 670-4140.

In community,

Alysse Castro
Alameda County Superintendent of Schools

cc: Lisa Grant-Dawson, Chief Business Official, OUSD
Tony Thurmond, State Superintendent of Public Instruction, CDE
Michael H. Fine, Fiscal Crisis and Management Assistance Team
Luz Cázares, Fiscal Oversight Trustee
Shirene Moreira, Chief of District Business & Advisory Services, ACOE
Joan Laursen, Director III, District Business & Advisory Services, ACOE