



**OAKLAND UNIFIED  
SCHOOL DISTRICT**

*Community Schools, Thriving Students*

# Budget Recommendations for Fiscal Year 2017-18 (Continued)



January 25, 2017

Presented to the Board of Education

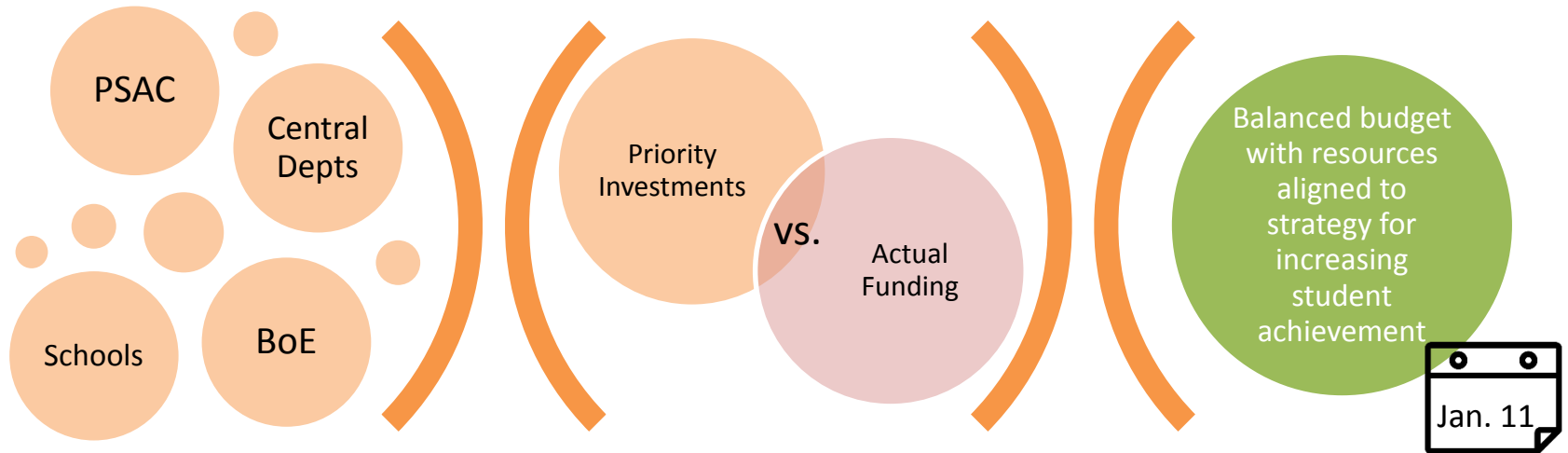
Interim Superintendent Devin Dillon, Ph.D. & Senior Business Officer, Vernon Hal

[www.ousd.org](http://www.ousd.org)



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To develop the budget each year, OUSD engages in a budget prioritization process with the Parent Student Advisory Committee, Board of Education, and OUSD staff to align resources to our focus areas and the needs of our students



### Stakeholder Engagement

*OUSD engages parents, families, students, community members, and employees to gather recommendations for priority investments.*

### Budget Prioritization

*Every year we have more priority investments than funding. This process asks us to give up something in order to invest in new priorities.*

### Recommendations to Board of Education (BoE)

*This process culminates in a set of recommendations to the BoE on where to allocate resources best aligned to improving outcomes for students.*

*\*Slide taken from January 11, 2017 presentation to BOE.*



# Budget development is a year-long process

	Board Item	Activity Type	Date
1	LCAP Parent & Student Advisory Committee (PSAC) "Retreat"	Engagement	13-Aug-16
2	Review Calendar for 2017-18 LCAP and Budget Engagement	Supt's Rpt	14-Sep-16
3	Review Board Priorities for 2017-18 Budget	Discussion	13-Oct-16
4	LCAP PSAC General Meeting	Engagement	19-Oct-16
5	LCAP Engagement with Labor Representatives	Engagement	20-Oct-16
6	Executive Cabinet Prioritization Process	Staff Work	Oct. 2 - Nov. 2016
7	Progress Report on 2017-18 LCAP and Budget Development	Supt's Rpt	26-Oct-16
8	Progress Report on 2017-18 LCAP and Budget Development	Supt's Rpt	30-Nov-16
9	LCAP PSAC General Meeting	Engagement	7-Dec-16
10	Board review and approval of 1 <sup>st</sup> Interim Financial Report for 2016-17 w/ multiyear projections	Action	14-Dec-16
11	Initial Superintendent Budget Recommendations for 2017-18 to Board	Supt's Report	11-Jan-17
12	Revised Budget Recommendations for 2017-18 to Board	Supt's Report	18-Jan-17
13	<b>Detail on Revised Budget Recommendations for 2017-18 to Board</b>	<b>Supt's Report</b>	<b>25-Jan-17</b>
14	<b>Review Governor's Proposed 2017-18 State Budget</b>	<b>Staff Report</b>	<b>25-Jan-17</b>

Based on BOE and community feedback and the Governor's January budget proposal, updated recommendations were presented to the BOE on January 18, 2017 that included a total of \$14M in priority investments

INVESTMENTS						
Investment Item	Before Gov Bgt	Adj	After Gov Bgt	Have To	Want To	TOTAL
Incr Suppl & Concentr Funding	\$1.6	\$(1.6)	\$-	\$0		\$0
Incr Transportation Cost	\$1.0		\$1.0	\$1.0		\$1.0
Incr Utilities	\$0.3		\$0.3	\$0.3		\$0.3
Special Ed Support	\$7.5		\$7.5	\$7.5		\$7.5
Measure G to Charters	\$1.0		\$1.0	\$0	\$1.0	\$1.0
Incr ECE Support	\$0.8		\$0.8	\$0.8		\$0.8
Innovation	\$2.5		\$2.5	\$0	\$2.5	\$2.5
Incr Food Serv Support	\$0.4		\$0.4	\$0.4		\$0.4
3% Reserve	\$5.0		\$5.0	\$0	\$5.0	\$5.0
4% Reserve	\$5.0		\$5.0	\$0	\$5.0	\$5.0
Incr in Retirement Cost (STRS/PERS)		\$4.0	\$4.0	\$4.0		\$4.0
<b>Total</b>	<b>\$25.1</b>	<b>\$2.4</b>	<b>\$27.5</b>	<b>\$14.0</b>	<b>\$13.5</b>	<b>\$27.5</b>

\*Slide taken from January 18, 2017 presentation to BOE.

OUSD proposed funding the priority investments by (a) implementing a **Spending Limitations Protocol** *this year*, (b) making the appropriate **adjustments due to decline in enrollment** and (c) **reducing central office funds**\*

### This Year: FY16-17

To maximize cost savings this year, OUSD has implemented a district wide Spending Limitations Protocol on unrestricted funds. Cost savings will be used for:

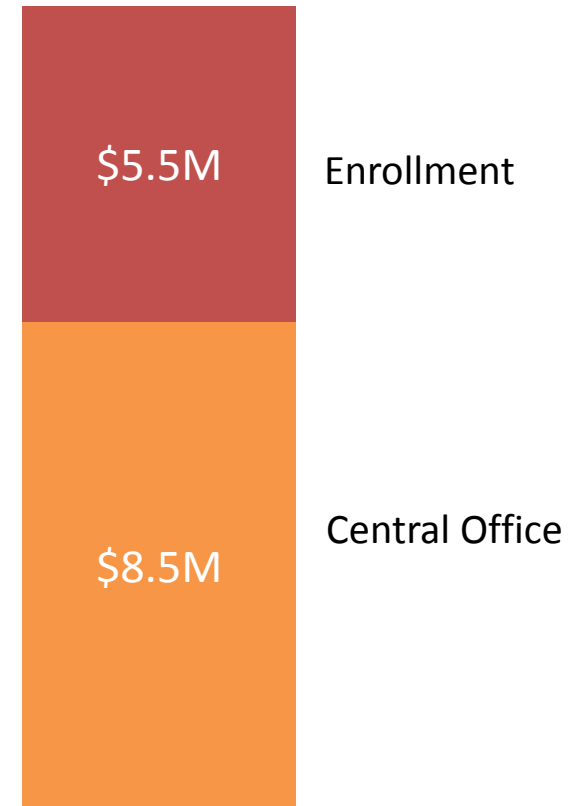
Unforeseen costs

Rebuilding the reserve

Other projected unfunded priorities

Estimated Cost Savings  
**\$8-11**

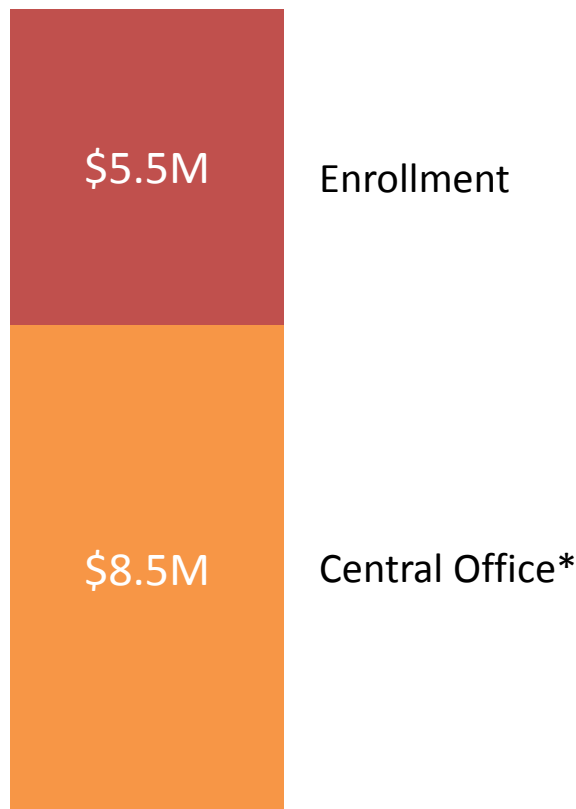
### Next Year: FY17-18



Total Reductions  
**\$14M**

# The recommended FY17-18 reductions for reinvestment total \$14M.

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- **\$2.3M:** Impact of lower projected enrollment from '16-17
- **\$3.2M:** Fall '16-17 classroom adjustments not reduced

- **\$4M:** Positions
  - > **\$3.2M:** Management
  - > **\$0.8M:** Support
- **\$4M:** Services
- **\$0.5M:** Supplies

Total Reductions  
**\$14M**

*\*Next slide details the breakdown of Central Office reductions.*

Of the \$14M in proposed reductions for reinvestment, \$8.5M are recommended from central office.

\$8.5M

- Positions \$4M
  - > Management \$3.2M → e.g. Chiefs, Deputy Chiefs, Executive Directors, Directors, Managers, Network Superintendents
  - > Support \$0.8M → e.g. Staff Attorneys, Talent, Executive/Admin Assistants
- Services \$4M → e.g. Transportation, Consultants
- Supplies \$0.5M → e.g. Office items – paper, toner

Slides 9-11 detail Central Office recommended reductions for FY17-18 and current Central Office FTE's

***Recommended Central Office Reductions for FY 17-18***

\$8.5M

- Positions \$4M
  - > Management \$3.2M
  - > Support \$0.8M
- Services \$4M
- Supplies \$0.5M



Current (FY16-17) unrestricted general fund Central Office FTE's total about 800, of which over 80% are union represented

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	Central / Infrastructure	Schl / Schl Support	Total
<b>Union Represented</b>	<b>138.7</b>	<b>533.3</b>	<b>671.9</b>
<b>Non- Represented (Support)</b>	<b>50.2</b>	<b>12.9</b>	<b>63.1</b>
<b>Non- Represented (Mgt)</b>	<b>61.8</b>	<b>11.4</b>	<b>73.2</b>
<b>Confidential (Non-Union)</b>	<b>112.1</b>	<b>24.3</b>	<b>136.3</b>
<b>TOTAL FTE's</b>	<b>250.7</b>	<b>557.5</b>	<b>808.2</b>

# A majority of union represented central office employees provide school support

Unions	Central / Infrastructure	Schl / Schl Support	Total
AFSCME	-	245.5	245.5
BLDGCONS	-	12.0	12.0
CSEA	-	16.0	16.0
OEA	-	51.7	51.7
SEIU	65.9	171.9	237.8
TRUCK DR	5.5	-	5.5
UAOS	63.7	35.1	98.8
WAREHSE	3.6	1.0	4.6
<b>Union Represented</b>	<b>138.7</b>	<b>533.3</b>	<b>671.9</b>
<b>Confidential (Non-Union)</b>	<b>112.1</b>	<b>24.3</b>	<b>136.3</b>
<b>TOTAL FTE's</b>	<b>250.7</b>	<b>557.5</b>	<b>808.2</b>

**Union Membership Breakdown:** **AFSCME** - Primarily Custodians **BLDGCONS** - Gardeners **CSEA** - School Police and Sergeants **OEA** - Teachers and Nurses **SEIU** - SSO's, Kinder Reading Tutors, Translators, Restorative Justice, Facilitators, Acct Payable Techs, Payroll Techs, Data Techs, Admin Asst **UAOS** - Accting & Bgt staff, Coordinators, Managers, Directors, Project Managers, Office & Business Managers **WAREHSE** - Stock Clerks

The unrestricted general fund Central FTE's being evaluated for release are primarily central infrastructure

	Central / Infrastructure	Schl / Schl Support	Total
<b>Union Represented</b>	<b>8.0</b>	<b>1.0</b>	<b>9.0</b>
<b>Non- Represented (Support)</b>	<b>5.0</b>	<b>-</b>	<b>5.0</b>
<b>Non- Represented (Mgt)</b>	<b>11.0</b>	<b>1.0</b>	<b>12.0</b>
<b>Confidential (Non-Union)</b>	<b>16.0</b>	<b>1.0</b>	<b>17.0</b>
<b>TOTAL FTE's</b>	<b>24.0</b>	<b>2.0</b>	<b>26.0</b>
<b>SEIU</b>	<b>5.0</b>	<b>-</b>	<b>5.0</b>
<b>UAOS</b>	<b>3.0</b>	<b>1.0</b>	<b>4.0</b>
<b>Union Represented</b>	<b>8.0</b>	<b>1.0</b>	<b>9.0</b>

The reduction of the above central positions represents over **\$4M** cut to the Unrestricted General Fund.

A **5%** reduction to the 73 Non-Rep Mgt positions, excluding the Supt, would yield approximately **\$680K**. This is before the 12 FTE reductions noted above. Also, some positions are under contract thus the 5% reductions would not apply to all.

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In order to fund NEW investments in Academic and Social Emotional Learning & Post-Secondary Readiness to accelerate student achievement, OUSD recommends the following adjustments to Supplemental & Concentration funding allocation

# New Supplemental & Concentration investments total \$4.2M

Reduction in SSO's from 20 to 10, all of which are vacancies \$0.5M

Reduction in appeals\* to save \$3.6M > From 101 positions to 60

New S&C Investments recommended by PSAC, Board, OUSD Staff and Community: \$4.2M

- Foster Youth Support
- CCTL's
- ELL Materials and Personnel
- New Teacher Support
- Instructional Materials
- College and career readiness and credit recovery

\*Appeals refers to reconsideration of additional teacher allocations above enrollment based upon school site need

# OUSD will adhere to the following decision-making timeline regarding Central Department reductions



Central Division Leaders are engaging their direct reports through target cut conversations and thinking through various efficiencies to maintain a high quality of service to schools.



Executive Cabinet and Network Superintendents will work together to consider cross-division efficiencies and recommendations.



Final recommendations will be made by division leaders to Interim Superintendent



Based on final recommendations, department heads will engage their departments around any anticipated staffing changes. Department and individual conversations will be held with staff by department heads.



March 15 letters will be issued to impacted employees (bumping implications to sites, difficult to anticipate full impact).



Communication of any department changes and organizational chart configurations will be shared with BOE.

