OAKLAND UNIFIED SCHOOL DISTRICT

Financial Stabilization Implementation Plan

Stabilize. Align. Balance. Restore

"Our responsibility is clear - stabilize the District's finances today while fundamentally resetting how we operate for the years ahead." Dr. Denise Saddler, Superintendent

Board of Education Update — September 23, 2026

This plan is both a financial commitment and an operating commitment: protect students today while building a District that can sustain its priorities tomorrow. This update reflects figures from the Unaudited Actuals presented to the Board on September 9, 2026 and filed with the Alameda County Office of Education on September 15, 2026. Those figures remain subject to the independent audit.

Next public update	December 9, 2026 - Board of Education Meeting
Previous public updates	June 24, 2026 - Board of Education March 11, 2026 - Board of Education March 5, 2026 - Board of Education February 25, 2026 - Board of Education February 18, 2026 - Board of Education February 17, 2026 - Teaching & Learning Committee February 11, 2026 - Parent & Student Advisory Committee February 5, 2026 - Budget & Finance Committee January 28, 2026 - Board of Education January 20, 2026 - Board of Education

Why this plan and how it was built

Oakland Unified's fiscal problems are not new. The State took control of the District in 2003 and issued a $100 million emergency apportionment to keep it operating. Local control returned in 2009, but in nearly every year since, the District's budget had been certified Qualified, meaning it may not be able to meet its financial obligations. By 2025-26 the projected deficit had reached approximately $100 million. The District had to act to balance the budget and to start building toward a financial position that does not require emergency reductions every spring.

This is not the District's first attempt at a stabilization plan. In the last ten years there was the Fiscal Vitality Plan, Attachments A and B, Attachment C, and the 3 R's Resolution. Each one contained targeted work to address the budget, and at times some of it was not fully completed or implemented. We went back through those plans action by action. Where something was still worth doing, we carried it forward and put a date on it. Where it no longer made sense, we said so and let it go. Then we asked what else could be done to stabilize the budget and added those actions alongside the rest. Together they became the Financial Stabilization Plan, adopted by the Board with the 2026-27 budget.

2025-26: Closing the Immediate Gap

We began this work in December 2025. The task was to find actions the District could take to close a $100 million deficit in a budget year that was already half over. Fifteen strategies came out of that review. None of them was meant to fix the structural problem. Their job was to carry the District through the year and meet state and Board reserve requirements while the longer work began. Some produced savings immediately in 2025-26. Others were built that year and produce their savings in 2026-27 and beyond.

- **Spent restricted dollars first.** Most of the money the District receives comes with rules attached. Grants, categorical programs, and parcel taxes can only pay for certain things. The unrestricted general fund is the money that can be spent on anything, which is why it ends up absorbing costs that other sources could have legally covered. In 2025-26 we went through the restricted resources one at a time, found costs already sitting in the general fund that those sources were eligible to pay for, and moved them. The same review applied to positions funded by the general fund where the work aligns with a restricted program. That freed $43.3 million to put against the deficit. Every correction was reviewed with our external auditor and legal counsel, and each one matches the funding source to the work actually being performed. This is standard practice in California districts, and the plan makes it permanent here so eligibility is established when we build the budget rather than sorted out at the end of the year.

- **Moved eligible costs to Supplemental and Concentration funds.** The District receives supplemental and concentration dollars based on the number of students who are low-income, English learners, or foster youth. Those dollars have to increase or improve services for those students in proportion to what they generate. In 2025-26 we moved $20.2 million in costs to those resources: $4.2 million for attendance specialists and noon supervisors, and $16.0 million for the higher cost of operating our small schools. Both uses are authorized, because attendance support is directed at the students most often absent, noon supervision is concentrated at schools with high unduplicated counts, and our small schools serve high percentages of those same students.

- **Reduced the workforce.** On February 25, 2026 the Board approved the reduction of more than 400 certificated and classified positions. 45 days. Alongside the reductions, the Board approved a one-time retirement incentive for employees already eligible to retire, which allowed some positions to be eliminated through departure rather than layoff and reduced the number of people who lost their jobs. These are the largest ongoing reductions in the plan, and the only ones that lower what the District spends every year going forward.

- **Tightened central office and school site spending.** Tightened central office and school site spending. Enrollment has fallen while the facilities stayed the same size, so we closed rooms that no longer serve an active program and stopped heating, cleaning, and securing space that holds no children. School sites absorbed a proportional budget reduction. And we added a second level of review for contracts and discretionary spending above a set threshold, so purchases are examined before the money is committed rather than after.

Three strategies in the plan grow revenue rather than reduce costs. All three were built in 2025-26. None produced revenue in 2025-26, so none contributed to meeting reserve requirements in the current year. Their revenue moves into 2026-27 and beyond.

- **Launch 2-3 TK Hubs (beginning 2026-27).** TK Hubs extend the transitional kindergarten hub model to additional sites. They were designed in 2025-26 and open in 2026-27. The revenue comes from enrollment. Each student who starts in a TK Hub generates LCFF funding, and every family that begins with OUSD at age four is a family the District has the chance to keep through twelfth grade.

- **Set a goal to increase attendance by 2 percent**. California funds school districts on average daily attendance. A student who is enrolled but absent does not generate the same revenue as a student who is in class. The attendance specialists now funded through Supplemental and Concentration dollars are central to this work. Students in class learn more, and the District is funded for the days they attend.

- **Bring forward a feasibility study for a nonpublic school on OUSD property.** The District pays tuition to place some students with disabilities in nonpublic schools when their IEPs call for it. A nonpublic school operating on District property could turn underused space into revenue and serve more students closer to home. No cost savings is assumed until 2026-27.

What the plan accomplished in 2025-26, and what it did not

The Financial Stabilization Implementation Plan did what it was built to do. The District kept the required savings cushion, and we had enough cash on hand to pay our bills through June 30, 2026. What the plan did not do is fix the underlying problem. The District still spends more each year than it takes in each year. That gap is what we call the structural deficit.

Here is why. We closed $92.3 million in 2025-26. About $63.5 million of that came from one-time money and from moving costs to other funding sources. Those moves worked, but they only work once. They do not lower what we spend next year. The other $28.8 million is different. Most of it came from central office reductions, and it lowers our costs every year going forward.

2026-27, and beyond: Closing the Structural Gap

What we are aiming for in 2026-27

Two pieces of work run at the same time this year, and they should not be confused with each other.

The first is reaching the reduction target in the current year. The Board set that target at $30 million. These reductions come from vacancies we do not fill, contracts we do not renew, purchasing we consolidate, and tighter controls on spending. They do not result in layoffs. The statutory calendar does not allow certificated layoffs mid-year, and this work was not built around them.

The second is preparing the 2027-28 budget and the revision of the Local Control and Accountability Plan. The Board votes on both during this school year. That is where position and program decisions live.

The six priorities below carry the first piece of work and set up the second.

Six priorities to reach the reduction target in the current year:

We grouped the actions that get us to the $30 million into six priorities. Each covers a related set of work, and most carry a savings target.

1. **Special education.** The district is not setting out to reduce services to students with disabilities. The projected savings is the amount the General Fund transfers into special education, not the services themselves. We will work with the Community Advisory Committee, so that families are part of designing this work rather than hearing about it afterward. We will continue to work towards bringing down the rates we pay outside vendors and providers, which lowers cost without changing what a student receives. And we will look at services that currently appear only in individualized education programs and ask whether we should offer them to every student who needs them. When a service is available schoolwide, it can be paid for from restricted and grant funds that support all students, rather than from special education dollars alone. That lowers the General Fund transfer, and it could give students with disabilities access to funding that may not currently reach them.

2. **Central office and management.** State law does not allow us to lay off employees mid-year. What we can do is look at positions that are already vacant or become vacant. We are evaluating open positions for possible elimination. We will not eliminate a position before we understand the work it carries and how the department would absorb the loss.

3. **Restricted-first budgeting.** We assign restricted and grant dollars to their eligible purposes first, and unrestricted dollars cover what is left. Last year that was a one-time correction. This year it becomes how we build the budget from the start, and it applies in full to 2027-28 budget development. We are also putting an ongoing review in place, so that costs the general fund is carrying, which a restricted source could legally pay for, is identified and moved as we find them.

4. **Site funding and school footprint.** This year we are beginning to look at where cost savings may exist at schools that already share a building and at our alternative education sites. We are looking, not deciding. No school is merging mid-year. We originally showed this as mid-year savings. It is more accurate to say that anything real here lands in 2026-27. However, there is one exception: vacancies. Where a position at one of these sites is already open, we may look at whether holding it makes sense, and only where doing so would not disrupt students or staff mid-year.

5. **Contracts and spending controls.** Eight controls covering contracts, purchasing, vehicles, routine maintenance spending, consultants, extended contracts, overtime, and site staffing above the positions we fund centrally. Most of these were adopted in 2024-25 and never finished. Finishing them is the work.

6. **Revenue and attendance.** We are focused on increasing student attendance. Part of that is revenue, since California funds districts on the days students are actually in class. But the real reason is simpler. Every day a student is in school is a day they are learning, and that is what we are here to do. Staff attendance matters for the same reason, and it carries a direct cost as well, because every day an employee is out we pay twice, once for the employee and again for the substitute. This priority also includes a concerted effort by the Health Benefits Governance Board to bring down the overall cost of health benefits.

Beyond the mid-year reductions 2026-27

The six priorities above are about this year. At the same time we are working through them, we are also responsible to engage with our community to revise the LCAP for the 2028-30 cycle and build the 2027-28 budget. The Board votes on both during this school year.

Our projections still show the District spending down its fund balance in 2027-28 and again in 2028-29, with reserves close to the state minimum. Closing that remaining gap is the next stage of this plan. We will be engaging with school sites about their budgets, with our labor partners, and with the broader community, and that takes time to do well. We have drafted a timeline for the work, which follows this section, and we are building an engagement plan that will be included as part of this plan. As we move toward the First Interim in December we will provide an updated multi-year projection.

Here is what the next stage involves.

- Every ongoing reduction we make this year carries into the 2027-28 base at its full annual value. The one-time funding moves from 2025-26 either become permanent funding structures, or we recognize that they are used up and plan accordingly.
- Site funding becomes a transparent formula driven by enrollment, with a clear minimum enrollment standard, and it governs the allocations we build in January 2027 for the following year.
- The district configuration work returns, covering both central services and school sites. It will lay out every alternative on equal terms, including co-location, shared staffing, and/or phased downsizing, with the savings, timeline, and equity impact of each.
- We bargain with our labor partners, and our employees deserve to be paid fairly for the work they do. A district that spends down its reserves every year has no room to offer anything at the table, because state law requires us to disclose the full financial impact of a proposed agreement and the multi-year projection has to support it. The work of closing the structural deficit and the work of paying competitive wages are the same work. What we are building toward is a budget with enough room in it that compensation can be planned for in the years ahead rather than negotiated against what is left over.
- The special education work continues into its second year, including staffing based on actual caseloads, our placement strategy, and increasing options for students with disabilities to access more restricted dollars.

What success looks like

The difference between a district that recovers and a district that returns to crisis is rarely the size of the reduction. It is whether the culture changed along with the numbers, in how we view our budget, our programs, and the services we provide students.

For too long the budget has been assembled as a collection of separate interests, each defending its own line, with some programs continuing because they always have rather than because we can provide evidence of their impact on student academic outcomes. That same question applies to our district configuration, both central services and school sites.

Our Board has asked for that. So has our community. We have not always been able to give them a clear answer. That is the work in front of us. What we fund must connect to our goals, our LCAP, and the direction the Board and the Superintendent have set, and we should be able to explain how it is moving the needle for students. If we cannot draw that line, we should not be funding it. Success is a district that governs its own finances, decides on its own timeline, and builds one budget that serves students.

As we move through our mid-year reductions, review feedback from our audits, and engage with the community, we will continue updating this working plan.

Appendix

DRAFT Stabilization Timeline Planning 2027-28

DRAFT

Stabilization milestones with State budget cycle and District budget cycle requirements incorporated chronologically

ENGAGEMENT PLANNING NOTE	There will need to be significant engagement with staff, students and families. The engagement calendar is not yet drafted, as the District will be working with our District committees to draft a thorough engagement plan and will bring it back to the Board for review.

Sept 2026	09/09/2026: 2024-25 Unaudited Actuals. 09/15/2026 - District budget cycle: Unaudited Actuals filed with the County. 09/23/2026: Financial Stabilization Implementation Plan update.
Oct 2026	10/01/2026 - Budget & Finance Committee Meeting: Preview draft timeline of budget development process and Local Control Accountability Plan. 10/08/2026 - District budget cycle: County approves the Local Control Accountability Plan; if the budget was disapproved, the district files a revised budget by this date. 10/15/2026: California school dashboard released. 10/21/2026 - Board Meeting: District Positions, Funding and Organizational Structure. 10/22/2026 - District budget cycle: County notifies the State Superintendent of a disapproval. 10/31/2026: First Interim Period Ends — 07/01/2026 to 10/31/2026.
Nov 2026	11/04/2026 - Budget & Finance Committee Meeting: Preview draft Presentation 1 - District Programs, Funding Allocated and Measurable Outcomes; Preview draft Presentation 2 - School Site Funding Formula review overall and School Site Funding and Full-Time Equivalent by site. 11/11/2026 - Board Meeting: Presentation 1 - District Programs, Funding Allocated and Measurable Outcomes; Presentation 2 - School Site Funding Formula review overall and School Site Funding and Full-Time Equivalent by site. 11/25/2026 - Board Meeting: First Draft of Proposed Modification Analysis.
Dec 2026	12/01/2026: Enrollment Tool opens for on-time enrollment window; Early December Enrollment projections Finalized and Distributed to School Sites. 12/03/2026 - Budget & Finance Committee Meeting: Draft First Interim Preview. 12/09/2026 - Board Meeting: Presentation 1 - Fiscal Year 2026-27 First Interim Presentation; Presentation 2 - Financial Stabilization Plan update. 12/2026: School Site Councils review student data and complete needs assessment; School Plan for Student Achievement annual review against projected school staffing and non-labor allocations. 12/31/2026 - District budget cycle: If a budget review committee is convened, a balanced budget must be adopted by this date.
Jan 2027	01/07/2027 - Budget & Finance Committee Meeting: Discussion Governor's January budget. 01/10/2027 - State budget cycle: Governor submits the proposed budget to the Legislature. 01/13/2027 - Board Meeting: Discussion for Budget Adjustment vote required by Board in February 2027. 01/27/2027 - Board Meeting: Discussion for Budget Adjustment vote required by Board in February 2027. 01/2027 - Budget Development Activities: Begin Budget Development Meetings with all Departments and School Sites; Finalize School and Central Site Budget One-Pagers; Submit Staffing and Budget Allocations to sites; Finalize Staffing Decisions.
Feb 2027	02/04/2027 - Budget & Finance Committee Meeting. 02/10/2027 - Board Meeting: Impact overview of Budget Adjustments for 2027-28. 02/24/2027 - Board Meeting: Final Vote of Budget Adjustments, including Position Reductions, Eliminations and Increases, for 2027-28.
Mar 2027	03/04/2027 - Budget & Finance Committee Meeting. 03/10/2027 - Board Meeting: Fiscal Year 2025-26 Second Interim Presentation to the Board of Education. 03/15/2027 - Noticing Deadline for Classified and Certificated Employees: Formal notices to all employees affected by reductions and/or eliminations must occur by 03/15/2027. 03/24/2027 - Board Meeting: Local Control Accountability Plan Community Engagement and Communications.
Apr 2027	04/01/2027 - Budget & Finance Committee Meeting. 04/07/2027 - Board Meeting: Presentation 2 - Financial Stabilization Plan update. 04/21/2027 - Board Meeting.
May 2027	05/06/2027 - Budget & Finance Committee Meeting: Governor's May Revise Budget Discussion. 05/12/2027 - Board Meeting: Report to School Board; Review of the Fiscal Year 2028-30 Local Control Accountability Plan. 05/14/2027 - State budget cycle: May Revision. 05/26/2027 - Board Meeting.
Jun 2027	06/03/2027 - Budget & Finance Committee Meeting. At least 3 working days before 06/09/2027 - District budget cycle: Proposed budget available for public inspection. 06/09/2027 - Board Meeting: Proposed Adopted Budget for Fiscal Year 2026-27; Local Control Accountability Plan Public Hearing. Before adoption on 06/23/2027 - District budget cycle: Public hearing on the proposed budget and the Local Control Accountability Plan. 06/15/2027 - State budget cycle: Legislature must pass the Budget Bill. 06/16/2027 - Board Meeting. 06/23/2027 - Board Meeting: Fiscal Year 2027-28 Budget Adoption; Fiscal Year 2027-28 Local Control Accountability Plan Adoption. On or before 07/01/2027 - District budget cycle: Board adopts the budget and the Local Control Accountability Plan; filed with the County within 5 days of adoption or by 07/01/2027, whichever comes first.
Jul 2027	07/01/2027 - State budget cycle: State fiscal year begins. Within 45 days of the Governor signing the Budget Act - District budget cycle: District makes available for public review any revisions to revenues and expenditures based on the enacted state budget.
Aug 2027	Before 08/15/2027 - District budget cycle: County may request written clarification on the Local Control Accountability Plan; the Board responds within 15 days.
Sept 2027	On or before 09/15/2027 - District budget cycle: County approves, conditionally approves, or disapproves the adopted budget. 09/15/2027 - District budget cycle: Unaudited Actuals filed with the County.
Oct 2027	10/08/2027 - District budget cycle: County approves the Local Control Accountability Plan; if the budget was disapproved, the district files a revised budget by this date. 10/22/2027 - District budget cycle: County notifies the State Superintendent of a disapproval.
Dec 2027	12/31/2027 - District budget cycle: If a budget review committee is convened, a balanced budget must be adopted by this date.

APPENDIX B

Action Register

ID#	Description of deliverable	Due	Completed and upcoming Major Milestones	Status	Projected savings
A1	**Reduce the special education unrestricted general fund contribution by 10%** It is a reduction in the amount the unrestricted general fund must contribute to special education, not a ten percent reduction in special education services. State and federal special education revenue has never covered the cost of the services the law requires, so the difference is made up by a transfer from the general fund, and what would actually lower that cost is a general education system strong enough that fewer supports have to be purchased separately and accessible enough that students with disabilities can use everything the District already pays for. In addition a review of program and contracts is necessary to understand the ongoing costs.	June 2027	• Full contract inventory for the 2025-26 SY *(completed)* • Meet with the Community Advisory Committee • Conduct third-party program review • Conduct IEP review of services to evaluate use of restricted funds and services offered for all students	In process	$12M GF Not realized in 2025-26 $14.7M GF projected 2026-27
A2	**Feasibility Study of a Nonpublic School on OUSD Property** The District pays tuition to place some students with disabilities in nonpublic schools when their individualized education programs call for it, commonly tens of thousands of dollars per student per year, with transportation to distant placements adding further cost. Housing a certified provider on District property converts underused space into lease revenue and brings students closer to home and closer to District oversight. It does not change the District obligation to fund placements required by an individualized education program, placement remains a decision of the IEP team, and this action is the structural counterpart to A1.	June 2026	• Request for Proposals issued and applications received *(completed)* • Review committee evaluation and applicant interviews completed. *(completed)* • Lease or license terms developed and site due diligence conducted. *(completed)* • Recommendation and proposed agreement presented to the Board, including proposed terms, site designation, and projected annual revenue • First-year revenue reported with the progress update • Full-year revenue and placement effect evaluated. • Recommendation on expansion returned to the Board	In process	$200K GF 2026-27
A3	**Second-Tier Contract and Discretionary Review at or Above $15,000** A review of District expenditure patterns in spring 2026 identified systemic concerns with discretionary spending and with contracting out services that could otherwise be provided by District staff. The second-tier review requirement was implemented at $25,000 and reduced to $15,000 within weeks, after a meaningful volume of duplicative spending was found below the original threshold. The control was introduced near the close of the school year, when sites were managing graduation and transition planning, which limited consistent compliance, so the work of 2026-27 is to establish a durable process for both central departments and school sites.	August 2026, with quarterly reporting thereafter	• Written policy and site guidance issued. *(completed)* • Training for budget managers and site administrators begins • Full audit of active contracts, recurring purchase orders, and vendor relationships *(completed)* • Results reported to Cabinet and the Contracting Out Committee. • Begin design for Department forward-looking spending plans submitted for the full fiscal year • First quarterly compliance and savings report to the Board. • Contracts system redesign scoped *(completed)* • Full-year savings confirmed against baseline and the threshold reaffirmed for 2027-28	In process	$700K R 2025-26 $1M GF & $1.5M R 2026-27

ID#	Description of deliverable	Due	Completed and upcoming Major Milestones	Status	Projected savings
A4	**Centralized Procurement of Materials and Services** Oakland Unified has operated a partially centralized procurement function, and in practice sites and departments have continued to purchase independently, sourcing their own vendors outside District-managed channels, which produces duplicative vendor relationships, inconsistent pricing, missed volume discounts, and compliance gaps. Public Contract Code bid thresholds apply to aggregate purchases, so consolidation improves both price and auditability, and procurement staffing capacity must be reassessed before full implementation.	June 2027	• Written policy and site guidance issued. *(completed)* Centralized copiers *(completed)* Redesign protocol, controls and process for district approved travel *(completed)* Move district approved travel process district-wide • Hold sites and departments to approved spending cost for food and procedures for what is allowable *(completed)* • Begin use of GOV website for surplus sales *(completed)* • Build on surplus protocols including furniture district wide	In process	$400K GF & $600K R 2026-27
A5	**Fleet Management System** The District operates a multi-category fleet of buses, staff and maintenance vehicles supporting more than eighty sites, without an integrated management system, relying on decentralized tracking, informal maintenance scheduling, and manual fuel accounting. Without that system we cannot see utilization, fuel consumption, maintenance history, or replacement cycle by vehicle, and repair-versus-replace decisions are made case by case rather than against a total cost of ownership standard	June 2027	• Complete physical inventory of all vehicles across all three categories, with condition, assignment, utilization, and remaining useful life. • Vehicle assignment and pool use policies issued. • Fuel card or controlled fueling system implemented. • Initial utilization findings reported to the Budget & Finance Committee • Preventive maintenance schedule established for every vehicle • Full fleet analysis and right-sizing recommendation presented at the Second Interim reporting cycle • Vehicle replacement plan built from lifecycle data. • Projected 2027-28 savings quantified	In process	$500K GF 2026-27
A6	**Decrease Routine Restricted Maintenance Account Expenditures** Education Code section 17070.75 requires a district participating in the School Facility Program to deposit at least three percent of total General Fund expenditures into a restricted account for ongoing and major maintenance. What this action changes is the rate of expenditure from the account. The District is prioritizing health, safety, and compliance work and coordinating maintenance across sites.	September 2026, with quarterly reporting thereafter	• Work order authorization policy, prioritization framework, and in-house versus contracted work analysis • Facility utilization analysis identifies candidate spaces for consolidated use and reduced maintenance load *(completed)* • Utility and consumption baseline variances investigated • Full-year expenditure reported against prior-year baseline.	In process	$2.6M GF 2026-27
A7	**Reduce School Site Access to Unutilized Spaces** Utility, custodial, security, and maintenance costs scale with the square footage a district keeps in service rather than with enrollment. This action does not close schools or permanently vacate facilities; it reduces the number of spaces kept open, climate-controlled, cleaned, and accessible when they serve no active program, no enrolled student, and no operational function that could not be consolidated into an adjacent occupied space.	June 2026, and annual review thereafter	• Site-by-site space utilization assessment completed and validated against enrollment, master schedule, and custodial deployment records. • Custodial deployment recalibrated consistent with collective bargaining agreements. • Communication plan distributed to sites and community partners • Annual fiscal impact report: utility consumption, custodial workload, and maintenance expenditure against prior-year baseline	In process	$1.6M GF 2025-26 $1M GF 2026-27

ID#	Description of deliverable	Due	Completed and upcoming Major Milestones	Status	Projected savings
A8	**Central Office Reductions** In 2025-26, a reduction of the size the Board directed could not be achieved without workforce action, and the Board directed that reductions be concentrated in central office functions furthest from students. On February 25, 2026 the Board approved the reduction of more than four hundred certificated and classified positions alongside a retirement incentive.	March 2026 for 2025-26 budget, and March 2027 for 2026-27 budget	• 2025-26 Position reductions presented to board for decision *(completed)* • 2025-26 Meet with labor partners regarding reductions *(completed)* • 2025-26 Workforce reduction notices issued by the statutory deadline. *(completed)* • 2025-26 Early retirement incentive issued *(completed)* • 2026-27 Classification and compensation review position level • 2026-27 Program review department and program level	Completed 2025-26, in process 2026-27	$25M GF 2025-26 2026-27 Pending
A9	**Use Restricted Dollars First** Restricted-first budgeting is allocating restricted and categorical resources to their eligible purposes first so that unrestricted general fund covers only what remains, and the opportunity extends beyond expenditure coding to positions whose work is wholly or substantially aligned with restricted program purposes without supplanting. These are corrections that align the funding source with the work actually performed.	June 2026 and annually thereafter	• Retrospective expenditure and position review completed across major restricted programs. Cumulative general fund impact quantified *(completed)* • Written allowability guidance per fund source issued with the auditor and legal counsel, and distributed to program leads • Budget development controls revised to require demonstration that restricted sources are maximized before general fund is requested • Monthly restricted fund spending rate monitoring operating. • Programs underspending restricted allocations flagged for ongoing review • Contribution by resource reported at each interim	In process	$43.3M 2025-26 2026-27 Pending
A10	**School Site Budget Reduction of 7.5 to 10 Percent** A reduction in school site budget, including non-personnel expenditure, contracted services, materials, travel, and site discretionary spending occurred in 2025-26 and is under review for 2026-27.	June 2026 and annually thereafter	• 2025-26 Reduction of school site discretionary funding *(completed)* • 2026-27 Complete analysis of school site spending • 2026-27 Reduction of school site discretionary funding	Completed 2025-26, in process 2026-27	$200K GF / $1.4M R 2025-26 $200K GF / $1M R 2026-27
A11	**Central Office Reductions of 10 to 20 Percent Above the $21M** A reduction in central office budget, including non-personnel expenditure, contracted services, materials, travel, and departmental discretionary spending occurred in 2025-26 and is under review for 2026-27.	June 2026 and annually thereafter	• 2025-26 Reduction of central department discretionary funding *(completed)* • 2026-27 Complete analysis of central department spending • 2026-27 Reduction of central department discretionary funding	Completed 2025-26, in process 2026-27	$2M GF / $4.5M R 2025-26 $1.5M GF / $3.6M R 2026-27
A12	**Increase Student Attendance by Two Percent** The Local Control Funding Formula apportions on average daily attendance rather than enrollment, so a student who is enrolled but absent generates no revenue, and a two percentage point improvement converts directly into additional funding across every grade span. Special education funding under AB 602 is also driven by total district average daily attendance, so this action reduces the special education contribution in A1 without touching a single special education expenditure. This is a revenue assumption rather than an expenditure reduction.	Measured at P-1 January 2027 and P-2 April 2027	• Engage with Oakland Gives Back for attendance program *(completed)* Attendance efforts presented at Board via Superintendent report *(completed)* Attendance intervention plan with site-level targets issued. • First-quarter results reported with the progress update. • Revenue effect modeled for First Interim • Mid-year intervention adjustments made at sites furthest from target	In process	Within $1.8M GF 2026-27

ID#	Description of deliverable	Due	Completed and upcoming Major Milestones	Status	Projected savings
A13	**Transitional Kindergarten Hub Launch, two to three sites** Education Code section 48000 requires any district offering kindergarten to offer transitional kindergarten, and District transitional kindergarten enrollment grew from 653 students in 2015-16 to 1,413 in 2025-26 while kindergarten and later entry grades declined, making it the one growing entry point in the District. Because classrooms are added rather than moved this action generates revenue rather than reducing cost, and every family that begins with the District at age four is a family we have the chance to keep through twelfth grade.	Hubs open 2026-27	• Hub model designed, sites identified through the capacity analysis, and fiscal model built *(completed)* • Facilities prepared *(completed)* • Staffing included in the Board adopted budget *(completed)* • Hubs open *(completed)* • Actual enrollment and attendance against model reported at First Interim	Completed, hubs open	$1.1M net LCFF revenue 2026-27
A14	**Shift Attendance Specialists and Noon Supervisors to Supplemental and Concentration** This action is a change in funding source, not a reduction in service, because attendance specialists and noon supervisors continue to serve students while the cost moves from the unrestricted general fund to Supplemental and Concentration resources generated by unduplicated pupils.	June 2026	• Position-by-position analysis of duties qualifying under Supplemental and Concentration purposes *(completed)* • Compliance confirmation obtained *(completed)* • Funding realigned in the Adopted Budget. Position control updated to show the resource change by position *(completed)* • LCAP actions and services describing the positions and the unduplicated pupil need *(completed)*	Completed	$4.2M GF 2025-26
A15	**Shift Costs of Small Schools into Supplemental and Concentration** Small schools carry higher per-pupil fixed cost because a principal, an office, a custodian, and a minimum instructional staff are required regardless of enrollment, and this action moves that differential from the unrestricted general fund to Supplemental and Concentration resources. These schools serve high unduplicated populations.	June 2026	• Schools identified with unduplicated pupil percentage for each *(completed)*. • Funding realigned in the Adopted Budget resource summary *(completed)* • LCAP actions and services describing the small school investment *(completed)* • Capacity effect reflected in the 2027-30 LCAP and in the revised site funding formula	Completed	$16M GF 2025-26
A16	**Curriculum Adoption Savings and Reduced Consumables** Instructional materials are purchased on an adoption cycle, and the annual cost is driven by the adoption schedule and by the volume of consumable materials repurchased every year, both of which are manageable without affecting the Education Code section 60119 obligation to certify that every student has standards-aligned materials. Part of this work aligns to our purchasing strategy and how we handle materials that are discarded.	February 2027	• Inventory of current adoptions, remaining cycle life, and annual consumable spend by site and subject • Print quantities reconciled against actual enrollment. Over-ordering patterns identified • Reusable and digital alternatives evaluated with the instructional team for each adoption • Consolidated purchasing terms negotiated through A4. Dollar target established • Instructional review completed and savings confirmed as not affecting materials sufficiency under Education Code section 60119 • Savings built into the 2027-28 budget and the adoption calendar published	In process	$200K 2026-27
A17	**Citywide Process to Determine the District's Future Footprint** Enrollment has declined while the number of sites we operate has stayed the same. This year we are beginning to look at schools that already share a campus and at our alternative education sites, to identify where a shared staffing model or a future merger would make sense. The work this year is designing the process and hearing from the community.	Engagement in 2026-27. Analysis returns 2027-28	• Review current co-located school sites • Review alternative education school sites • Draft engagement timeline and process	In process	Pending

ID#	Description of deliverable	Due	Completed and upcoming Major Milestones	Status	Projected savings
A18	**Review and Revise Board Policy 3150, Site Funding** Board Policy 3150 governs how school sites and central offices are funded, which makes revising it the governance layer of the site funding work.	Recommendations February 2027, governing January 2028 allocations for 2028-29	• Current policy and practice reviewed with the Budget & Finance Committee. Allocation methodology and minimum enrollment options modeled • Draft revised policy language prepared. • First reading calendared and approval to occur in 2027-28. • Recommendations aligned to the Board action on 2028-29 adjustments	In process	Pending
A19	**Reduce Consistently Vacant and Hard-to-Fill Positions** This action identifies positions vacant for a sustained period and a decision is made where the work is genuinely absorbed the position is eliminated, where it is backfilled by a contractor at higher cost the answer is recruitment and retention investment, and where the work is not being performed and should be, the position stays and the recruitment strategy changes.	June 2026 and annually thereafter	• Report of positions vacant twelve months or longer, by department, classification, and funding source *(completed)* • Each position categorized: absorbed, contractor-backfilled, or unperformed. Contractor cost quantified against position cost • Elimination recommendations prepared. Recruitment strategy revised for positions retained • Position control reconciled so vacancy savings are not double counted against A8 and A11 • Board action on eliminations aligned to the 2027-28 adjustment cycle • Realized value confirmed and carried into the 2027-28 base	In process	$900K GF / $900K R 2026-27
A20	**Reduce Consultant Contracts** Consultant spending accumulates for understandable reasons, because a capacity gap appears, a contract fills it, and the contract renews because the gap has not closed, so over time the District pays for work that duplicates internal capacity, is no longer needed at the volume contracted, or could be competitively rebid.	December 2026, with quarterly reporting thereafter	• Complete consultant contract inventory with owner, term, renewal date, funding source, and deliverable • Each agreement tested for continued need, duplication of internal capacity, and rebid potential • Non-renewal and scope reduction decisions made ahead of renewal dates. • First quarterly report to the Board and the Contracting Out Committee • Board consent items reflecting site budget • RFP for new contract software process	In process	$3M GF 2026-27
A21	**Eliminate or Significantly Reduce Extended Contracts** Extended contracts pay employees for days or hours beyond their regular work year and are a legitimate tool for summer planning, curriculum development, and work that genuinely cannot occur during the contract year, but across most districts they grow without central visibility because each authorization is small and approved locally. The work is not to eliminate the tool but to establish that every extended contract has a documented purpose and a verifiable deliverable, with departments and sites receiving an annual review. Extended contract terms are governed by collective bargaining agreements, so any change to practice has to be reviewed against those agreements and negotiated where required.	April 2027	• Three-year history of extended contract authorizations compiled by department, site, purpose, and funding source • Contract language reviewed • Authorization policy drafted: documented purpose, named approver, funding source confirmed, verifiable deliverable • Annual allocation model established by department and site. • Effects bargaining completed where required	Not started	$400K GF 2026-27

ID#	Description of deliverable	Due	Completed and upcoming Major Milestones	Status	Projected savings
A22	**Target to Increase Staff Attendance** Employee absence carries a direct cost the District pays twice, in the compensation of the absent employee and in the substitute covering the work, with a third cost in instructional positions that does not appear in the budget at all, the loss of instructional continuity, which falls hardest on the schools with the highest need. This action establishes a baseline of absence rates by employee group, site, and category, identifies where rates diverge sharply from the District average, and addresses the drivers Absence includes protected leave, so any target will be distinguished clearly between leave employees are entitled to take and absence patterns the District can reasonably address	June 2027	• Staff attendance analysis and substitute coverage cost analysis with charging resources *(completed)* Proper reporting of funding source paying for substitute coverage	In process	$800K GF / $1M R 2026-27
A23	**Facilities and Real Property Asset Strategy**	June 2027	• Complete real property inventory: parcels, buildings, current use, holding cost, restrictions, and encumbrances • Market assessment of lease and disposition value • Strategy recommendation per asset • Board direction sought on the asset strategy and on any disposition to proceed • Strategy coordinated with A17 so that footprint and asset decisions are made against the same information	In process	To be determined, future savings
A24	**Eliminate or Significantly Reduce Overtime** The work is to understand the spend on overtime, require advance written authorization above a defined threshold, publish a monthly report by department, site, and classification so needs are visible and properly budgeted. Overtime is governed by the Fair Labor Standards Act and by collective bargaining agreements.	December 2026, with quarterly reporting thereafter	• Three-year overtime history compiled by department, site, classification, and driver including vacancy-driven overtime *(completed)* • Mandatory and avoidable overtime separated • Institute advance authorization policy issued above a defined threshold. • Quarterly reporting to Budget & Finance Committee • Shift pattern and scheduling changes implemented where the mismatch is structural, consistent with bargaining agreements	In process	$1M GF 2026-27
A25	**Master Schedules** This action reviews master schedules identifying under-enrolled sections and singletons that could be combined or offered on an alternating cycle, examines partial assignments that could be shared between schools, and surfaces where positions allocated for instruction are used for non-instructional duties.	March 2027, governing 2027-28 staffing	• Current-year master schedules collected from all secondary sites with section counts, enrollment per section, and teaching load per assignment • Common standard for section size and teaching load established, consistent with bargaining agreements • Staff-sharing opportunities between schools mapped • Master schedules built for 2028-29 against the standard, with variance requiring documented justification	Not started	$500K GF 2026-27

ID#	Description of deliverable	Due	Completed and upcoming Major Milestones	Status	Projected savings
A26	**Eliminate Ongoing-Funded Teachers on Special Assignment** Teachers on special assignment are fully credentialed teachers working outside a classroom assignment, most often in coaching, curriculum, program management, and intervention roles, and many were created with grant funding for a defined purpose and absorbed into ongoing funding when the grant ended without a decision that the ongoing cost could carry the role long-term. This action inventories every such position by funding source, assignment, and supervising department, separates grant-funded from ongoing-funded positions, evaluates the instructional priorities, and potentially eliminates or returns to classroom assignment those that are not prioritized completing work the 2026-27 position changes began.	February 2027	• Full inventory of teacher on special assignment positions by funding source, assignment, and supervising department • Evaluation against current instructional priorities completed with the academic team • Recommendations prepared for the Board action on 2027-28 adjustments, in advance of the March 15 notice deadline	In process	$1.2M GF / $2M R 2026-27
A27	**Convert Eligible 11 and 12 Month Positions to 10 Months** Work-year length should follow the work, and some positions require eleven or twelve months because the work continues when students are not present, while others carry an extended work year for historical reasons. This action reviews extended work-year positions against the actual annual cycle of the work, and where the summer months are not substantively occupied the position converts to a ten-month year.	February 2027	• Inventory of 11 and 12 month positions by department, classification, funding source, and bargaining unit • Annual work cycle documented for each position, with summer month activity verified rather than assumed • Recommendations prepared for the Board action on 2027-28 adjustments, in advance of the March 15 notice deadline	In process	$400K GF 2026-27
A28	**Health Benefits Cost Strategy** Health premium growth of eight to ten percent annually was named in the challenge analysis as one of the cost drivers that produced the structural deficit, and it is one of the two largest variables in the projection outside the District's direct control. This work runs through the Health Benefits Governance Board, which the District co-chairs, including plan design, carrier negotiation, wellness and utilization management, and dependent eligibility verification. Health benefits are a mandatory subject of bargaining so nothing here is imposed, and the value the District can add outside of bargaining is accurate, shared information about what the plan costs and what drives the cost.	June 2027	• Current plan cost, utilization, and premium trend analyzed and shared through the Health Benefits Governance Board • Benchmarking against comparable California districts and against purchasing pool options completed • Dependent eligibility verification and utilization management options evaluated • Carrier solicitation or renewal negotiation informed by the benchmarking. State workgroup findings incorporated • Options presented jointly through the governance board for consideration in bargaining • Premium trend assumption in the multi-year projection updated to reflect the outcome	In process	$1M GF 2026-27

ID#	Description of deliverable	Due	Completed and upcoming Major Milestones	Status	Projected savings
A29	**Reduce Additional Site Staffing Beyond Strategic Positions** The District funds a defined set of strategic positions at each school, sized to enrollment and program, and sites also add staffing beyond that allocation using site discretionary funds, carryover, grants, and partnership resources, some of which is exactly what site autonomy is for and some of which was added against a funding source that has since ended and quietly migrated onto ongoing resources. This action establishes visibility first, reporting for every site the strategic allocation, the additional positions layered on top, the funding source for each, and whether that source is ongoing or one-time, so positions on expired or expiring sources are resolved rather than absorbed while positions on genuine site discretionary resources remain a site decision.	January 2027	• Site-by-site report of strategic allocation, additional positions, funding source, and source duration • Positions on expired or expiring sources identified and resolution options developed with site leadership • Equity analysis completed across site types and coordinated with the Board Policy 3150 revision in A18	Not started	$1M GF 2026-27
A30	**Management Position Evaluation, Central Offices and School Sites** This action examines spans of control and reporting structures across central departments and school sites, including how many people each manager supervises, how many layers sit between a decision and the work, and where reporting relationships duplicate one another, because organizational structures were built incrementally across years of grant funding and program expansion for a larger and better-resourced institution than the District currently operates. The output is a structure recommendation with timing set by the Board action on 2027-28 adjustments in February 2027.	February 2027	• Current organizational charts compiled for every central department and school site, with spans of control and reporting lines mapped • Benchmark standards for span of control and management layers established by function *(completed)* • Recommendations presented for the Board action on 2027-28 adjustments, ahead of statutory notice deadlines	In process	$1M GF / $2.5M R 2026-27
A31	**Delay the Start of New Programs and Initiatives** Holding off on new programs unless the law requires them or the Board directs them. There is no savings number attached to this action, nor should one be because its value is keeping our options open while the structural work is underway.	Standing practice through 2026-27	• Review gate established with criteria: legal requirement, full grant funding, or explicit Board direction • Multi-year cost disclosure required for any proposal, including the years after grant funding ends	In process	No savings estimate

Financial Stabilization Implementation Plan Update: *Protecting Equity, Maintaining Local Control, and Prioritizing Students*

Progress Report to the Board and Community

September 23, 2026

Tara Gard, Deputy Superintendent Business & Operations
Troy Christmas, Sr. Director Strategic Projects
Ryan Nguyen, Chief Financial Officer
Dr. Ruben Frutos, Consultant - HYA

OAKLAND UNIFIED SCHOOL DISTRICT
Community Schools, Thriving Students

Our responsibility is clear - stabilize the District's finances today while fundamentally resetting how we operate for the years ahead." Dr. Denise Saddler, Superintendent

Agenda

1. **Why we are here** | Structural Deficit
2. **What we have done** | 2025-26 work, what it produced
3. **What we are doing** | 2026-27 two pieces of work running at once and the six priorities AND highlights of work accomplished
4. **What comes next**

Figures in this update remain subject to the independent audit and will be updated at First Interim. This plan is a working document. It is updated as actions are completed, as audit and County Office feedback arrives, and as we hear from the community.

01 Why we are here

View 25 years of OUSD Budget, Leadership, Enrollment, Graduation Rates and Fiscal Stabilization Plans [HERE]

OAKLAND UNIFIED SCHOOL DISTRICT

A Twenty-Five Year Fiscal Arc

State Receivership, Local Control, and Fiscal Certifications — 2000 to 2026

CA System of Support, Level 2: ACADEMIC DIFFERENTIATED ASSISTANCE — Since 2017 (ongoing)

SECOND INTERIM CERTIFICATION STATUS & TOTAL REPORTED BUDGET

FY 2000-01 through FY 2025-26. All certifications verified against CDE Interim Status listings. Budgets in $millions, per CDE listings.

2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
P	P	N	N	N	N	Q	Q	Q	Q	Q	Q	Q	Q	Q	P	Q	Q	Q	Q	Q	Q +LGC	Q	Q	N→Q	Q +GC
–	–	$480	$417	$437	$441	$506	$485	$464	$464	$437	$429	$417	$422	$444	$535	$540	$563	$607	$613	$671	$765	$861	$950	$943	$981

Positive (P) · Qualified (Q) · Negative (N) · *+LGC = Lack of Going Concern (2021-22)* · *+GC = Going Concern Notice (2025-26)*

$XXX = Total Reported Budget at Second Interim, in $millions

June 2003 — SB 39
$100M state emergency loan; SPI assumes Board's powers

June 28, 2009 — Local Control
Board's rights, duties & powers restored; State Trustee assigned

Aug 2017 — FCMAT FHRA
Fiscal Health Risk Analysis finds "signs of fiscal distress" at OUSD

Sept 17, 2018 — AB 1840
State-centric oversight replaced by county-trustee framework

2020-2024 — ESSER Relief
~$280M federal COVID funds temporarily stabilize finances

Apr 16, 2026
ACOE Going Concern Notice under EC §42127.6

STATE ADMINISTRATORS & FISCAL TRUSTEES

State Administrators held the Board's powers during receivership (2003–2009); Fiscal Trustees retain veto authority over financial decisions to ensure repayment of the state loan.

Randy Ward	K. Statham	V. Matthews	R. Mayor	Chris Learned	Luz Cázares
State Admin 2003–06	2006–07	Interim '07–'08	Interim '08–'09	Fiscal Trustee 2017–2021	Fiscal Trustee 2021–2025

LOCALLY-SELECTED SUPERINTENDENTS (POST-RECEIVERSHIP)

Tony Smith	Gary Yee	Antwan Wilson	D. Dillon	Kyla Johnson-Trammell	D. Saddler
Superintendent 2009–2013	Acting '13–'14	2014–2016	Interim '17	Superintendent 2017–2025	Interim '25–

ENROLLMENT & ACADEMIC OUTCOMES

Enrollment: OUSD district-run schools only (charter enrollment not included), per OUSD RAD Aeries SIS Fall Census Day dashboard. Graduation rate: 4-year cohort, all students, per OUSD RAD.

Enrollment (district-run, TK–12)	35,412	36,084	36,341	36,431	38,096	33,613	36,824	33,789	33,859	37,025	34,431	33,968	37,216	34,140
Graduation rate (4-yr cohort)	59.3%	62.8%	60.7%	64.2%	65.7%	70.7%	73.1%	72.2%	72.0%	71.7%	74.4%	74.1%	79.5%	74.0%
A–G eligibility (UC/CSU-ready)	28.4%	30.5%	27.9%	32.3%	33.6%	34.7%	35.5%	40.0%	41.7%	41.2%	44.6%	42.2%	48.7%	46.0%

BUDGET BALANCING & RECOVERY PLANS

Operational and strategic responses to fiscal distress; horizontal extent shows plan period.

FSIP = Financial Stabilization Implementation Plan: Protecting Equity, Maintaining Local Control, and Prioritizing Students — Scenario 3 (the in-use plan adopted in 2025).
BBS = Budget Balancing Solutions (board-document attachments A, B, C delivered alongside Second Interim reports in 2023, 2024, and 2025 respectively).

Sources: CDE Interim Status listings at https://www.cde.ca.gov/fg/fi/ir/interimstatus.asp (every certification and budget verified, 2000-01 through 2025-26); FCMAT AB 1840 letters (2019, 2020, 2021); ACOE concurrence letters; OUSD Board records. Prepared by the Office of the Deputy Superintendent of Business and Operations, May 2026.

Federal Pandemic Relief and the Funding Cliff

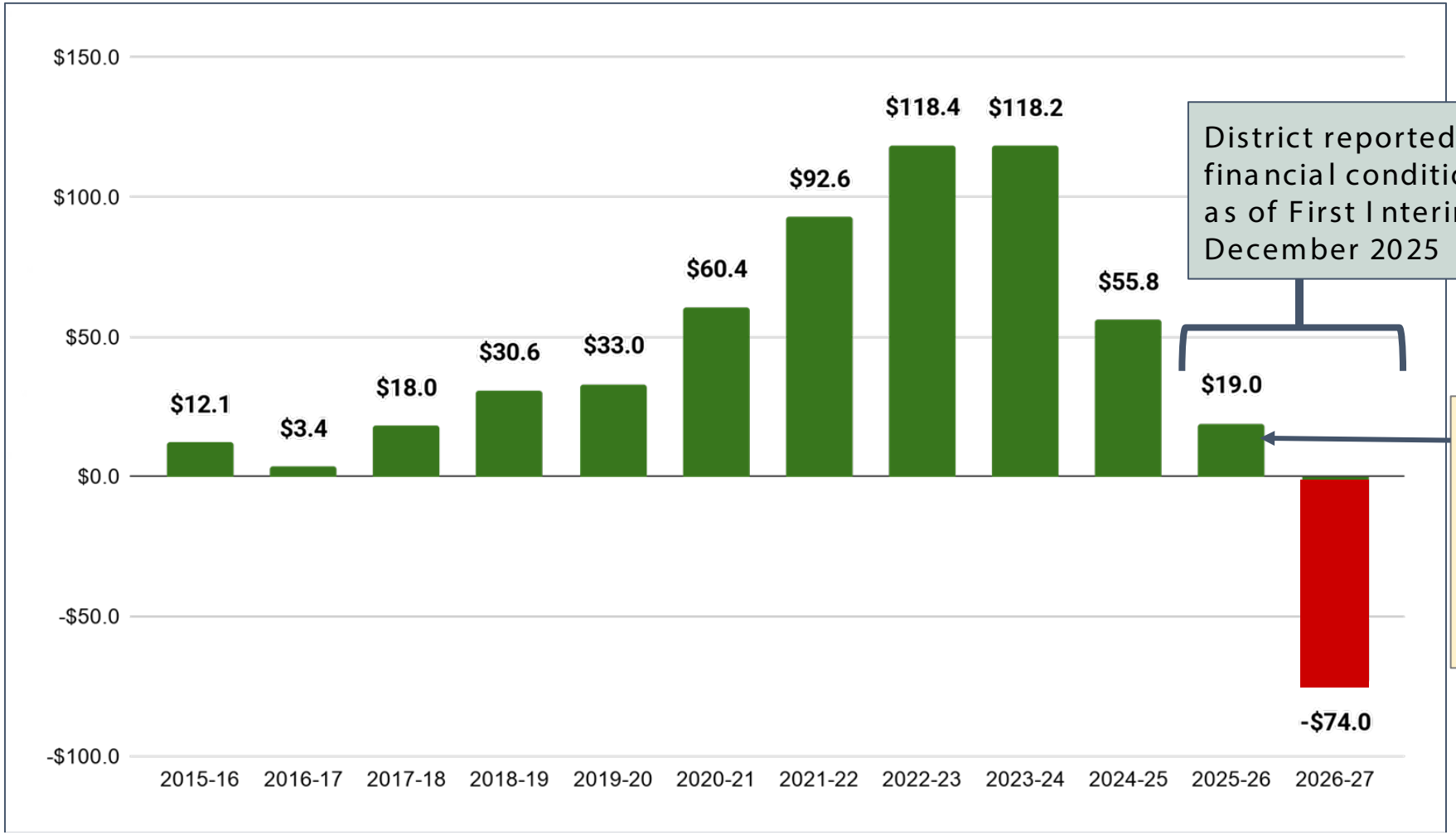
Between 2020 and 2021 Congress passed three rounds of emergency relief for schools, known collectively as ESSER. The funds were one-time by design. They arrived while enrollment was declining and costs were rising, and for several years they made the General Fund appear healthier than it was. We were able to pay off our loan but **when the funds expired in 2024-25, the costs they had been covering did not. The structural gap did not appear in 2025-26. It reappeared.**

Round	Enacted	OUSD received	Funds had to be spent by
ESSER I	CARES Act, March 2020	$54 million	January 2023
ESSER II	CRRSA Act, December 2020	$58 million	January 2024
ESSER III	American Rescue Plan, March 2021	$129.9 million	January 28, 2025
Total ESSER		**$242 million**	

- A large portion of reported spending fell under the federal category for activities necessary to maintain operations.
- Relief funds paid for hundreds of positions added between 2020 and 2023, and approximately $16 million of ESSER II and III supported the one-time compensation package following the 2023 labor agreement.
- Average daily attendance was held harmless during school closures, so attendance decline did not cut revenue as it otherwise would have.

Understanding the Challenge

Unrestricted Ending Fund Balance 2015-16 to 2026-27*



* 2015-16 through 2024-25 based on unaudited actuals for the year.
2025-26 and 2026-27 amounts based on Multi-Year Projection (MYP) in 2025-26 First Interim Financial Report (Dec 2025).

02 What We Have Done

2025-26 Reductions and Fund Realignments

Action	General Fund	Restricted	Ongoing / One-time	Status
Spent restricted dollars first - costs the general fund was carrying that restricted sources were eligible to pay	$43.3M	—	One-time in 2025-26, converting to standing practice	Complete
Central office reductions - more than 400 positions approved February 25, 2026	$25.0M	—	Ongoing	Complete
Shift small school cost differential to Supplemental and Concentration	$16.0M	—	One-time shift, converting through the LCAP	Complete
Shift attendance specialists and noon supervisors to Supplemental and Concentration	$4.2M	—	One-time shift, converting through the LCAP	Complete
Central office reductions of 10 to 20 percent above the $21M threshold	$2.0M	$4.5M	Ongoing	Complete
Reduce school site access to unutilized space	$1.6M	—	Ongoing	In process
School site budget reduction of 7.5 to 10 percent	$0.2M	$1.4M	Ongoing	Complete
Second-tier review of contracts and discretionary spending at or above $15,000	—	$0.7M	Ongoing	In process

Category	Amount	% of total closed	Effect on future years
One-time money and fund realignments	$63.5M	68.8%	These moves work once and do not lower what the District spends in 2026-27.
Ongoing reductions	$28.8M	31.2%	Carries into the 2027-28 base at full annual value. Lowers cost every year going forward.
Total closed, General Fund	**$92.3M**	**100%**	**Reserve requirement met; positive cash through June 30, 2026**

03 What we are doing

Two pieces of work, running at once

IMPACTS THIS YEAR

Reaching the $30 million reduction target

These reductions will come from vacancies we do not fill, contracts we do not renew, purchasing we consolidate, and tighter controls on spending.

They do not result in layoffs. State law does not allow certificated or classified staff layoffs mid-year, and this work was not built around them.

IMPACTS NEXT YEAR

The 2027-28 budget and the LCAP revision

The Board votes on both during this school year. Preparing them means engaging school sites about their budgets, our labor partners, and the broader community.

This is where position and program decisions live, and the decisions have to be made by February because of the March 15 notice deadline.

Both run in the same months, with the same staff. That is why the calendar is critical and compacted.

Reduction Plan Summary: Getting to the $30M in 2026 -27

Priority		General Fund	Restricted	Total
1 Special education	Reducing what the General Fund transfers into special education, not the services. Work with the Community Advisory Committee, provider rates, and budget office reviewing eligibility for other funds..	$14.9M	—	$14.9M
2 Central office and management	No mid-year layoffs. Evaluating positions already vacant or becoming vacant, and understanding the work a position carries before eliminating or freezing for the year.	$3.9M	$5.4M	$9.3M
3 Restricted-first budgeting	Assigning restricted and grant dollars to eligible purposes first, now as standing practice with an ongoing review rather than a one-time correction.	—	—	No separate target
4 Site funding and district configuration	Beginning to look at co-located schools and alternative education sites including enrollment and staffing structure.	$1.5M	—	$1.5M
5 Contracts and spending controls	Controls on contracts, purchasing, vehicles, maintenance, consultants, extended contracts, overtime, and site staffing. Most adopted in 2024-25 and never finished.	$8.7M	$2.1M	$10.8M
6 Revenue and attendance	Student attendance, staff attendance, and a concerted effort through the Health Benefits Governance Board to bring down the cost of health benefits.	$1.8M	$1.0M	$2.8M
Total identified		**$30.8M**	**$8.5M**	**$39.3M**

Financial Stabilization Implementation Plan Highlights

- **Met the year's obligations.** Closed $92.3 million in the General Fund, met state and Board reserve requirements, and maintained positive cash through June 30, 2026. No trustee and no emergency loan.
- **Reduced the workforce, with a voluntary option offered first.** On February 25, 2026 the Board approved reducing more than 400 certificated and classified positions, among the largest staff reductions in District history. An early retirement incentive let employees already eligible to retire depart voluntarily rather than be laid off.
- **Corrected how the District assigns funding sources.** Charged $43.3 million in eligible costs to restricted resources allowed to carry them.
- **Completed the nonpublic school RFP and selected two providers.** Specialized Education of California and Behavior Management Solutions, both subject to lease negotiations. The strategy expands the continuum of special education services while generating revenue from underused District property.
- **Opened two Transitional Kindergarten Hubs.** New hubs at Carl Munck and Fruitvale, both fully staffed and serving students, adding capacity at the one growing entry point in the District.
- **Established spending controls that did not exist before.** Second-tier review of contracts and discretionary spending at or above $15,000, restricted access to unutilized space, and site budget reductions of 7.5 to 10 percent.

Financial Stabilization Implementation Plan Highlights, cont.

- **Centralized copier procurement under the District's master contract.** Instituted one vendor for copiers districtwide and replaced remaining non-contract machines. All copiers are networked, so Procurement schedules replacement rather than each site budgeting for it. No money was taken from school site budgets.

- **Adopted one district-wide standard for meals and refreshments.** Limits of spending cost per meal with defined qualifying activities. The District spent approximately $1.625 million on food last year, with some vendors charging around $40 per person plus gratuity and setup fees.

- **Centralized District travel with pre-approval and direct payment.** Procurement now books and pays directly wherever possible, with requests due 30 to 45 days ahead, so employees are not out of pocket. The District spent approximately $1.742 million on travel in 2025-26, spread across many vendors and difficult to plan or track.

- **Closed the gap in asset tracking tied to more than $1 million in physical inventory loss.** Warehouse scans asset tags at pickup and Risk Management performs a second scan, so records update as each item is retired. No disposal form is required, which makes the compliant path the easiest one.

04 What comes next

What Staff Will Bring to the Board

Staff owes the Board information about our programs and departments in order to make informed decisions. This is also the LCAP year: the plan adopted in June 2027 sets our priorities through 2030, and state law now requires us to show whether each action is making progress on student outcomes. .

What staff will bring	When	What it lets the Board decide
A complete inventory of programs and departments, with what each costs, what funds it, and whether that funding is ongoing or one-time	October and November 2026	Whether a program can continue at its current funding level, and what happens when a one-time source ends
Organizational structure for central departments and school sites, including spans of control and reporting lines	November 2026	Whether the way the District is organized fits what it can afford to operate
Outcome data for each program, drawing on the California School Dashboard released October 15 and our own local measures	December 2026	Whether a program is producing results for the students it serves
How dollars reach schools today, and what a revised formula would produce site by site	December 2026	Whether the way the District is organized fits what it can afford to operate
Options for 2027-28, each with its fiscal impact, its effect on services, and its equity impact	February 2027	The 2027-28 budget adjustments

Additional dates will be added around LCAP at the next update

Stabilization Timeline, 2027 -28 Budget and LCAP Cycle

District budget cycle, State budget cycle, and stabilization milestones, in order

DRAFT

Sept 2026

9/9 2024-25 Unaudited Actuals to the Board
9/15 Unaudited Actuals filed with the County
9/23 Stabilization Plan update

Oct 2026

10/8 County acts on the LCAP
10/15 State Dashboard released
10/21 Positions, funding, org structure
10/31 First Interim period ends

Nov 2026

11/11 Programs, funding and outcomes; site funding formula and FTE by site
11/25 First draft of modification analysis

Dec 2026

12/1 Enrollment tool opens; projections to sites
12/9 First Interim; Stabilization Plan update
12/31 Balanced budget if a review committee is convened

Jan 2027

1/10 Governor's January Budget
1/13, 1/27 Board discussion ahead of the February vote
Ongoing Budget development; staffing decisions

Feb 2027

2/10 Impact overview of 2027-28 adjustments
2/24 Final vote on adjustments, including position changes

Mar 2027

3/10 Second Interim to the Board
3/15 Noticing deadline for affected employees
3/24 LCAP engagement and communications

Apr 2027

4/7 Stabilization Plan update
4/1, 4/21 Budget and Finance Committee; Board meeting

May 2027

5/12 Report to the Board; review of the next LCAP
5/14 Governor's May Revision

Jun 2027

6/9 Proposed budget and LCAP public hearing
6/15 Legislature must pass the Budget Bill
6/23 Budget and LCAP adoption

Jul 2027

7/1 State fiscal year begins; budget filed with County
+45 days District publishes revisions after the Budget Act

Aug 2027

8/15 County may request LCAP clarification; Board responds within 15 days

Sept 2027

9/15 County approves, conditionally approves, or disapproves the budget

9/15 Unaudited Actuals filed with the County

Oct 2027

10/8 County approves the LCAP
10/22 County notifies the State Superintendent of a disapproval

Dec 2027

12/31 Balanced budget if a review committee is convened

Engagement Meetings

Stakeholder Group	Meeting(s) Date
Labor Unions	Monthly October - March
Principals (pre-one-pager)	Monthly October - March
School Board Meeting	February 11 and February 25
Students (All City Council)	November, January, March
Central Leaders	Monthly October - March
LCAP Fishbowl Engagement	TBD
Budget & Finance Committee	All committee meetings
School Community Engagements	TBD
PSAC	TBD

The difference between a district that recovers and a district that returns to crisis is rarely the size of the reduction. It is whether the culture changed along with the numbers, in how we view our budget, our programs, and the services we provide students.

Next public update: December 9, 2026, Board of Education.

THANK YOU

Questions?

OAKLAND UNIFIED SCHOOL DISTRICT
Community Schools, Thriving Students