



**OAKLAND UNIFIED  
SCHOOL DISTRICT**

*Community Schools, Thriving Students*

# Superintendent's Report



Presented by Antwan Wilson, Superintendent

Presented to Board of Directors, OUSD

January 27, 2016

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



@OUSDnews

### Our Mission

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

### Our Vision

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

### I Am Oakland Unified

Our belief is that significant improvement in student outcomes is driven at the school level. Our every action centrally is in the service of one purpose: building quality community schools that prepare students for college, career, and community success.





# Superintendent's Report

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FY 2016-17 Governor's Proposed Budget - Education  
FY 2016-17 District's Budget Development

# 2016-17 Governor's Proposed Budget

**Oakland Unified School  
District**

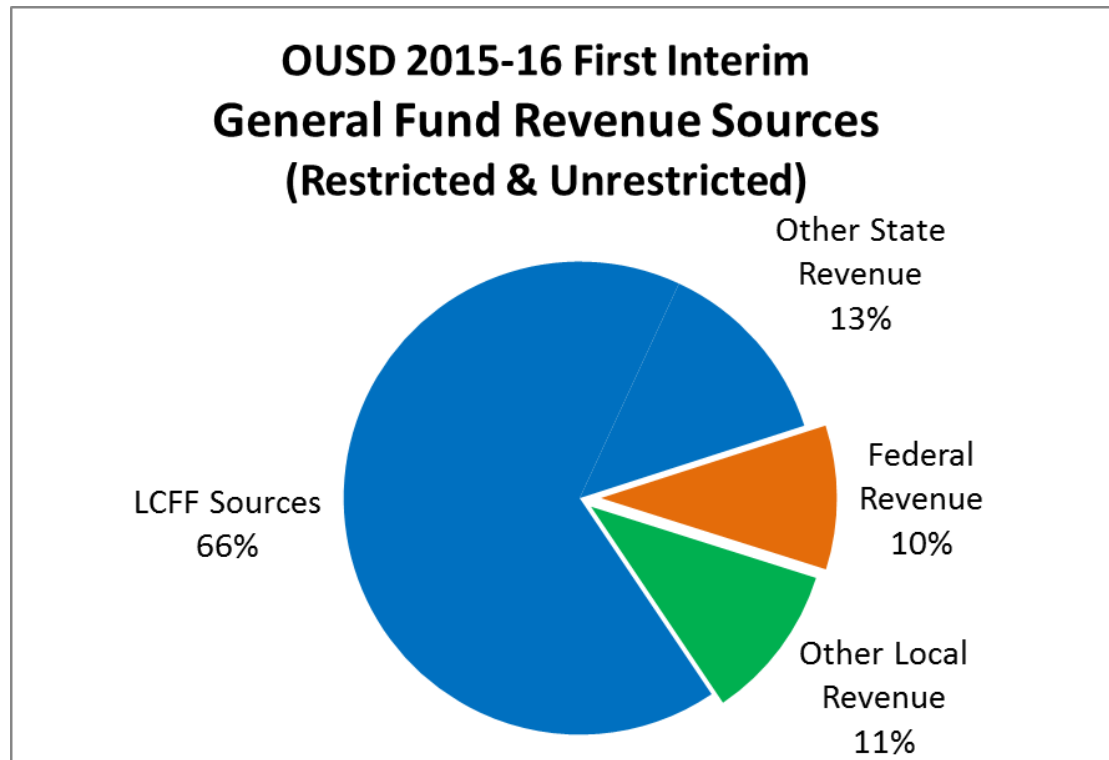
**Presentation to Board of  
Education  
January 27, 2016**



# Why Should OUSD Care?

Q: Why should OUSD care about the Governor's Budget?

A: Because 79% of the District's General Fund Resources come from the State.



# Themes for the 2016-17 Governor's Budget

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**The Governor continues to stabilize funding and programs in all areas of the State Budget.**

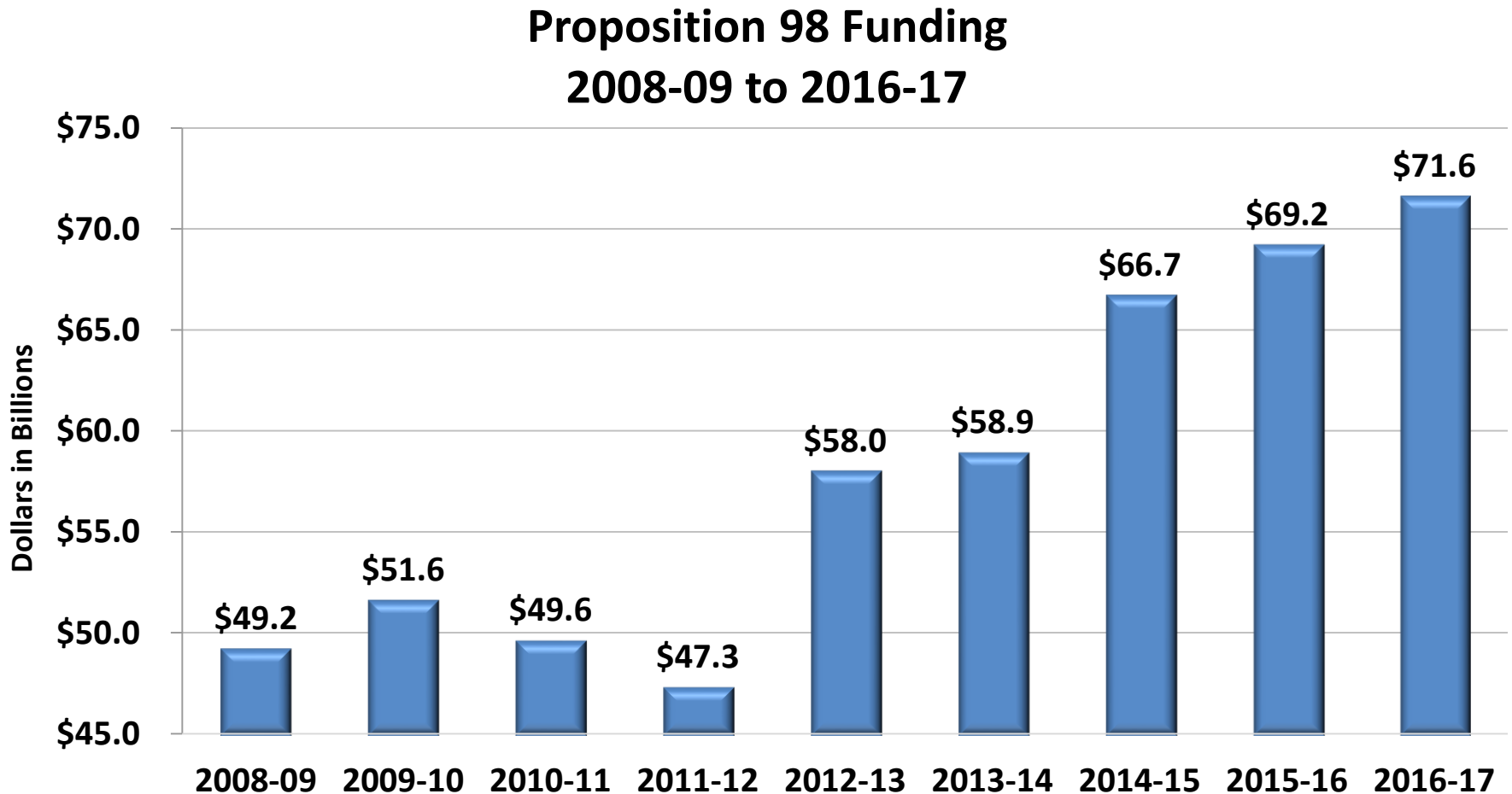
**The state increased its revenue estimates, but continues to underestimate Proposition 98 revenues for 2015-16 and 2016-17 (Prop 98 establishes the minimum level of State funding for schools & community colleges).**

**Economic growth is much stronger than in past years, but Governor Jerry Brown highlights the risk of recession.**

**The Local Control and Accountability Plan (LCAP) remains a dominant governance document.**

**Yet, in what is shaping up to be a very good year, it is time to think about the potential for a slowdown.**

# Proposition 98 Funding Over Time



Source: Governor's State Budget Summary, Figure K12-02, page 20

# Education Funding Adequacy

Based upon the most recent expenditure data available for 2012-13, California ranks 46<sup>th</sup> in per-pupil spending adjusted for regional cost differences

2012-13 Per Pupil Expenditures Adjusted for Regional Cost Differences			
Rank	State	2012-13 Per-pupil Expenditures (PPE)	PPE Percent of National Average
1	Vermont	\$18,853	162%
2	Alaska	\$18,565	159%
3	New York	\$17,291	148%
4	Wyoming	\$17,256	148%
5	New Jersey	\$15,511	133%
6	Connecticut	\$15,340	131%
7	New Hampshire	\$14,502	124%
8	Maine	\$14,310	123%
9	Rhode Island	\$14,071	121%
10	Pennsylvania	\$13,989	120%
–	National Average	\$11,667	–
46	California	\$8,216	70%

Source: *Quality Counts 2016* report <http://www.edweek.org/ew/toc/2016/01/07/index.html?cmp=eml-sb-sr-qc16-20160107n>



# Proposition 98 and the Major K-12 Proposals

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**The Governor's Budget proposal includes:**

**\$2.8 billion for Local Control Funding Formula (LCFF) gap closure**

**\$1.6 billion for an Early Education Block Grant (not new funding)**

**\$1.2 billion for discretionary one-time uses**

**\$365.4 million for the K-12 portion of Proposition 39 (2012) – Clean Energy Jobs Act**

**\$30 million in one-time funds to provide academic and behavioral supports**

**\$22.9 million for categorical programs' COLA (0.47%)**

# 2016-17 Local Control Funding Formula

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**Budget proposes \$2.8 billion for continued implementation of the LCFF**

**New funding is estimated to close the gap between 2015-16 funding levels and LCFF full implementation targets by 49.08%**

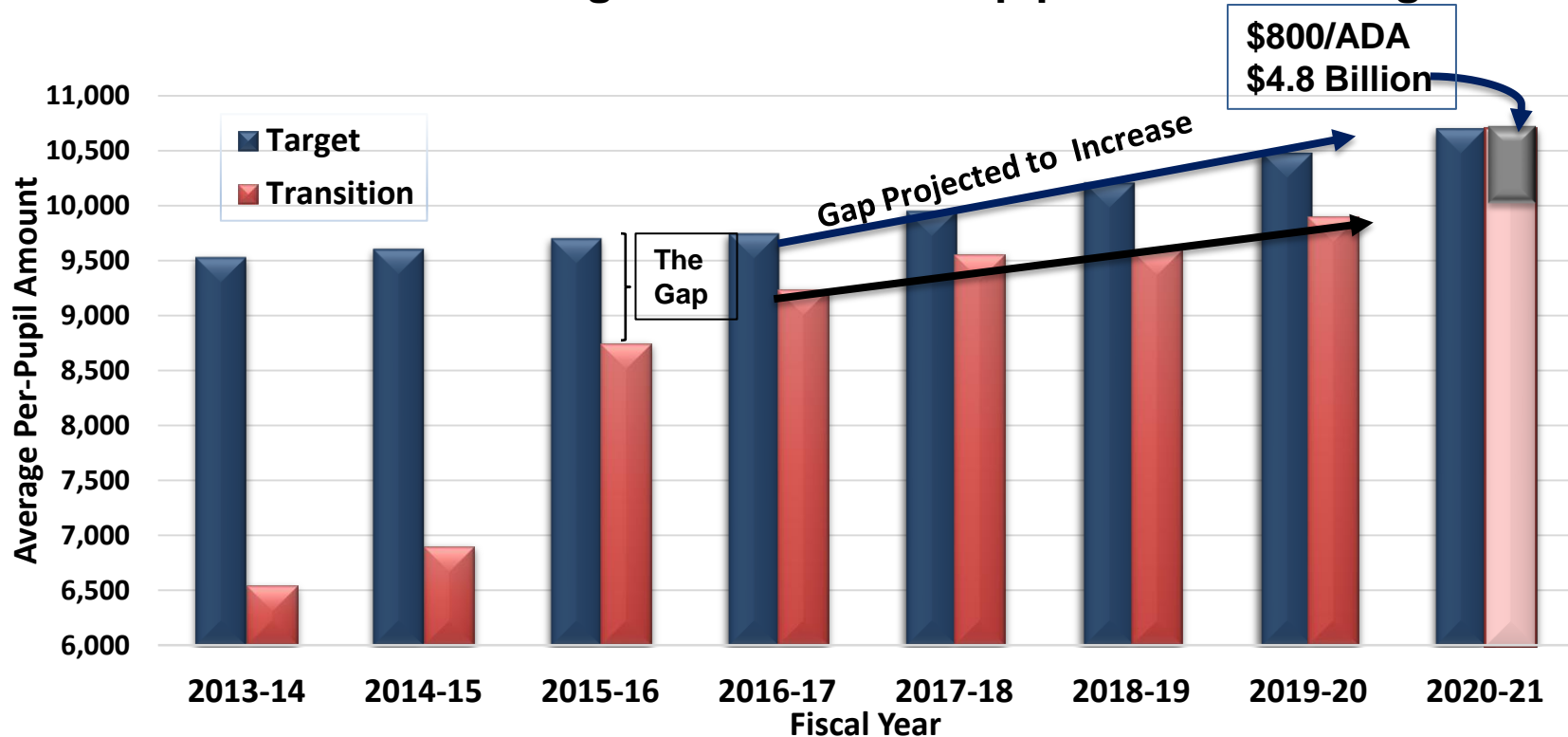
**Gets districts to 95% of the targeted funding levels**

**The LCFF base grant targets are adjusted for an estimated 0.47% COLA in 2016-17**

**2016-17 LCFF growth provides an average increase in per-pupil funding of 5.6%, or \$489 per ADA.**

# What's the LCFF Gap?

- The “LCFF Gap” is the difference between the LCFF Target, which includes COLA, and the actual amount the State funds.
- The LCFF Gap is projected to increase when Proposition 30 funding ends and actual funding is not able to keep pace with the target.



# Proportionality and Targeted Funds

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**Each Local Educational Agency (LEA) is required to increase or improve services for eligible pupils in proportion to the increase in funds generated by those pupils for the LEA through the LCFF**

**The proportion of the increase in funds attributable to the number of eligible pupils enrolled is a calculation**

**LEAs must include in their LCAP a description of expenditures for services that support district goals, consistent with eight state priorities, for those pupils generating supplemental and concentration grants**

**Goals, activities, and services that increase or improve support for eligible students are a local decision**

# One-Time Funds

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**The Governor's Budget includes \$1.2 billion in discretionary one-time Proposition 98 funding**

**Equal to about \$214 per ADA**

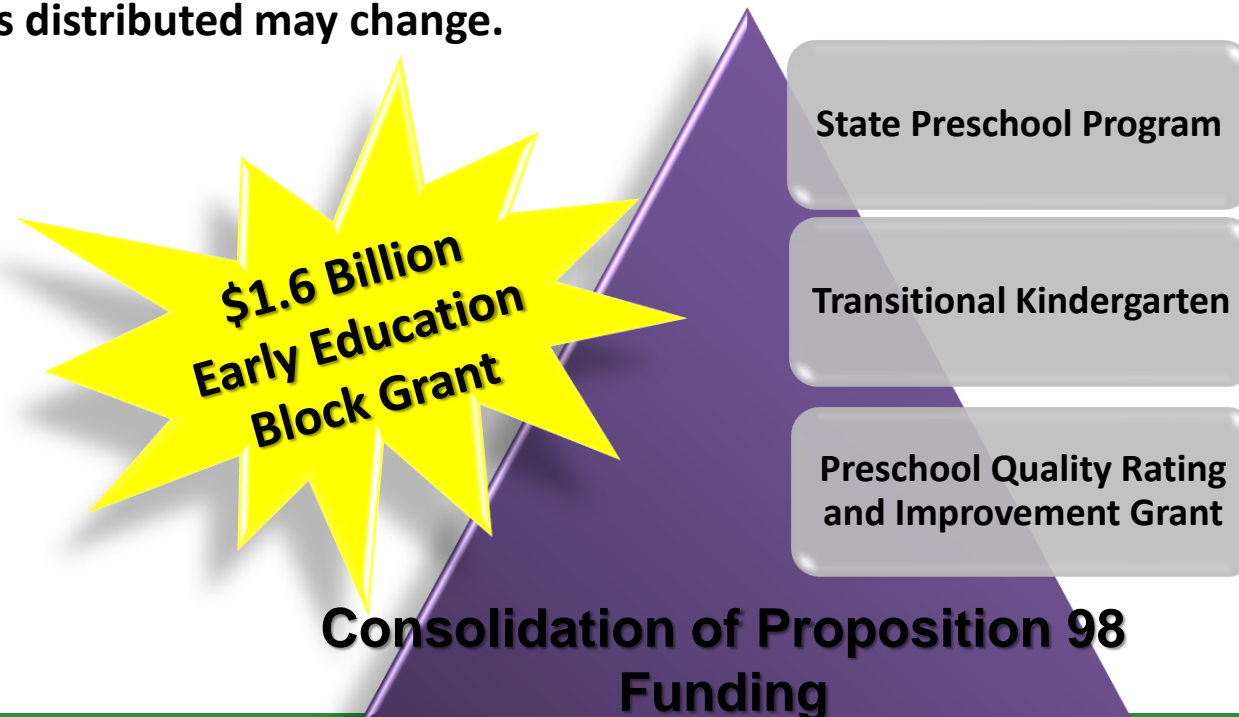
**This is not a mandate and the funds can be used for any one-time purpose**

**However, any funds received will offset state obligations for any local educational agency (LEA) with outstanding mandate reimbursements, consistent with the approach used in the 2014 and 2015 Budget Acts**

# Preschool/Early Childhood Education

The Governor's Budget proposes a \$1.6 billion Early Education Block Grant by consolidating various preschool programs and funding sources in an effort to reduce the administrative and programmatic challenges LEAs face when managing the fiscal program requirements.

Not clear what this will mean for OUSD. No new funding is expected, but the way it is distributed may change.



# Multiyear Projections

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**CalSTRS and CalPERS contributions are increasing.**

**Education will be receiving 40% vs. 90% of new state revenue once the Maintenance Factor is paid off.**

**Expectations are for COLA-only years after the LCFF target is reached.**

# CalSTRS and CalPERS Rate Increases

Employer rates are increasing to 12.58% in 2016-17, up from 10.73% in 2015-16. Future rates are as follows:

## CalSTRS Rates

Actual	Projected				
2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
10.73%	12.58%	14.43%	16.28%	18.13%	19.10%

The employer contribution to CalPERS is proposed to increase to 13.05% in 2016-17 from 11.847% in 2015-16. Future rates are as follows:

## CalPERS Rates

Actual	Projected				
2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
11.847%	13.05%	16.6%*	18.2%*	19.9%*	20.4%*

\*CalPERS provided these estimates in 2014 and has not yet issued revised estimates



# What Does the Governor's Proposed Budget Mean for OUSD?

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**The Governor's proposed budget could mean additional resources for OUSD as follows (in millions):**

<b>Proposed Budget Changes</b>	<b>On-Going</b>	<b>One-Time</b>
<b>Add'l On-Going LCFF Funding</b>	<b>\$16.7</b>	
<b>One-Time Discretionary Block Grant</b>		<b>\$7.6</b>
<b>Early Childhood Education Block Grant</b>	<b>TBD</b>	
<b>Prop 39 Clean Energy</b>		<b>TBD</b>
<b>Other programs</b>		<b>TBD</b>

# Political Variables in 2016

**While it is impossible to know how every political equation will be solved before June 15, the Legislature's deadline to pass the State Budget, we do know some of the major issues in play:**

*Friedrichs v. CTA lawsuit (Friedrichs)*

School district reserve cap

Facilities program and funding

Early childhood education (ECE)

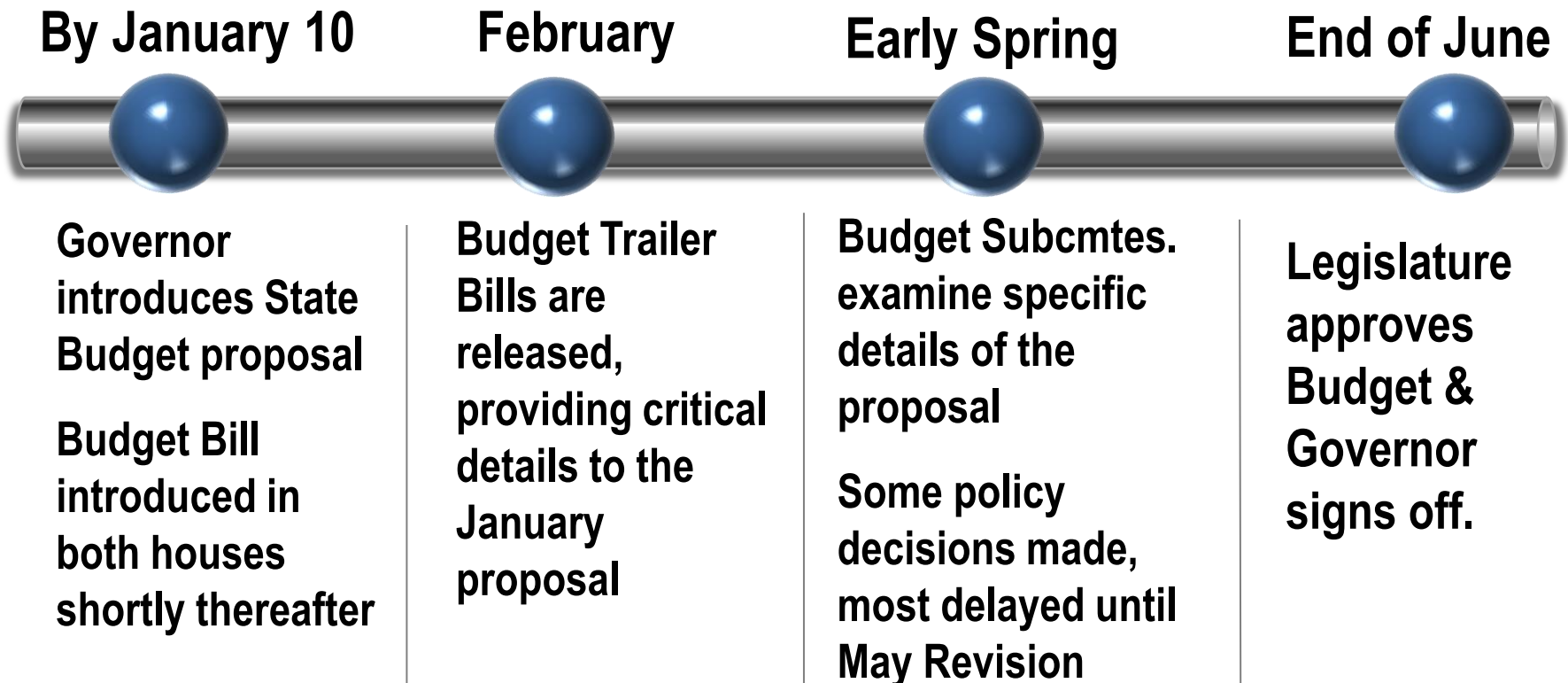


**The resolution to the political push and pull on these issues will determine how they are decided and ultimately how it affects the District.**

# Enacting the State Budget – CliffsNotes™ Version<sup>19</sup>

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**While the State Budget process is complicated and covers six months, here's the CliffsNotes™ version**



# Next Steps – Local Level

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**Budget Development is in progress using Governor's Budget assumptions.**

**Second Interim Report, incorporating revisions per LCAP, to the Board on March 9 and to the County by March 15.**

**Progress Report to Board in March on LCAP and Budget.**

**Board study session on May 11.**

**May Revise of Governor's Budget, report to Board on May 25.**

**Third Interim Report to the Board on May 25 and to the County by June 1.**

**First Reading of 2016-17 Budget and Revised LCAP on June 8.**

**Final Adoption of the 2016-17 Budget & LCAP by the Board by June 30.**



**OAKLAND UNIFIED  
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# 2016-17 BUDGET DEVELOPMENT



Presented by Budget Services Team

Presented to Board of Education

January 27, 2016

# AGENDA

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- **2015-16 Budget – Big Picture**
- **2016-17 Budget – Big Picture**
- **2016-17 Budget Allocations**
- **New Unrestricted Allocations for 2016-17**
- **2016-17 Budget Development Process**

# 2015-16 Budget – Big Picture

**The starting point to Budget Development is the current year.**

**What are the resources and expenses for OUSD for 2015-16?**

# OUSD 2015-16 Budget (as of 1<sup>st</sup> Interim)

**Total District Expenditures – All Funds: \$900 Million\***

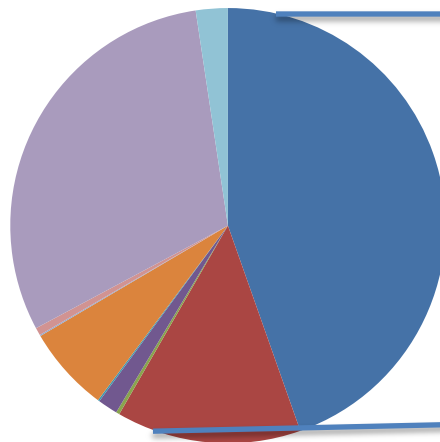
**Total General Fund Expenditures: \$514 Million**

## 2015-16 First Interim

### All Funds

*(\$ in Millions)*

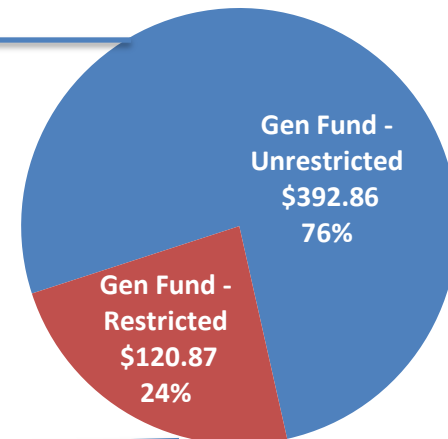
- Gen Fund - Unrestricted
- Gen Fund - Restricted
- Adult Education
- Child Development
- Deferred Maintenance
- Gen.Oblig. Bonds
- Dev Fee / Redevel
- State Modernization
- Williams Settlement
- Bond Int & Redemption \*
- Self Insurance



## 2015-16 First Interim

### General Fund Expenses

*(\$ in Millions)*



\* Includes bond refinancing that wasn't in Adopted Budget (\$300 M)

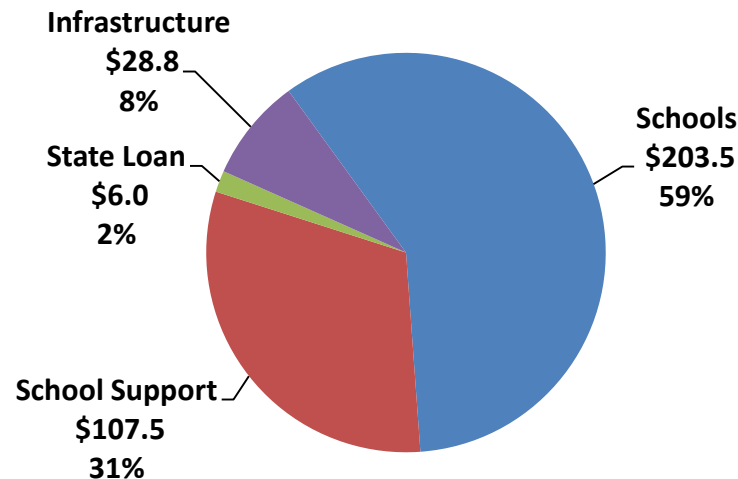


# OUSD 2015-16 General Fund Budget

## Total General Fund Expenditures by Type

**90% of Unrestricted Budget is spent at schools or on school support**

### 2015-16 Adopted Budget General Fund Unrestricted Expenses (\$ in Millions)



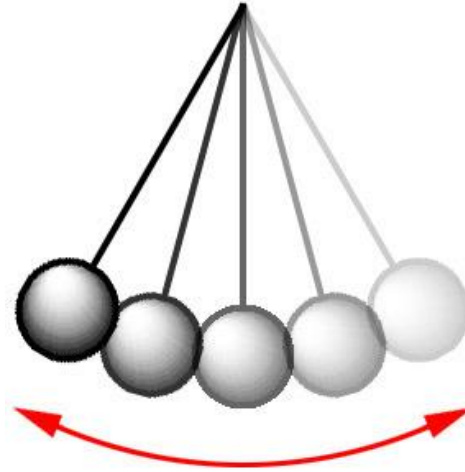
# 2016-17 Budget – Big Picture

**What are the key changes for  
2016-17?**

# Striking the Right Balance

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**1999 – 2013** gave principals full flexibility with their funding, including any difference in salaries and savings from vacancies.



**2013–2016** schools were allocated a base number of staff, with only flexibility being discretionary funds.

**2016-17** – schools are still given a base allocation, but they are also given more resources with flexibility to spend based on site-based decisions.

# Additional Unrestricted On-Going Sources for 2016-17

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<b>Add'l Sources of Ongoing Revenue in 2016-17:</b>	<b>Amounts (in Millions)</b>
<b>LCFF Additional Funding (per Governor's Budget)</b>	<b>\$16.7</b>
<b>Less 65% for Employee Compensation based on Labor Agmts</b>	<b><u>(\$10.9)</u></b>
<b>TOTAL Additional New LCFF Available for Programs:</b>	<b>\$5.8</b>
<b>Cuts from Central Offices</b>	<b><u>\$5.0</u></b>
<b>TOTAL NEW RESOURCES AVAILABLE:</b>	<b>\$10.8</b>

# Additional Unrestricted Resources at Schools

<b>Add'l Resources Directed to Schools in 2016-17:</b>	<b>Amounts (in Millions)</b>
To Schools through the “Call for Quality Schools”	\$3.5
Add'l Discretionary	\$3.2
Add'l funds for Educator Effectiveness (TGDS)*	\$2.1
Add'l funds for Libraries*	<u>\$1.7</u>
<b>TOTAL Additional Resources for Schools:</b>	<b>\$10.5</b>

\* Funded from Measure G; cuts from Central Office are used to back-fill Measure G currently in other uses at schools.



# 2016-17 Changes to Unrestricted School Allocations

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## More Money and Choices for Schools

- **\$10.5 M** more directly to schools
- Allocations to schools are in dollars, not Full Time Equivalent (FTE)
- Some “Appeals” criteria built into Base Allocations
- Pilot schools for Special Ed inclusion
- Certain allocations made using School Performance Framework (SPF) Designations
- Intensive support schools (ISS) will receive additional resources

# 2016-17 Budget Allocations

**How are initial allocations  
made to school budgets?**

# What Goes Into Developing School Budgets?

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**Revenue Projections**

**Enrollment Projections**

**District Policy and Strategic Plan**

**Leadership and Program Directive**

**School Site Information**

**DEVELOPMENT OF BUDGET  
WORKSHEETS!**







# School Site Allocations

The School Site  
Budgeting  
Model includes  
seven major  
components

- **Base staffing** - Required School Site Staff based on enrollment projections by grade by school type (elementary, middle, ect.)
- **Base Discretionary Allocations** - per pupil amount
- **LCFF Supplemental allocations** - per pupil amount based on the number of LCFF eligible students
- **LCFF Concentration allocations** - lump sum based on neighborhood factors (Z-Scores)
- **Restricted funding** - allocated based on a per pupil amount, grantor or program manager
- **Other Discretionary Funds** - based on the School Performance Framework (SPF) **NEW**
- **Centrally funded services** - managed by central departments but charged directly to schools

# School Site Allocations: BASE DOLLARS

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**Schools are allocated base funding to cover the basic educational program at the school. The allocations are outlined over the next few slides.**

**Base staffing costs are estimated using the districtwide averages. Because these are BASE allocations, the actual dollars are not in play, though they will ultimately be reflected in the budget.**

**Deviating from the base allocations will require a waiver.**

# School Site Allocations: BASE Admin & Classified Staffing

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## School Leaders

**All schools get a principal.**

**Assistant principals (APs) are allocated based on the school type and number of students.**

## Classified

**All sites are allocated at least one clerical admin.**

**All sites receive an allocation (from .5 FTE\* to 2 FTE) for an attendance clerk.**

**Noon supervisors and additional clerical staff allocations are based on school type and number of students.**

**Number of students for classified allocations includes special day class (SDC) students.**

\* FTE= Full Time Equivalent

# School Site Allocations: BASE Teachers

Grade	15-16 Ratio	16-17 Ratio	Change
TK, K	24:1	24:1	-
1	24:1	24:1	-
2	24:1	24:1	
3	24:1	24:1	
4-5	31:1	31:1	-
6-12	32:1	32:1	-

## Teacher Staffing Ratios

- The Teacher ratios are for general education students only as additional teachers and staff are made available to support SDC students by the Program For Exceptional Children (PEC) Office.
- EEIP (prep teachers) are allocated based on a FTE calculation formula:
  - .2 (one day) divided by (50 minute prep periods) multiplied by # of teachers
  - NOTE: SDC students are not included in EEIP ratios. (PEC pays for prep teachers related to SDC teachers)

# School Allocations: BASE Unrestricted Discretionary Funds


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**Discretionary unrestricted funds per pupil (allocations include SDC) remain unchanged**

School Type	2015-16 Amount Per Pupil	2016-17 Amount per pupil	Change
Elementary TK-5	\$175	\$175	-
TK-8	\$200	\$200	-
Middle School (6-8)	\$225	\$225	-
High School (6-12)	\$263	\$263	-
High School (9-12)	\$300	\$300	-

# School Allocations: Supplemental & Concentration Funding

Funding	Based On	2015-16	2016-17	Change
Supplemental	LCFF target students (Low Income, English Learners, & Foster Youth)	\$12,379,000	\$16,099,000	\$3,720,000
May Revise	Same as above	\$3,720,000	?	(\$3,720,000)
Concentration	Z Score of School	\$2,075,000	\$2,075,000	-
<b>TOTAL</b>		<b>\$18,174,000</b>	<b>\$18,174,000</b>	<b>\$ -</b>



Concentration Allocations	Z Score of School	2015-16	2016-17	Change
	Z=6 (10 schools)	\$100,000	\$100,000	-
	Z=5 (11 schools)	\$50,000	\$50,000	-
	Z=4 (21 schools)	\$25,000	\$ 25,000	-

# School Site Allocations: Restricted Funds

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## School will Receive:

Title 1 Funding	\$6.1 M
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## After School Funding:

After School Education & Safety (ASES)	\$16.6 M
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21 <sup>st</sup> Century	\$4.6 M
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Measure N (Grades 9-12) - final allocations to be approved by Commission	up to \$850 per pupil
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**Depending on terms of the restricted funds, dollars are allocated by per pupil amounts, grantors request, or program manager**

## New Unrestricted Allocations for 2016-17

**\$10.5 million in additional unrestricted resources will be allocated to schools in 2016-17.**

**The School Performance Framework (SPF) designations will be used to allocate these additional funds to schools.**



# School Allocations:

## \$5.3 Million Additional Funds Allocated Based on SPF Designation

SPF Designation	Program Improvement per student award	Educator Effectiveness per student award	# of schools
Red	\$125	\$90	16
Orange	\$95	\$65	37
Yellow	\$75	\$50	16
Green	\$60	\$40	10
Blue	\$40	\$30	5
ISS Add'l Award*	\$10	-	5
Total by Program	\$3.2 million	\$2.1 million	
<b>Total</b>	<b>\$5.3 million</b>		

\* For current ISS schools; add'l resources for Call for Quality are separate.

# Educator Effectiveness

**Teacher Growth and Development System (TGDS) is the districtwide program for improving educator effectiveness**

- **Current central allocation for educator effectiveness will be provided as discretionary funds to schools to implement TGDS.**
- **\$2.1 million will be allocated based on same SPF driven per pupil formula that is used for Additional Discretionary.**
- **All schools must provide for the need to support coverage for peer observers and alternate observers.**

# School Allocations: **Library Services**

**Funds will be allocated to schools based on SPF designations to be used for library services.**

SPF Designation	Per student award	# of schools
K-8 Red Schools	\$42k for 1 FTE Library Tech or .5 FTE Library Tech and \$21k for materials	9
K-8 Orange and Yellow Schools	\$21k for .5 FTE Library Tech	49
Yellow and Orange High Schools	\$42k for 1 FTE Library Tech or .5 FTE Library Tech and \$21k for materials	6
Total Award Amount	<b>\$1.7 million</b>	

# School Allocations: **Call for Quality Schools**

**\$3.5 million will be used for the Call for Quality Schools Process.**

- **2014-15 Call for Quality Schools – continued funding for schools already in the process (Intensive Support Schools).**
- **2015-16 Call for Quality Schools - will identify 8-10 schools to receive additional funding in 2016-17.**
- **2016-17 Call for Quality Schools - will identify additional schools for incubation funding.**

# 2016-17 Budget Development Process

## **Budget Calendar and Process for 2016-17 Budget Development for Schools.**



# Key Dates for School Budgeting

## 2016-2017 School Budget Development Calendar

January	14th	Budget Worksheets Provided to Principals
January	14th	Kick Off Meeting with Principals
January	25th - 27nd	Appeals to Base Staffing and Add or Trades submitted to Network Leaders
January	28th - 29th	Appeals, Adds and Trades reviewed by Leadership
January thru	February	School Site Councils Review & Approve School Plans for Student Achievement (SPSA)
February	1-5th	Final Approvals Submitted
February	1st	Budget Tool Open
February	8- 19th	Consultations and Budget Lock-in Session

# Appeals, Trades, Loans

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**Appeals** – increase base staffing based on program. Available for:

- Bilingual classes

- Electives in small middle schools

- A-G requirements in small high schools

**Trades** – trade, combine, or add to existing positions using existing allocations:

- Combine positions

- Add funds (hours or for salary) to an existing position

- Trade for a similar position or, if not a required position, for add'l discretionary funds.

**Loans** – increase base funding based on revised enrollment projections

- Must justify revised enrollment projections

- Must relinquish additional funding if enrollment does not materialize by 20 Day Count



# Centrally Provided Positions

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For the 2016-17 school year budget development process, the following positions may not be traded.

In subsequent years, these, plus additional flexibilities may be made available.

- Custodial Services
- Food Services
- School Security Officers (SSOs)
- Financial Analysts
- Staffing Analysts
- Counselors





# Counselors and Assistant Principals

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- **Counselors**

- Centrally funded and allocated according to an OEA contract-driven formula
- Requirements for student to counselor required ratios indicate need for central allocation formula to be maintained for 16-17
- In 2015-16 there were 25.7 centrally funded counselor FTE's, in 16-17 the number has increased to 32.7 FTE's

- **Assistant Principals**

- The Ratio of Administrators to Teachers (RAT) requirement includes little margin – to avoid significant financial penalties, we cannot increase the number of certificated administrators relative to the number of teachers.



# ***EVERY STUDENT THRIVES!***



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Contact us Budget Services

Phone: 510.879-8588 | Email: [budget@ousd.org](mailto:budget@ousd.org)