

April 24, 2019

Honorable Keely Bosler, Director
Jeff Bell, Program Budget Manager
Jessica Holmes, Assistant Program Budget Manager
California Department of Finance
915 L Street
Sacramento, CA 95814

Honorable Phil Ting, Chair
California State Assembly Committee on Budget
State Capitol, Room 6026
Sacramento, CA 95814

Honorable Holly J. Mitchell, Chair
California State Senate Committee on Budget and Fiscal Review
State Capitol, Room 5019
Sacramento, CA 95814

Dear Director Bosler, Chairperson Mitchell and Committee Members, and Chairperson Ting and Committee Members:

This letter is submitted for your consideration in accordance with FCMAT's responsibilities under Assembly Bill 1840 with regard to the Oakland Unified School District (Oakland USD). The intent of the letter is to provide an update of events that have occurred since the letter dated March 1, 2019.

As noted in the March 1 letter, the Oakland USD reached a tentative agreement with the Oakland Education Association. This update will include any board activity since March 1, an evaluation of the tentative agreement with Oakland Education Association as well as a status of negotiations with other units, board actions taken since March 1, 2019, a general fund analysis, and discussion about calculation of multiyear projections included with this update.

Please note that Exhibits A through I are available on the FCMAT website, and hyperlinks to each exhibit are provided in this letter.

Tentative Agreement with Oakland Education Association

On February 28, 2019, Oakland USD reached a tentative agreement with the Oakland Education Association.

FCMAT

Michael H. Fine, Chief Executive Officer

1300 17th Street - CITY CENTRE, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647

755 Baywood Drive, 2nd Floor, Petaluma, CA 94954 • Telephone: 707-775-2850 • Fax: 661-636-4647 • www.fcmat.org

Administrative Agent: Mary C. Barlow - Office of Kern County Superintendent of Schools

The settlement was reached with the following salary increases by year with specific implementation dates: a one-time 3% increase in salary for the 2017-18 school year, paid in 2019-20; ongoing increases in salary including 3% on January 1, 2019 (retroactive); 2% on January 1, 2020; 3.5% on January 1, 2021; and 2.5% on June 30, 2021 (effective fiscal year 2021-22).

Costs of the salary increases per the settlement for each year are calculated as follows:

<i>Oakland USD Settlement with OEA (effective percentages based on increase dates)</i>					
2017-18 (to be paid in 2019-20)	3.00%	off salary schedule			
2018-19	1.50%	on salary schedule			
2019-20	2.50%	on salary schedule			
2020-21	2.75%	on salary schedule			
2021-22	4.25%	on salary schedule			
	2018-19	2019-20	2020-21	2021-22	Cumulative
Ongoing Salary Increases	\$2,378,995	\$4,012,572	\$4,549,512	\$7,227,352	\$18,168,432
Prior Year Increase		\$2,378,995	\$6,391,567	\$10,941,079	\$19,711,641
One-Time Salary Increase		\$4,757,991			\$4,757,991
Overage/Class Size		\$350,000	\$350,000	\$350,000	\$1,050,000
Other Compensation Costs (Articles)					
Newcomer		\$120,000	\$120,000	\$120,000	\$360,000
Nurses			\$315,262	\$747,422	\$1,062,684
Speech Therapists			\$562,683	\$599,901	\$1,162,584
Psychologists			\$345,000	\$345,000	\$690,000
Resource Specialists			\$522,527	\$696,270	\$1,218,797
Counselors			\$849,689	\$903,856	\$1,753,545
Extra Pay	\$154,848	\$159,842	\$159,842	\$159,842	\$634,374
Substitutes	\$515,098	\$533,253	\$548,118	\$558,430	\$2,154,899
Total Other Compensation	\$669,946	\$1,163,095	\$3,773,121	\$4,480,721	\$10,086,883
Total Salary and Other Compensation Increase Due to Settlement	\$3,048,941	\$12,312,653	\$14,714,200	\$22,649,152	\$52,724,947
Step and Column Increase	\$35,685	\$60,189	\$68,243	\$108,410	\$272,526
Statutory Benefits	\$733,524	\$3,776,470	\$2,231,973	\$3,143,185	\$9,885,152
Grand Total, Salary and Benefit Increase with Salary Settlement Applied	\$3,818,151	\$16,149,312	\$17,014,415	\$25,900,747	\$62,882,625

Public Disclosure Requirements

Per Government Code Sections 3540.2 and 3543.2, a school district with a qualified or negative certification pursuant to Education Code Section 42131 must allow the county office of education at least 10 working days to review and comment on any proposed agreement between the exclusive representative and the public school employer before it is ratified. The county superintendent of schools has those 10 days to comment on the agreement if, in his or her opinion, the agreement will endanger the fiscal well-being of the district, but may not prevent the local board from ratifying the agreement.

On April 4, 2019, Oakland USD provided Alameda County Office of Education (Alameda COE) with public disclosure documents required to be submitted in advance of the board ratifying a salary settlement. [Exhibit A] <http://fcmat.org/wp-content/uploads/sites/4/2019/04/Exhibit-A-OUSD-AB1200-for-OEA-Fund-01.pdf> In response to those disclosure documents, on April 15, 2019, Alameda COE issued a letter that stated, "Based on a Multi-Year Projection that incorporates the costs of only the OUSD-OEA tentative agreement (and does not include increased compensation for all employee groups) and the \$21,750,000 of expenditure reductions and revenue enhancements approved by the OUSD Board of Education, OUSD may be able to maintain the state's 2.00% minimum reserve requirement through Fiscal Year 2021-22. However, ACOE's review of the OUSD Second Interim Report, that included projected costs of increases in compensation for *all* employees, indicates that OUSD will not meet the OUSD Board of Education minimum reserve requirement of 3.00% and will not meet the state's minimum reserve requirement of 2.00% in fiscal year 2018-19." Alameda COE letters to the district regarding the OEA settlement [Exhibit B] <http://fcmat.org/wp-content/uploads/sites/4/2019/04/Exhibit-B-ACOE-letter-re-Public-Disclosure-of-Collective-Bargaining-Agreement.pdf> and the second interim report [Exhibit C] <http://fcmat.org/wp-content/uploads/sites/4/2019/04/Exhibit-C-ACOE-letter-re-2nd-Interim.pdf> are provided for review.

The Oakland USD board meeting agenda for April 24, 2019, includes an agenda item to ratify the OEA settlement agreement.

Oakland USD has a trustee in place, and the trustee has the authority to stay or rescind any board approval of an agreement that is inconsistent with the district's fiscal recovery plan.

Tentative Agreement with SEIU

On March 27, 2019, Oakland USD reached a tentative agreement with the Service Employees International Union Local 1021.

The settlement was reached with the following salary increases by year with specific implementation dates: a 3% one-time increase in salary for the 2018-19 school year, effective January 1, 2019; ongoing increases in salary including 3% on January 1, 2019 (retroactive); 2% on January 1, 2020. The agreement also includes an increase in longevity compensation for employees with 40 years with the district. Exhibit D <http://fcmat.org/wp-content/uploads/sites/4/2019/04/Exhibit-D-SEIU-TA.pdf> is a copy of the tentative agreement. Public disclosure documents have not been prepared or delivered to the Alameda COE at this time.

Cost of the salary increases due to the settlement are calculated as follows:

<i>OUSD settlement with SEIU (effective percentages based on increase dates)</i>				
2017-18 (to be paid in 2019-20)	3.00%	off salary schedule		
2018-19	1.50%	on salary schedule		
2019-20	2.50%	on salary schedule		
2020-21	1.00%	on salary schedule with reopener		

<i>OUSD settlement with SEIU (effective percentages based on increase dates)</i>				
	2018-19	2019-20	2020-21	Cumulative
Ongoing Salary Increases	\$453,267	\$311,243	not settled	\$764,510
One-Time Salary Increase	\$-	\$453,267	not settled	\$453,267
Step and Column Increase	\$3,943	\$ 6,651	not settled	\$10,594
Statutory Benefits	\$145,219	\$ 266,050	not settled	\$411,269
Total, Salary and Benefit Increase Due to Settlement	\$602,429	\$1,037,211	not settled	\$1,639,640

Board Actions Taken Since March 1, 2019

Resolution to Commit to \$21.75 Million in Budget Reductions

On March 4, 2019, the Oakland USD board adopted resolution 1819-0144 to approve budget reductions totaling \$21.75 million. The resolution identifies areas and number of full-time equivalent positions (FTE) where reductions are to be made. Below is an excerpt from district materials showing the breakdown. Exhibit E, a copy of the resolution, is available here: <http://fcmat.org/wp-content/uploads/sites/4/2019/04/Exhibit-E-Resolution1819-0144.pdf>. No layoff notices have been issued to employees to realize the personnel savings.

Category	Reduction
Central Administration	\$11.93M (20% reduction) Reduce or reallocate funding 90.23 FTE
Central Services to School Sites	\$3.75M (4% reduction) Reduce or reallocate funding 57.8 FTE
School Sites (Discretionary Funds)	\$3M (1.3% reduction) Reductions were based on a per pupil ratio
Contracts & Max. Restricted Funds	\$1.47M \$.4M in contracts, \$1.07M in maximizing restricted funds
Operational Savings	\$1.6M
Total	\$21.75M

Second Interim Report

The Oakland USD board approved the second interim report on March 13, 2019, with a positive certification. The second interim includes the costs of settlements across all bargaining units and accounts for full implementation of the \$21.75 million in budget reductions.

On April 15, 2019, the Alameda COE responded to the district's second interim report by changing the certification from positive to qualified. The certification letter addressed concerns with the district calculation of ADA (based on changes from prior year), vacation balances payable associated with classified

layoffs, and the district's potential inability to meet the minimum state reserve of 2% in the 2018-19 year.

Due to lack of clarity regarding how the budget reductions and salary increases were calculated and applied to the second interim report, as well as the concerns raised by the Alameda COE, utilizing the district's second interim report to provide an updated deficit for purposes of AB 1840 would not yield an accurate result. Further discussion regarding deficit calculation follows in the conclusion of this document.

Resolution to Reduce Classified Positions

At the March 13, 2019 board meeting, along with the second interim report, the district approved resolution 1819-0098 to reduce 257.6 FTE classified positions. Calculated cost savings was not included as part of the resolution or supporting documentation. The FTEs identified in the chart above associated to budget reductions approved on board resolution 1819-0144 total 148.03. [Exhibit F] <http://fcmat.org/wp-content/uploads/sites/4/2019/04/Exhibit-F-Resolution-1819-0098.pdf>

Adopting the Citywide Plan

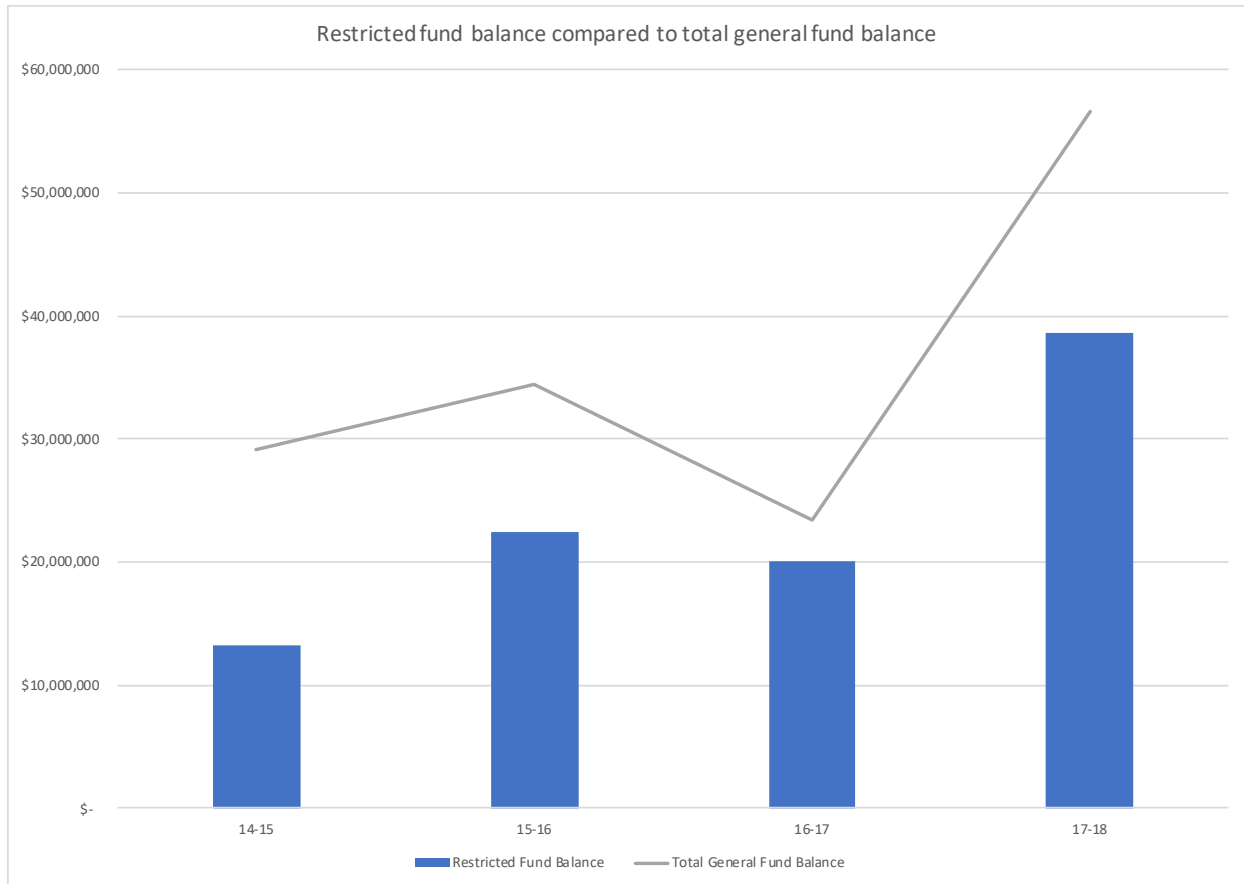
As noted in the March 1, 2019 letter, the Oakland USD board was expected to adopt the Citywide Plan for district facilities on February 27, 2019, but was unable to do so due to cancellation of the board meeting. Exhibit G, the Citywide Plan, was adopted with resolution 1819-0150 on March 20, 2019 <http://fcmat.org/wp-content/uploads/sites/4/2019/04/Exhibit-G-Resolution-1819-0150-Citywide-Plan.pdf>. If the board ratifies the OEA collective bargaining unit agreement there will be a six-month moratorium on school closures, which may impact actions that would have been taken as part of the Citywide Plan and potentially eliminate or delay associated cost savings in the near term.

Resolution to Amend the Classified Layoff List

An amendment to resolution 1819-0098 was presented and approved by the Oakland USD board on April 10, 2019. This amendment eliminates an additional net 8.48 FTE positions. Detail is shown in Exhibit H <http://fcmat.org/wp-content/uploads/sites/4/2019/04/Exhibit-H-Amended-resolution-1819-0098A.pdf>.

General Fund Analysis

At the beginning of the 2018-19 fiscal year, Oakland USD reported \$56.6 million in the combined general fund: \$38.6 million restricted and \$18 million unrestricted fund balance. Given that the ratio of restricted to unrestricted fund balance is higher than typical districts across the state, a restricted fund balance analysis was performed. (Please see next page.)



The composition of the restricted fund balance can be narrowed to four main areas: LEA Medi-Cal, Restricted Lottery, Routine Restricted Maintenance and Other Local, which primarily consists of parcel taxes.

<i>Restricted Balance Composition*</i>			
Program Name	2015-16	2016-17	2017-18
LEA Medi-CAL	\$713,963	\$70,064	\$370,760
Restricted Lottery	\$ 809,904	\$ -	\$533,818
Restricted Routine Maintenance	\$ -	\$ -	\$4,206,579
Other Local (Primarily parcel tax)	\$14,115,537	\$16,596,744	\$26,730,058
	\$15,639,404	\$16,966,808	\$31,841,215

*These four programs account for 70% or more of the restricted balance in the years shown.

Based on this analysis, it appears that the high ratio of fund balance can be attributed to the growing restricted fund balance due to the district's accumulation of parcel tax in a restricted resource. The district has discussed spending down this balance over the next several years. Such spending creates the appearance of an operating deficit in the restricted general fund.

Multiyear Projections

Two multiyear projections are included with this update. The first reflects the financial status of the district with the OEA settlement only. The second reflects the financial status of the district with the same terms of settlement applied against all bargaining units. Both projections include the board-approved \$21.75 million in budget reductions for 2019-20, 2020-21 and 2021-2022. Please see Exhibit I.

<http://fcmat.org/wp-content/uploads/sites/4/2019/04/Exhibit-I-MYP-with-settlements.pdf>

Below are comments related to the assumptions made in the multiyear projection:

1. While there have been resolutions to eliminate positions, employees have not been noticed and a final savings amount has not been calculated by the district as a result.
2. Eliminating over 250 positions has necessitated a redesign of the organizational structure (considering seniority). The restructure is still being designed, which has stalled the process of quantifying the savings.
3. It is estimated that over \$1 million in accrued vacation balances will be paid due to positions being eliminated in the 2018-19 fiscal year; the district has not yet fully calculated this liability, which will partially offset planned savings.
4. Outcome of negotiations with other units is pending.
5. Tentative agreement exists for SEIU, but the district has not submitted a public disclosure document to Alameda COE.

Of note is that the district's chief business official departed the district effective April 4, 2019. The district will address the replacement of this position as part of the restructuring efforts currently underway.

Conclusion

In accordance with Education Code Section 42160, FCMAT has determined that the school district's 2019-20 projected deficit is as follows, with the caveat that several unknowns still exist (i.e., status of negotiations, true cost savings and implementation of positions to be eliminated):

<i>OEA Settlement Only</i>						
Fiscal Year	2018-19			2019-20		
	unrestricted	restricted	combined	unrestricted	restricted	combined
Projected Deficit	(\$2,490,363)	\$9,253,902	\$6,763,540	\$9,641,967	\$56,050	\$9,698,023
COE Additional Support/ Intervention			(\$1,427,588)			(\$1,204,400)
Projected Revised Surplus/Deficit			\$5,335,952			\$8,493,623
<i>Settlement Across All Units</i>						
Fiscal Year	2018-19			2019-20		
	unrestricted	restricted	combined	unrestricted	restricted	combined
Projected Deficit	(\$3,943,094)	\$8,495,476	\$4,552,381	\$4,060,555	(\$3,541,618)	\$518,936
COE Intensive Support/ Intervention			(\$1,427,588)			(\$1,204,400)
Projected Revised Surplus/Deficit			\$3,124,793			(\$685,464)

As all groups conclude collective bargaining and cost savings and increases become clear, an updated report will be provided.

Sincerely,

A handwritten signature in black ink, appearing to read "Tami Ethier", with a stylized flourish at the end.

Tami Ethier
Intervention Specialist

C: L. Karen Monroe, Alameda County Superintendent of Schools
Karen Stapf-Walters, Executive Director, California State Board of Education
Nick Schweizer, Deputy Superintendent, California Department of Education
Chris Learned, State Trustee, Oakland Unified School District
Gary Jones, Interim Associate Superintendent, Alameda County Office of Education
Dr. Kyla Johnson-Trammell, Superintendent, Oakland USD

March 1, 2019

Honorable Keely Bosler, Director
915 L Street
Sacramento, CA 95814

Honorable Phil Ting, Chair
California State Assembly Committee on Budget
State Capitol, Room 6026
Sacramento, CA 95814

Honorable Holly J. Mitchell, Chair
California State Senate Committee on Budget and Fiscal Review
State Capitol, Room 5019
Sacramento, CA 95814

Dear Director Bosler, Mr. Bell, Ms. Holmes, Chairperson Mitchell and Committee Members, and Chairperson Ting and Committee Members:

This letter is submitted for your consideration in accordance with FCMAT's responsibilities under Assembly Bill 1840 with regard to the Oakland Unified School District.

Of note: On the evening of February 28, 2019, the district reached a tentative agreement with the Oakland Education Association. This report was finalized prior to the settlement, and FCMAT/Alameda COE staff will need time to analyze the impact of the settlement on the deficit calculation. An update to this letter will be done as soon as the data is available to incorporate.

Background

AB 1840

Assembly Bill 1840 (Chapter 426/2018) (AB 1840) passed the Legislature on August 31, 2018 as a budget trailer bill and became effective on September 17, 2018. Among other provisions, AB 1840 provides for several changes in the oversight of fiscally distressed districts and sets forth specific requirements for the Oakland Unified School District in exchange for providing financial resources under certain circumstances. This report is provided in accordance with Education Code Section 42160(d) as established by AB 1840 and outlined below.

FCMAT

Michael H. Fine, Chief Executive Officer
1300 17th Street - CITY CENTRE, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647
755 Baywood Drive, 2nd Floor, Petaluma, CA 94954 • Telephone: 707-775-2850 • Fax: 661-636-4647 • www.fcmat.org
Administrative Agent: Mary C. Barlow - Office of Kern County Superintendent of Schools

AB 1840 shifts the former state-centric system to be more consistent with the principles of local control. Several duties formerly assigned to the state Superintendent of Public Instruction (SPI) are now assigned to the county superintendent, with the concurrence of the SPI and the president of the State Board of Education. While AB 1840 does not change the definition or trigger of fiscal insolvency, it does change the structure of how fiscally insolvent districts are administered once a state emergency appropriation has been made.

Under AB 1840, the state trustee assigned to the district now reports to the Alameda County Superintendent of Schools, and no longer reports to the SPI. If the current state trustee elects not to continue, or a determination is made by the county superintendent that the trustee should be replaced, the next appointment of the next state trustee would follow the provisions under AB 1840, namely: 1) be selected from a list of candidates identified and vetted by FCMAT, and 2) be appointed jointly by the county superintendent, SPI and president of the State Board of Education.

Additionally, AB 1840 established Education Code Section 42160, which provides:

(a) For the 2018-19 fiscal year, by March 1, 2019, the Oakland Unified School District, in collaboration with and with the concurrence of the Alameda County Superintendent of Schools and the County Office Fiscal Crisis and Management Assistance Team, shall do both of the following:

(1) Update or develop short- and long-term financial plans based on reasonable and accurate assumptions and current and past year expenditure data.

(2) Review and update school district facilities construction plans to ensure that costs are reasonable, accurate, and align with long-term financial plans for fiscal solvency.

(b) Beginning with the 2019-20 fiscal year, the Budget Act shall include an appropriation for the Oakland Unified School District, if the school district complies with the terms specified in subdivisions (a) and (c), in the following amounts:

(1) For the 2019-20 fiscal year, up to 75 percent of the school district's projected operating deficit, as determined by the County Office Fiscal Crisis and Management Assistance Team, with concurrence with the Department of Finance.

(2) For the 2020-21 fiscal year, up to 50 percent of the school district's projected operating deficit, as determined by the County Office Fiscal Crisis and Management Assistance Team, with concurrence with the Department of Finance.

(3) For the 2021-22 fiscal year, up to 25 percent of the school district's projected operating deficit, as determined by the County Office Fiscal Crisis and Management Assistance Team, with concurrence with the Department of Finance.

(c) Disbursement of funds specified in subdivision (b) shall be contingent on the Oakland Unified School District's completion of activities specified in the prior year Budget Act to improve the school district's fiscal solvency. These activities may include, but are not limited to, all of the following:

(1) Completion of comprehensive operational reviews that compare the needs of the school district with similar school districts and provide data and recommendations regarding changes the school district can make to achieve fiscal sustainability.

- (2) Adoption and implementation of necessary budgetary solutions, including the consolidation of school sites.
 - (3) Completion and implementation of multiyear, fiscally solvent budgets and budget plans.
 - (4) Qualification for positive certification pursuant to Article 3 (commencing with Section 42130) of Chapter 6.
 - (5) Sale or lease of surplus property.
 - (6) Growth and maintenance of budgetary reserves.
 - (7) Approval of school district budgets by the Alameda County Superintendent of Schools.
- (d) Funds described in subdivision (b) shall be allocated to Oakland Unified School District upon the certification of the County Office Fiscal Crisis and Management Assistance Team, with concurrence from the Alameda County Superintendent of Schools, to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance that the activities described in subdivision (c), as specified in the prior year Budget Act, have been completed. Additionally, by March 1 of each year, through March 1, 2021, the County Office Fiscal Crisis and Management Assistance Team, with concurrence from the Alameda County Superintendent of Schools, shall report to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance the progress that Oakland Unified School District has made to complete the activities described in subdivision (c), as specified in the prior year Budget Act.
- (e) The activities described in subdivision (c) shall be determined in the annual Budget Act based on joint recommendations from the County Office Fiscal Crisis and Management Assistance Team and the Alameda County Superintendent of Schools. These recommendations shall be submitted to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance by March 1 of each fiscal year, through March 1, 2021, in conjunction with the certification described in subdivision (d).

District Overview

Located in the Bay Area of Northern California, the district serves approximately 50,231 students in 86 district-operated schools and 35 authorized charter schools. Just over 30 percent of the district's students speak a foreign language at home. Eligibility for free and reduced-price meals is 74.4 percent. The district's unduplicated pupil percentage is 77.4 percent. For fiscal year 2018-19, the district is expected to have a combined unrestricted and restricted revenue of \$586 million and expenditures of \$596 million. The district's projected June 30, 2019 unrestricted ending fund balance is \$20.8 million.

The district's own self-assessment of its financial condition is as follows:

"Core to the mission of a school district is the need to maximize the resources afforded to that system by the taxpayers to the benefit of the students that educators serve on a day-to-day basis. Fiscal challenges are an unwelcome distraction that draws attention away from the primary mission and purpose of the educational institution.

"Unfortunately, this is the current circumstance for OUSD. Beginning in the winter of 2016, OUSD began exhibiting signs of fiscal distress that continued to progress through the end of the 2016-17 fiscal year and carried into the 2017-18 fiscal year."

“Key drivers that were impacting the financial health of the District in the structural budget imbalance, revenues and expenditures are listed below:

- Structural Budget Imbalance and Cash Flow: A lack of sufficient controls in place to manage for long-term balance and sustainability following the large infusion of revenues from the Local Control Funding Formula (LCFF);
- Revenues: Based on the use of roll-over budgeting, the District was unable to carefully review the multi-year impact of expenditure decisions and revenue changes; and
- Expenditures: Prior to the implementation of Escape, the financial and human resource management systems and procedures were inadequate to ensure there is a robust position control process in place.”

Emergency Appropriation, Loan Status and Payment Terms

In 2003, the district was unable to meet its financial obligations without the assistance of the state of California. Senate Bill 39 (SB 39) (Chapter 14/2003) was passed, which authorized a \$100 million cash flow loan for the district. Consistent with practice, SB 39 directed that the Superintendent of Public Instruction assume all of the rights, duties, and powers of the district’s governing board. Full rights, duties and powers of the governing board were reinstated on June 28, 2009, and at that time a state trustee was appointed to provide specific oversight of the district’s continued recovery. The state trustee has stay and rescind authority over actions by the governing board.

In 2006, a portion of the state loan was refinanced by the sale of California Infrastructure Economic Development Bank (I-Bank) bonds of \$59.6 million (principal and accrued interest). After the refinancing, the state general fund portion of the loan was \$35 million. The California Department of Education (CDE) reports that as of July 1, 2018, the district owes \$40 million. The payment schedule for the I-Bank portion of the state loan is monthly, July through January, totaling approximately \$3.8 million annually through January 2023. The annual payment on the state general fund portion of the state loan is approximately \$2.1 million, due in June through June 2026. Payments are made through a State Controller’s Office intercept of the district’s monthly principal apportionment.

The state subsidizes the interest payments on the I-Bank portion of the loan by approximately \$1.7 million per year pursuant to Education Code Section 41329.57(a)(1), which establishes that the effective costs of the I-Bank financing provided to the district shall be equal to the cost of the original state general fund emergency loan.

Other FCMAT Reviews of the District

In late 2017, Oakland USD petitioned the California Department of Finance (DOF) to defer its remaining current year and budget year payments on the outstanding emergency appropriation (state loan) originally authorized in 2003.

In response to the district’s petition for a deferral of payments on the state loan, the director of the DOF convened a meeting of stakeholders on December 14, 2017. FCMAT provided a brief overview of the August 15, 2017 fiscal health risk analysis review of the district conducted at the district’s request, in which FCMAT concluded that the district showed signs of fiscal distress.

Subsequently, on January 22, 2018, the Alameda County Office of Education and FCMAT entered into a study agreement for FCMAT to provide on-site technical assistance to the district wherein FCMAT was

charged with two phases of work. The first phase was to review the district's 2017-18 general fund budget and develop a consensus about assumptions, including the values of mid-year reductions. From this base, FCMAT would update the district's 2017-18 cash forecast to determine if it had sufficient cash resources to meet its obligations, including the June state loan payment.

The second phase was to develop a general fund multiyear financial projection. FCMAT issued reports relative to this technical assistance on May 31, 2018 and July 2, 2018. The May 31 report concluded the district would have a positive general fund balance and cash flow position on June 30, 2018. The July 2 report made 18 recommendations that would lessen the district's risk of potential insolvency.

During the time a state administrator was in place (2003-2009) FCMAT conducted regular assessments of the district's operations that were documented in written status reports. FCMAT issued its last comprehensive review report on December 5, 2008 – its sixth in the series.

As previously noted, at the request of the district, FCMAT conducted a fiscal health risk analysis of the district in August 2017.

Current Financial Status

Adopted Budget

The district's governing board adopted the 2018-19 fiscal year budget on June 27, 2018. This budget reflected a net increase in the general fund of \$22,461,032. Beginning fund balance for the general fund was estimated to be \$25,708,250, with an ending fund balance estimated at \$48,169,282. The budget was built on revenue estimates driven by industry standard assumptions along with estimated funded average daily attendance of 35,340.

The multiyear projection showed a positive fund balance trend in 2019-20, increasing the estimated fund balance by \$12,231,142, which resulted in estimated ending fund balance of \$60,400,425. In the third year of the multiyear projection, 2020-21, a net decrease/deficit of \$9,189,833 was estimated, bringing the estimated ending fund balance on June 30, 2021 to \$51,210,592.

The Alameda COE performed the review and analysis of the adopted budget and on September 6, 2018, conditionally approved the district's 2018-19 adopted budget, pending receipt and analysis of the 2017-18 unaudited actuals report. The letter of conditional approval cites uncertainty with the district's overall fiscal outlook. Also, the letter discusses that the solvency of the district is "largely dependent on the District's ability to implement approximately \$30 million of ongoing reductions in 2018-19." (Exhibit A)

On November 8, 2018, the district's budget was approved by the Alameda COE, noting that the 2017-18 ending balance with the unaudited actuals report was higher than projected with the adopted budget. The letter states that the Alameda county superintendent "remains deeply concerned regarding OUSD's fiscal health." The unaudited actual ending general fund balance for 2017-18 was \$56,587,852, which is \$30,879,605 higher than estimated with the adopted budget. (Exhibit B)

First Interim Report

The district board approved the 2018-19 first interim budget on December 12, 2018 and self-certified the district as positive, able to meet its financial obligations in the current and two subsequent years. This budget reflected a net decrease (deficit) in the general fund of \$23,272,299. Beginning fund balance for the general fund was reported to be \$56,587,852, with an ending fund balance of \$33,315,553. The

budget was built on revenue estimates driven by industry standard assumptions along with estimated funded average daily attendance of 34,989.

The multiyear projection showed deficit spending of \$4,643,090 in 2019-20, which resulted in an estimated ending fund balance of \$28,672,463 at June 30, 2020. In the third year of the multiyear projection, 2020-21, a deficit of \$669,683 was estimated, bringing the estimated ending fund balance at the end of June 2021 to be \$28,002,780.

The Alameda COE performed the review and analysis of the first interim budget and on January 15, 2019, changed the district's certification status from positive to qualified, indicating that the district may not meet its financial obligations for the current and two subsequent years. The letter cited that the primary areas of concern with the first interim report related to the handling of audit adjustments resulting in a one-time impact as opposed to having an ongoing effect. Also, the letter requests further detail about the calculations/assumptions used to create the first interim report. Without such details, the letter states that the county superintendent "cannot determine with accuracy the condition of OUSD's financial position." (Exhibit C) A case could be made that without sufficient data details and a determination of accuracy, the county superintendent could have downgraded the certification from positive to negative or designated the district as a lack of going concern.

Status of Collective Bargaining

On the evening of February 28, 2019, the district reached a tentative agreement with the Oakland Education Association. This report was finalized prior to the settlement, and FCMAT/Alameda COE staff will need time to analyze the impact of the settlement on the deficit calculation. An update to this letter will be done as soon as the data is available to incorporate.

Negotiations at the district remain unsettled for 2017-18 and beyond. For Oakland Education Association (OEA), the parties made their initial proposals public on February 8, 2017, commenced bargaining, and after 30 bargaining sessions declared impasse on May 18, 2018. The OEA filed a request for a mediator on May 23, 2018. An agreement was reached on five of 16 open articles, leaving 11 open for negotiation. Because mediation failed to produce a complete agreement, factfinding hearings took place on January 31 and February 1, 2019.

The neutral factfinder produced a report on February 15, 2019. This report recommends a three-year agreement to be negotiated for 2017-18 through 2019-20 with a 3% increase retroactive to July 1, 2017 and an additional 3% retroactive to July 1, 2018 on the certificated salary schedule, reopening the negotiations for the third year. (Exhibit D)

All units remain unsettled, and the potential of a "me-too" settlement costs the district far more than just settling with OEA alone.

The following chart demonstrates the full (across all units) settlement costs of the following proposals; factfinding, most recent district offer to OEA, and OEA request.

- Factfinding: cumulative effective rate 6.09%, 3% for both 2017-18 and 2018-19 with start dates of July 1.
- District offer: 1.5% for all of 2017-18 off schedule, 3% effective January 1, 2019, 2% effective January 1, 2020, 1% effective January 2, 2021 and 1% July 1, 2021.
- OEA request: 3% for 2017-18, 4% for 2018-19, and 5% for 2019-20 with start dates of July 1.

Factfinding				
2017-18 (to be paid in 2018-19)	3%	on salary schedule		
2018-19	3%	on salary schedule		
2019-20	0%	(reopen the contract for negotiation)		
2020-21	0%			
	2018-19	2019-20	2020-21	Cumulative
Certificated	\$11,999,273	\$5,934,501	\$6,026,485	\$23,960,259
Classified	\$5,697,961	\$4,597,130	\$4,637,125	\$14,932,217
Benefits	\$4,551,214	\$960,928	\$1,212,173	\$6,724,314
Total	\$22,248,448	\$11,492,558	\$11,875,783	\$45,616,790
OSUD				
2017-18 (to be paid in 2018-19)	1.50%	off-salary schedule		
2018-19	1.50%	on salary schedule		
2019-20	2.50%	on salary schedule		
2020-21	1.50%	on salary schedule		
	2018-19	2019-20	2020-21	
Certificated	\$5,911,978	\$8,172,878	\$11,507,478	\$25,592,333
Classified	\$2,806,952	\$3,817,402	\$5,338,941	\$11,963,296
Benefits	\$2,247,133	\$1,242,562	\$2,876,383	\$6,366,078
Total	\$10,966,063	\$13,232,842	\$19,722,801	\$43,921,707
OEA Request				
2017-18 (to be paid in 2018-19)	3.00%	on salary schedule		
2018-19	4.00%	on salary schedule		
2019-20	5.00%	on salary schedule		
2020-21	0.00%			
	2018-19	2019-20	2020-21	
Certificated	\$14,051,058	\$25,103,502	\$25,492,607	\$64,647,167
Classified	\$6,663,312	\$11,784,780	\$11,887,308	\$30,335,400
Benefits	\$5,364,183	\$8,156,241	\$8,892,568	\$22,412,992
Total	\$26,078,552	\$45,044,524	\$46,272,482	\$117,395,559

The district and OEA have 11 open articles that encompass more than compensation considerations. The cost of settlement data presented above represents only salary considerations and does not include the cost impact of any other terms being negotiated. The open articles include topics such as reducing class size, counselor staffing and increasing substitute salaries. The fiscal impact of these articles is unknown at this time.

District Actions Since Budget Adoption

On August 8, 2018, the district governing board unanimously approved resolution **18-19-0041** (Exhibit E), which stated: “absent a material positive change in the District’s projected revenues or reduction in District expenses, the District will be required to consider and implement budget reductions in force beginning in FY 2019-20 of at least 234 FTE Certificated positions and 104 FTE Classified, Management and Confidential positions for approximately \$26.4 million to be identified on or before February 28, 2019, books and supplies of \$400,000 and \$3.5 million services and operating expenses to address the District’s negative ending fund balance.” At this meeting, the district board also approved a revised multiyear projection for 2019-20 and 2020-21 reflecting the reductions contained in resolution 18-19-0041 as well as the 45-day revision to reflect the adopted state budget.

On August 22, 2018, the district governing board approved resolution 18-19-0007 (Exhibit F), which acknowledged insufficient funds in Measure J to complete all of the projected projects on the Measure J spending plan. The resolution revised the capital facilities spending plan, recommending reductions to specified projects to balance the spending plan.

On September 12, 2018, the board received an update on the Fiscal Vitality Plan sharing the outline of the work, progress to date and review of next steps. Also at this meeting, the board approved a final response to a grand jury investigation report. (Exhibit G) The 2017-18 civil grand jury report was titled “Oakland Unified School District: Hard Choices Needed to Prevent Insolvency.” A summary of the findings with district responses is included below:

Finding 18-6	Staff and Board efforts to circumvent established budgeting policies along with board efforts to interfere in the administrative responsibilities of the superintendent invite financial instability and contribute to Oakland Unified School District’s financial problems.	District Response: District agrees with this finding with the clarification that it does not believe the efforts referenced in the finding are intentional.
Finding 18-7	Oakland Unified School District’s inability to control overstaffing and poor position control decisions have contributed to the district’s financial instability.	District Response: The District agrees with this finding. The District’s largest fiscal expenditures are salary and salary-driven benefit costs.
Finding 18-8	Lack of transparency related to Oakland Unified School District’s financial positions has led to mistrust between the district, the community, and labor organizations.	District Response: The District agrees in part with this finding but believes that other factors, including historical context in Oakland and negative media coverage of the District contribute to distrust even with greater access to information.
Finding 18-9	High turnover of key administrators has created an atmosphere of mistrust, destroying the continuity of the district’s educational mission, and crippling the district’s effectiveness in addressing its most pressing fiscal issues.	District Response: The District disagrees with this finding. Although the overall strategic plan, Community Schools, Thriving Students, has remained in place, each Superintendent’s initiatives and focal points within the plan have varied.
Finding 18-10	Financial instability and high staff turnover contribute to poor student performance.	District Response: The District agrees in part with this finding but qualifies its response based on the myriad of factors that may impact student performance.
Finding 18-11	Operating 86 schools is unsustainable and will lead the district to insolvency.	District Response: The District agrees with this finding in part. Assuming that all current conditions, including revenue, enrollment, class sizes, staffing levels, number of schools, and expenses, remain the same, the District will continue to operate at a fiscal deficit and will become insolvent. Reducing the number of District-operated schools is one way to reduce expenditures.
Finding 18-12	Collaboration between traditional public schools and charter schools operating in the district benefit all students in Oakland Unified School District.	District Response: The District agrees with this finding in part. The District does not believe that expending precious, limited resources fighting with charter schools is beneficial to students living in Oakland.

On October 24, 2018, the board discussed AB 1840, received a Fiscal Vitality Plan update from the Fiscal Vitality Committee and approved a budget revision that would inform budgetary changes to be included in the first interim report.

On November 14, 2018, the board approved resolution **18-19-0013** from the Fiscal Vitality Committee (Exhibit H) that established three recommended guiding principles for budget development and prioritization as the district defines the \$30 million in reductions to be established per resolution 18-19-0041. Also at this board meeting, the board received a report outlining a timeline for the overall Citywide Plan and an update on the Citywide Map. (Exhibit I)

On December 12, 2018, the board approved the district's first interim report.

On January 9, 2019, a 2019-20 fiscal year district budget reduction proposal was presented (Exhibit J) adopting principles from resolution 18-19-0013 and various scenarios with levels of reductions in staff.

On January 23, 2019, an update was provided to the 2019-20 fiscal year district budget reduction (Exhibit K) that refined the recommendations and incorporated the Governor's January proposed state budget assumptions and the impacts of those assumptions on the district's budget for 2019-20 and beyond.

On January 28, 2019, the district board approved resolution **18-19-0143** (Exhibit L) to approve the Coliseum College Preparatory Academy expansion and Roots International Academy closure, per the Blueprint for Quality Schools.

On February 6, 2019, resolution **18-19-0144** (Exhibit M), to be approved on February 11, was presented for a first reading. This resolution reduced the amount needed for 2019-20 budget reduction from \$30 million (as determined in August 2018) to \$21.7 million.

On February 11, 2019, the district board received reports based on 2019-20 fiscal year reductions:

- Changes to school allocations
- Staffing changes by FTE and resource
- Explanation of change to restricted funds as a result of reductions
- Program adjustments
- Resolution 18-19-0144 was not approved.

On February 19, 2019, the district board received feedback from staff and stakeholders about the restorative justice program, which was recommended at the February 6, 2019 meeting to be eliminated. Resolution 18-19-0144 was rescheduled to be approved on February 27, 2019.

On February 27, 2019, the board meeting was cancelled and approval of resolution 18-19-0144 was further delayed.

Deficit Calculation

On the evening of February 28, 2019, the district reached a tentative agreement with the Oakland Education Association. This report was finalized prior to the settlement, and FCMAT/Alameda COE staff will need time to analyze the impact of the settlement on the deficit calculation. An update to this letter will be done as soon as the data is available to incorporate.

FCMAT Analysis of MYP Deficit in 2019-20 and 2020-21

To validate the calculations on the first interim multiyear projection (MYP), FCMAT, in collaboration with the Alameda COE, performed the following tasks:

- reconciled budget, payroll and position control
- created a new LCFF projection; updating enrollment and ADA calculations
- verified utilization of parcel taxes per each measure's stated purpose
- verified audit adjustments and corresponding journal entries
- performed budget to actuals analysis for the current year
- balanced restricted resources for 2019-20 and 2020-21

Many updates were made to the current year (2018-19) and subsequent years to arrive at the projected deficit spending utilized in this report. These calculations are based on what is known at the time this report is being written and will likely change in the weeks ahead.

Using the assumptions below, FCMAT calculated general fund deficit for the three years of the MYP as follows:

- Salary settlement: no cost increases included for any bargaining unit settlement
- RDA revenues: \$8 million classified as unrestricted
- Parcel tax: included parcel tax G1 contributions of \$5 million
- Expenditure reductions per board resolution: no reductions included
- Books and supplies expense reduction to all three years of MYFP
- Routine Restricted Maintenance has been budgeted at the full contribution rate of 3% for all three years of the MYFP

	Unrestricted	Restricted	Combined
2018-19	\$11,818,473	(\$20,782,442)	(\$8,963,969)
2019-20	\$2,013,453	(\$8,382,342)	(\$6,368,889)
2020-21	(\$5,929,608)	(\$9,775,069)	(\$15,704,677)

A copy of the MYP is included with this report as Exhibit N.

COE Intervention Costs to be Added to Deficit Calculation

The Alameda COE estimates a total of 7,320 hours for 2019-20 to provide support and intervention to the district to comply with AB 1840. The total cost for this support is **\$1,427,588**. For 2020-21, the Alameda COE anticipates fewer hours of support, with a cost estimate of \$1,204,400. (Exhibit O)

Other considerations added/subtracted from the deficit amounts listed above:

- Any settled salary increases or negotiated costs should be considered as an addition to the deficit calculation. Depending on the terms of any settlement, the salary values range from a low of \$11,492,558 to a high of \$45,044,524 for 2019-20, and a range of \$11,875,783 to \$46,272,482 for 2020-21 based on the data presented earlier in this report.

- Additionally, any costs associated with articles other than salary will need to be added to the deficit calculation. As stated above, those costs are undetermined at this time and could change as collective bargaining comes to a close.

Opportunities and Challenges to Deficit Calculation

- The status of labor negotiations poses a significant challenge to the district's deficit calculation. The fact that the district is over 18 months beyond the expiration of the most recent collective bargaining agreement represents a fiscal liability for the district depending on settlement terms and effective dates. Uncertainty promotes instability and forces limitations on the projection of meaningful MYP surpluses/deficits. As indicated, costs of the various proposals can be found earlier in this report.
- Employee turnover, lack of capacity and training of staff in the business department and other key functions creates significant challenges to the production of accurate and timely data for decision-makers and stakeholders. This challenge also promotes a significant lack of trust and credibility in the district's budgetary data, and as a result, a lack of acceptable and understanding of any fiscal challenges that may impact the district's ability to provide services. This challenge should not be confused with a lack of staff. Ample staff exists to perform the necessary duties, but capacity to do so is limited.

AB 1840 Benchmarks

Required Benchmarks

In addition to the district established benchmarks, Education Code 42160(c) provides a list of benchmarks to be measured as a condition of apportionment of one-time funds to assist the district. The benchmarks are listed below along with a brief detail of district status with regard to each of these benchmarks:

1. Completion of comprehensive operational reviews that compare the needs of the school district with similar school districts and provide data and recommendations regarding changes the school district can make to achieve fiscal sustainability.

Status:

Alameda COE has sought a contract with a fiscal consultant who will perform the following review by March 2019:

- Assess the district's fiscal operations in the functional areas of accounts payable, procurement, payroll, and accounting. Provide a report of findings that focuses on the functional areas, listing their strengths and weaknesses, proposing recommendations for their improvement, and identifying impediments to their improvement. FCMAT believes the scope of this engagement is not sufficiently comprehensive because it does not include a comparison of the district's organization and staffing structure with similar districts as required by 42160(c)(1).
- Collaborate with Alameda COE on district needs and provide leadership, mentoring, guidance and support to the district in school business and operations, accounting and budgeting as well as accounting, payroll, purchasing, accounts payable, maintenance

and operations, facilities, property liability, workers' compensation and any other areas needed by duties as requested by the county superintendent.

- Provide guidance for budget development and monitoring to include the LCFF calculations, trend analysis, multiyear projections, income and expenditures projections as well as guidance regarding budget monitoring and accounting to ensure fiscal support. Provide support, as requested, for district interim financial reports as required by state statute.
- Review district financial reports, budgets, proposals, agreements and board policies as well as Alameda COE and state advisories to provide direction and advice as requested.
- Analyze state budget activities and Alameda COE budget advisories and assist in training the district business office leadership and staff on pertinent revenue projections and expenditure calculations.
- Collaborate with the Alameda COE on the form and frequency of reporting on status, updates and fiscal and operational findings and recommendations that may impact the district's fiscal stability and financial health.

2. Adoption and implementation of necessary budgetary solutions, including the consolidation of school sites.

Status:

Budgetary solutions are provided by means of Fiscal Vitality Plan and district board resolution 18-0041. Implementation is still a work in progress. Budgetary solutions were intended to be provided by means of adoption of the Fiscal Vitality Plan and board resolution 18-19-0144, which was not acted upon by the district's own adopted deadline of February 28, 2019 as established in board resolution 18-0041. Consolidation of school sites is addressed as part of the Citywide Plan.

3. Completion and implementation of multiyear, fiscally solvent budgets and budget plans.

Status:

Details available in district benchmark Fiscal Vitality Plan below.

4. Qualification for positive certification pursuant to Article 3 (commencing with Section 42130) of Chapter 6.

Status:

As of first interim, the district self-certified positive but this certification was not supported by data, and the Alameda COE downgraded the certification to qualified based on a lack of information. Such absence of information could also be the basis for a negative certification or a lack of going concern (EC 42127.6).

5. Sale or lease of surplus property.

Status:

Details available in district benchmark Citywide Plan below.

6. Growth and maintenance of budgetary reserves.

Status:

With reductions as proposed in district board resolution 18-0041, the district could experience growth or maintenance of district reserves. However, subsequent action by the board to adopt the Fiscal Vitality Plan and proposed resolution 18-19-0144 to carry out the commitments of resolution 18-0041 have not been completed.

7. Approval of school district budgets by the Alameda COE.

Status:

The Alameda COE initially conditionally approved the district's 2018-19 budget; the superintendent later gave unconditional approval.

District-Established Benchmarks

Citywide Plan

District Board Policy 6006 (June 2018) titled Quality School Development: Community of Schools calls for the district superintendent to draft a Citywide Plan that "promotes the long-term sustainability of publicly funded schools across Oakland that represent quality and equitable educational options." The district has recognized that there are 10,000 empty seats in 86 schools within district boundaries and is striving to become more efficient with facilities. The first strategy under this plan is to implement the Blueprint for Quality Schools action plan to identify four cohorts of school changes.

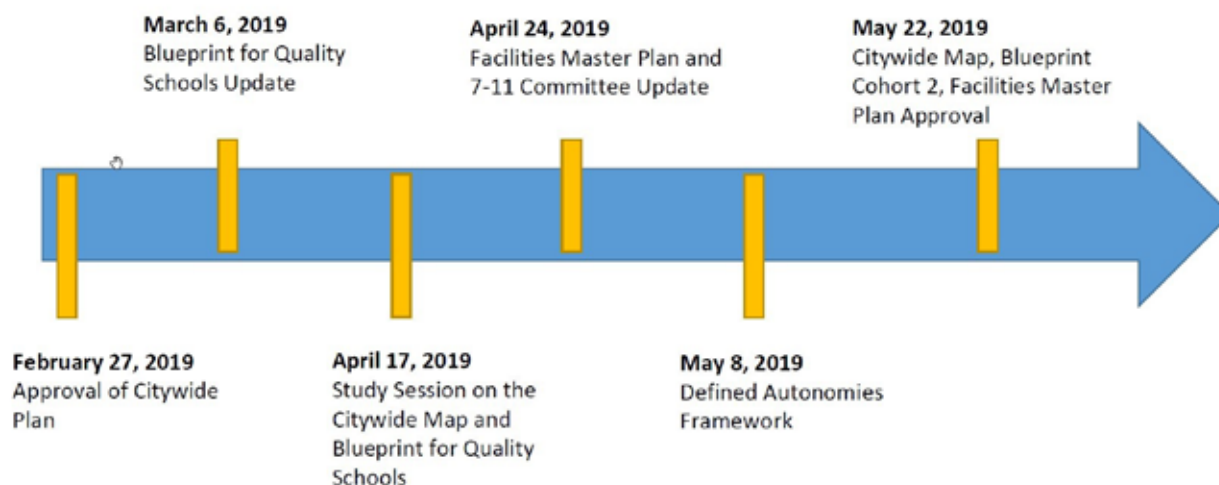
As a part of this plan, the district will identify on a citywide map the school sites that will be closing or merging with a nearby site. The following schools and properties will be included in the final citywide map:

1. Number and location of district-run schools
 - a. Traditional schools
 - b. Alternative schools
 - c. Specialized schools
2. District early childhood education (pre-K) locations
3. District special education programs
4. Charter school locations
5. Number and location of surplus properties

Cohort 1 was identified in June 2018. On January 28, 2019, the district board passed resolution 19-0095 (Exhibit L) to close Roots International School, which was initially to be part of Cohort 2.

The district is addressing the need to downsize the facilities footprint through the Citywide Plan, which was planned to be approved by the district board on February 27, 2019, as shown below:

Citywide Plan Proposed Timeline Going Forward



The board did not approve the Citywide Plan on February 27, 2019, as the board meeting was cancelled.

Fiscal Vitality Plan

The district's Fiscal Vitality Plan was introduced on December 13, 2017 and is organized into three segments: Stability (short term plans), Recovery (medium term plans) and Vitality (long term plans). The Fiscal Vitality Plan was created as a response to a FCMAT Fiscal Health Risk Analysis that demonstrated many areas of need or improvement for the district. There are 23 recommendations for action to help rectify the district's current fiscal health. Alameda COE monitors the progress of the recommendations. The most recent evaluation for the 23 recommendations is dated February 7, 2019 (Exhibit P).

Below are the 23 recommendations and the status of each:

Recommendation	Status
Restore the ending fund balance and maintain the state-mandated reserve for economic uncertainty	In Progress
Institute adjustments to existing central office positions	In Progress
Maximize the use of restricted revenue sources	In Progress
Evaluate central office-based contracts and books/supplies for possible freeze and capture of savings	In Progress
Pursue capture of donated days and/or furlough	In Progress
Adjust school per pupil allocations to capture savings	In Progress
Institute closer monitoring of contributions to other programs	In Progress
Update and implement budget forecast and projection practices	In Progress
Review and update cash flow monitoring practices	In Progress
Institute immediate protocols to limit and review spending among central office and school sites	In Progress
Plan for and adopt a balance budget that avoids future deficit spending	In Progress
Establish and conduct zero-based budgeting sessions with all central office practices	In Progress
Research, engage and implement a central office reorganization	In Progress
Institute and conduct monthly central office and school site budget monitoring practices	Not Started
Review, update and implement effective position control practices	Not Started
Develop a process for pre-approval of extra time employee payments	In Progress
Review and implement revised contract approval, processing and management procedures	Not Started

Complete transition to Escape technology system to manage finance and human resource information	Complete
Review and execute on shifts in expense that maximize the use of restricted funds	Making Progress over last year
Review and engage school district and school leaders to re-establish appropriate budget roles and responsibilities	In Progress
Establish systems for the management and oversight of bargaining agreements	In Progress
Consider and act on recommendations from the Blueprint for Quality Schools review	In Progress

Future FCMAT Updates in Support of DOF and Legislative Action

Future periodic letters will include updates on the various operational reviews, recommendations and plans to incorporate the recommendations in the fiscal stabilization plan, Citywide Plan and other applicable planning. The district is working on its second interim report. Additional periodic reports will be made once the 2019-20 budget is finalized (June 2019), when 2018-19 unaudited actuals are available (September 2019), and when other major milestones are reached.

FCMAT will provide updates and progress reporting on benchmarks upon the following occurrences including (but not limited to):

- Salary settlement
- Results of operational reviews
- Second interim report
- June 30 progress review of benchmarks; 2019-20 budget review
- Unaudited Actuals report
- October 1 progress review of benchmarks

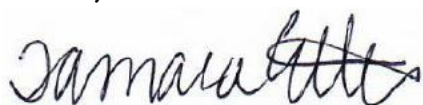
Conclusion

In accordance with Education Code Section 42160, FCMAT has determined that the school district's 2019-20 projected operating deficit is as follows, with the caveat that there are several unknowns at this point in time (e.g., status of negotiations):

Fiscal Year	2018-19	2019-20
Projected Deficit	(\$8,963,969)	(\$6,368,889)
COE Additional Support/Intervention	(\$1,427,588)	(\$1,204,400)
Projected Revised Deficit	(\$10,391,557)	(\$7,573,289)

As a reminder, any settled salary increases or negotiated costs, as well as any costs associated with articles other than salary need to be considered as an addition to the above deficit calculation. As stated above, those costs are undetermined at this time and could change as collective bargaining comes to a close.

Sincerely,



Tamara Ethier
Fiscal Intervention Specialist

cc: L. Karen Monroe, Alameda County Superintendent of Schools
Karen Stapf-Walters, Executive Director, California State Board of Education
Nick Schweizer, Deputy Superintendent, California Department of Education
Jeff Bell, Program Budget Manager, California Department of Finance
Jessica Holmes, Assistant Program Budget Manager, California Department of Finance
Chris Learned, State Trustee, Oakland Unified School District
Gary Jones, Interim Associate Superintendent, Alameda County Office of Education
Dr. Kyla Johnson-Trammell, Superintendent, Oakland USD



Alameda County Office of Education

L. Karen Monroe
Superintendent

September 6, 2018

Aimee Eng, President
Board of Education
Oakland Unified School District
1000 Broadway, Suite 680
Oakland, CA 94607

BOARD OF EDUCATION

Joaquin Rivera
Trustee Area 1

Amber Childress
Trustee Area 2

Ken Berrick
Trustee Area 3

Aisha Knowles
Trustee Area 4

Fred Sims
Trustee Area 5

Eileen McDonald
Trustee Area 6

Yvonne Cerrato
Trustee Area 7

RE: 2018-19 Adopted Budget Review

Dear President ^{Aimee}Eng:

The Alameda County Office of Education (ACOE) has completed the review of the Oakland Unified School District's Adopted Budget for fiscal year 2018-19. In accordance with Education Code Section 42127, by September 15, the county superintendent of schools shall *approve, conditionally approve or disapprove* the Adopted Budget of each school district. ⁽¹⁾

Our review has determined that the District's overall fiscal outlook is very uncertain. The Adopted Budget projects an unrestricted beginning fund balance for 2018-19 of approximately \$5.9 million and the District's ability to meet its required reserve for 2018-19 and beyond is largely dependent on the District's ability to implement approximately \$30 million of ongoing reductions in 2018-19. And, while we recognize the Governing Board's commitment to fiscal solvency and budget reductions (e.g., Resolutions 1819-0041, 18-19-0042, and 1718-0197A), we must ensure that the District's plan is sufficient and implemented.

In addition to our review, the Fiscal Crisis & Management Assistance Team (FCMAT) recently completed a multiyear financial projection for the District from 2017-18 through 2019-20. Their study has both substantiated and magnified our concerns regarding the financial health of the District. As stated in the report, the District should develop short- and long-term financial plans based on reasonable economic assumptions and implement those plans with a commitment to attaining fiscal solvency. It is critical that swift and extensive reductions to expenditures remain the highest priority. All budget balancing solutions should be considered.

The Board must act decisively in the coming months to ensure that local control is preserved. To that end, we strongly encourage the District to collaborate with ACOE, FCMAT and the State Trustee to:

- (1) Update or develop short- and long-term financial plans based on reasonable and accurate assumptions and current and past year expenditure data;
- (2) Review and update school district facilities construction plans to ensure that costs are reasonable, accurate, and align with long-term financial plans for fiscal solvency;

313 W. Winton Ave.
Hayward, California
94544-1136

(510) 887-0152

www.acoe.org

(1) Includes Education Code Sections 33127, 33128, 42103, 42122, 42123, 42124, 42125, 42127, and 52070.

- (3) Complete comprehensive operational reviews that compare the needs of the school district with similar school districts and provide data and recommendations regarding changes the school district can make to achieve fiscal sustainability;
- (4) Adopt and implement necessary budgetary solutions, including the consolidation of school sites;
- (5) Complete and implement multiyear, fiscally solvent budgets and budget plans;
- (6) Submit reports that qualify for positive certification pursuant to Article 3 (commencing with Section 42130) of Chapter 6 of the Education Code;
- (7) Sell or lease of surplus property; and
- (8) Grow and maintain budgetary reserves.

Accordingly, we are conditionally approving the District's 2018-19 Adopted Budget, pending receipt and analysis of the District's 2017-18 Unaudited Actuals report.

We anticipate receiving the District's 2017-18 Unaudited Actuals by the required deadline of September 15. ACOE will then conduct a review of the report, and will make a final determination regarding the Adopted Budget by the statutory deadline of November 8.

Please feel free to contact me with any questions regarding this process. We look forward to our continued collaboration as we strive to ensure the ongoing fiscal stability of the District, as well as the educational success of all students.

Sincerely,



L. Karen Monroe, Superintendent
Alameda County Office of Education

cc: Board of Education, Oakland USD
Kyla Johnson-Trammell, Superintendent, Oakland USD
Marcus Battle, Senior Business Officer, Oakland USD
Sondra Aguilera, Senior Deputy Chief, Continuous School Improvement, Oakland USD
Chris Learned, State Trustee, Oakland USD
Tom Torlakson, State Superintendent of Public Instruction, CDE
Nick Schweizer, Deputy Superintendent, CDE
Michael Fine, Chief Executive Officer, FCMAT
Jeff Bell, Program Budget Manager, Department of Finance
Spencer Mead, Interim Assoc. Superintendent, Business Services, ACOE
Ingrid L. Roberson, Chief of Learning & Accountability, ACOE



Alameda County Office of Education

L. Karen Monroe
Superintendent

BOARD OF EDUCATION

Joaquin Rivera
Trustee Area 1

Amber Childress
Trustee Area 2

Ken Berrick
Trustee Area 3

Aisha Knowles
Trustee Area 4

Fred Sims
Trustee Area 5

Eileen McDonald
Trustee Area 6

Yvonne Cerrato
Trustee Area 7

313 W. Winton Ave.
Hayward, California
94544-1136

(510) 887-0152

www.acoe.org

November 8, 2018

Aimee Eng, President
Board of Education
Oakland Unified School District
1000 Broadway, Suite 680
Oakland, CA 94607

RE: 2018-19 Adopted Budget Approval

Dear President Eng:

As communicated in our letter dated September 6, 2018, the Alameda County Office of Education (ACOE) *conditionally approved* the Adopted Budget of the Oakland Unified School District (OUSD) for 2018-19. The approval of the Adopted Budget was contingent upon OUSD's closure of fiscal year 2017-18 and the resulting beginning fund balance for 2018-19. By statute, ACOE is required to make a final determination regarding approval or disapproval by November 8, 2018.

OUSD's Unaudited Actuals Report was received by ACOE by the statutory deadline of September 15, 2018, and ACOE subsequently conducted a review of the report as submitted. While ACOE noted that the subsequent ending fund balance was higher than OUSD projected at Adopted Budget, and that OUSD was able to meet the 3% required minimum reserve in 2017-18, ACOE also notes that possible revenue adjustments (reductions) to the 2017-18 year, and ADA reassessments for FY 18-19, may be necessary at First Interim.

While the resulting beginning fund balance for 2018-19 is anticipated to be adjusted downward at First Interim, ACOE's review has determined that OUSD has met the minimum conditions for approval, as outlined by ACOE. OUSD's 2018-19 Adopted Budget is therefore *approved*.

However, ACOE remains deeply concerned regarding OUSD's fiscal health, and expect OUSD to continue its efforts to align revenues with expenditures in an ongoing and sustainable manner. The continued restoration and maintenance of OUSD's financial stability must remain a top priority as OUSD moves forward to implement the required reductions as expected with the passing of AB 1840.

While OUSD has met the minimum conditions for approval of the 2018-19 Adopted Budget, ACOE concurs with the Fiscal Crisis & Management Assistance Team (FCMAT) that OUSD develop short- and long-term financial plans based on reasonable economic assumptions to implement those plans with a commitment to attaining fiscal solvency.

Accordingly, ACOE acknowledges OUSD's business staff's efforts as they conduct a thorough review of all fiscal and operational areas, with a specific focus on budgetary projections, Special Education expenditures and OUSD's cash flow.

I appreciate OUSD's ongoing assistance during this process and look forward to reviewing the 2018-19 First Interim Report. Please feel free to contact me with any questions as we at ACOE continue to work collaboratively to ensure both fiscal and educational success.

Sincerely,



L. Karen Monroe
Alameda County Superintendent of Schools

cc: Board of Education, Oakland USD
Kyla Johnson-Trammell, Superintendent, Oakland USD
Marcus Battle, Chief Business Officer, Oakland USD
Sondra Aguilera, Senior Deputy Chief, Continuous School Improvement
Chris Learned, State Trustee, Oakland USD
Tom Torlakson, State Superintendent of Public Instruction, CDE
Nick Schweizer, Deputy Superintendent, CDE
Michael Fine, Chief Executive Officer, FCMAT
Gary Jones, Interim Associate Superintendent, ACOE
Ingrid L. Roberson, Chief of Learning & Accountability, ACOE



Alameda County Office of Education

L. Karen Monroe
Superintendent

BOARD OF EDUCATION

Joaquin Rivera
Trustee Area 1

Amber Childress
Trustee Area 2

Ken Berrick
Trustee Area 3

Aisha Knowles
Trustee Area 4

Fred Sims
Trustee Area 5

Eileen McDonald
Trustee Area 6

Yvonne Cerrato
Trustee Area 7

January 15, 2019

Aimee Eng, President
Board of Education
Oakland Unified School District
1000 Broadway, Suite 680
Oakland, CA 94607

RE: 2018-19 First Interim Report

Dear President Eng:

The Oakland Unified School District (OUSD) filed a POSITIVE certification of the district's First Interim Report for fiscal year 2018-19 with the Alameda County Office of Education (ACOE). In accordance with Education Code Section 42131, ACOE reviewed the First Interim Report, based on standards and criteria for fiscal stability adopted by the State Board of Education pursuant to Section 33127.

ACOE's review determined that OUSD may not meet its financial obligations for the current fiscal year and two subsequent fiscal years. Consequently, the certification shall be changed to QUALIFIED.

The revised certification is based on the following areas of concern discovered in ACOE's review:

Reduced Prior Year ADA – Reduction in Fund Balance of \$5,379,785

OUSD's 2017-18 ADA was less than anticipated, reducing prior year LCFF Sources by \$5,379,785. This amount is identified on Form 01I, Components of Ending Fund Balance – Assignments, as "Assigned-ADA Adjustments Prior Year," rather than being accounted for as an Audit Adjustment.

By accounting for the prior year adjustment to ADA as a one-year, 2018-19 Assignment rather than an Audit Adjustment, OUSD's Beginning Fund Balances are not reduced in the two subsequent years by the \$5,379,785. Therefore, the projected Ending Fund Balances for 2019-20 and 2020-21 on Form MYPI are overstated by \$5,379,785.

Audit Adjustment – Reduction in Fund Balance of \$1,225,000

The OUSD 2017-18 Annual Financial Report (Audit Report) contains an additional prior year fund balance reduction of \$1,225,000 identified as "Fiscal year 2018 expenditures recognized in the succeeding period." This audit adjustment was unknown to OUSD prior to the submission of their First Interim.

313 W. Winton Ave.
Hayward, California
94544-1136

(510) 887-0152

www.acoe.org

Reduced Current Year ADA – Reduction in Fund Balance of \$2,400,000

The revised 2017-18 P-2 attendance report and the decreased 2018-19 CALPADS enrollment (certified) causes OUSD's 2018-19 projected LCFF revenue to decrease from what was anticipated in the First Interim Report.

Based on ACOE's LCFF projections, OUSD will be funded at 95.55% of the CALPADS enrollment, which decreases OUSD's LCFF revenue by approximately \$2,400,000, or 128 ADA from OUSD's estimates.

Assumptions

The First Interim Report requires OUSD to submit a detailed accounting of the district's assumptions. The SACS Form MYPI states:

ASSUMPTIONS

Please provide below or on a separate attachment, the assumptions used to determine the projections for the first and second subsequent fiscal years. Further, please include an explanation for any significant expenditure adjustments...

Without the details of the First Interim Report's assumptions, ACOE cannot determine with accuracy the condition of OUSD's financial position. ACOE is concerned that OUSD's Reserve for Economic Uncertainties in the two subsequent fiscal years may be insufficient to avert insolvency.

My office remains committed to working collaboratively with the district to ensure its long-term fiscal health. If you have any questions or concerns regarding our review process, please feel free to call me at (510) 670-4140.

Sincerely,



L. Karen Monroe
Alameda County Superintendent of Schools

cc: Board of Education, Oakland USD
Kyla Johnson-Trammell, Superintendent, Oakland USD
Marcus Battle, Senior Business Officer, Oakland USD
Tony Thurmond, Superintendent of Public Instruction
Christopher Learned, Fiscal Oversight Trustee
Gary Jones, Associate Superintendent, ACOE
Teresa Santamaria, Chief of District & Business Advisory Services, ACOE

NAJEEB N. KHOURY
ARBITRATION, MEDIATION, FACT-FINDING
P.O. BOX 67, MONTROSE, CA 91021
213-305-5286, NKHOURYADR@GMAIL.COM

February 15, 2019

Via EMAIL

Dennis Nelson
OEA
Bargainingteamdennis@gmail.com

Jenine Lindsey
OUSD
Jenine.lindsey@ousd.com

Charles King, Panel Member
CTA/NEA
cking@cta.org

John D. Gray
School Services of California
JohnG@sscal.com

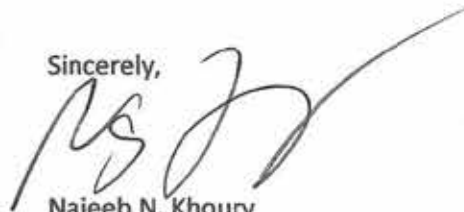
Roy Combs, Panel Member
Fagen Friedman & Fulfrost LLP
rcombs@f3law.com

Re: Service of Report For UPTe and Regents Factfinding, SF-IM-3192-E

Dear Advocates and Panel Members:

I am attaching the Factfinding Report to this letter, and this constitutes service of the Report. It was a pleasure working with the parties.

Sincerely,



Najeeb N. Khoury
Panel Chair

Cc: Wendi Ross, PERB

1 Najeeb N. Khoury, Arbitrator
2 P.O. Box 67
3 Montrose, CA 91021
4 213-304-5286
5 nkhouryadr@gmail.com

6 IN THE FACTFINDING PROCEEDINGS
7
8 PURSUANT TO THE EDUCATIONAL EMPLOYMENT RELATIONS ACT

9 OAKLAND EDUCATION ASSOCIATION,
10 Union,
11 &
12 OAKLAND UNIFIED SCHOOL DISTRICT,
13 Employer

Case No.: SF-IM-3192-E

FACTFINDING REPORT AND
RECOMMENDATIONS FOR
SETTLEMENT

14 Chairperson: Najeeb N. Khoury, Arbitrator
15 Employer Panel Member: Roy A. Combs, Fagen Friedman & Fulfrost, LLP
16 Union Panel Member: Charles King, CTA/NEA
17 Advocate For the Union: Dennis Nelson, Bargaining Chair, Oakland Education
18 Association¹
19 Advocate For the Employer: John Gray, School Services of California, Inc.²
20 Hearing Dates: January 31 & February 1, 2019
21
22
23
24
25
26

27 ¹ While Mr. Nelson functioned as the lead advocate, the Oakland Education Association's bargaining team
28 participated in the presentation.

² While Mr. Gray functioned as the lead advocate, several of the District's leaders participated.

BACKGROUND

The Oakland Education Association (OEA or Union) represents non-management, non-supervisory certificated employees at the Oakland Unified School District (OUSD, District, or Employer). There are approximately 3,000 employees in the unit. The previous collective bargaining agreement ran from July 1, 2014 to June 30, 2017. The parties made their initial proposals public on February 8, 2017, had their first bargaining session on December 7, 2016, and held 30 bargaining sessions for a total of 200 hours of bargaining. On May 18, 2018, impasse was declared pursuant to Public Employee Relations Board (PERB) Regulation 32792(a), and OEA filed a Request for Impasse Determination and Appointment of a Mediator on May 23, 2018. Per the Request for Impasse Determination, the parties reached agreement on five articles, with eleven articles remaining open.

After mediation failed to produce an agreement, PERB appointed Arbitrator Najeeb N. Khoury to chair a factfinding panel. The factfinding hearings occurred on January 31 and February 1, 2019 in Oakland, California. Both parties presented through their designated advocates and provided additional testimony and documents.

ANALYTICAL FRAMEWORK

Unlike interest arbitration, where a third-party neutral sets the terms of a new contract, a third-party neutral in an Educational Employment Relations Act (EERA) factfinding simply provides recommendations. In essence, this makes factfinding an extension of bargaining. Ultimately, the parties must persuade one another of their positions, and the neutral factfinder simply provides an outside perspective to help the parties along.

1 Neutral factfinders have typically required the party seeking a change to the status quo to
2 carry the burden of persuasion, and I will follow that convention. Further and as set forth in
3 California Code Section 3548.2, EERA requires factfinders to consider the following criteria:
4

- 5 1. State and federal laws that are applicable to the Employer.
- 6 2. Stipulation of the parties.³
- 7 3. The interest and welfare of the public and the financial ability of the public schools.
- 8 4. Comparison of the wages, hours, and conditions of employment of the employees
9 involved in the factfinding proceeding with the wages, hours, and conditions of
10 employment of other employees performing similar services and with other
11 employees generally in public school employment in comparable communities.
- 12 5. The Consumer Price Index for goods and services, commonly known as the cost of
13 living.
- 14 6. The overall compensation presently received by the employees, including direct wage
15 compensation, vacations, holidays, and other excused time, insurance and pensions,
16 medical and hospitalization benefits, the continuity and stability of employment, and
17 all other benefits received.
- 18 7. Such other factors, not confined to those specified in paragraphs 1 through 6,
19 inclusive, which are normally and traditionally taken into consideration in making
20 such findings and recommendations.
21
22
23
24
25
26

27 ³ The parties stipulated that the District is a public school employer under EERA, that OEA is a recognized
28 employee organization under EERA, that the parties have met all the procedural EERA requirements for factfinding,
that I was appropriately assigned as the factfinding chairperson, and that there are eleven outstanding articles.
FACTFINDING REPORT AND RECOMMENDATIONS FOR SETTLEMENT - 3

1 I will reference these specific criteria when discussing specific recommendations to
2 which they apply.

3 ISSUES AND RECOMMENDATIONS

4 Before getting into the specific issues, I would like to make some general comments.
5 First, all the parties to this factfinding proceeding have dedicated their professional lives to
6 public education in Oakland. Public education is a right and a quality public education is
7 essential to an ethical society that values the dignity and uniqueness of each child. The
8 importance of public education is magnified in communities that have historically lacked
9 resources. This makes the administrators, teachers, librarians, psychologists, nurses, counselors,
10 and certificated staff of Oakland Unified heroes of the community.
11

12 California's current educational funding system is complicated and flawed in a number of
13 ways. These flaws make finding resolutions to this contract and other teacher contracts
14 throughout the state very difficult. As a general matter, the parties should recognize these flaws
15 and work together to address these shortcomings. I will explain the shortcomings as I see them
16 to encourage the parties to see that much of their fight lies at the state capitol and not with each
17 other.
18

19 California ranks in the bottom quartile nationally on base per pupil funding. It also
20 provides funding on the basis of attendance as opposed to enrollment. This often negatively
21 impacts urban school districts where truancy rates tend to be higher. Further, state spending on
22 education plummeted with the Great Recession. The Brown administration gradually provided
23 more funding per year until pre-recession funding levels were reached during his final year in
24 office. Yet, as those funding levels increased, the state also required that school districts pay
25 dramatically higher pension contributions for their employees.
26

27
28 FACTFINDING REPORT AND RECOMMENDATIONS FOR SETTLEMENT - 4

1 On the positive side, the Brown administration radically restructured the state's funding
2 formula, with the new formula providing more resources for students who are English learners,
3 eligible for free and reduced-price meals, or foster youth. Each student who falls within at least
4 one of these categories receives a 20% supplemental grant (however, a student who falls into
5 multiple categories does not receive multiple levels of additional funding and is referred to as an
6 unduplicated pupil). When a school district has more than 55% of its population receiving
7 supplemental funding, it also receives a concentration grant of 50%. However, charter schools
8 have proliferated most in districts that receive concentration funding. Because funding is tied to
9 attendance, districts with high charter density rates are losing funding at an alarming rate even
10 when they are concentration grant districts.
11

12
13 Put differently, as certain state policies have helped high-needs urban districts (returning
14 spending levels to pre-recession levels, providing supplemental and concentration grants), other
15 policies have undercut the financial health of those districts (tying revenue to attendance,
16 increasing pension contribution rates).
17

18 As part of its presentation, OEA presented on the impact of charter schools on Oakland
19 Unified. I have no doubt that charter advocates and indeed charter policies are driven by a desire
20 to increase options for disadvantaged children. Unfortunately, there are ways that the current
21 system creates an unlevel playing field for traditional public schools and undermines those
22 districts serving the very same disadvantaged children that charter advocates seek to aid.
23

24 Daily attendance revenue is apportioned to salaries, pensions, facilities costs, legal costs,
25 administrative costs, etc. Some of these costs can shrink with declining enrollment. Other
26 costs—namely legacy costs—do not shrink regardless of enrollment. Consequently, when
27 attendance numbers shrink due to declining enrollment, the percentage of attendance generated
28

FACTFINDING REPORT AND RECOMMENDATIONS FOR SETTLEMENT - 5

1 revenue going to legacy costs increases because there is a smaller population servicing these
2 fixed costs, meaning there is less per pupil money for instruction. Charter schools, however,
3 receive the same level of attendance-level funding but do not inherit any legacy costs. This
4 means that the funding level per child for instruction is higher at charter schools, thereby creating
5 an uneven playing field.
6

7 Further, there is data suggesting that charter schools do not enroll a proportionate number
8 of special education students. While this data is contested, OEA provided data showing that the
9 percentage of OUSD's special education population has grown. This is important from a
10 financial perspective because special education is underfunded. The federal and state
11 governments mandate certain special education services, yet they do not provide nearly enough
12 funding to meet all the mandates. This leads to the special education budget "encroaching" on
13 the general budget. In other words, a certain percentage of general student-based revenue is
14 diverted to special education. If the percentage of special education students increases, then a
15 greater percentage of per pupil spending on general student population education must get
16 diverted into special education dollars. If indeed charters do not enroll a proportionate number
17 of special education students, then they will have more general education dollars to provide
18 instruction to their general education student body than traditional public schools. Again, this
19 creates an uneven playing field.
20
21

22 Ultimately, the question should not be whether economically disadvantaged families
23 should have educational choices—they clearly should. The question should be whether the
24 state's current funding system is sufficient, fair to traditional public-school children and allows
25 all schools funded with public dollars to compete on an equal playing field. The parties should
26 be able to work together to advocate for increased state spending on public education and for
27
28

FACTFINDING REPORT AND RECOMMENDATIONS FOR SETTLEMENT - 6

1 sensible reform that will ensure Oakland Unified can compete on an equal playing field. Such a
2 joint project can help rebuild trust that has been tested during this lengthy negotiating cycle.

3 Before tackling the specific issues raised in bargaining, I think it is important to explain
4 how OEA and OUSD generally see the shared world they inhabit. OEA's general thesis is that
5 its package of proposals, if adopted, would improve student success by addressing four key
6 areas: teacher retention, smaller class sizes, lower caseloads for support providers (nurses,
7 psychologists, counselors), and environmental justice. Oakland Unified agrees that there is a
8 teacher retention crisis and wants to dedicate as many resources as possible to improving
9 salaries.
10

11 OEA acknowledges that the state should increase K-12 funding but emphasizes that
12 OUSD actually receives higher revenues per pupil than most districts because of Oakland city
13 parcel taxes and because OUSD is a concentration grant district. OEA claims that OUSD
14 overspends on administrators and consultants, and that its economic proposals are feasible if
15 OUSD more wisely spends its resources.
16

17 While OUSD does not make an inability-to-pay argument, it points to the fact that the
18 county office of education and its state trustee must approve any deals it makes and that it is
19 constrained financially. It further argues that it has a deep structural deficit and that any
20 increases in labor costs will lead to cuts elsewhere. OEA counters that OUSD has a budget
21 credibility problem. OEA points to surpluses in OUSD's actual financials. OEA believes that
22 OUSD constantly overestimates expenses, which creates an appearance of a budget crisis only to
23 lead invariably to actual surpluses.
24

25 OUSD also argues that it is limited in how it spends money because the law requires it to
26 use supplemental and concentration grants on the students who generate the additional revenue,
27

28 FACTFINDING REPORT AND RECOMMENDATIONS FOR SETTLEMENT - 7

1 implying that it cannot use the funds for across-the-board labor costs. OEA counters with a June
2 10, 2015 California Department of Education letter stating the following: "For example, a district
3 may be able to document in its LCAP⁴ that its salaries result in difficulties in recruiting, hiring,
4 or retaining staff which adversely affects the quality of the district's educational program,
5 particularly for unduplicated pupils, and that the salary increase will address these adverse
6 impacts."

8 OUSD argues that, on a per student basis, it spends more on certificated non-management
9 salaries and benefits than many other comparable districts. OEA responds that certificated
10 bargaining unit salaries as a percentage of total budget spend are lower in Oakland Unified than
11 any other Alameda County school district, and that teachers' salaries are the lowest in Alameda
12 County with the disparity in salaries only worsening with time. In other words, Oakland Unified
13 teachers with increasing tenure fall farther behind their peers in other districts. This has a
14 particularly pronounced impact on the retirement formulas for long-tenured Oakland Unified
15 teachers. The data does not look any better when comparing Oakland Unified to other urban
16 districts in California. OUSD acknowledges that its non-supervisory certificated salaries are
17 low, although it also emphasizes its generous health care package. OUSD recognizes the need to
18 improve salaries to tackle its recruitment and retention problem.

21 OUSD's unduplicated pupil population in 2016-17 was 77.61%. It loses approximately
22 18.7% of teachers on a yearly basis. This is well above the state average. Also, the retention
23

24
25
26
27
28 ⁴ LCAP stands for Local Control Accountability Formula. Each District must implement an LCAP with
participation and input from the community.

1 rate is even worse at some high-needs schools, with West Oakland Middle School retaining only
2 9.1% of its teachers over a nine-year period.

3 With this complicated picture in place, I now turn to my recommendations on the
4 outstanding issues.

5
6 Article I—Agreement

7 a. Term of the Agreement:

8 Issue: Both parties have proposed a three-year term for the contract, running from July 1,
9 2017 to June 30, 2020. The District has also suggested that it might be able to provide more
10 guaranteed salary increases if the parties close out the 2017-18 school year and have the term of
11 the agreement run from July 1, 2018 to June 30, 2021.

12
13 Recommendation: I will recommend a contract term of July 1, 2017 to June 30, 2020. I
14 do so because both parties have officially proposed a three-year term. However, I encourage the
15 parties to explore the possibility of a July 1, 2018 to June 30, 2021 term should that enable the
16 parties to reach resolution on the compensation article by allowing for more guaranteed salary
17 increases.

18
19 Article 3—Definitions

20 Issue: OEA seeks to define what work should fall under the Daily Hourly Rate. It
21 proposes adding the following language to the definition article: "This [hourly] rate shall apply
22 to additional work including but not limited to mentoring emergency credentialed teachers, extra
23 duty, extended day, prep substitution and all other activities for additional compensation
24 referenced throughout this agreement." OEA also proposes defining the actual rate by tying it to
25 the salary schedule with the following formula: taking column 4, step 6 and dividing it by 6.

1 Recommendation: The parties have been bargaining an adjustment to the actual daily
2 rate in Article 10—Hours of Work. I will provide my recommendation on the appropriate daily
3 rate in that section and therefore do not recommend adopting the portion of OEA’s proposed
4 definition that ties the daily rate to a step and column rate.
5

6 OEA, however, persuasively argues that administrators have applied different types of
7 rates, including per diem rates, to work that falls within its proposed definition of the type of
8 work to which the daily rate should apply. The District provided no strong counter to why the
9 work identified in the proposed definition should be paid using a different rate. I recommend
10 adopting OEA’s language regarding the type of work to which the hourly rate should apply.
11

12 Article 6—Association Rights

13 Issue: The outstanding issue⁵ is OEA’s proposal to add the following language: “Elected
14 Site Representatives duties shall be counted for three (3) hours of professional activities and
15 duties per month as per Article 10.2.8.” Article 10.2.8 provides that unit members “shall
16 participate in professional activities and perform professional duties beyond their regular work
17 day as assigned by the appropriate administrator to a maximum of five hours per calendar month
18 for the work year.” During the factfinding hearing, it became evident that there was confusion
19 over the intent of the proposal.
20

21 At the hearing, OEA made clear it was not asking site representatives to be excused from
22 professional development or parent-teacher interactions. The District seemed open to the idea of
23
24

25
26
27 ⁵ There were also issues involving OEA email access and new employee orientation. However, OUSD’s February
28 12, 2018 proposal appears to give OEA the email access it is seeking (I note that there is recent PERB caselaw on
union email access), and the parties have apparently agreed on new employee orientation language consistent with
legislation mandating such access.

1 having some site representative work count towards extra duty time. Indeed, the contract
2 currently reads: "In making additional duty assignments, the Site Administrator shall take into
3 consideration the fact that a unit member has been elected or appointed as an Association
4 Representative and will make every attempt to reduce extra duty responsibilities." Article 6.1.7.
5 The District was hesitant to have three-fifths of such extra duty time be taken up by site
6 representative duties.
7

8 Recommendation: Because the contract already provides that administrators should make
9 every attempt to reduce extra duty responsibilities from site representatives, I do not believe it is
10 a radical departure from the status quo to have some site representative time count as extra duty
11 time. However, I also agree with the District that having the majority of extra duty time be
12 counted is an initial step too far. Consequently, I recommend that one and half hours of monthly
13 site representative time count toward extra duty time. This should not displace professional
14 development time or parent-teacher engagement time.
15

16 Article 10—Hours of Work

17 The parties focused their presentations on three outstanding issues⁶ in the Hours of Work
18 article: 1) the appropriate hourly rate; 2) the District proposal to remove language restricting the
19 school day to the hours of 8:00 am to 3:45 pm; and 3) the District proposal to allow the 30-
20 minute daily preparation period for elementary school teachers to happen at the beginning or end
21 of the work day.
22
23
24
25
26

27
28 ⁶ There were other proposals in this Article but I recommend the status quo on those issues as the parties did not
focus on them in their presentations.

1 a) The Appropriate Hourly Rate

2 Issue: The current contract language has varying hourly rates that apply to different
3 types of assignments—with the current rates ranging from \$15.96 to \$37.69. However, the
4 specific Extra Duty Hourly Rate is currently \$25.82. These rates have not changed since 2006.
5 OEA proposes raising the Extra Duty Hourly Rate to \$50, making it the uniform rate for extra
6 duty assignments, and ensuring future increases to the rate by linking it to the salary schedule.
7 OUSD proposes raising the Extra Duty Hourly Rate to \$35 and making it the uniform rate for
8 extra duty assignments.
9

10 Recommendation: The parties agree that the Extra Duty Hourly Rate should increase.
11 OUSD has made an offer that significantly improves the current Extra Duty Hourly Rate and that
12 eliminates the disparity in rates for different activities. However, its offer of \$35 does undercut
13 one current rate of \$37.69. It provided no compelling reason why it did so. I recommend using
14 the \$37.69 rate as the new Extra Duty Hourly Rate so that no future work is paid at a lower level
15 than the level at which it is currently paid. The \$37.69 rate also ensures that most extra duty
16 work will be paid at a significantly higher level than is currently the case. Also, I recommend
17 the adoption of language that provides the \$37.69 will be increased by the same percentage as
18 future across-the-board salary increases. This language regarding increases to the rate should
19 only apply after any across-the-board salary increases for this round of bargaining are
20 implemented. Such language will ensure that the Extra Duty Hourly Rate does not remain
21 unchanged for another thirteen years.
22

23 b) The District's Proposal to Remove the 8:00 am to 3:45 pm school day parameters

24 Issue: OUSD desires to create standardized bell times and calendars that would have
25
26
27
28

1 staggered start and end times, with start times as early as 7:45 am and end times as late as 4:30
2 pm. In adopting these standardized, staggered times, the District can reduce its needed daily bus
3 routes by twenty-five routes. OUSD contracts out its transportation services, and the reduction
4 in routes will have a cost savings of approximately \$2.5 million. For reference, a one percent
5 salary increase for OEA bargaining unit members costs approximately \$1.9 million. OUSD
6 acknowledges that by adopting uniform, staggered schedules there will be less school site control
7 over start times, and the earlier or later start times will impact families. OEA's main objection is
8 that OUSD decided on this plan without input from the community or labor. OEA
9 understandably does not want uniform schedules dictated to its membership or the community
10 but is open to having a discussion on how best to implement a plan that will generate substantial
11 savings.
12

13
14 Recommendation: I recommend that the current language remain in place for the 2019-
15 2020 year but with a sunset provision making clear the language will not remain for 2020-2021.
16 This will enable the parties to have a full academic year to discuss how best to implement the
17 new schedules with input from the community and labor. Further, the \$2.5 million savings
18 should be reinvested into the goal of improving recruitment and retention.
19

20 c) Allowing a Daily Thirty-Minute Preparation Period for Elementary Teachers At
21 Either The Beginning or End of The Work Day

22 Issue: This issue is directly tied to the previous one. If there is greater variance in the
23 start and end time for elementary teachers, then it makes sense to have preparation time at either
24 the beginning or end of the date.
25

26 Recommendation: I recommend that the language remain status quo for the 2019-2020
27 school year with the understanding that the new language will go into effect in 2020-2021 with
28 the sunseting of the language regarding the school day parameters.

1 Article 12—Transfers and Assignments

2 Issue: The one outstanding issue under this Article is OEA’s proposal that each school
3 with an 80% or higher population of unduplicated pupils receive an addition full-time equivalent
4 employee per 500 students. OUSD states that this proposal is too costly.

5 Recommendation: I recommend the status quo. The reason is that I will be
6 recommending improved caseload numbers, class size caps, and salary increases. I think
7 spending in those areas makes more sense than adopting a proposal that does not clearly tie
8 additional spending to class size reduction, caseload improvements or salary increases.
9

10 Article 13 & 25—Evaluations And Peer Assistance and Review

11 Issue: The parties have spent four years piloting the Teacher Growth and Development
12 System (TGDS) as a new evaluation system in the District. OUSD now proposes eliminating the
13 California Standards for Teaching Profession (CSTP) evaluation system from the contract and
14 replacing it with the TGDS. OEA does not object in theory to moving to the TGDS; however, as
15 part of the pilot system, TGDS came with safeguards, such as the ability to have alternate
16 evaluators. OUSD is eliminating those safeguards because the money to support those
17 safeguards came from expiring grants.
18

19 OEA wants to add language in Article 25 that limits the District’s use of intermittent peer
20 review reports to after the acceptance of the final peer review report. The District does not
21 object to this addition but wants it to be part of an agreement with Article 13.
22

23 Recommendation: There is agreement between the parties that, with the right support and
24 financial investment, a move away from the CSTP and towards TGDS or a TGDS similar model
25 makes sense. However, without a guarantee that the TGDS implementation will mirror the
26 protocols of the pilot, I will not recommend changing the status quo. With that said, I
27

28 FACTFINDING REPORT AND RECOMMENDATIONS FOR SETTLEMENT - 14

1 recommend that the parties continue to work on language that incorporates changes that the
2 Oakland community has embraced with regards to updating teacher evaluations. I also
3 recommend that the parties accept the proposed change on the use of intermittent peer review as
4 there does not appear to be a philosophical difference about this.
5

6 Article 15—Class Size

7 Issue: OEA has an ambitious proposal to reduce class sizes. It proposes reducing class
8 size caps at all schools by two students over a two-year period—with class sizes being reduced
9 by one each year. OEA proposes doubling the reduction at schools with a population of 80% or
10 higher of unduplicated pupils—meaning class sizes would be reduced by four over two years at
11 these schools. OEA also proposes adding language requiring OUSD to pay overages when class
12 size numbers exceed the caps. OEA points out that there is presently no monetary disincentive
13 preventing OUSD from exceeding the contractual caps. OEA asks for a \$25 daily per-pupil
14 overage for elementary classes and an \$8 per-pupil, per-period overage for secondary classes.
15 OEA has other class size proposals but focused its presentation on these issues. OUSD proposes
16 raising some special education caps, reducing PE class sizes and fine arts classes, and reducing
17 4th/5th grade class size caps in elementary schools with populations of 97% or higher of
18 unduplicated pupils.
19

20
21 OEA argues that large class sizes along with low salaries are central reasons for the
22 retention crisis. It also argues that lowering class sizes is one of the most effective ways to
23 improve student achievement. OUSD responds that its class size averages are comparatively
24 good. It has a district wide average of 24.27, a K-3 average of 23.36, a 4-6 average of 25.85, a 7-
25 8 average of 24.27 and a 9-12 average of 24.02. This compares to a composite comparative
26 group average of 26.42, a K-3 average of 23.25, a 4-6 average of 28.33, a 7-8 average of 28.70,
27
28

1 and a 9-12 average of 25.69. OUSD also asserts that its classroom teacher ratio of 16.66:1 is the
2 second lowest on its list of comparable districts.

3 OUSD prices OEA's class size reduction proposal at \$36.2 million, \$18.2 million for
4 added personnel and \$18 million to add enough additional space in the form of leased portable
5 classrooms.
6

7 Recommendation: I agree that lower class sizes will improve teacher retention and
8 educational outcomes. The question is what is a feasible recommendation recognizing the need
9 to enhance salaries in the District and that lowering class sizes can be an expensive proposition.
10 In looking at the actual class size caps in the contract, they are much higher than the District
11 averages: TK/K is 27; 1-3 is 30; 4-6 is 31; 7-12 is 32 for English, World Language, Mathematics,
12 Social Science & Non-Lab Science with varying class sizes for other areas. This shows that
13 averages can be deceiving and that caps are important. However, it also means that the District
14 should be able to mitigate the cost of lowering caps if it can better balance its current classes. I
15 am also cognizant of the fact that we are in February 2019 and across-the-board reductions
16 starting in July 2019 will be a challenge. Consequently, I recommend an across-the-board class
17 size reduction of one (1) to be fully implemented by July 2020, with 20% of schools having an
18 implementation date of July 2019. The intent is for implementation to happen first at the
19 highest-needs schools. I also recommend that the parties form a joint class size reduction
20 taskforce. This taskforce will be charged with looking at ways to fund further class size
21 reductions to be implemented by July 2021.
22
23
24

25 On the question of overages, I agree that a financial disincentive needs to be in place.
26 However, given that this will be a new addition to the contract, I believe that smaller overages
27
28

1 should be implemented at this time. I recommend a \$9 daily per-pupil overage for elementary
2 classes and a \$2 per-pupil, per-period overage for secondary classes.

3 The District raised a good point regarding unintended consequences of class size
4 reduction. There are certain classes and programs that are highly valued with long wait lists.
5 Decreasing class sizes for these classes and programs can deny students the benefits of these
6 programs. I encourage the parties to negotiate a way to identify these classes and programs and
7 to negotiate a carve-out so that these valuable seats are not closed.
8

9 The District provided no compelling reason for me to recommend changing the status
10 quo on the special education numbers, although it did rightly point out that its special education
11 numbers are lower than at most districts. I am recommending the status quo but acknowledge
12 that raising these numbers slightly can have cost savings that can be applied elsewhere.
13

14 Article 17—Safety

15 Issue: The parties are essentially in agreement on this article. The parties affirm
16 OUSD's status as a sanctuary district, emphasize the preference of restorative justice over
17 punitive practices, and wish to maintain a safety committee. The main issues of dispute are how
18 explicit to be about OUSD's status as a sanctuary district and whether there should be a change
19 in the composition of the safety committee.
20

21 Recommendation: Instead of reciting the sanctuary district policy verbatim in the
22 contract, the parties should explicitly reference the policy. This will maintain OUSD's ability to
23 change the policy if it is forced to do so by outside forces. It will also provide OEA members the
24 protection of knowing that they will not be disciplined for following the policy as long as the
25 policy is in effect.
26
27
28

1 As for the safety committee composition, it is currently composed of one-half
2 management appointees and one-half union appointees. OEA proposes making the composition
3 one-third management, one-third union, and one-third community-based members. This makes
4 sense as these issues impact the whole school community. OUSD provided no good rationale for
5 rejecting this proposal. I recommend adopting OEA's proposal regarding the committee's
6 composition.
7

8 Article 21—Specialized Caseloads

9 Issue: OEA proposes reducing caseloads for counselors, nurses, psychologists, speech
10 therapists, and resource specialists. It also proposes increased support for “newcomers,” defined
11 as students who have recently arrived to the United States. OUSD proposes a modest reduction
12 in counselor caseloads.
13

14 Recommendation: The contractual counselor ratios are currently set at 1:600 and are
15 allowed to increase to 1:700 when there is a reduction in workforce. OEA proposes reducing
16 these numbers to 1:250 and 1:300. OUSD acknowledges that its staffing can support reducing
17 the contractual caseloads numbers. Consistent with this reality, I recommend reducing the
18 contractual number to 1:500 with that number being allowed to increase to 1:550 when there is a
19 reduction in workforce.
20

21 The current caseload for nurses is 1:1350. OEA proposes reducing this to 1:750.
22 However, even at the current contractual caseload numbers, there are twelve open positions. The
23 parties acknowledge that it is very difficult to recruit nurses. It makes little sense to lower the
24 caseload number if OUSD cannot hire nurses to reduce the numbers. Rather, the parties should
25 focus on reducing the current vacancies. They can do this by agreeing to recruitment and
26
27
28

1 retention bonuses. I recommend that the District offer a signing/retention bonus of \$5,000, and a
2 further retention bonuses of \$2,500 to be paid after each two years of service.

3 OEA proposes reducing the psychologist caseload to 1:700. This will require hiring two
4 to three additional psychologists and will place OUSD in line with the National Association of
5 School Psychologists standards. OUSD proposes the status quo. Given the increasing
6 importance of school psychologists, especially as schools move toward community-based
7 models, this seems like a reasonable and modest investment. I recommend the following
8 language: "OUSD shall open three more psychologist positions, and the parties shall work
9 together to recruit qualified candidates. If the vacancies are filled, then the caseloads for
10 psychologists shall be 1:700."
11

12 OEA proposes creating a caseload cap of 1:40 for Speech and Language Pathologist
13 Specialists (SLPs). The Education Code dictates that there should be a 1:55 average for SLPs.
14 OEA did not provide compelling reasons why the contractual cap should be 15 less than the
15 state-mandated average. The District proposes incorporating the Education Code averages into
16 the contract; however, as demonstrated in the caseload article, averages can be deceiving and do
17 not always guarantee appropriate ratios per employee. I recommend using the state average of
18 1:55 as a cap. The District is already legally required to be staffed at this level and potential
19 additional costs can be offset by rebalancing caseloads. The District raised the concern that there
20 is a shortage of SLPs and it currently has multiple vacancies. Nevertheless, it cannot avoid the
21 state-mandated averages. I encourage the parties to discuss ways to incentivize the hiring of new
22 SLPs, whether through hiring bonuses or hiring them at higher salary schedule steps.
23

24 OEA proposes that Resource Specialists have a 1:24 caseload maximum. The Education
25 Code dictates a 1:28 ratio. OUSD is currently staffed at approximately a 1:26 ratio. I
26

27
28 FACTFINDING REPORT AND RECOMMENDATIONS FOR SETTLEMENT - 19

1 recommend that the parties agree to a 1:27 ratio. This will show that the District is trying to
2 improve on the state mandate and should not come at a considerable cost to the District
3 considering its current staffing levels.

4
5 OEA proposes adding support services for teachers who teach newcomers—that is, recent
6 immigrants. The number of newcomers attending OUSD schools has increased dramatically in
7 recent years, and OEA gave a compelling presentation on the challenges of teaching students
8 from various countries and cultures who come to the classroom with various educational
9 backgrounds. The newcomer proposal includes lowering class sizes, providing additional
10 support services, and providing additional materials for these students. While I am extremely
11 sympathetic to these demands, I do not have enough information to make an informed decision
12 on the appropriate level and extent of additional staff and services needed for newcomers. I
13 recommend that the parties create a taskforce to study the issue and provide recommendations
14 for possible implementation in 2020-2021.

15 Article 24—Compensation

16
17 Issue: The parties agree that OUSD salaries for this unit are low. The main dispute is
18 over how much the District can afford. The District is offering a 1% raise for 17-18 that would
19 be effective June 30, 2018, a 1% raise that would be effective July 1, 2018, a 1.5% raise that
20 would be effective January 1, 2020, and a 1.5% raise that would be effective June 30, 2020. This
21 equals a 5% raise over three years but with the raises happening in the middle or later part of the
22 academic years except for the July 1, 2018 raise of 1%. OEA is seeking a 3% raise in 2017-
23 2018, a 4% raise in 2018-19, and a 5% raise in 2019-20, totaling 12% during the life of the
24 contract.

1 There are also proposals on increasing substitute pay with both parties recognizing the
2 need to recruit and retain high quality substitutes. There is presently a three-tier system for
3 substitutes, with short-term substitutes receiving \$139 a day, long-term substitutes (defined as
4 assignments between 30-59 days) receiving \$163 a day, and extended substitutes (defined as
5 assignments of 60 days and over) receiving \$179 a day. OEA proposes increasing the short-term
6 substitute rate to \$187 and maintaining the three steps with the same percentage increases
7 between the different rates. OUSD wants to simplify its system by moving to a two-rate system.
8 It proposes a \$150 rate for days 1-89 and a \$187 rate for days 90 and above. If OUSD's proposal
9 were adopted, a substitute would make more per day between days 1 to 29 but less per day
10 between days 30 and 89 than is currently the case. OUSD also proposes extending the number
11 of days a substitute must work in an assignment to have his/her higher rate carry over into the
12 next year.

13 Recommendations: The EERA statutory criteria require a comparison to comparable
14 districts, a look at total compensation and a study of the CPI. The parties used slightly different
15 comparable districts in their analyses. OEA focused on other Alameda County districts and other
16 urban districts. OUSD looked at other Alameda County districts and some districts in
17 neighboring counties. The data basically reveals the same story. OUSD non-management, non-
18 supervisory employees receive less salary than most of the other districts in the comparable
19 groups. Further, the phenomenon gets worse with time. Even when total compensation is
20 accounted for, OUSD non-management, non-supervisory employees fair poorly. There is no
21 doubt that this contributes to the retention crisis in OUSD. For instance, OUSD employees at
22 BA+30, step one receive the second lowest pay among the twenty comparable districts chosen by
23

1 the District, and are the fourth lowest when looking at total compensation. By the time they get
2 to BA+60, step 10, they are the lowest paid and the third lowest in overall compensation.

3 When it comes to CPI, OEA points to a report showing that CPI for the Bay Area was at
4 4.5% for the 12 months ending December 2018. OUSD looks at state CPI numbers that ranged
5 between 1.5% and 3.4% from 2013-2018. However, those CPI numbers increased every year
6 and ended at 3.4% for 2017-18. In looking at the CPI for the Bay Area for the previous 5
7 Decembers before December 2018, we see a 2.6% annual increase in December 2013, a 2.7%
8 annual increase in December 2014, a 3.2% annual increase in December 2015, a 3.5% annual
9 increase in December 2016, and a 2.9% annual increase in December 2017.

10
11 It is clear that OUSD's proposal of a 5% raise over three years will not keep pace with
12 inflation. It is also clear that OUSD will have a very difficult time affording a 12% raise over
13 three years, as it is in a structural deficit. If OUSD were financially healthier, I would
14 recommend guaranteed yearly 3% raise for 17-18, 18-19, and 19-20 for a cumulative 9% raise
15 over the life of the agreement. This would help OUSD wages in this unit become more
16 competitive with other districts. However, I am cognizant that such a recommendation might
17 place too much of a strain on the District's current finances. Therefore, I am recommending a 3%
18 raise for 17-18, a 3% raise for 18-19 and an economic reopener for 19-20. Early indications
19 from Governor Newsom's administration suggest possible increases in K-12 funding. Also, the
20 reopener will give the parties time to work collaboratively on finding funding solutions (whether
21 by reallocating current spending and/or by seeking additional revenues) for further raises.

22 OUSD did indicate during the hearing process that it might be able to offer more than a
23 guaranteed 6% if the raises become effective later in time. There is, of course, a time value to
24 money and OEA might not find such an outcome acceptable. But this recommendation is not

25
26
27
28
FACTFINDING REPORT AND RECOMMENDATIONS FOR SETTLEMENT - 22

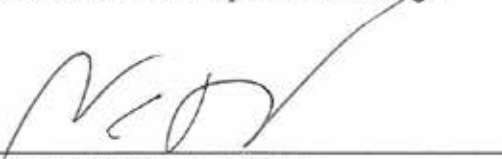
1 meant to foreclose discussions about other salary proposals that might work for the parties,
2 including the possibility of having the contract's term run from July 1, 2018 to June 30, 2021.

3 On substitutes, I recommend accepting the District's proposal to reduce the three tiers to
4 two tiers but in order to do so, the new lower tier must be at a rate higher than the previous
5 second tier's rate. This will ensure that no substitutes are worse off under the new system.
6 Therefore, I recommend a combined short and long-term rate of \$180 a day for all assignments
7 up to sixty day and an extended rate of \$195 a day for assignments of sixty days or more. I make
8 this recommendation because the parties have acknowledged the need and importance of
9 recruiting and retaining substitute teachers. OUSD provided no compelling evidence to justify
10 extending the number of days a substitute must work in an assignment to have his/her higher rate
11 carry over into the next year. I recommend the status quo on this issue, i.e., the length of time
12 needed to secure a carry-over rate should remain the same.
13
14

15 CONCLUSION

16 I discussed the issues that the parties focused on at the hearing. I recommend that the
17 status quo remain for any issues on which the parties did not orally present and on which I did
18 not comment. I sincerely hope that these recommendations assist the parties in reaching a
19 negotiated settlement.
20

21 Date: February 15, 2019

22 
23 Najeeb N. Khoury, Arbitrator
24
25
26
27
28

1 **Concurring and Dissenting report of Panel Member Charles King**

2 **Case No: SF-IM-3192-E**

3

February 14, 2019

4 **Pursuant to California Government Code 3548.2**

5 As Panel Chair Khoury points out, this case is complicated by outside forces – namely an inadequate
6 state support system, an unlevel playing field with charter schools, and the involvement of both the
7 Alameda County Office of Education, and a state Trustee. I appreciate the Chair’s experience and
8 expertise and very much appreciate his commitment to assist the parties in reaching an agreement. I
9 will detail exactly where I concur and dissent below, and I will also provide context for the difficulties the
10 district faces that are not driven by outside forces but are of its own making.

11 I also note that the parties should also seek to affirm the value of newcomer students, particularly in a
12 district that prides itself on being a Sanctuary District. These are students who with adequate support
13 can strengthen the district with their diverse world views and experiences.

14 I have explored the district financial projections through its budgets and found them to be less than
15 credible. I have also investigated the district’s treatment of charter school expansion while
16 simultaneously closing its own schools and found their behavior to be inconsistent with the best
17 interests of the community and the students the district is charged with serving. I therefore concur in
18 part and dissent in part as follows:

19

20 1. Article 3 – Definitions

21 I concur with adopting OEA’s language regarding the type of work to which the hourly rate
22 should apply. [See below for articulation of the dollar amount of the hourly rate. I will concur in
23 part and dissent in part. This will form a compromise, with OEA coming off of it’s tying of the
24 hourly rate to a specific cell on the salary schedule but increase the hourly rate by the
25 percentage increases applied to the salary schedule in this agreement.]

26 2. Article 6 - Association Rights

27 I concur with the Chair’s recommendation of Association release at 1.5 hours per month, with
28 the proviso that these hours not to displace professional development training time.

29 3. Article 10 - Hours of Work

30 a. Hourly Rate

31 I concur in part and dissent in part. I concur with the Chair’s recommendation that the
32 hourly rate increased, but I recommend the hourly rate be set to the lowest hourly rate
33 possible using Step 1 Column 1 of the certificated salary schedule. To understand how
34 that is to be calculated we need to note that the OUSD currently uses a system to
35 determine hourly rates that is based on the salary schedule: They take the daily rate and
36 divide by six (6). If we do the math based on my recommendation for salary increases
37 below, the hourly rate for 2018-19 would be \$44.27, and would increase automatically
38 with out-year increases to the salary schedule. I see no rationale for waiting for the next
39 round of negotiations to begin increasing that hourly rate along with the salary
40 schedule, (and thus repeating the mistake of leaving the hourly rate behind.)

41 b. Shift Bell Schedules:

1 I concur in part with the Chair's proposal to leave the bell schedule at status quo for
2 2019-20 with a sunset agreement and with a commitment from the parties to
3 communicate with, and gather input from community members, but I add that the
4 parties should commit to bargain in good faith, a new bell schedule, and the impacts
5 and effects of any bell schedule changes. The parties should further commit that they
6 will choose a bell schedule that does not put an onerous burden on parents and/or
7 students, and thus drives more families to choose other educational options.

8 c. Daily Prep change to either beginning or end of day:
9 I concur in part and dissent in part. I agree with the Chair's recommendation to leave
10 prep time at status quo for 2019-20 and to include this topic in the negotiations of the
11 impacts and effects of the bell schedule changes. However, I don't recommend a sunset
12 of the current prep language, (as is recommended for the bell schedule) but rather a re-
13 opener to correspond with the bell schedule negotiations. If the parties agree to
14 shifting bell schedules, and also agree that the new bell schedule necessitates shifting
15 prep times, then they will easily reach agreement. If the parties do not come to any
16 such agreement, then the current prep schedule should remain in force.

17 4. Article 12 – Transfers and Reassignments
18 I concur with leaving this as status quo- focusing increasing services to schools in need through
19 Article 15 – Class Size, and Article 21 – Specialized Caseloads.

20 5. Article 13 & 25 – Evaluation and Peer Assistance and Review
21 I concur with the Chair's recommendation that the parties work to implement the new TGDS
22 evaluation system with the same protocols and support that were in place during the pilot
23 period. The success of any evaluation system is dependent on the support it is given.
24 I also concur with the Chair's recommendation on Article 25 – Peer Assistance and Review.

25 6. Article 15 – Class Size
26 I concur in part and dissent in part. I dissent on not attaching an additional reduction to the
27 final year of the agreement. The task force proposed by the Chair can still be formed to work on
28 any challenges that this reduction schedule presents. Attaching an additional reduction in the
29 3rd year of the agreement gives the district time to re-orient its budget appropriately, and it
30 gives the parties ample opportunity to eliminate any unintended consequences (i.e. negotiating
31 a benchmark for classes and/or programs that are in high demand and therefore not subject to
32 reductions that would force students out of those programs). I therefore concur with a class
33 size reduction of 1 applying to the top 20% of schools of need in July of 2019, and an across the
34 board reduction of 1 in July of 2020, but I also propose that the parties agree to begin the 2021-
35 22 school year with a further reduction of 1 for those top 20% of schools in need.
36 Regarding overage pay, I dissent with the Chair's recommendation. The status quo is that there
37 is no contract language regarding overage pay – meaning that overages are simply not allowed
38 in the current contract. When overages occur, they are in violation of the contract. The parties
39 regularly deal with those violations by reaching agreement within the grievance process,
40 resulting in extra compensation for the effected unit members. For OEA to agree to overages
41 that are less punitive than the settlements they are currently getting would create a reverse
42 incentive for the district. In other words, the district would be more inclined to over fill
43 classrooms than under the current system. I therefore recommend the parties agree to one of

two options: 1) OEA's proposal of \$25 daily per-pupil, per-day for elementary teachers and \$8 per-pupil, per-period for secondary teachers, or 2) status quo.

7. Article 17 – Safety

I concur with the Chair's recommendation to note the School Board policy on OUSD being a sanctuary district without reciting it, thus allowing the Board to make changes as required by law. Though one would think that this could be accomplished through Article 19 Savings Provision, since that language is limited to court decisions and does not specifically reference changes in law, the Chair's recommendation is the clearest way of providing protection for OEA members. For the sake of transparency, I recommend including the Board policy language in an appendix, with whatever notes are necessary to allow Board flexibility based on changes in law. I also concur with the Chair's recommendation to adopt OEA's proposal to expand the safety committee to include community members.

8. Article 21 – Specialized Caseloads

Given the districts burgeoning newcomer student population and the unique needs that they bring, I must concur in part dissent in part as follows:

- a. Counselor – I concur with the Chair's recommendation; 1:500 to 1:550 if reductions in force take place.
- b. Nurses – I dissent with the Chair's recommendation. Both compensation and caseload make it difficult to recruit and retain nurses in Oakland. I recommend that both issues be addressed in this agreement. The union's ratio proposal will certainly make filling positions more challenging – there will be more positions to fill, but it will also make filling positions easier, because prospective candidates will be assured of a reasonable work-load. I therefore recommend the union's position of a 1:700 ratio. Regarding bonuses to attract nurses, I concur with the Chair's recommendation to include a signing bonus \$5,000 in the agreement, but I dissent with the notion of providing retention bonuses. In the STRS environment bonuses are particularly troublesome as they do not provide added security for retirement. In the long term, it would not be helpful for nurses to see a bi-annual temporary source of income that would not be credited toward their retirement. I therefore recommend that the parties negotiate a salary scheme for nurses that aligns their salaries to those of the Psychologists. It should be noted that Psychologists have expanded work hours and work days. My recommendation would be for the parties to calculate the nurses' salary proportional to the hours and days of work. With both higher salaries and lower caseloads, the challenge of recruiting and retaining nurses can be addressed effectively. I would also encourage the parties to work out a reasonable timeline for implementation of the nurse to student ratio.
- c. Psychologists – I concur with the Chair's recommendation for an increase of three (3) positions
- d. SLPs – I concur with the Chair's recommendation to use 55 as the district's caseload cap.
- e. RSP – I dissent with the Chair's recommendation. Being as the district is already staffed at 26:1, I recommend codifying 26:1 as the district's caseload cap. The parties should be encouraged to negotiate overage language that allows the district time to adjust caseloads as students come and go.

- 1 f. Newcomers – I am hopeful that the class size and caseload provisions above will begin
2 to address the added support needed for newcomer students, but more targeted
3 support is also necessary. I therefore concur with the Chair’s recommendation that the
4 parties form a task force to study the needs of newcomers and make recommendations
5 to the School Board and/or the bargaining parties as appropriate, but I further
6 recommend that the parties agree to add one (1) extra FTE for schools that have over 75
7 newcomers, for the purpose of developing and executing programs of support.

8 9. Article 24 – Compensation

9 I concur in part and dissent in part. The lack of a competitive salary schedule in Oakland is not a
10 new phenomenon. The district has for decades over-spent on administrative costs. It is now
11 engaged in providing sweetheart deals to charter schools at the expense of OEA members
12 (those who actually deliver quality instruction to OUSD students). The Chair is being sensitive to
13 the administration’s need to show financial viability in the 3rd year of their multi-year
14 projections, and I understand that those projections can be challenging. However, locking in
15 that 3rd year is vitally important as it has the effect of demanding that the School Board and the
16 administration immediately re-prioritize those out-year budgets in order to meet the modest
17 increases that OEA members demand. I am also sensitive to OEA’s frustrations that the district
18 administration might be allowed an extra year to fix problems as a reward for not coming to an
19 agreement for 18 months of negotiations. Therefore, my recommendations are as follows:

- 20 a. Salary increases – concur in part and dissent in part:

- 21 i. 2017-18 – 3% fully retro
22 ii. 2018-19 – 3% fully retro
23 iii. 2019-20 – 5% for the full year

24 Again, my rationale for including the 3rd year is that the district has historically promised
25 that they would adjust their priorities in the future – that in the future they would shift
26 spending to better reflect the Board’s promise of protecting and improving the teaching
27 and learning environment, and more recently, better reflect the priorities of the
28 district’s LCAP. But those promises have almost always been broken. I can recall doing
29 a fact-finding here in Oakland almost 10 years ago, at the end of which the parties
30 agreed that the district was spending too much on administrators and not enough on
31 teachers. That problem has only gotten worse in the intervening years. I therefore
32 recommend that this agreement lock the district into spending money where it is most
33 effective (in the classroom) and thus force the district to re-prioritize its budget. An
34 agreement now gives the district several weeks to build an appropriate budget
35 prospectively in their next Multi-Year projection (2nd Interim Report, due March 15).
36 The Oakland community cannot continue to wait for the OUSD School Board and
37 administration to fulfill this promise.

- 38 b. Substitute pay – I concur with the Chair’s recommendation of \$180 up through day 59
39 and \$195 for 60 days or more, and that any substitute who achieves the 60 days in one
40 school year will have the higher rate carry over to the following school year.

41
42 Finally, on the issue of the impact of charter schools, I very much appreciate the Chair’s
43 willingness to weigh in on the state-wide structural problem with charter school funding and the
44 unlevel playing field that makes it more difficult for school districts to adequately serve their

1 students. But I must urgently point out that OUSD is unique in its abdication to charter
2 expansion at the expense of its own schools. One example of this is the district's agreement to
3 give the Lafayette site to KIPP Bridge Charter School nearly rent free for 40 years in exchange for
4 KIPP building \$9.9 million worth of new buildings. This scheme, by the OUSD School Board's
5 own design, will cost them over \$750 million dollars in state revenue over the term of the
6 agreement. Under any circumstances this deal would raise eyebrows to anyone who cared
7 about maintaining OUSD's budget. But in an environment in which OUSD is choosing to close
8 neighborhood schools in order to reduce its capacity, to simultaneously give away \$9.9 million in
9 rent and \$750 million in state revenue, all so that a competing charter school can increase its
10 capacity is unfathomable. OUSD needs to stop outsourcing its academic program, keep its
11 neighborhood schools open, and work with its employees to design ways to encourage the re-
12 patronage of students and families who have chosen other educational options. If OUSD
13 continues on its current path, it will continue to experience a death spiral in which students and
14 families are under-served by a top heavy district and budget constraints, and therefore elect to
15 leave for charter schools, thus further burdening the OUSD budget, thus leading to less service
16 to students.

1 CONCURRENCE AND DISSENT OF EMPLOYER PANEL MEMBER

2 I fully agree with most of the main recommendations and factual findings of the Panel
3 Chair. I write separately to emphasize certain facts and realities confronting the Oakland Unified
4 School District and the Oakland Education Association (Union). The recommendations made here
5 flow from those realities as reflected in the record of evidence presented in the factfinding hearing.

6 I hope the parties will recognize the common realities they both face. By reaching a
7 common understanding, I encourage frank and candid discussions aimed at resolving the current
8 labor dispute in a way that does not further harm or disrupt the educational environment for
9 District students, families of those students, and the employees of the District.

10 Limitations of the Local Control Funding Formula

11 As the Panel Chair explains, and as both parties acknowledged in their presentations,
12 California's "new" Local Control Funding Formula (LCFF) fundamentally changed the way local
13 school districts receive revenue from the state. Beginning in 2013, urban school districts like
14 Oakland that have higher concentrations of students with unique needs receive additional revenue
15 in the form of supplemental and concentration grants under the LCFF funding formula. As a
16 consequence, the LCFF formula has benefited Oakland and similar districts with higher
17 concentrations of unduplicated pupils that generate those additional dollars.

18 However, we must remember that a central purpose of LCFF was to provide "full funding"
19 to California school districts following the Great Recession that began in fiscal year 2008-2009.
20 Yet the concept of full funding actually meant restoring funding to the pre-Great Recession
21 funding levels in 2007-2008, and doing so over a period of eight years. The State was able to
22 achieve this "full funding" after six years, instead of eight. Nevertheless, restoring school funding
23 to 2007-2008 levels – in 2018 – is not truly "full funding."

24 The sobering reality is that even under LCFF, California's per pupil funding for K-12
25 students remains at virtually the very lowest in the nation. This fact exacerbates an already fragile
26 fiscal situation in the District. Accordingly, the overall state funding the District receives falls far
27 short of what is adequate to truly meet the educational needs of students and provide competitive
28 compensation to teachers and other educators inside and outside of the classroom. This

1 inadequacy falls squarely at the doorstep of decision makers in the State Capital – but imposes real
2 constraints on the resources actually available to the District.

3 Limitations Associated With the Legacy of State Receivership

4 Adding further complexities to the current labor dispute is the fact the District continues to
5 operate under the legal authority of a State Appointed Trustee (Trustee). While the District's
6 elected School Board has full governing authority, the Trustee has the power to "stay and rescind"
7 certain actions of the Board, including any collective bargaining agreement the Trustee determines
8 is detrimental to the District's fiscal stability.¹

9 Therefore, it is important to emphasize that under these circumstances of scarce resources,
10 the District has focused those resources on the classroom and direct classroom supports for
11 students. Three facts are key indicators of that focus: (1) the evidence at the hearing established
12 that for every dollar in per student State funding Oakland receives, it spends more on teacher
13 compensation than most other Districts in the comparison group in Alameda County; (2) the
14 evidence demonstrates that class sizes in Oakland are actually lower on average than almost every
15 other school district in Alameda County, and there is no dispute between the parties that the cost
16 of lowering class size throughout the District by even one student is significant²; and (3) the
17 District spends proportionately more than surrounding districts for each student with special
18 needs, and the total contribution from the District's general fund to support special education
19 services is also higher than many other school districts in the County. These key facts along with
20 others, reflect the District's commitment to spend more out of each per-student dollar received
21 directly on teachers than other districts. As result, any assertions that the District is not adequately
22 investing in teachers or students, or not using its funding appropriately, are simply not supported

23
24 ¹ The Panel Chair also points out the financial consequences of that legacy, including the ongoing cost of repaying the State loan. This legacy is not an excuse for action – yet it is a reality both the Employer and Union face.

25 ² As the Chair notes, the dispute is around the exact cost of reducing class sizes by just one student. The Union
26 acknowledged the cost to reduce by even one student district-wide approaches \$5 million dollars per year. The
27 District contends the Union drastically underestimates the cost to reduce class sizes by just one student district-wide,
28 in part because the Union does not include necessary facility costs - in the form of additional classrooms - needed to
reduce class sizes across the district. The District estimates the cost of the Union's class-size proposals in each
category (which includes a two-student reduction district-wide), when added together, exceeds \$36 million – not an
unrealistic amount given the number of staff that would likely need to be hired and the additional classroom space that
would need to be added. Whatever the actual costs – both sides agree they are substantial and would be ongoing.

1 by the fact-finding record.

2 It is based upon this additional background that I concur with the most of the main
3 recommendations and factual findings of the Panel Chair, as explained below:

4 Article 1: Agreement

5 Concur.

6 Article 3: Definitions

7 Concur.

8 Article 6: Association Rights

9 Concur.

10 Article 10: Hours of Work

11 Concur as to a) and b). I dissent to the recommendation on c) and recommend the parties
12 continue to bargain c) this item.

13 Article 12: Assignment and Transfer

14 Concur.

15 Article 13 & 25: Evaluation (13) & Peer Assistance and Review (25)

16 Because the parties have already utilized the new Teacher Growth and Development
17 System (TGDS) as a pilot district-wide, and the benefits of the new TGDS evaluation standards
18 were mutually recognized as an improvement over the outdated California Standards for the
19 Teaching Profession (CSTP), I recommend the parties adopt and incorporate the TGDS system as
20 a replacement to the CSTPs while maintaining the current contract language for the timing,
21 sequence and contract safeguards in the evaluation process. This will provide teachers with the
22 meaningful professional feedback they desire that supports improved practices in the classroom.

23 Article 15 & 21: Class Size (15) & Specialized Caseloads (21)

24 The evidence presented at the hearing established that the District already has lower
25 average class sizes and caseloads compared to almost every other districts in the County and in
26 most comparable districts with similar student demographics. There was also no evidence
27 presented that the specialized case-loads in the District are above average compared to any of the
28 other Districts in Alameda County.

1 It is noteworthy that in a recent survey of District teachers, which was referenced in the
2 hearing, and which the Union noted had an almost 70% response rate from teachers, class size was
3 not mentioned by teachers as one of the leading factors affecting teacher retention. The top two
4 factors were salary and housing affordability in the bay area. Indeed, class size was not identified
5 in any of the six categories identified in the Union's presentation. (Tab 6.)

6 Importantly, both parties also recognized in the hearing the significant expense of reducing
7 class sizes by even one student district-wide. That cost was identified as many millions of dollars
8 *per year* for even a one per-pupil across-the-board reduction in class-size. While there is little
9 question that class sizes are important in the education of students, the evidence in the hearing
10 demonstrated that Oakland's class sizes are already low compared to surrounding districts in
11 Alameda County. As a result, I dissent with the Panel's recommendation on this issue and
12 recommend the parties maintain the status quo on the current contract language related to both
13 class size and specialized caseloads. While both of those issues are certainly important, there is no
14 compelling evidence to change the status quo at this time.

15 Article 17: Safety

16 Concur.

17 Article 24: Compensation:

18 The District did not dispute that its teacher salaries are among the lowest – although not
19 the lowest – in Alameda County at almost every year of service. On the other hand, Oakland
20 provides one of the best health benefit packages to its teachers compared to most other District's in
21 Alameda County. Yet even recognizing the value of these benefits, Oakland's total compensation
22 for teachers lags behind most districts in Alameda County and behind most of the comparable
23 districts in the area.

24 Accordingly, I concur with the recommendation of the Panel Chair of a compensation
25 increase of 3% in each of the first two years of a three-year agreement and contract reopener in the
26 third year to bargain any further increase. Yet, the books on the 2017-2018 year, which led to this
27 fact-finding, have closed. Therefore, I dissent with the recommendation that this increase begin in
28 FY 2017-2018. If the parties both agreed with the Panel Chair, they would resume bargaining

Roy Combs, Employer's Appointed Panel Member

PROOF OF SERVICE

I declare that I am a resident of or employed in the County of Los Angeles,
State of California. I am over the age of 18 years. The name and address of my
Residence or business is P.O. Box 67, Montrose, CA 91021

On February 15, 2019, I served the Factfinding Report
(Date) (Description of document(s))
in Case No. SF-IM-3192-E
(Description of document(s) continued) (PERB Case No.)

on the parties listed below by (check the applicable method(s)):

- ☐ placing a true copy thereof enclosed in a sealed envelope for collection and delivery by the United States Postal Service or private delivery service following ordinary business practices with postage or other costs prepaid;
- ☐ personal delivery;
- ☐ facsimile transmission in accordance with the requirements of PERB Regulations 32090 and 32135(d).
- ☒ electronic service (e-mail) - I served a copy of the above-listed document(s) by transmitting via electronic mail (e-mail) to the electronic service address(es) listed below on the date indicated. (May be used only if the party being served has filed and served a notice consenting to electronic service or has electronically filed a document with the Board. See PERB Regulation 32140(b).)

(Include here the name, address, e-mail address and/or fax number of the Respondent and/or any other parties served.)

Charles King, cking@cta.org

Jenine Lindsey, jenine.lindsey@ousd.com

Dennis Nelson, bargainingteam@gmail.com

John Gray, JohnG@sscal.com

Roy Combs, rcombs@f3law.com

Wendi Ross, wross@perb.ca.gov

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on February 15, 2019, at
(Date)

La Crescenta

CA

(City)

(State)

Najeeb Khoury

(Type or print name)



(Signature)

**OAKLAND UNIFIED SCHOOL DISTRICT
GOVERNING BOARD
RESOLUTION 1819-0041**

**CONFIRMING OAKLAND UNIFIED SCHOOL DISTRICT'S
COMMITMENT TO FISCAL SOLVENCY**

WHEREAS, the Governing Board recognizes that the district is highly dependent on revenue from the State of California and that revenue source is dependent on the on-going stability of the California State economy;

WHEREAS, the Governing Board recognizes that the Governor's 2018/2019 Budget proposal projects out year increases tied to cost of living adjustments only, and that these budget components have a direct impact on the District's multiyear projections;

WHEREAS, the Governing Board further recognizes the impact of declining enrollment and increasing STRS/PERS pension costs on the District's budget;

WHEREAS, The Education Code specifies that on or before July 1 of each year each school district shall adopt a budget;

WHEREAS, Education Code section 42127(c) provides, in relevant part, that the County Superintendent of Schools shall:

"Determine whether the adopted budget will allow the school district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the school district to satisfy its multiyear financial commitments . . . [and] shall either conditionally approve or disapprove a budget that does not provide adequate assurance that the school district will meet its current and future obligations and resolve any problems identified in studies, reports, evaluations, or audits described in this paragraph."

WHEREAS, based on the District projections of revenue and expenditures and the District's current fiscal challenges, it is projected that the District will not meet its required minimum reserves in the 2019-2020 and 2020-21 fiscal years, and the District will have a negative ending fund balance (currently estimated at approximately -20,300,000 and -\$59,000,000 respectively);

WHEREAS, the Governing Board desires to minimize the impact on the level of service and quality of staff and education programs for District students;

WHEREAS, the Governing Board recognizes that the District's health and welfare benefits package is a significant factor in the District's ability to recruit and retain highly qualified teachers and staff, and the Governing Board is committed to minimizing the impact on the level of such benefits within the District's fiscal constraints and without major disruption to plan benefits;

WHEREAS, the Governing Board desires to avoid draconian budget reduction measures beginning in the 2019-2020 fiscal year;

WHEREAS, the Governing Board remains committed to collaboration with its employee representatives and bargaining units in addressing the District's fiscal challenges in hopes of avoiding any draconian cuts to Reductions in Force;

WHEREAS, the Governing Board recognizes that the current multiyear projection included in the District's proposed budget projects a negative fund balance of approximately \$20,300,000 in 2019-2020 fiscal year, and \$59,000,000 in the 2020-2021 fiscal year, and further recognizes that the projections may increase or decrease depending on the final State revenue allocated to Proposition 98 as adopted by the State of California in the 2018-2019 and/or 2019-2020 state budget, or any other changes to the multi-year assumptions;

WHEREAS, the Governing Board recognizes that if the District's current fiscal circumstances do not change materially for the positive on or before January 31, 2019, then it will be necessary to either increase revenue and/or make appropriate expenditure reductions in order for the District to remain fiscally solvent beginning in FY 2019-20 and the two subsequent years fiscal as mandated by California State law;

WHEREAS, the Governing Board has been advised of the risk in delaying reductions which may allow the projected negative ending fund balance (approximately -\$59,000,000) by 2020-2021 to grow larger;

NOW, THEREFORE, BE IT RESOLVED, based on the above recitals and in order to ensure that the Oakland Unified School District remains fiscally solvent, the Governing Board is committed to reducing expenditures in all budget areas including salaries, employee benefits, services and operating expenses, capital outlay, other outgoing and other financing sources;

BE IT FURTHER RESOLVED that, absent a material positive change in the District's projected revenues or reduction in District expenses, the District will be required to consider and implement budget reductions in force beginning in FY 2019-20 of at least 234 FTE Certificated positions and 104 FTE Classified, Management and Confidential positions for approximately \$26.4 million to be identified on or before February 28, 2019, books and supplies of \$400,000 and \$3.5 million services and operating expenses to address the District's negative ending fund balance.

BE IT FURTHER RESOLVED that, given the District's history of budget and fiscal miscalculations, the Board will require the District to establish a more conservative target for reductions to achieve a minimum of a 3% reserve beginning in FY 2019-20 in order to address unforeseen budgetary increases;

BE IT FURTHER RESOLVED that, during the 2018-19 fiscal year, the District will work in collaboration with the bargaining units and the Board to provide alternatives to reductions in force which would be enacted in the absence of new money or equivalent savings identified by January 31, 2019; and

BE IT ADDITIONALLY RESOLVED that the Governing Board is committed to explore and pursue any and all options to increase revenue including local, state, federal grants, and additional remedies as provided by the State.

PASSED AND ADOPTED by the Governing Board of the Oakland Unified School District, Alameda County, State of California, on August 8, 2018, by the following vote:

Passed by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NAYS: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE None:

PREFERENTIAL ABSENCE: Josue Chavez (Student Director), Yota Omosowho (Student Director)

AYES: Jody London, Nina Senn, Shanthi Gonzales, James Harris, Vice President Jumoke Hinton Hodge, President Aimee Eng

NOES: None

ABSTAINED: None

RECUSED: None

ABSENT: Roseann Torres

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Governing Board of the Oakland Unified School District held on August 8, 2018.

Aimee Eng
President, Governing Board

Kyla Johnson Trammell
Secretary, Governing Board

Legislative File No. 18-1723
Introduction Date: 8/8/18
Enactment No. 18-1266
Enactment Date 8/8/18
er

RESOLUTION
OF THE
BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
NO. 1819-0007

District's Capital (Facilities) Program - Revised Spending Plan - August 2018

WHEREAS, in June 2012, Oakland voters passed Measure J, a \$475 million School Facilities Improvement Bond;

WHEREAS, the Facilities Master Plan developed in 2012 identified that the Facilities needs cost more than the funding sought by the bond measure;

WHEREAS, as project scopes have expanded, construction costs have increased over time, and various circumstances have contributed to delays, there are insufficient funds in Measure J to complete all of the projected projects on the Measure J spending plan;

WHEREAS, it is estimated that an additional \$160 million would be needed to complete all of the committed Measure J projects as currently scoped and within the timeframes committed;

WHEREAS, a framework was developed to determine which projects to reduce or defer to ensure that the District's capital spending plan is balanced with resources; the framework recommends cuts that are: (1) furthest away from the classroom; (2) not yet in construction or furthest away from construction; (3) least harmful to the overall District and Facilities program,

WHEREAS, the District's Capital (Facilities) Program – Revised Spending Plan – August 2018 (attached as Exhibit A) applies this framework to recommend reductions to specified projects to balance the spending plan,

NOW, THEREFORE, BE IT RESOLVED, the Board hereby adopts the revised District's Capital (Facilities) Program – Revised Spending Plan – August 2018 attached hereto as Exhibit A and authorizes the use of Measures B and J , Measures B and J Interest, Fund 25 (Capital Facilities) and Fund 35 (County School Facilities) Funds, as stated in Exhibit A, as the funding sources for related expenditures for facilities projects subject to the Board's approval of the contracts, or other Board required authorizations, if any, for such expenditures.

Passed by the following vote:

PREFERENTIAL AYE:	None
PREFERENTIAL NOE:	None
PREFERENTIAL ABSTENTION:	Student Directors Chavez and Omosowho

PREFERENTIAL RECUSED: None
 AYES: Jody London, Nina Senn, Roseann Torres, Shanthi Gonzales, President Aimee Eng
 NOES: Vice President Jumoke Hinton Hodge, James Harris
 ABSTAINED: None
 RECUSED: None
 ABSENT: None

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District, held on August 22, 2018.

Legislative File Info.	
File ID Number:	18-1729
Introduction Date:	8/1/18
Enactment Number:	18-1395
Enactment Date:	8/22/18 os

OAKLAND UNIFIED SCHOOL DISTRICT

Aimee Eng
 President, Board of Education

Kyla Johnson-Trammell
 Superintendent and Secretary, Board of Education

Exhibit "A" - Revised Measure J Spending Plan

District's Capital (Facilities) Program - Revised Spending Plan - August 2018
Exhibit "A"

FACILITIES PLANNING & MANAGEMENT										August 16, 2018			
Board Approved - June 2017										New Proposed Funding Plan - August 2018			
All Capital Resources - Summary of changes													
	Measure J	Measure B \$65M	Measure B Interest	TOTAL	Measure J	Measure B \$65M	Fund 35	Fund 25	Measure J Interest	Measure B Interest	TOTAL		
Modernizations and New Construction													
1. California Solar Initiative (CSI) Project	\$ 35,000,000	\$ -	\$ -	\$ 35,000,000	\$ 31,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,000,000
2. Glenview Elementary School - Replacement	\$ 47,000,000	\$ -	\$ -	\$ 47,000,000	\$ 37,000,000	\$ 11,800,000	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ 58,800,000
3. Madison Grade Expansion Project (From 6-9 to 6-12)	\$ 27,000,000	\$ -	\$ -	\$ 27,000,000	\$ 15,500,000	\$ 5,200,000	\$ -	\$ 15,700,000	\$ -	\$ -	\$ -	\$ -	\$ 36,400,000
4. Greentree Expansion Project (From K-5 to K-8)	\$ 40,000,000	\$ -	\$ -	\$ 40,000,000	\$ 39,480,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,480,000
5. Sankofa Expansion Project (From K-5 to K-8)	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000
6. Fremont High School - Replacement	\$ 80,000,000	\$ 2,000,000	\$ -	\$ 82,000,000	\$ 117,000,000	\$ 3,800,000	\$ -	\$ 12,400,000	\$ -	\$ -	\$ -	\$ -	\$ 133,200,000
7a. Education Learning Complex (ELC2)	\$ 38,000,000	\$ 5,000,000	\$ -	\$ 43,000,000	\$ 14,620,000	\$ -	\$ -	\$ 2,880,000	\$ -	\$ -	\$ -	\$ -	\$ 17,500,000
7b. Interim Housing	\$ 6,500,000	\$ -	\$ -	\$ 6,500,000	\$ 14,480,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,480,000
8. McClymonds HS Intensive Support Site	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 4,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
9. Castlemont HS Intensive Support Site	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
10. Brookfield ES Intensive Support Site	\$ 1,000,000	\$ 3,000,000	\$ -	\$ 4,000,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000
11. Prick MS Intensive Support Site	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 4,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
12. Central Kitchen/Commissary at Foster Site	\$ 45,000,000	\$ 5,000,000	\$ -	\$ 50,000,000	\$ 50,000,000	\$ 21,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,000,000
13. School Kitchens 1 & 2	\$ 10,975,000	\$ 17,800,000	\$ -	\$ 28,775,000	\$ 7,790,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,775,000
14. Roosevelt Modernization (Design Only)	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Subtotal	\$ 341,475,000	\$ 40,800,000	\$ -	\$ 382,275,000	\$ 339,830,000	\$ 46,825,000	\$ 2,880,000	\$ 38,100,000	\$ -	\$ -	\$ -	\$ -	\$ 427,835,000
Security Projects													
15. Security Camera Plan (Design Only)	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
16. Security Improvement District Wide	\$ 2,000,000	\$ 4,000,000	\$ -	\$ 6,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
Subtotal	\$ 2,500,000	\$ 4,000,000	\$ -	\$ 6,500,000	\$ 2,500,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500,000
Energy and Technology													
17. Prop 39 Energy Efficiency	\$ 8,625,000	\$ -	\$ -	\$ 8,625,000	\$ 8,625,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,625,000
18. Educational Technology	\$ 2,000,000	\$ 1,000,000	\$ -	\$ 3,000,000	\$ 2,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
19. Technology and Common Core	\$ 7,200,000	\$ -	\$ -	\$ 7,200,000	\$ 7,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,200,000
20. Technology Infrastructure Upgrades	\$ 2,500,000	\$ 2,500,000	\$ -	\$ 5,000,000	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
Subtotal	\$ 20,325,000	\$ 3,500,000	\$ -	\$ 23,825,000	\$ 20,325,000	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,825,000
Other Capital Improvements													
21. Paving and Infrastructure	\$ 6,185,496	\$ -	\$ -	\$ 6,185,496	\$ 5,853,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,853,066
22. Bathroom Renovations	\$ 8,049,489	\$ -	\$ -	\$ 8,049,489	\$ 8,049,489	\$ -	\$ -	\$ 1,700,000	\$ -	\$ -	\$ -	\$ -	\$ 9,749,489
23. Roofing Projects	\$ 1,864,647	\$ -	\$ -	\$ 1,864,647	\$ 1,864,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,864,647
24. Fuel/Electric Blenders/Restrooms	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 912,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 912,740
25. Child Development Centers Improvements - Laurel	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000
26. Boiler Replacements	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
27. DSA Legacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ 550,000
28. Mobile Modular Legacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,000	\$ -	\$ -	\$ -	\$ -	\$ 204,000
30. ADA Upgrades	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
31. Health Clinics - Oakland Tech	\$ 2,500,000	\$ -	\$ 500,000	\$ 3,000,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
32. Joaquin Miller ES Playstructure	\$ 80,917	\$ -	\$ -	\$ 80,917	\$ 80,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,917
33. Claremont MS Kitchen Fire	\$ 1,500,000	\$ 3,500,000	\$ -	\$ 5,000,000	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
34. Science Classrooms and Labs	\$ 12,750,000	\$ -	\$ 500,000	\$ 13,250,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
35. Playmatting and Playstructures	\$ 9,000,000	\$ -	\$ -	\$ 9,000,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
36. Manzanita ES Play Area	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
37. Bella Vista ES Portable Removal	\$ 600,000	\$ -	\$ -	\$ 600,000	\$ 573,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 573,988
38. Skyline HS Gym Roof	\$ 450,000	\$ -	\$ -	\$ 450,000	\$ 450,000	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 650,000
Subtotal	\$ 47,381,549	\$ 3,500,000	\$ 1,000,000	\$ 51,881,549	\$ 24,745,368	\$ 3,000,000	\$ 9,744,000	\$ 2,654,000	\$ -	\$ -	\$ -	\$ -	\$ 30,399,368
Field Projects													
39a. Turf Field Replacement - Skyline HS	\$ 2,035,000	\$ -	\$ -	\$ 2,035,000	\$ 1,929,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,929,463
39b. Turf Field Replacement - Oak Tech HS Field	\$ -	\$ 1,850,000	\$ -	\$ 1,850,000	\$ -	\$ 1,850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,850,000
39c. Turf Field Replacement - Castlemont HS & McClymonds HS	\$ 2,700,000	\$ -	\$ -	\$ 2,700,000	\$ 2,400,000	\$ 1,000,000	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000
41. Carter @ Oakland International HS Turf Replacement	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000	\$ 2,075,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,075,000
41. Burbank ES Site Improvements	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000	\$ 1,733,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,733,860
42. Parker ES Astro Turf Installation	\$ 1,762,493	\$ -	\$ -	\$ 1,762,493	\$ 88,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,250
43. Scoreboard at Fields	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 5,525,000	\$ 2,925,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,450,000
44. Middle School Fields	\$ 5,500,000	\$ 3,950,000	\$ -	\$ 9,450,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
45. Emerson Field	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 19,147,493	\$ 5,800,000	\$ -	\$ 24,947,493	\$ 17,555,573	\$ 5,775,000	\$ 2,000,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 25,930,573
46. Lead Abatement	\$ -	\$ -	\$ -	\$ -	\$ 2,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,300,000
47. Bond Program Contingency	\$ -	\$ 6,900,000	\$ -	\$ 6,900,000	\$ 7,000,000	\$ 2,900,000	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 14,400,000
48. Bond Program Coordination	\$ 41,670,958	\$ 500,000	\$ -	\$ 42,170,958	\$ 56,244,059	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,244,059
49. Facility Master Plan	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000
50. Lincoln Water Intrusion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,210,000	\$ -	\$ -	\$ -	\$ -	\$ 2,210,000
51. Prior Board Approved Alarm Projects	\$ -	\$ -	\$ -	\$ -	\$ 8,480,000	\$ -	\$ -	\$ -	\$ -	\$ 7,480,000	\$ -	\$ -	\$ 7,480,000
Subtotal	\$ 475,000,000	\$ 65,000,000	\$ 9,480,000	\$ 549,480,000	\$ 475,000,000	\$ 65,000,000	\$ 9,744,000	\$ 38,700,000	\$ 2,500,000	\$ 9,480,000	\$ 2,500,000	\$ -	\$ 600,424,000

OFFICE OF THE BOARD OF EDUCATION

1000 Broadway, Suite 680

Oakland, CA 94607-4099

ousd.org/boe | boe@ousd.org

510.879.8199 w | 510.879.2299 f | 510.879.2300 TTY/TDD



**OAKLAND UNIFIED
SCHOOL DISTRICT**

Community Schools, Thriving Students

BOARD OF EDUCATION 2018

Aimee Eng, President, District 2

aimee.eng@ousd.org

Jumoke Hinton Hodge, Vice President, District 3

jumoke.hintonhodge@ousd.org

Jody London, District 1

jody.london@ousd.org

Nina Senn, District 4

nina.senn@ousd.org

Roseann Torres, District 5

roseann.torres@ousd.org

Shanthi Gonzales, District 6

shanthi.gonzales@ousd.org

James Harris, District 7

james.harris@ousd.org

September 12, 2018

Presiding Judge Wynne Carvill
Alameda County Superior Court
1225 Fallon Street, Department One
Oakland, California 94612

Cassie Barner
c/o Alameda County Grand Jury
1401 Lakeside Drive, Suite 1104
Oakland, California 94612

RE: Response to 2017-2018 Civil Grand Jury Report, "Oakland Unified School District: Hard Choices Needed To Prevent Insolvency"

Dear Presiding Judge Carvill and Foreperson Barner:

The Oakland Unified School District (the "District") submits its Responses to the Findings and Recommendations from the 2017-2018 Civil Grand Jury Report, "Oakland Unified School District: Hard Choices Needed To Prevent Insolvency."

The District appreciates the Jurors' commitment to their role, thoroughness, and diligence in analyzing and understanding many of the complex and critical issues facing the District. The Civil Grand Jury exemplified the effectiveness of a panel of citizens to objectively analyze a component of the District's operations and to provide thoughtful insight and recommendations to the District. The District appreciates the opportunity to raise awareness of these challenges, receive the candid feedback, and implement the recommendations.

The District disagreed with some of the narrative preceding the Findings and Recommendations. However, since these facts did not materially change the District's response to the findings and recommendations, the District only noted a few of the factual inaccuracies relating to the School of Language and Rudsdale Academy in its response.

Presiding Judge Wynne Carvill
Foreperson Cassie Barner
RE: Response to 2017-2018 Civil Grand Jury Report, "Oakland Unified School District:
Hard Choices Needed To Prevent Insolvency"
September 12, 2018
Page 2 of 2

Notably, at the beginning of the Civil Grand Jury's service, the District began new leadership under the esteemed Dr. Kyla Johnson-Trammell, an Oakland native and long-time educator in the District. Dr. Johnson-Trammell engaged immediately to build a trusted, experienced team of business and fiscal experts to advise and implement improvements. In addition, the Board passed numerous new fiscal policies to help ensure that District staff was implementing the recommendations of the Fiscal Crisis Management Assistance Team (FCMAT) and to prioritize rebuilding fiscal reserves. The Board also reinstituted its Budget and Finance Advisory Committee and increased Board trainings and the number of board meetings focused on fiscal and budget topics. Although the hurdles are significant, the District believes it is on its way toward implementing the recommendations of the Grand Jury and becoming a fiscally sustainable, quality educational institution with students who are prepared for college, career and community success.

Sincerely,

Aimee Eng
President of the Board

AE:lf

Attachment: Response to 2017-2018 Civil Grand Jury Report, "Oakland Unified School District: Hard Choices Needed To Prevent Insolvency"

Aimee Eng
President, Board of Education

9/13/18

Kyla R. Johnson-Trammell
Secretary, Board of Education

9/13/18

Enactment No.: 18-1505

OAKLAND UNIFIED RESPONSE TO FINDINGS AND RECOMMENDATIONS

Finding 18-6: Staff and Board of Education efforts to circumvent established budgeting policies along with board efforts to interfere in the administrative responsibilities of the superintendent invite financial instability and contribute to Oakland Unified School District's financial problems.

The District agrees with this finding with the clarification that it does not believe the efforts referenced in the finding are intentional. One component of the District's theory of action is to maximize school site-based decision-making regarding staffing, finances, calendars, and programs. As a result, there are numerous board policies supporting each principal's and particular school community's fiscal and programmatic autonomy to best meet the needs of its school community. There is considerable research highlighting some of the advantages of this method of budgeting. *See, e.g.,* Rennie Center for Education Research & Policy. (October 2012). Smart School Budgeting: Resources for Districts. Cambridge, MA: Rennie Center for Education Research & Policy. Some of the advantages for these budgeting policies are: "Those who best understand needs have the authority to make decisions. Provides greater control/ reporting of school-level data and greater school-level accountability. Staff/community given a voice, generating public support." *Id.* On the other hand, however, these policies require substantial training and deeper understanding and attention to financial matters than alternative ways of budgeting. In a district with significant administrator turnover and deep instructional needs, these responsibilities can be challenging. Also, it can cause an otherwise "unified" system to have internal discord through numerous parts working separately on individualized goals and accountability.

Some of the Board's legislative proposals relating to creation of personnel positions tended to focus upon development of positions that could assist the Board in fulfilling its role in overseeing the District's budget at a time when the District's financial department was understaffed. These positions were proposed in adherence to the Board's Bylaws and, ultimately, were not adopted by the majority of the Board. The Board has engaged in numerous trainings over the last 15 months to improve its governance.

Finding 18-7: Oakland Unified School District's inability to control overstaffing and poor position control decisions have contributed to the district's financial instability.

The District agrees with this finding. The District's largest fiscal expenditures are salary and salary-driven benefit costs. To drive school improvement, the District has focused

on increases resources to schools, often in the form of staffing. In 2017, \$419.2 million, approximately 80% of the District's budget, was spent on employee salaries and benefits. During the same time, the statutorily required pension benefits for District employees continued to rise an additional 2% from the prior year's increase without additional funding allocated for such purposes. In addition to increasing costs, in 2017, the District's staffing at schools and District-wide support positions (such as substitutes, school security, custodial, nutrition services, and special education staff), increased by 621 general fund positions while central office general fund positions decreased by 383.

This finding highlights the complexity of the District's budget and enrollment patterns, and the pressure placed on specific school communities and the Board when the enrollment upon which school budgets were based changes. Each of the District's eighty-seven schools gets its following school year's budget allocation in the spring based on projected enrollment. Schools develop their staff assignments, class lists, and master bell schedule/ class offerings accordingly. After schools, school communities, and students are assigned to teachers, it is programmatically and politically difficult to make changes to staffing and scheduling after the school year begins and to adjust a school's budget downward. Also, the District also often receives immigrant students, newcomers, and/or transfer students during the school year and need to ensure sufficient staffing to meet these late enrollment needs. Given teacher shortages and recruitment challenges, the District risks being unable to meet these needs if teachers are separated from employment based on enrollment in the first weeks of school. Unfortunately, the state funding model which is based on student attendance rather than the fixed costs of staffing classrooms disparately impacts districts like Oakland Unified that have large numbers of late enrollees and absenteeism due to chronic health conditions.

Finding 18-8: Lack of transparency related to Oakland Unified School District's financial positions has led to mistrust between the district, the community, and labor organizations.

The District agrees in part with this finding but believes that other factors, including historical context in Oakland and negative media coverage of the District contribute to distrust even with greater access to information. Also, the District's prior financial system, data management, and generation of reports were inconsistent and unreliable. One issue facing the District is how to best communicate complex fiscal information to a wide audience. For example, in January 2016, School Services of California and the District fiscal team presented information in the District's public board meeting about the expectation of a slowdown in revenue as the Local Control Funding Formula "gap" funding started to narrow to only a cost of living increase while pensions costs were increasing; subsequent budget presentations continued to note this data. Yet, the complexity of the overall budget shielded awareness of this issue.

The District's utilization of and access to data surpasses most other districts. All minutes, videos, and actions taken by the Board since 1999, including all budget presentations and all financial decisions impacting the District, are available in an easily searchable database on the District's website at <https://www.ousd.org/domain/67>. In our analysis of other school districts, few have this level of transparency and accessibility. In addition, the District's Research and Development department maintain data dashboards (www.ousddata.org) relating to student demographics, performance, discipline and attendance, teacher data, attendance patterns, accountability, wellness, climate and culture data, and post-secondary readiness data for use by the public. In spring 2016, the District also added comprehensive data dashboards of fiscal information that is viewable by school, department, resource, or expenditure type to analyze multiple years of fiscal data. (<https://www.ousd.org/fiscaltransparency>)

Finding 18-9: High turnover of key administrators has created an atmosphere of mistrust, destroying the continuity of the district's educational mission, and crippling the district's effectiveness in addressing its most pressing fiscal issues.

The District agrees with this finding. After the Board regained governance following state receivership, the District had five different Superintendents (two of which were interim superintendents) in nine years. Although the overall strategic plan, Community Schools, Thriving Students, has remained in place, each Superintendent's initiatives and focal points within the plan have varied. Without clear leadership and focus, work within District departments and schools seemed less aligned and targeted. Similarly, during leadership transition, retention efforts of other key staff became more difficult which increased costs.

Moreover, superintendent turnover required the Board to spend significant time and energy on recruiting, selection, and vetting of superintendent candidates rather than other important work of the Board. However, the investment in the selection process for Superintendent Kyla Johnson-Trammell has helped position the District on a new trajectory. As an Oakland native and acclaimed educator in OUSD, Dr. Johnson-Trammell has begun to rebuild the trust of the community and staff and is poised to stabilize and lead the District toward its vision.

Finding 18-10: Financial instability and high staff turnover contribute to poor student performance.

The District agrees in part with this finding but qualifies its response based on the myriad of factors that may impact student performance. The District believes that inadequate educational funding, even if stable, detrimentally impacts student performance. For districts like Oakland Unified, where schools must serve a variety of student's physical, mental, social, safety, linguistic, and academic needs, incremental

cost of living increases to educational funding that are insufficient to cover increasing mandated costs, will continue to contribute to poor student outcomes.

Relatedly, research data reflects that high teacher and administrator turnover negatively impacts student performance, and adequate funding is a component of retention, particularly in the context of the current teacher shortage.

Finding 18-11: Operating 86 schools is unsustainable and will lead the district to insolvency.

The District agrees with this finding in part. Assuming that all current conditions, including revenue, enrollment, class sizes, staffing levels, number of schools, and expenses, remain the same, the District will continue to operate at a fiscal deficit and will become insolvent. Reducing the number of District-operated schools is one way to reduce expenditures. However, from prior experiences, the District believes that to reduce potential loss of enrollment (and corresponding revenues) and creating unintended consequences, school consolidations need to be thoughtful and focused upon increasing quality options for all students. As reflected in a comprehensive independent study, Oakland Unified School District New Small Schools Initiative Evaluation by Ash Vasudeva, Linda Darling-Hammond, Stephen Newton & Kenneth Montgomery The School Redesign Network at Stanford University, the Oakland community has indicated previously that it values small schools and many small schools were regarded as successful. These perspectives and outcomes must be balanced with the District's resources and commitment to a City-wide system of high-quality schools.

Alternatively, if the District increased enrollment or other revenue options, such as optimizing under-utilized property, or decreased expenses, the current school portfolio may be more sustainable. The Board, through its special committee on Fiscal Vitality, is currently exploring a variety of options and combinations of ways to eliminate the structural deficit.

Lastly, there are some factual inaccuracies in the report relating to Rudsdale Academy and the School of Language (SOL). Contrary to the report, Rudsdale Academy is not a new school. Rudsdale Academy is an alternative high school that opened in 2001, prior to that it operated as a continuation high school and prior to that it was a traditional high school. Although SOL was a new school in 2017-18, there was a great deal of strategic planning, development, and community outreach for years preceding the formal Board vote to open the school. Oakland SOL was added to the District's portfolio of schools in order to build a PK-12 multilingual pathway in alignment with the district's strategic plan to "implement strategies that accelerate academic achievement while closing the opportunity gap" (OUSD Pathway to Excellence, 2014) and create strong pathways and feeder patterns in every Oakland neighborhood (OUSD Superintendent's 2016-17 Workplan). The English Language Learner and Multilingual Achievement (ELLMA) office and the Office of Continuous School Improvement supported the launch of Oakland SOL middle school as a critical component of growing equitable dual

language/bilingual pathways in furtherance of the District's 2015-2018 plan for improving outcomes for English Language Learners (ELL Roadmap for Success 2015-2018). This lengthy planning process and alignment to the District's strategic plan, particularly for underserved students, was not captured in the grand jury's report.

Finding 18-12: Collaboration between traditional public schools and charter schools operating in the district benefit all students in Oakland Unified School District.

The District agrees with this finding in part. The District does not believe that expending precious, limited resources fighting with charter schools is beneficial to students living in Oakland. The District agrees that collaborating with charters about school quality standards, enrollment and feeder patterns, professional development, placement of programs, special education, governance, fiscal transparency, equity and innovation would be beneficial to students in Oakland. However, there are some areas in which District schools and Charter schools have divergent interests and differential standards imposed by the Education Code. For example, California Charter School Association, on behalf of its Oakland charter school member(s), initiated and is currently pursuing litigation against the District which the District is vigorously defending.

In spring 2018, the Board worked diligently to debate and discuss various issues relating to District and charter schools and the number of schools in Oakland. The discussions culminated in a robust, visionary, and collaborative new Board Policy 6006 System of Schools (attached). The work to build a City-wide plan for a coherent system of schools is ongoing and a retreat on the issue is anticipated for November 2018.

Recommendation 18-7: The Oakland Unified School District Board of Education must participate in governance training, emphasizing that they are policy makers, not day-to-day administrators.

This recommendation has been partially implemented. In 2017-18, the entire Governing Board engaged in numerous governance training retreats and special meetings with Ron Bennett of School Services of California (10/5/17), Barbara Anderson and Allan Alson through Panasonic Foundation (10/5/17, 1/20/18, 6/7/18), and Victor Carey of the National Equity Project (10/5/17). In addition, numerous individual board members engaged in individual professional development to assist them in their roles, including attending conferences of the Government Finance Officers Association, Council of Great City Schools, and California School Board Association. The Board has committed to ongoing governance training in the 2018-19 school year, including a

governance retreat/ new board member orientation planned for January 2019.

Recommendation 18-8: The Oakland Unified School District Board of Education members must communicate with district officials through the superintendent.

This recommendation has been partially implemented. In a Board Retreat in August 2018, the Superintendent and Board discussed communication protocols in which the Board would direct its communications through the Superintendent and her "CORE Team" of direct reports with a copy or summary to the Superintendent. The consensus of the Board agreed to such communication protocols, but the protocol has not been formally adopted in the Board's Governance Handbook.

Recommendation 18-9: The Oakland Unified School District must establish a position control system that tracks staff allocation and spending, and better interfaces with payroll systems.

This recommendation has been partially implemented. In July 2018, the District transitioned to a new financial management system, "ESCAPE", which is fully-integrated with and hosted on the Alameda County Office of Education's servers. As a result, the District anticipates that it will have enhanced controls, data, uniformity, and support from the County. In addition, the District hired a new chief business officer, Marcus Battle, who has extensive business, finance, and systems experience. The District also hired a new Chief Financial Officer, Ofelia Roxas, who is a certified public accountant with experience in school districts and county offices of education. In addition to the ESCAPE implementation, the new business and operations team are in the process of updating fiscal policies and administrative regulations and identifying training needs of the District.

In 2017-18, the Board passed a new reserve policy to help prioritize its reserves and ensure that the District was not overspending in staffing and also passed a resolution to monitor implementation of FCMAT's recommendations.

Recommendation 18-10: The Oakland Unified School District must provide school site administrators with comprehensive training regarding position control and budgetary policies.

This recommendation has been partially implemented. In connection with the transition to a financial management system, ESCAPE, school site administrators, school support personnel, and central office staff were offered a series of trainings (April - August

2018) on how to use the new system. ESCAPE includes multiple levels of approvals for hiring, budget modifications, and purchasing transactions; greater keying error and omission safeguards; and more real-time, accurate information for users and supervisors to ensure compliance with budgetary policies. In addition, business leaders are reviewing and updating board policies and administrative regulations to recommend potential updates and improvements. As new policies are developed and training gaps identified, additional trainings and/or support for school site administrators will be developed.

Recommendation 18-11: The Oakland Unified School District must not hire any new staff or institute any new program unless there is money in the budget beforehand to fund them.

This recommendation has been implemented. Beginning in January 2018, any contracts that were submitted to the Board for approval were required to have a funding source with sufficient funds identified. Similarly, no position can be posted without the fiscal team identifying the budget and corresponding position code in the budget and no employee can be hired and begin work without a designated funding source. The District anticipates ongoing support and oversight from the Alameda County Office of Education, FCMAT and its state trustee to review budgeting and spending.

Recommendation 18-12: The Oakland Unified School District must develop a transparent budget platform that better informs the Board of Education and the public regarding long-term consequences of financial decisions.

This recommendation has been partially implemented. The District has a comprehensive, customizable database of its budget and historical budgets available on its website at <https://www.ousd.org/fiscaltransparency>. In addition, the Board has appointed a special committee for Fiscal Vitality that is charged with, among other things, making recommendations to reduce the structural deficit. The special committee anticipates holding approximately fourteen meetings from August to December 2018 and is engaging community to build awareness and understanding and to exchange ideas for solutions. The meetings, like the District's Board meetings, are recorded and available online.

Although the historical and current information is available online, there are fewer resources available for the public regarding the potential future consequences of the District's structural deficit. The Board is looking for ways to engage a broader, more diverse cross-section of the Oakland community beyond standard board meetings.

Board Office Use: Legislative File Info.	
File ID Number	18-2385
Introduction Date	11/14/18
Enactment Number	18-1787
Enactment Date	11/14/18 or



**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

Memo

To Board of Education

From Special Committee on Fiscal Vitality
Shanthi Gonzales, Chair
Aimee Eng
James Harris

Board Meeting Date November 14, 2018

Subject **Resolution No. 1819-0013 Recommendations For 19/20 Budget Development and Prioritization from Special Committee on Fiscal Vitality**

Action Requested and Recommendation Approval by the Board of Education of Resolution No. 1819-0013 Recommendations For 19/20 Budget Development and Prioritization from Special Committee on Fiscal Vitality

Background and Discussion The Special Committee on Fiscal Vitality has met over the fall to review key board policies and the Governance Theory of Action. The Committee created a set of recommendations for budget development and prioritization for the 19/20 school year and is asking the Board of Education to consider adopting the following key recommendations:

1. Implement BP 3150
2. Redesign the District
3. Competitive Employee Compensation
4. Commit to Shared Decision Making and Multi-Stakeholder Teams

Fiscal Impact Reductions of \$30 million

Attachments

- Resolution No. 1819-0013 Recommendations For 19/20 Budget Development and Prioritization from Special Committee on Fiscal Vitality

RESOLUTION
OF THE
BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
NO. 1819-0013

**RECOMMENDATIONS FOR 19/20 BUDGET DEVELOPMENT AND PRIORITIZATION FROM
SPECIAL COMMITTEE ON FISCAL VITALITY**

WHEREAS, the OUSD Board of Education is committed to the fiscal solvency of our School District; and

WHEREAS, the Special Committee on Fiscal Vitality has met over the fall to review our key board policies and ground ourselves in our Governance Theory of Action; and

WHEREAS, our learning and deliberations as a Committee have informed a set of recommendations for budget development and prioritization for the 19-20 school year for the consideration of the Board of Education.

NOW, THEREFORE, BE IT RESOLVED, by March 1, 2019, the Board will identify and make ongoing reductions of ~\$30 million (coupled with savings measures and efficiencies). These reductions should:

- align with the District’s Theory of Action; Board Policies (BP 3150, BP 3625, BP 6005, BP 6006); and Resolutions on Fiscal Vitality (Resolutions 1819-0041, 1718-0197A, and 1718-0087A).
- show evidence that staff have incorporated feedback from the Fiscal Vitality Committee as well as key stakeholders and engagements, and
- comply with the Board adopted “Guiding Principles Regarding Budget Development and Prioritization”(Dec. 2017)

BE IT FURTHER RESOLVED, In order to achieve our goals, the Committee is asking the Board to consider adopting the following key recommendations for implementation in 2019-20.

1. **Implement BP 3150.** In establishing budget priorities and reductions for school year 2019-20, apply BP 3150's allocation scheme, including restricting *Central District-wide Administrative* costs to 12% of general unrestricted revenues. Our expectation is that the number of school- and district-level administrators – particularly classified

administrators -- will be significantly reduced to be more in line with comparable districts and that resources to school sites will be maximized.

2. **Redesign the District.** Many centrally funded and managed initiatives are not aligned to existing Board Policies. The Committee recommends we use BP 3150, BP 3625, BP 6005, and BP 6006, and a zero-based budgeting approach to guide the restructuring of the District, and eliminate initiatives and programs that do not show evidence to support the rapid acceleration of students' academic outcomes and improved social emotional well-being. The District's Theory of Action states that the District will operate a "central office and the number and type of schools that we can sustain over time." The redesign process will include reimagining how the central office is currently organized and identifying strategies to reduce the total number of schools the District operates.
3. **Competitive Employee Compensation.** Prioritize funds to enable the District to remain competitive in teacher compensation. Pursue and invest in strategies that show evidence of increasing teacher and leader retention. In order to do this, we recognize the need to reprioritize current investments in order to reallocate dollars.
4. **Commit to Shared Decision Making and Multi-Stakeholder Teams.** Direct Superintendent to ~~form~~ consult a multi-stakeholder leadership team which includes site-based leaders (including students, families, teachers, classified staff, principals, and central staff) to provide input, accelerate the work and ensure quality and equity remain central pillars in the District's redesign process. ~~This committee~~ The consultations will ~~meet~~ take place between December 2018 and March 2019.

PASSED AND ADOPTED this 14th day of November, 2018, at a Regular Meeting of the Governing Board by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NO: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE: None

AYES: Jody London, Shanthi Gonzales, James Harris, Aimee Eng

NOES: Jumoke Hinton Hodge

ABSTAINED: None

RECUSE: None

ABSENT: Rose Ann Torres
Yota Omosowho (Student Director)
Josue Chavez (Student Director)

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District, held on November 14, 2018.

Legislative File Info.	
File ID Number:	18-2385
Introduction Date:	11/8/18
Enactment Number:	18-1787
Enactment Date:	11/14/18 er

OAKLAND UNIFIED SCHOOL DISTRICT

Aimee Eng
President, Board of Education

Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

Board Office Use: Legislative File Info.	
File ID Number	18-2385
Introduction Date	11/14/18
Enactment Number	18-1787
Enactment Date	11/14/18 er



**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

Memo

To Board of Education

From Special Committee on Fiscal Vitality
Shanthi Gonzales, Chair
Aimee Eng
James Harris

Board Meeting Date November 14, 2018

Subject **Resolution No. 1819-0013 Recommendations For 19/20 Budget Development and Prioritization from Special Committee on Fiscal Vitality**

Action Requested and Recommendation Approval by the Board of Education of Resolution No. 1819-0013 Recommendations For 19/20 Budget Development and Prioritization from Special Committee on Fiscal Vitality

Background and Discussion The Special Committee on Fiscal Vitality has met over the fall to review key board policies and the Governance Theory of Action. The Committee created a set of recommendations for budget development and prioritization for the 19/20 school year and is asking the Board of Education to consider adopting the following key recommendations:

1. Implement BP 3150
2. Redesign the District
3. Competitive Employee Compensation
4. Commit to Shared Decision Making and Multi-Stakeholder Teams

Fiscal Impact Reductions of \$30 million

Attachments

- Resolution No. 1819-0013 Recommendations For 19/20 Budget Development and Prioritization from Special Committee on Fiscal Vitality

RESOLUTION
OF THE
BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
NO. 1819-0013

**RECOMMENDATIONS FOR 19/20 BUDGET DEVELOPMENT AND PRIORITIZATION FROM
SPECIAL COMMITTEE ON FISCAL VITALITY**

WHEREAS, the OUSD Board of Education is committed to the fiscal solvency of our School District; and

WHEREAS, the Special Committee on Fiscal Vitality has met over the fall to review our key board policies and ground ourselves in our Governance Theory of Action; and

WHEREAS, our learning and deliberations as a Committee have informed a set of recommendations for budget development and prioritization for the 19-20 school year for the consideration of the Board of Education.

NOW, THEREFORE, BE IT RESOLVED, by March 1, 2019, the Board will identify and make ongoing reductions of ~\$30 million (coupled with savings measures and efficiencies). These reductions should:

- align with the District’s Theory of Action; Board Policies (BP 3150, BP 3625, BP 6005, BP 6006); and Resolutions on Fiscal Vitality (Resolutions 1819-0041, 1718-0197A, and 1718-0087A).
- show evidence that staff have incorporated feedback from the Fiscal Vitality Committee as well as key stakeholders and engagements, and
- comply with the Board adopted “Guiding Principles Regarding Budget Development and Prioritization”(Dec. 2017)

BE IT FURTHER RESOLVED, In order to achieve our goals, the Committee is asking the Board to consider adopting the following key recommendations for implementation in 2019-20.

1. **Implement BP 3150.** In establishing budget priorities and reductions for school year 2019-20, apply BP 3150's allocation scheme, including restricting *Central District-wide Administrative* costs to 12% of general unrestricted revenues. Our expectation is that the number of school- and district-level administrators – particularly classified

administrators -- will be significantly reduced to be more in line with comparable districts and that resources to school sites will be maximized.

2. **Redesign the District.** Many centrally funded and managed initiatives are not aligned to existing Board Policies. The Committee recommends we use BP 3150, BP 3625, BP 6005, and BP 6006, and a zero-based budgeting approach to guide the restructuring of the District, and eliminate initiatives and programs that do not show evidence to support the rapid acceleration of students' academic outcomes and improved social emotional well-being. The District's Theory of Action states that the District will operate a "central office and the number and type of schools that we can sustain over time." The redesign process will include reimagining how the central office is currently organized and identifying strategies to reduce the total number of schools the District operates.
3. **Competitive Employee Compensation.** Prioritize funds to enable the District to remain competitive in teacher compensation. Pursue and invest in strategies that show evidence of increasing teacher and leader retention. In order to do this, we recognize the need to reprioritize current investments in order to reallocate dollars.
4. **Commit to Shared Decision Making and Multi-Stakeholder Teams.** Direct Superintendent to consult a multi-stakeholder leadership team which includes site-based leaders (including students, families, teachers, classified staff, principals, and central staff) to provide input, accelerate the work and ensure quality and equity remain central pillars in the District's redesign process. The consultations will take place between December 2018 and March 2019.

PASSED AND ADOPTED this 14th day of November, 2018, at a Regular Meeting of the Governing Board by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NO: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE: None

AYES: Jody London, Shanthi Gonzales, James Harris, Aimee Eng

NOES: Jumoke Hinton Hodge

ABSTAINED: None

RECUSE: None

ABSENT: Rose Ann Torres
Yota Omosowho (Student Director)
Josue Chavez (Student Director)

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District, held on November 14, 2018.

Legislative File Info.	
File ID Number:	18-2385
Introduction Date:	11/8/18
Enactment Number:	18-1787
Enactment Date:	11/14/18 er

OAKLAND UNIFIED SCHOOL DISTRICT

Aimee Eng
President, Board of Education

Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education



Community of Schools Citywide Plan: Toward a Citywide Map



November 14, 2018

Kyla Johnson-Trammell, Superintendent



Sondra Aguilera, Deputy Chief, Continuous School Improvement

Our Vision And Mission Ground Us

Vision: All OUSD students will find joy in their academic learning 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.

Mission: To become 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.



Key Principles: Quality, Equity, Access and Fiscal Sustainability

What we are trying to solve in order to reach our mission and vision?

Fiscal Vitality & Sustainability

- We need fewer, better resourced schools with larger enrollment

Quality & Equity

- We need better quality programs in every neighborhood for every student

Equity & Access

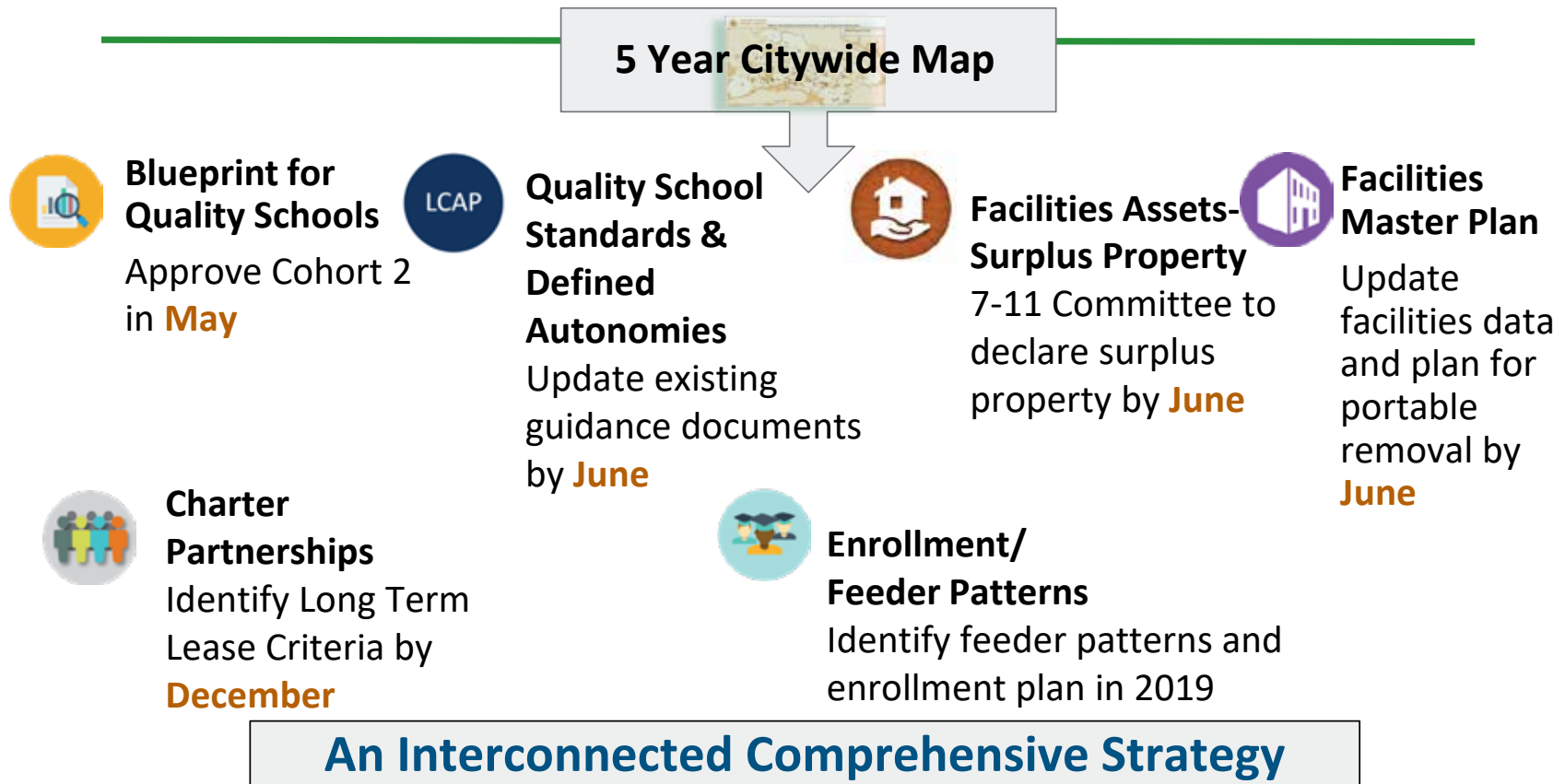
- We need access to quality schools closer to home
- We need regional feeder patterns from pre-K through high school

Community of Schools Policy (BP 6006)

A Citywide Plan grounded in policy: Asset Management, Charter Authorization, Enrollment, Equity, Results Based Budgeting, School Governance, and Quality School Development

A	Facilities	Best leverage vacant, underutilized, and surplus properties and utilize facility use agreements to strategically engage all Oakland public schools-district or charter; identify high quality options for academic programs
B	Enrollment & Transportation	Work with all Oakland public schools district or charter - to better articulate feeder patterns across Oakland to ensure more predictability for families.
C	Charter Authorization	Strengthen our role in oversight and accountability to ensure that all charter schools operating in Oakland are providing a high quality education and working to address inequities.
D	Access to Equitable & Quality Education for all	Share best practices across all Oakland public schools , (e.g., professional development, recruitment and retention of educators) that improve equitable educational access for all Oakland students.
E	Defined Autonomies	Best support continued innovation within OUSD schools and accelerate the number of high-quality school options within OUSD

Community of Schools: A Citywide Plan



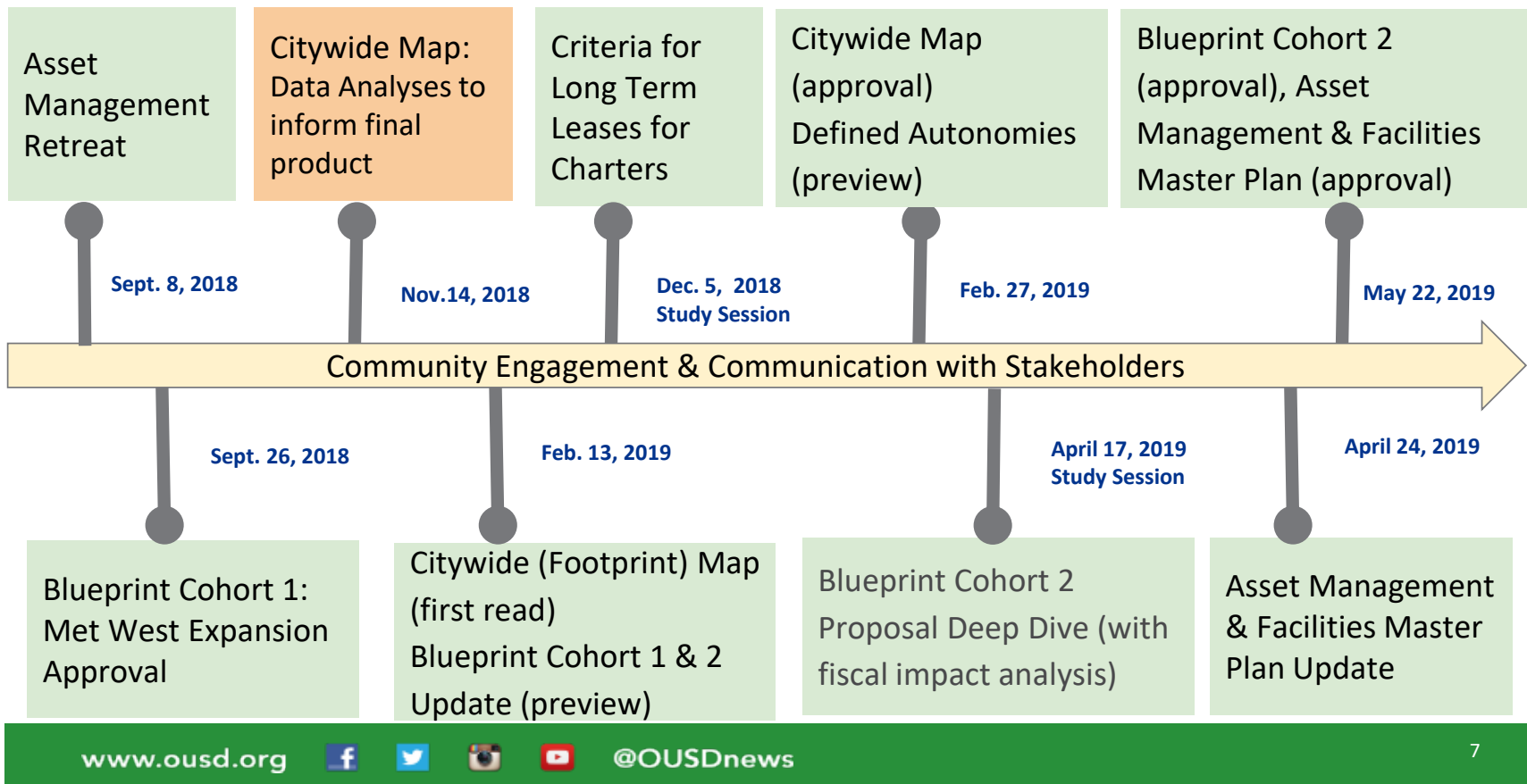
Outcomes for Today

1) To define the timeline for the overall Citywide Plan, including all components indicated in the Community of Schools Policy

2) Today's Update: Focus on the Development of Citywide Map

- Define what will be included in the Citywide Map to be approved in February
- Develop a shared understanding of the analyses conducted thus far toward creating a Citywide Map

Timeline of Key Board Engagements for the Citywide Plan



Toward Defining the Citywide Map



What will be included in the final Citywide Map to be approved in February?

- Number and locations of district-run schools
 - Traditional schools, alternative schools, specialized schools such as dual language programs
- OUSD early childhood education (pre-K) locations
- OUSD Special Education programs
- Charter school locations
- Number and location of surplus properties

What will be included in the today's update on the development of the Citywide Map?

- Two initial analyses conducted to inform the development of the Citywide Plan

Overview of Initial Analyses

Capacity Analysis

1. Facility Capacity Analysis

What is the minimum number of schools we need **based on where students GO** to school and the seat capacity of our existing facilities?

Location Analysis

2. Location Allocation Analysis

Where are the optimal locations for schools **based on where students LIVE**, and how far away are our existing facilities?

Note: Results are subject to change with additional revision, and do not represent a conclusion or final answer.

What it is... What it isn't ...

These two analyses ...

- ... are the **first in a series** contributing to a Citywide Map.
- ... are solely based on analysis of district-run schools.
- ... **are not identifying which or how many sites to close or consolidate.**
- ... are not yet including alternative education, special education programs, schools with specialized programs, charter schools; data on program type or quality, facility conditions; or surplus property. These considerations will be addressed in subsequent analyses in development of the Citywide Map for 2023 and beyond.
- ... are **preliminary** and may change with further iterations.

Part 1

Capacity Analysis

Toward a Citywide Map Projected Enrollment vs. Facility Capacity Analysis

What is the ***minimum number*** of schools we need **based on where students GO** to school and the seat capacity of our existing facilities?

Office of Enrollment & Research Assessment & Data (RAD)

Nana Xu, Susan Radke, Kaia Vilberg, and Jean Wing

www.ousd.org



@OUSDnews

10-2018

How was the analysis conducted?



Capacity Analysis

Within each of 5 Strategic Regional Analysis (SRA) Regions, compare:

**# students expected* to
attend OUSD schools in each
region in 2023**

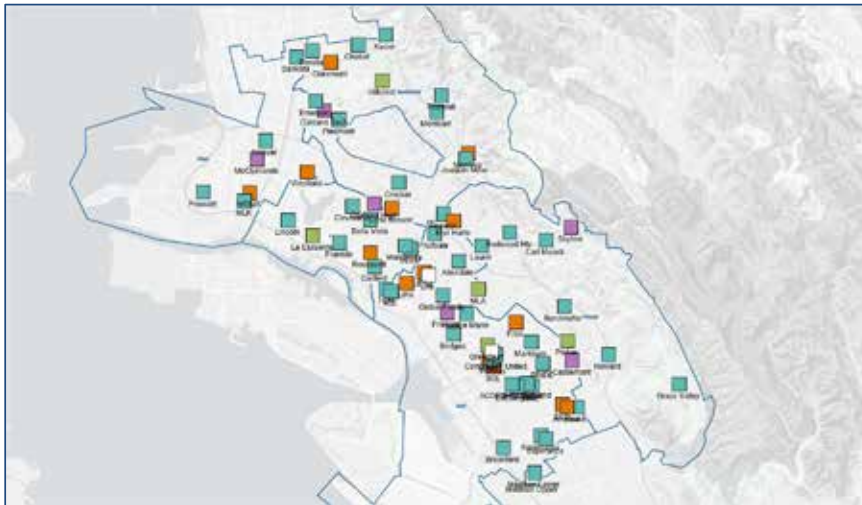
VS.

**# seats in school facilities
in each region**

Note: Specialized schools are not included here and will be considered in separate analyses. This analysis also does not include data on charter schools. This analysis assumes that at least 1 traditional elementary, middle, and high school will be needed in each region.

*Projected enrollment numbers were provided by Jacobs/Cooperative Strategies. See appendix for more information.

Strategic Regional Analysis (SRA) Regions



Central
East
Northeast
Northwest
West

CENTRAL Region

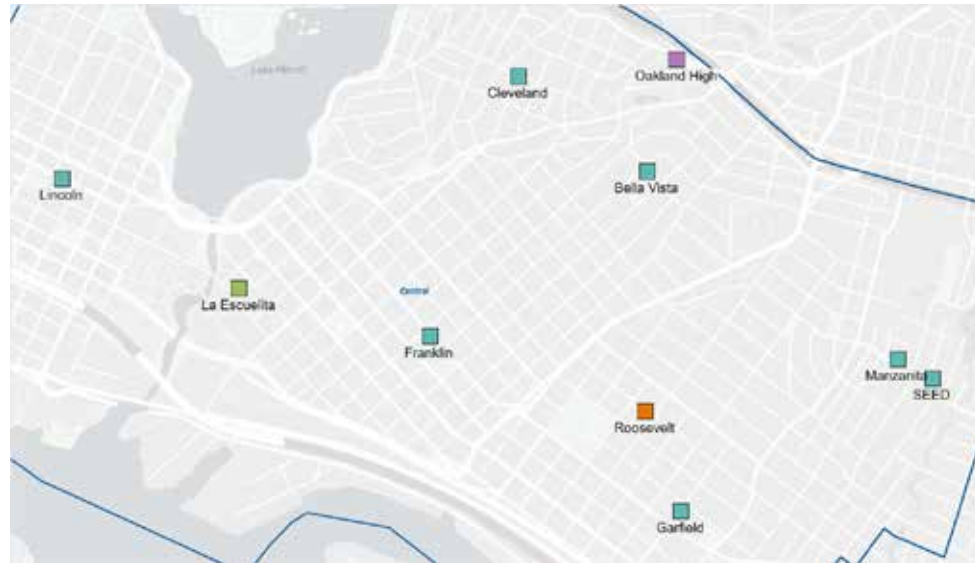
- Elementary
- K-8
- Middle
- 6-12
- Senior

*Data subject to change as
additional information yields
greater accuracy*

Capacity Analysis

Currently, the central region has*

- 7 elementary schools
- 1 K-8 schools
- 1 middle school
- 1 high school



*District-run schools only

CENTRAL Elementary & K-8

Data subject to change as additional information yields greater accuracy

Capacity Analysis

The table shows the projected # students in 2023, the seat capacity of each school, and the surplus/shortage (calculated by comparing # students with # seats).

#	School Name	Type	Projection	Facility Capacity*	Surplus/Shortage
1	Bella Vista	K-5	413	479	66
2	Cleveland	K-5	397	410	13
3	Franklin	K-5	671	922	251
4	Garfield	K-5	574	747	173
5	Lincoln	K-5	705	779	74
6	Manzanita Community/ Manzanita SEED	K-5	494	1,016	110
7		K-5	412		
8	La Escuelita	K-8	468	542	74
	Total		4,134	4,895	761

K-5 + K-8 surplus = 761 seats

We could support K-5 and K-8 projected enrollment with up to 1 fewer OUSD district-run school.

We could also consolidate 1 shared elementary campus in the region.

Total Reduction up to 2 schools

**Facility capacity includes seats in both temporary and permanent facilities.*

CENTRAL Middle & High

Data subject to change as additional information yields greater accuracy

Capacity Analysis

The table shows the projected # students in 2023, the seat capacity of each school, and the surplus/shortage (calculated by comparing # students with # seats).

#	School Name	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	Roosevelt	Middle	506	607**	101

***Middle school surplus =
101 seats***

#	School Name	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	Oakland High	High	1,525	1,432	-93

***High school shortage =
93 seats***

The current middle school is large enough to support the projected enrollment for the region. Projections for the high school exceed the current facility capacity.

**Facility capacity includes seats in both temporary and permanent facilities.*

***Portables that will be removed in summer 2019 have been subtracted from the total capacity here.*

Total Reduction of 0 schools

EAST Region

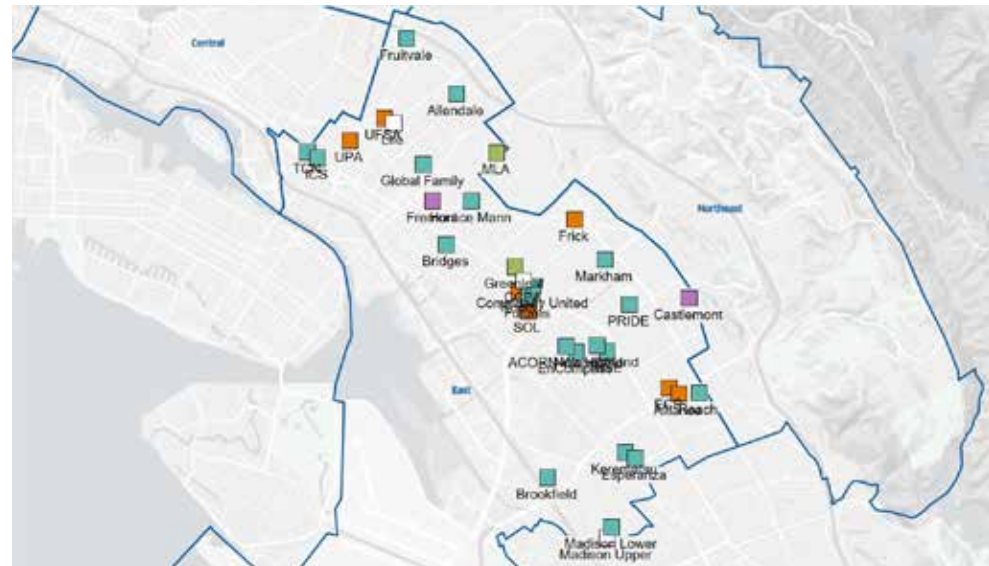
- Elementary
- K-8
- Middle
- 6-12
- Senior

*Data subject to change as
additional information yields
greater accuracy*

Capacity Analysis

Currently, the East region has*

- 20 elementary schools
- 2 K-8 schools
- 7 middle schools
- 3 6-12 schools
- 2 high schools



*District-run schools only

EAST Elementary and K-8

Data subject to change as additional information yields greater accuracy

Capacity Analysis

#	School Name	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	Allendale	K-5	365	560	195
2	Bridges	K-5	443	604	161
3	Brookfield	K-5	276	560	284
4	Community United/	K-5	328	914	311
5	Futures	K-5	275		
6	East Oakland PRIDE	K-5	309	574	265
7	Encompass/	K-5	299	806	201
8	ACORN Woodland	K-5	306		
9	Esperanza/	K-5	341	784	90
10	Korematsu	K-5	353		
11	Fruitvale	K-5	387	600	213
12	Global Family/LWL**	K-5	444	595	151
13	Horace Mann	K-5	335	433	98
14	Madison Park	K-5	312	502	190
15	Markham	K-5	316	596	280
16	New Highland/	K-5	343	920	342
17	RISE	K-5	235		
18	Reach/Cox**	K-5	377	625	248
19	Think College Now/	K-5	276	838	309
20	International Community	K-5	253		
21	Greenleaf	K-8	578	456	-122
22	Melrose Leadership	K-8	696	476	-220
Total			7,847	10,843	2,996

K-5 + K-8 surplus = 2,996 seats

We could support K-5 and K-8 projected enrollment with up to 6 fewer OUSD district-run schools.

We could also consolidate 5 shared campus OUSD elementary schools in the region.

Total Reduction up to 11 schools

*Facility capacity includes seats in both temporary and permanent facilities.

**Facility capacity excludes seats that used by a co-located charter school at the time of assessment. Co-located charter enrollment not included in projection total.

EAST Middle & 6-12

Data subject to change as additional information yields greater accuracy

Capacity Analysis

#	School Name	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	Alliance/	Middle	317	869	188
2	Elmhurst	Middle	364		
3	Frick	Middle	236	676	440
4	Oakland SOL	Middle	225	238	13
5	Roots/	Middle/	324	1097	317
6	CCPA**	6-12	456		
7	United for Success/	Middle/	344	1019	211
8	Life Academy**	6-12	464		
9	Urban Promise	Middle	350	428	78
10	Madison Park Upper	6-12	727	606	-121
	Total		3,807	4,933	1,126

**Note that CCPA and Life are 6-12 gradespan schools that share campuses with middle schools.

*Facility capacity includes seats in both temporary and permanent facilities.

**Note that CCPA and Life are 6-12 gradespan schools that share campuses with middle schools.

***Middle & 6-12 surplus =
1,126 seats***

We could support projected enrollment with up to 2 fewer OUSD district-run middle schools.

We could also consolidate 3 shared campuses.

***Total Reduction up to 5
schools***

EAST High Schools

Data subject to change as additional information yields greater accuracy

Capacity Analysis

#	School Name	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	Castlemont	High	833	1,603	770
2	Fremont	High	714	1,200**	486
	Total		1,547	2,804	1,257

High School surplus = 1,257 seats

We could support projected enrollment with up to 1 fewer OUSD district-run high school.

Total Reduction up to 1 school

*Facility capacity includes seats in both temporary and permanent facilities.

**The new facility is planned to house 1,200 students so that # is shown here.

NORTHEAST Region

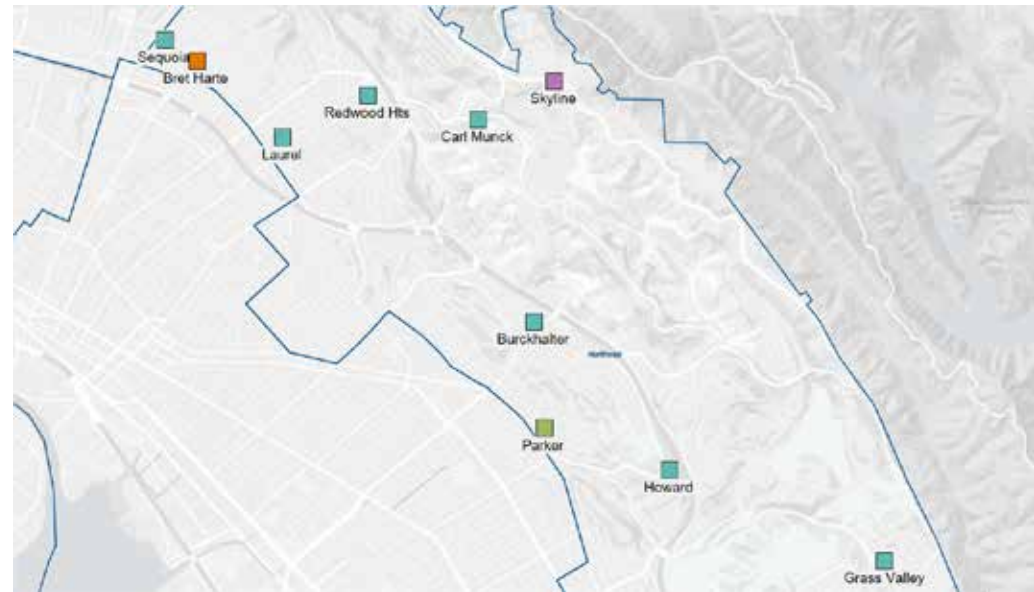
- Elementary
- K-8
- Middle
- 6-12
- Senior

*Data subject to change as
additional information yields
greater accuracy*

Capacity Analysis

Currently, the Northeast region has*

- 7 elementary schools
- 1 K-8 school
- 1 middle school
- 1 high school



*District-run schools only

NORTHEAST Elementary & K-8

Data subject to change as additional information yields greater accuracy

Capacity Analysis

#	School	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	Burckhalter	K-5	241	374	133
2	Carl Munck	K-5	188	538	350
3	Grass Valley	K-5	243	467	224
4	Howard	K-5	220	407	187
5	Laurel	K-5	480	561	81
6	Redwood Heights	K-5	325	411	86
7	Sequoia	K-5	444	447	3
8	Parker	K-8	227	479	252
	Total		2,368	3,684	1,316

K-5 + K-8 surplus = 1,316 seats

We could support K-5 and K-8 projected enrollment with up to 3 fewer OUSD district-run schools.

Total Reduction up to 3 schools

**Facility capacity includes seats in both temporary and permanent facilities.*

NORTHEAST Middle & High

Data subject to change as additional information yields greater accuracy

Capacity Analysis

Facility capacity is shown below by school type. Five year projections for the region are also shown.

#	School Name	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	Bret Harte	Middle	489	863	374

***Middle school surplus =
374 seats***

#	School Name	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	Skyline	High	1,687	1,909	222

***High school surplus =
222 seats***

Both the current middle and high schools are large enough to support the projected enrollment for the region.

Total Reduction of 0 schools

**Facility capacity includes seats in both temporary and permanent facilities.*

NORTHWEST Region

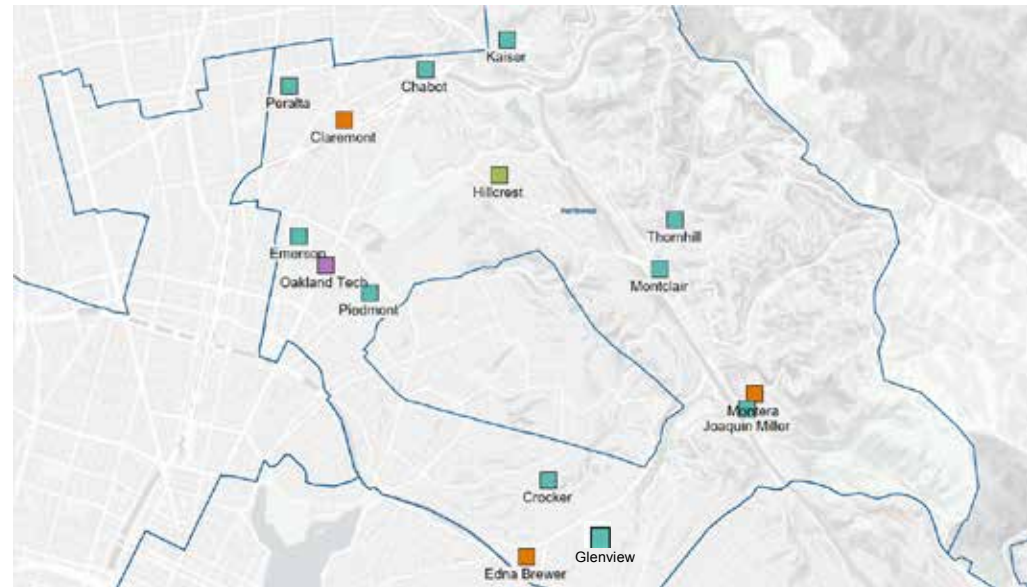
- Elementary
- K-8
- Middle
- 6-12
- Senior

*Data subject to change as
additional information yields
greater accuracy*

Capacity Analysis

Currently, the Northwest region has*

- 10 elementary schools
- 1 K-8 school
- 3 middle schools
- 1 high school



*District-run schools only

NORTHWEST Elementary & K-8

Data subject to change as additional information yields greater accuracy

Capacity Analysis

#	School Name	Type	Projection	Facility Capacity*	Surplus/Shortage
1	Chabot	K-5	540	594	54
2	Crocker Highlands	K-5	441	334	-107
3	Emerson	K-5	324	444	120
4	Glenview**	K-5	489	460	-29
5	Joaquin Miller	K-5	411	470	59
6	Kaiser	K-5	255	283	28
7	Montclair	K-5	691	616	-75
8	Peralta	K-5	301	356	55
9	Piedmont Ave	K-5	312	414	102
10	Thornhill	K-5	385	476	91
11	Hillcrest	K-8	373	352	-21
	Total		4,522	4,799	277

K-5 + K-8 surplus = 277 seats

The current K-5 and K-8 schools have sufficient capacity to support the projected enrollment.

Total Reduction of 0 schools

*Facility capacity includes seats in both temporary and permanent facilities.

**Capacity as estimated for new facility under construction.

NORTHWEST Middle & High

Data subject to change as additional information yields greater accuracy

Capacity Analysis

#	School Name	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	Claremont	Middle	443	471	28
2	Edna Brewer	Middle	789	782	-7
3	Montera	Middle	773	987	214
	Total		2,005	2,240	235

***Middle school surplus =
235 seats***

#	School Name	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	Oakland Tech	High	1,867	1,991**	124

***High school surplus =
124 seats***

Both the current middle and high schools are large enough to support the projected enrollment for the region.

Total Reduction of 0 schools

**Facility capacity includes seats in both temporary and permanent facilities.*

***Far West campus capacity (216) is included in the total seat capacity for Oakland Tech.*

WEST Region

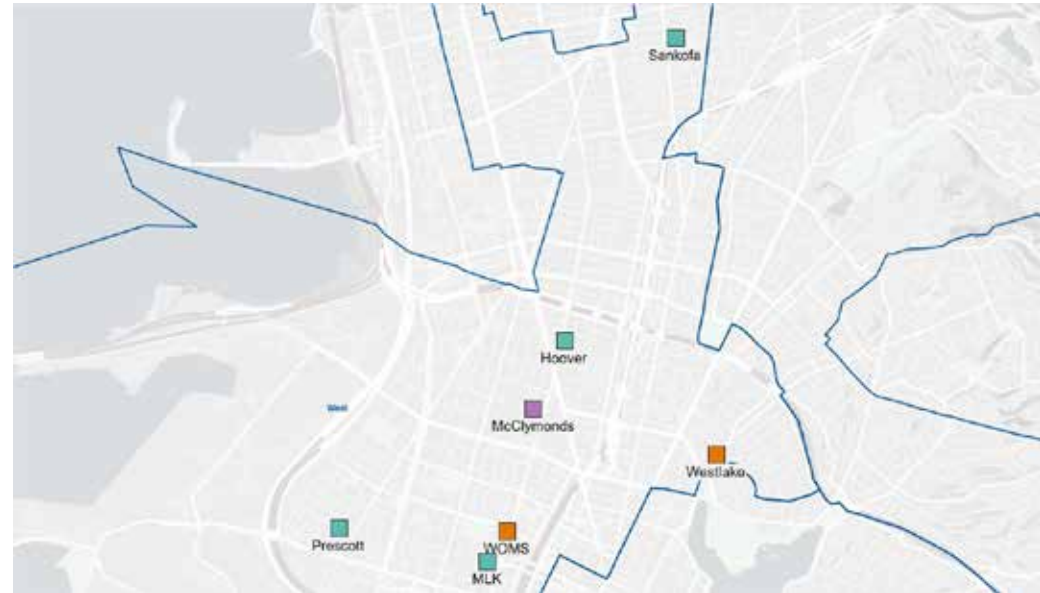
- Elementary
- K-8
- Middle
- 6-12
- Senior

*Data subject to change as
additional information yields
greater accuracy*

Capacity Analysis

Currently, the West region has*

- 4 elementary schools**
- 2 middle schools
- 1 high school



**Not counting Lafayette, which will be closed as of school year 19-20.

*District-run schools only

WEST Elementary

Data subject to change as additional information yields greater accuracy

Capacity Analysis

#	School Name	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	Hoover	K-5	312	480	168
2	Martin Luther King Jr./ Lafayette	K-5 N/A	431	592	161
3	Prescott	K-5	215	470	255
4	Sankofa	K-5	223	336**	113
	Total		1,181	1,878	697

K-5 surplus = 697 seats

We could support projected enrollment with up to 1 fewer OUSD district-run elementary school.

Total Reduction up to 1 school

*Facility capacity includes seats in both temporary and permanent facilities.

**Sankofa portables that will be removed in summer of 2019 are subtracted from the capacity here.

WEST Middle & High

Data subject to change as additional information yields greater accuracy

Capacity Analysis

Facility capacity is shown below by school type. Five year projections for the region are also shown.

#	School Name	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	West Oakland Middle	Middle	176	760	584
2	Westlake	Middle	355	962	607
	Total		531	1,722	1,191

***Middle school surplus =
1,191 seats***

#	School Name	Type	Projection	Facility Capacity*	Surplus/ Shortage
1	McClymonds	High	399	780	381

***High school surplus =
381 seats***

We could support the projected enrollment with up to 1 fewer OUSD district-run middle school. The current high school in the region is large enough to accommodate projected enrollment.

Total Reduction up to 1 school

**Facility capacity includes seats in both temporary and permanent facilities.*

Elementary & K-8 Results

Data subject to change as additional information yields greater accuracy

Capacity Analysis

Region	Current # Schools	Minimum # Schools	Change in # Schools
Central	8*	6**	-2
East	22*	11**	-11
Northeast	8	5	-3
Northwest	11	11	0
West	4	3	-1
Total	53	36	-17

We currently have an elementary seat capacity of 26,099 seats, but expect to have only 20,052 OUSD students in 2023.

Elementary/K-8 seat surplus across regions =
6,047

**Currently, 6 pairs of elementary schools share a campus.*

***Minimum includes consolidation of shared campuses (5 in East and 1 in Central).*

Total Reduction up to 17 schools

Middle & 6-12 Results

Data subject to change as additional information yields greater accuracy

Capacity Analysis

Region	Current # Schools	Minimum # Schools	Change in # Schools
Central	1	1	0
East	10*	5**	-5
Northeast	1	1	0
Northwest	3	3	0
West	2	1	-1
Total	17	11	-6

We currently have a middle school seat capacity of 10,365 seats, but expect to have only 7,338 OUSD students in 2023.

Middle/6-12 seat surplus across regions = 3,027

**Currently 2 pairs of middle/6-12 schools share a campus.*

***Reduction includes consolidation of 3 shared campuses.*

Total Reduction up to 6 schools

High School Results

*Data subject to change as
additional information yields
greater accuracy*

Capacity Analysis

Region	Current # Schools	Minimum # Schools	Change in # Schools
Central	1	1	0
East	2	1	-1
Northeast	1	1	0
Northwest	1	1	0
West	1	1	0
Total	6	5	-1

We currently have a high school seat capacity of 8,915 seats, but expect to have only 7,025 OUSD students in 2023.

**High school seat surplus
across regions = 1,890**

***Total Reduction up to 1
schools***

Summary of Part 1 Results

*Data subject to change as
additional information yields
greater accuracy*

Capacity Analysis

	Elementary & K-8	Middle & 6-12	High	Total
Current	53	17	6	76
Minimum	36	11	5	52
Change	-17	-6	-1	-24

- Results are a **starting point** for determining the absolute minimum number of district-run schools needed to support OUSD students in 5 years.
- This analysis does not tell us *which* or *how many* school campuses to close or consolidate.

Part 2

Location Analysis

Toward a Citywide Map OUSD Location Allocation Analysis

Where are the optimal locations for schools **based on where students LIVE**
and how far away are our existing facilities?

Research Assessment & Data (RAD)

Susan Radke

www.ousd.org



@OUSDnews

10-2018

What is a location allocation analysis?

- Used in the public sector to identify the most effective location for public services such as schools, hospitals, and fire stations where an optimal location ensures the greatest and most equitable access to services.
- Used here to determine the **optimal location of school sites** based on the **location of students**.
- Decisions about school consolidations and relocations can be made more effectively if we account for where students live. This will enable us to provide quality school options **closer to home**.

What inputs are needed to build the model?

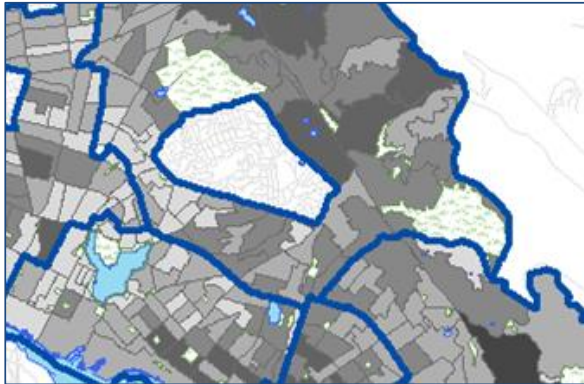
Location Analysis

1. How many school age children will be living in Oakland in 2023?
2. How many of them will attend **district-run** schools?
3. Where will they be living in Oakland in 2023?
4. How many school locations will be optimized?
5. How far should students travel to school?

1. How many school age children will be living in Oakland in 2023?

Location Analysis

- This analysis uses the US Census Bureau projected population 5 year estimates of school age children living in Oakland's 336 census block groups (shown on map) to determine how many OUSD students will be living in Oakland in 2023.



29,534 elementary school-aged children
14,610 middle school-aged children
18,553 high school-aged children

- Additional analyses will be conducted this Fall to determine the impact of new Oakland housing construction on projected 2023 enrollment.

2. How many of Oakland school age children will attend OUSD schools?

Location Analysis

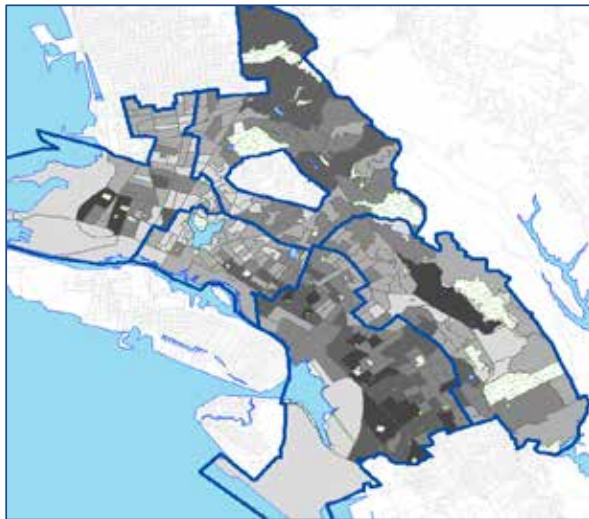
	Elementary & K-8	Middle & 6- 12	High	Total
Estimated # school age children living in Oakland in 2023	29,534	14,610	18,553	62,697
2017-18 OUSD District-Run Capture Rate	64.6%	48.7%	53.6%	57.6%
Estimated # school age children living in Oakland expected to attend OUSD district-run schools in 2023	19,076	7,111	9,951	36,138

Here, the estimates of the # of OUSD students in 2023 are based on census projections of where students will be living.

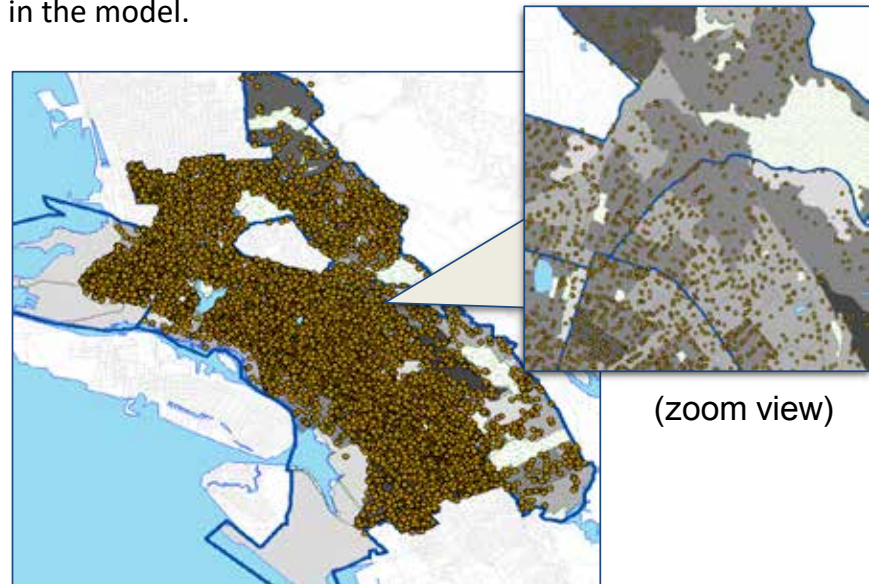
3. Where will OUSD students be living in 2023?

Location Analysis

Each block group is mapped by its share of projected 2023 OUSD students.



A **random set of points** was generated within each block group to position individual projected students throughout the geographic extent of the block group to mark “demand points” in the model.



4. How many OUSD school locations will be optimized?

Location Analysis

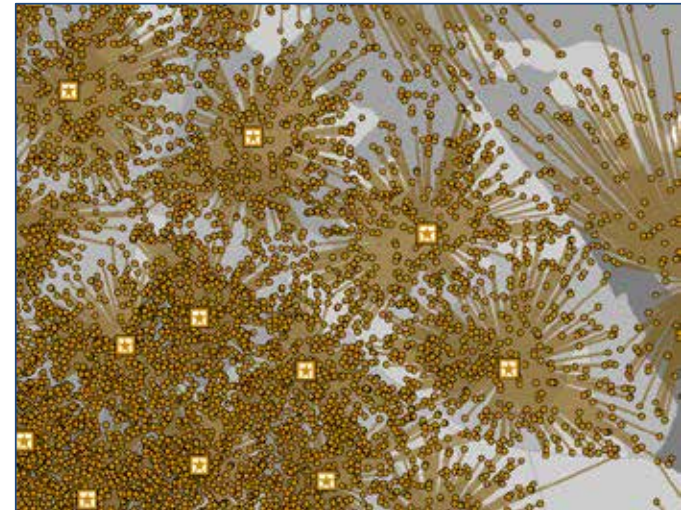
	Elementary & K-8	Middle & 6-12	High	Total
A) Estimated # school age children living in Oakland in 2023	29,534	14,610	18,553	62,697
B) 2017-18 OUSD District-run schools “capture rate”	64.6%	48.7%	53.6%	57.6%
C) Estimated # school age children living in Oakland expected to attend OUSD district-run schools in 2023 <i>(A x B)</i>	19,076	7,111	9,951	36,138
D) # students allocated per school	502	771	1,518	n/a
E) # school locations to optimize* <i>(C / D)</i>	38	9	6	53

**Assuming each elementary school is allocated 502 students; each middle school is allocated 771 students; each high school is allocated 1,518 students. The final number of schools needed will change based on the actual capacity of existing school sites.*

5. How far should students travel to school?

The model starts off with a “clean slate” assuming there are no schools yet in Oakland.

- The distance that is selected forms a boundary around each school location, and students within that boundary are allocated to that school.
- The maximum distances used were
 - 1.5 miles for elementary and K-8
 - 2 miles for middle schools and 6-12
 - 3 miles for high schools
- Fewer schools will mean bigger attendance areas.



Excludes students attending citywide schools and students living outside Oakland.

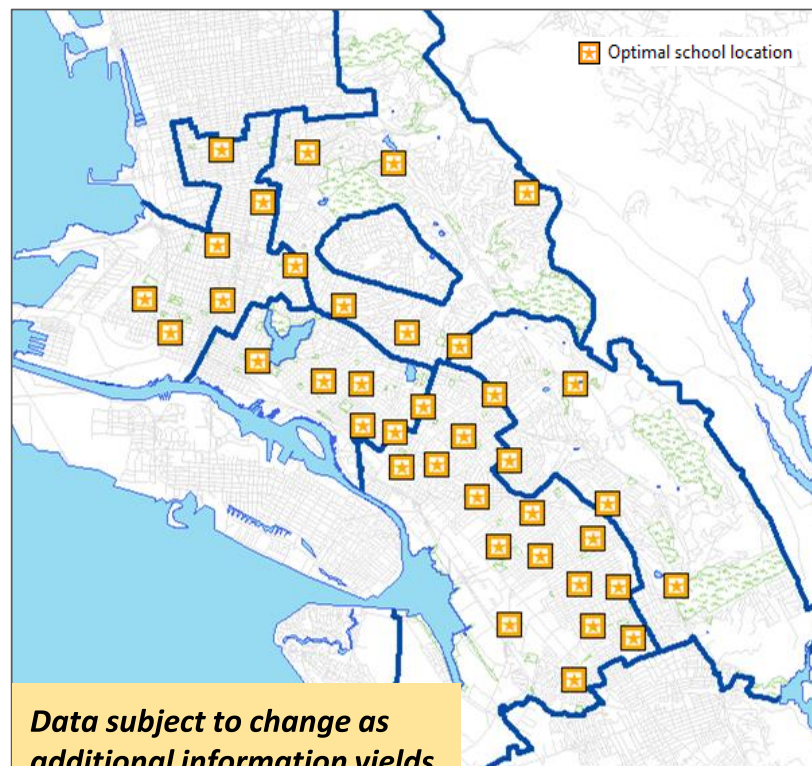
Preliminary Outputs: optimal OUSD elementary school locations

Location Analysis

Inputs:

- 19,079 district-run elementary students expected in 2023 using a capture rate of 64.6%
- 502 elementary students per school*
- 1.5 mile maximum distance traveled
- 38 elementary schools (19,079/502) placed

**The maximum number of students allocated to each school was based on the median of seat capacity for OUSD schools in that gradespan.*



Data subject to change as additional information yields greater accuracy

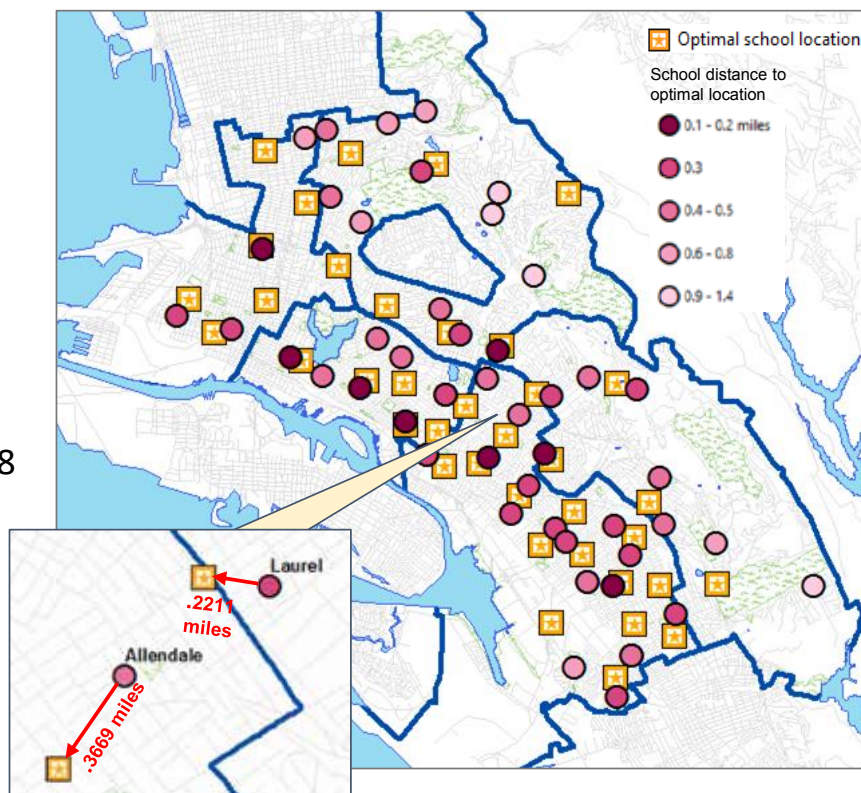
Preliminary Outputs: optimal OUSD elementary school locations

Location Analysis

Distance was measured along Oakland street network between current existing school facilities and closest optimal school location(s).

Average distance of all current elementary/K-8 schools to closest optimal elementary school locations: **0.4004 miles**

Data subject to change as additional information yields greater accuracy



Distance to Optimal OUSD elementary school locations - CENTRAL Region

Location Analysis

SRA Region	School	Distance (Miles)
Central	Bella Vista	0.4394
Central	Cleveland	0.4819
Central	Franklin	0.1412
Central	Garfield	0.0555
Central	La Escuelita	0.3986
Central	Lincoln	0.1406
Central	Manzanita Community/ Manzanita SEED	0.3046
CENTRAL	Elementary (average)	0.2803

Data subject to change as additional information yields greater accuracy

44

Distance to Optimal OUSD elementary school locations - EAST Region

Location Analysis

SRA Region	School	Distance (Miles)
East	ACORN Woodland/ EnCompass	0.5015
East	Allendale	0.3570
East	Bridges	0.4396
East	Brookfield	0.6082
East	Community United/ Futures	0.3186
East	East Oakland PRIDE	0.2533
East	Fruitvale	0.2658
East	Global Family	0.1761
East	Greenleaf K-8	0.0916

SRA Region	School	Distance (Miles)
East	Horace Mann	0.1049
East	Int'l Community/ Think College Now	0.2693
East	Korematsu/Esperanza	0.3902
East	Madison Park Lower	0.2961
East	Markham	0.2042
East	Melrose Leadership K-8*	0.4227
East	New Highland/ RISE	0.2680
East	Reach	0.2747
EAST	Elementary (average)	0.3084

*Melrose Leadership is a specialized dual language immersion school and currently has a citywide attendance area.

Data subject to change as additional information yields greater accuracy

45

Distance to Optimal OUSD elementary school locations - NORTHEAST Region

Location Analysis

SRA Region	School	Distance (Miles)
Northeast	Burckhalter	0.5793
Northeast	Carl Munck	0.4203
Northeast	Grass Valley	1.6339
Northeast	Howard	0.0799
Northeast	Laurel	0.4505
Northeast	Parker	0.3321
Northeast	Redwood Heights	0.3156
Northeast	Sequoia	0.2738
NORTHEAST	Elementary (average)	0.5107

Data subject to change as additional information yields greater accuracy

46

Distance to Optimal OUSD elementary school locations - NORTHWEST Region

Location Analysis

SRA Region	School	Distance (Miles)
Northwest	Chabot	0.9046
Northwest	Crocker Highlands	0.3791
Northwest	Emerson	0.2192
Northwest	Glenview Elementary	0.1349
Northwest	Hillcrest	1.0908
Northwest	Joaquin Miller	0.9591
Northwest	Kaiser	1.4835
Northwest	Montclair	0.1515
Northwest	Peralta	0.2990
Northwest	Piedmont	0.4087
Northwest	Thornhill	0.3726
NORTHWEST	Elementary (average)	0.5821

Data subject to change as additional information yields greater accuracy

47

Distance to Optimal OUSD elementary school locations - WEST Region

Location Analysis

SRA Region	School	Distance (Miles)
West	Hoover	0.1123
West	Martin Luther King	0.2617
West	Prescott	0.3095
West	Sankofa	0.4419
WEST	Elementary (average)	0.2813
<i>All Regions</i>	<i>Elementary (average)</i>	<i>0.4004</i>

Data subject to change as additional information yields greater accuracy

Preliminary Outputs: optimal OUSD middle school locations

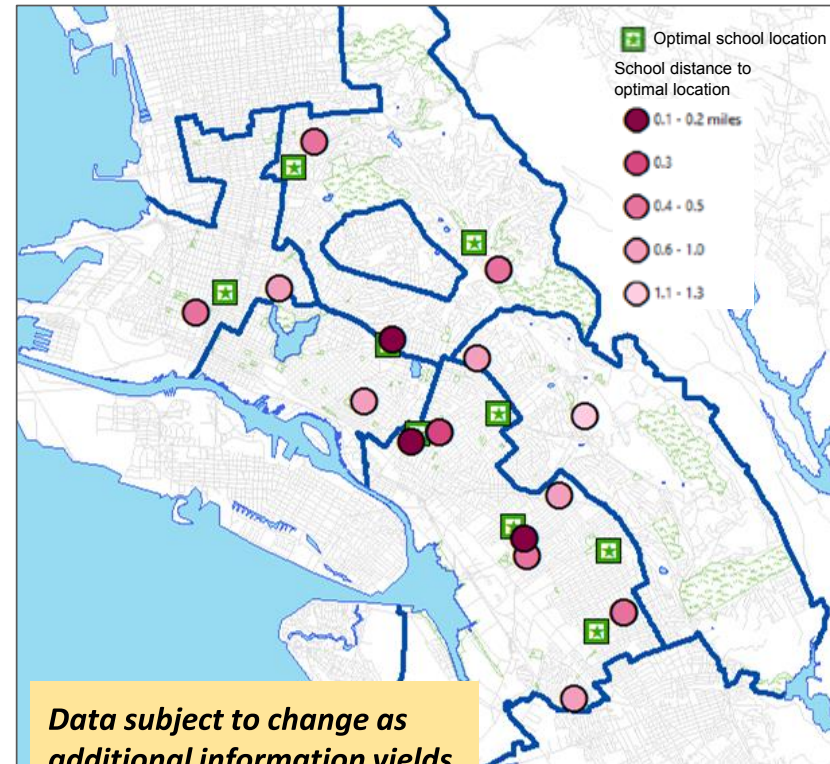
Location Analysis

Inputs:

- 7,115 district-run middle school students expected in 2023 using a capture rate of 48.6%
- 771 middle school students per school*
- 2 mile maximum distance traveled
- 9 middle schools (7,115/771) placed

Average distance of all current middle/6-12 schools to closest optimal middle school locations: **0.5570 miles**

**The maximum number of students allocated to each school was based on the median of seat capacity for OUSD schools in that gradespan.*



Data subject to change as additional information yields greater accuracy

Distance to Optimal OUSD middle school locations

Location Analysis

SRA Region	School	Distance (Miles)
Central	Roosevelt Middle School	0.8942
East	Alliance Academy/ Elmhurst Community Prep	0.5134
East	Frick Impact Academy	0.8178
East	Madison Park Academy 6-12	1.0329
East	Oakland School of Languages	0.4716
East	Roots International Academy/ Coliseum College Prep Academy	0.2273
East	United for Success Academy/ Life Academy	0.3376
East	Urban Promise Academy	0.1285
East	Middle school (average)	0.5042

SRA Region	School	Distance (Miles)
Northeast	Bret Harte	0.8764
Northwest	Claremont	0.4947
Northwest	Edna Brewer	0.1248
Northwest	Montera	0.5455
Northwest	Middle school (average)	0.3883
West	West Oakland Middle	0.5105
West	Westlake	0.8227
West	Middle school (average)	0.6666
All Regions	Middle school (average)	0.5570

Data subject to change as additional information yields greater accuracy

Preliminary Outputs: optimal OUSD high school locations

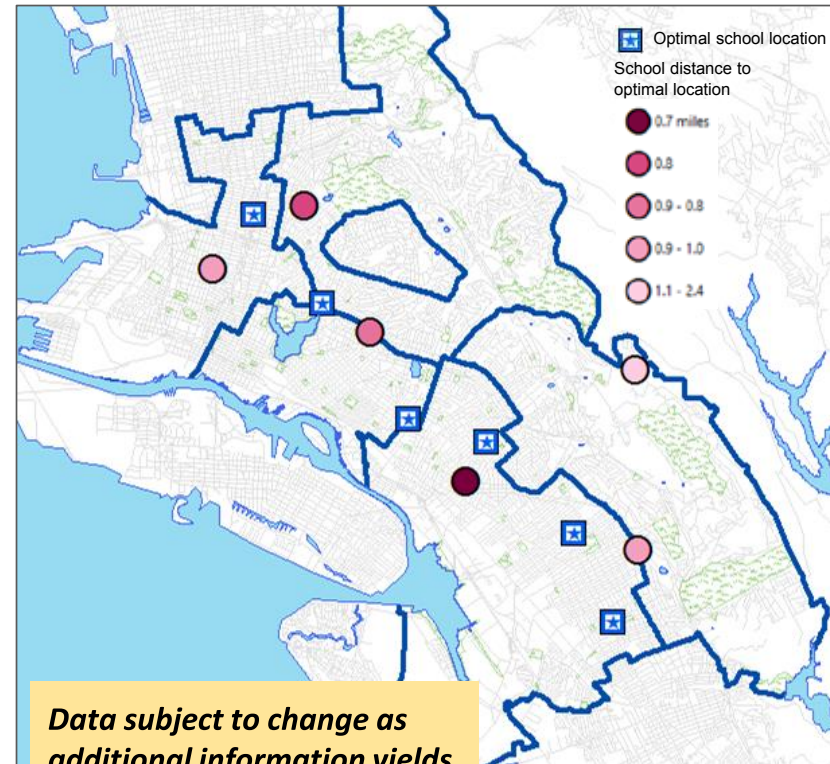
Location Analysis

Inputs:

- 9,951 district-run high school students expected in 2023 using a capture rate of 53.6%
- 1,518 high school students per school*
- 3 mile maximum distance traveled
- 6 high schools (9,951/1,518) placed

Average distance of all current high schools to closest optimal high school locations: **1.1165 miles**

**The maximum number of students allocated to each school was based on the median of seat capacity for OUSD schools in that gradespan.*



Data subject to change as additional information yields greater accuracy

Distance to Optimal OUSD high school locations

Location Analysis

SRA Region	School	Distance (Miles)
Central	Oakland High	0.8246
East	Castlemont	0.9932
East	Fremont	0.6651
East	High school (average)	0.8291
Northeast	Skyline	2.4411
Northwest	Oakland Tech	0.7667
West	McClymonds	1.0087
All Regions	High school (average)	1.1166

Data subject to change as additional information yields greater accuracy

52

Main Take-Aways from the Two Analyses

Capacity Analysis

- We need **fewer schools** based on how many students will go to our schools.
- Our largest surplus of seats is in the East Region and in Elementary school seats.

Location Analysis

- Most OUSD school facilities are already close to an optimal location, giving us **many options** to utilize current facilities and inform the Citywide Map.
- The average distance between current OUSD schools and an optimal location based on where students will be living is only 0.4 miles for elementary, 0.5 miles for middle, and 1.1 miles for high schools.

Next Steps for the Citywide Map Analyses

- Add **impact of new Oakland housing** to location analysis to ensure we have schools where we need them.
- Consider **where to house**: alternative schools, OUSD pre-K, specialized programs and schools (e.g., dual language, MetWest), central office, and charter programs.
 - Identify ways to **expand access to high quality** programs, especially in historically underserved communities.
- Reconfigure **attendance boundaries** and feeder patterns across grade levels.
- Identify **surplus properties** that can be used for revenue generation, and for consideration in the upcoming 7-11 committee.
- Collaboratively create a database of OUSD campus facility information.
- **Quality** programs in every neighborhood.



**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

1000 Broadway, Suite 680, Oakland, CA 94607

www.ousd.org



@OUSDnews

APPENDIX

www.ousd.org     @OUSDnews

Appendix A

Capacity Analysis

Results from Part 1

The following slides show additional information regarding the analysis presented in Part 1 - Capacity Analysis.

Enrollment projection methodology

Capacity Analysis

- The long-term enrollment projections at the school level ('Go' projections) that were used in the capacity analysis were provided by Cooperative Strategies in 17-18.
- These 5 year projections are based on historical census day data and were calculated by applying the cohort survival methodology.
- The cohort survival methodology uses historic birth data and historic student enrollment to track how student counts increase or decrease as they move through grades.
- Any of these factors could cause a significant change in long term student enrollment:
 - Boundary adjustments
 - District school openings/closures
 - Charter/private school opening or closure
 - Housing development
 - Changes in program offerings
 - Changes in grade configuration

How was seat capacity measured?

Capacity Analysis

For each instructional room, Jacobs multiplied the 1) maximum # of students that could be assigned to a room,* by 2) an adjustment factor for grade-level scheduling,** and 3) a room size factor.***

$$\text{Room factored capacity} = \text{max \# students} \times \text{scheduling factor} \times \text{size factor}$$

The campus capacity was then calculated by then summing the factored capacity for all instructional rooms on a campus. Note that for campuses with smaller classrooms, this measure of seat capacity will underestimate potential use.

***Maximum #s of students** that could be assigned to an instructional room. A value of 0 was used for auditoriums, dining halls, storage rooms, administrative rooms, or community-use rooms.

****Scheduling factors** were 95% for elementaries, 92% for K-8 schools, 85% for middle schools, and 75% for high schools (in most cases).

*****Size factors** were set to the proportional size of each classroom relative to its target size for educational adequacy (as defined by Jacobs) only when the size of an instructional room fell below 85% of the target. Otherwise it was set to 1.

Campus assessments were completed in 2017 by Jacobs.

Appendix B

Location Analysis

Additional Information from Part 2

The following slides show additional information regarding the analysis presented in Part 2 - Location Analysis.

How many of Oakland school age children will attend public schools?

Location Analysis

- Block group counts are prorated by current capture rates of school age children in OUSD schools to determine how many Oakland children are expected to attend OUSD schools in 2023.

Elementary school example:





- Current TK/K-5 Oakland public school capture rate (district-run & charter): **84.8%**
- Current TK/K-5 OUSD capture rate (district-run): **64.6%**
- Estimated number of elementary age children living in Oakland in 2023: **29,534**
- Number of elementary school age children expected to attend OUSD schools in 2023: 19,079** (29,534 * 64.6%)

2017 Population	2017-18 District-Run students	2017-18 Charter students	2017-18 Total students in Oakland Public Schools	2017 Total school age children in Oakland	2017 Not in Oakland Public Schools	2017-18 Public School Capture Rate	2017-18 OUSD-DR Capture Rate	2017-18 CHARTER Capture Rate
#Students 2017-18	36,900	15,977	52,877					
Living in Oakland	36,241	14,029	50,270	62,737	12,467	80.1%	57.8%*	22.4%
K-5 (5-10yrs)	19,524	6,117	25,641	30,228	4,826	84.8%	64.6%	20.2%
6-8 (11-13yrs)	7,054	3,948	11,002	14,493	3,563	75.9%	48.7%	27.2%
9-12 (14-17yrs)	9,663	3,964	13,627	18,016	4,497	75.6%	53.6%	22.0%
TOTAL	36,241	14,029	50,270	62,737	12,467	80.1%	57.8%	22.4%

Total district wide capture rate is slightly higher here due to inclusion of students whose Oakland address could not be geolocated into any of the 5 SRA regions.

Timeline for Blueprint for Quality Schools

2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Cohort 1 School Selection	Planning	Implementation	ONGOING SUPPORTS		
City Wide Map Approved in 2019: Will identify all school changes needed by 2023	Cohort 2 School Selection	Planning	Implementation		
		Cohort 3 School Selection	Planning	Implementation	
			Cohort 4 School Selection	Planning	Implementation

www.ousd.org@OUSDnews



**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

2019-20 Budget Reduction Plan

Presentation

January 9, 2019



Presented by: Marcus Battle, Chief Business Officer
To: OUSD Board of Education

Discussion Topics

- 1. Understanding our Deficit**
- 2. Prioritization in Budget Development**
- 3. Recommended Reduction Scenarios and Potential Impact**
- 4. Reimagining OUSD**
- 5. AB 1840**



Understanding Our Budget Deficit

- What is our projected operating deficit over the next three years?
- What are the Board Fiscal Vitality Special Committee Recommendations?
- How much do we need to reduce over the next two years?

What is our projected operating deficit over the next three years?

Expenses Outgrowing Revenue

OUSD's Financial Challenge:

- ⇒ **Flat Revenue:** Beginning 2019-20, Unrestricted Revenue expected to flatten. OUSD enrollment predicted as mostly flat.
- ⇒ **Increased Expenses:** Like all CA Districts, the expense increases are driven primarily by:
 - STRS/PERS pension rates -
 - special education cost growth

Multi-Year Projections*				
Budget Update	2018-19	2019-20	2020-2021	Target Amount Needed for 2% or above Reserve by 20/21
Adopted Budget	2.61% Reserve	4.59% Reserve	3.18% Reserve	With \$30M in reductions beginning FY 19-20
1st Interim	2.25% Reserve	2.19% Reserve	.70% Reserve	With NO reductions & NO increase in investments
Approved 1st Interim	2.25%	2.48%	2.35%	\$15 Million in 19-20 \$28 Million in 20-21 (includes investments)

*The state requires a 2% reserve. OUSD Board Policy requires a 3% reserve minimum as a best practice in budgeting.

Board Directives

Special Committee on Fiscal Vitality Resolution

- **\$30 Million in ongoing reductions starting in 2019-20***
 - **Establish 3% Reserve for 2019-20 and continue to increase every year after***
-
- 1. Implement Board of Education Budget Policy 3150**
 - 2. Redesign the District**
 - 3. Competitive Employee Compensation**
 - 4. Commit to Shared Decision Making and Multi-Stakeholder Teams**

*(see also [August, 2018 Resolution](#))

Budget Prioritization

- What informs our budget prioritization?
- What are we committed to not reducing?
- What is our vision for a central office redesign?

What informs our budget prioritization?

Our Mission and Vision Ground Us

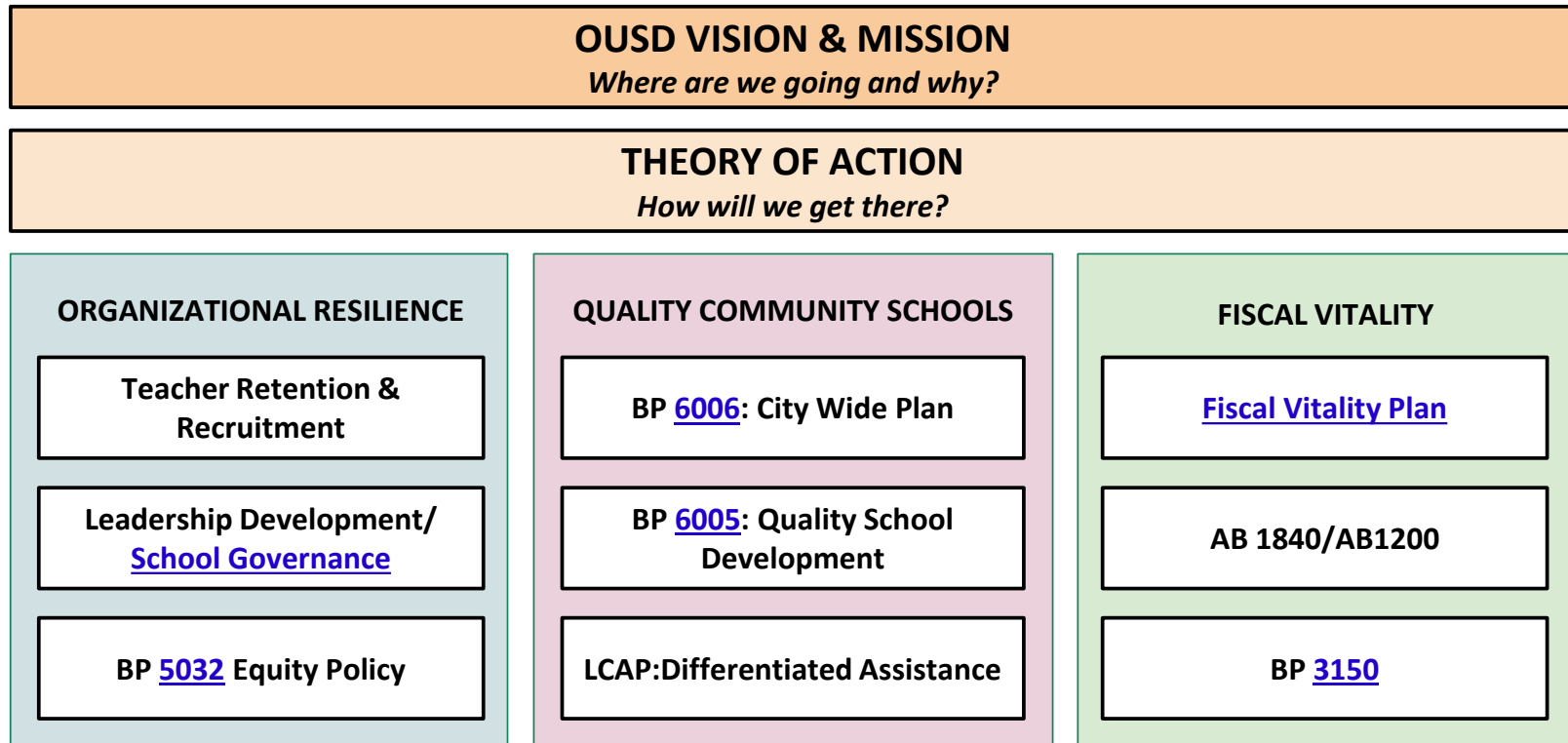
Mission: To become a **Full Service Community District** focused on high academic achievement while serving the whole child, eliminating inequity, and providing each child with excellent teachers, every day.



Vision: All **OUSD students** will find joy in their academic learning 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.**

Quality - Equity - Access - Fiscal Sustainability

Our Theory of Action and Policies Guide Us



Stakeholder Input Informs Us

Input Highlights

Students (All-City Council): Four priority areas: 1) Student Leadership Programs; 2) College Support Programs; 3) Teacher Quality: Recruitment, Retention and Relationships; and 4) Mental Health, Nutrition & Wellness.

Principals (PAC Survey): Critical Departments are Buildings and Grounds, Custodians, Special Education, Talent and Linked Learning; reduce other depts that are less critical

Other Staff & Community (Community Survey): Prioritize staff retention, equity and class size. Rate top central function as maintaining clean and safe school facilities. Encourage maximizing percentage of funds directed to school budgets

BP 3150: Maximizing Unrestricted Funds

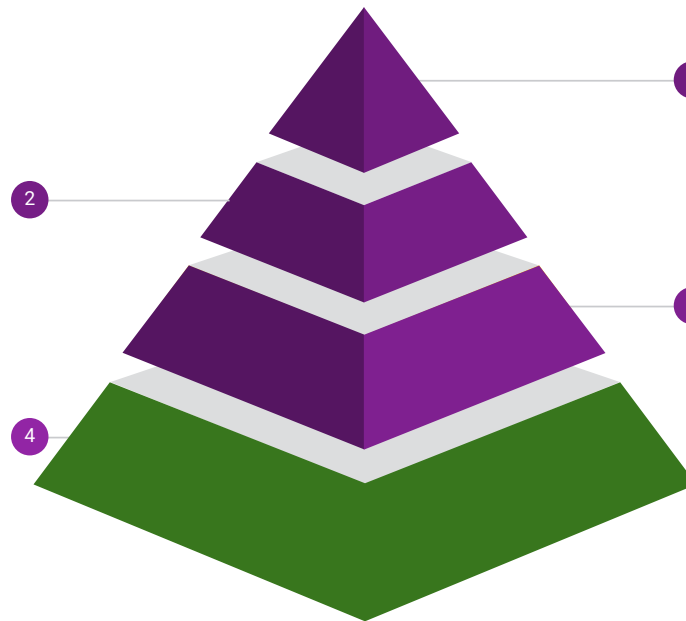
12% for District-Wide Administrative Services

12% = For example: Indirect admin costs, both mandatory expenses and commitments

All Remaining Unrestricted Revenue to School Sites

Based on the projected student enrollment and the following:

1. Gradespan
2. Free & Reduced Lunch
3. English Learners
4. Foster Care
5. high-stress neighborhoods



Legally Required District-Wide Obligations

For example: State Loan Audit Findings, etc.

Specific Services to Schools

Named Services:

1. Special Education
2. Custodial and Buildings & Grounds
3. School Police & School Security Officers
4. School Nurses
5. School Counselors
6. Specified Enrichment Resources (i.e. summer school, music, art)

What are we committed to not reducing?

BP 3150: 2018-19 Use of Unrestricted General Funds

~\$413M total (including ~\$77M of S&C)

NOTE: Preliminary Numbers; Subject to revision

1. Legally Obligated Expenses	2. Central District wide Administrative Costs (12% Cap \$49.8M)	3. Specified Central Services to School Sites	4. School Site Budgets
~\$29M No Reductions	~\$59M (incl. ~\$17M S&C) Substantial Reductions	~\$98.6M (incl. ~\$22M S&C) No Reductions to Services	~\$230M (incl. ~38M S&C) Limited Reductions
-State Loan (~\$6.5M) -Audit Findings (~\$5.5M) -Routine Repair & Maintenance (~\$17M)	e.g. finance, human resources, performance management, instructional services, legal services, district leadership	1. Special Education 2. Custodial and Buildings & Grounds 3. School Police & School Security Officers 4. School Nurses 5. School Counselors 6. Specified Enrichment Resources (i.e. summer school, music, art, nutrition services, athletics)	1. Gradespan 2. Free & Reduced Lunch 3. English Learners 4. Foster Care 5. High-stress neighborhoods

Committed Investments

- ↳ Certificated Classroom Teachers (Theory of Action)
- ↳ 3150-specified Central Services to Sites (BP 3150, Survey Data)
- ↳ Legal Obligations & Mandatory Services (BP 3150)
- ↳ \$77M on Supports to Students Identified in LCAP (Ed Code)

Breakdown of 3150-Specified Central Service to Schools (No Reductions)

Category	Amount	Notes
1. Special Education	~\$78.0M	includes Transportation
2. Custodial and Buildings & Grounds	~\$7.8M	Site Custodians included in Site budgets
3. School Police & School Security Officers	~\$2.7M	(Site SSOs included in site budgets)
4. School Nurses	~\$3.0M	includes additional health services
5. School Counselors	~\$3.6M	24 in linked learning budget, 14 in ssc, 4 in school site budgets
6. Specified Enrichment Resources (i.e. summer school, music, art, nutrition services, athletics)	~\$3.5M	includes Nutrition contribution; Summer programs (937); and athletics.
Total	~\$98.6 M	Unrestricted funds only

Breakdown of 3150-Unrestricted Districtwide Central Administrative Costs

Category Based on Function Codes	Amount	Notes
General Administrative Costs- Business Operations	~\$29.5M	Unrestricted Funds (General Purpose)
General Administration - Educational Services	~\$12.6M	Unrestricted Funds (General Purpose)
	~\$17.4M	Unrestricted Funds (LCAP Supplemental and Concentration Funds)
Total Central GP Available for Possible Reallocation & Reductions	~\$42.1M	Excludes 17.4M of Supplemental & Concentration

Recommended Reduction Scenarios and Potential Impact

- What are the current summary of the reduction options that have already been identified?
- What are the possible scenarios for budget reductions for 19-20?
- What are the potential impacts to school sites and central office with the proposed reductions?

What is the current summary of the reduction options that have already been identified?

Updated Multi-Year Summary of Identified Reductions to Date

Currently Estimated Ongoing Cost Savings, Reductions & Revenue Increases

	Estimated 4 Year Cumulative Savings			
Category 1: *Increase Revenues	\$1,300,000	\$1,900,000	\$2,100,000	\$2,300,000
Category 2: *Decreased Spending				
Central	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
Sites	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Other	\$365,000	\$1,570,000	\$1,570,000	\$1,570,000
Category 3: *Costs Savings	\$831,000	\$6,750,000	\$8,150,000	\$8,250,000
Revised Totals	**\$12,496,000	\$20,220,000	\$21,820,000	\$22,120,000
Note:				

*See Appendix for details

**Additional Central Administration Support FTE Reductions have been identified, if needed, to meet the Board's June 27 Resolution Reduction Target of \$30 Million

Proposed Staffing and Site Discretionary Reductions

The majority of proposed reductions will come from reductions/realignment in central office services and reduction to discretionary funding to schools.

Central Office Departments: \$7 million of reductions to Central Office FTE.

- **Superintendent Division:** -\$1.4M (~11FTE)
- **Academic Services Division:** -\$2.8M (~21.5FTE)
- **Operations Division:** -\$2.8M (~21.5FTE)

School Sites: \$3M of reductions from discretionary funds provided to schools.

- Schools to determine what expenditures to reduce
- Reductions to discretionary funds will be done consistent with values on equity.

Note: Division leaders are leading realignment within their Division with consultations across divisions to ensure that FTE reductions are based on a reorganization and not a percentage cut per department.

School Site Discretionary Funding Reductions

The reduction across all school sites totals \$3 million. The reduction will be made from discretionary funds provided to schools and calculated on a per pupil basis.

This reduction method is the same as used in recent years in collaboration with school leaders.

Grade Span	Per Pupil Reduction
Elementary	(\$58)
Middle	(\$75)
High School	(\$100)
K-8	(\$67)
6-12	(\$88)

What are our scenarios for reductions that include the board directive to reach a 3% reserve and budget for new investments for the next two years?

New Investments Would Require Further Reductions

Desired new investments are not contemplated in current reduction targets and would require further revenue increases and/or spending reductions with consideration of whether it is a one-time or on-going allocation. Example investments include:

1	Charter Office Expansion	~\$300,000	On-going
2	Blueprint School Site Supports	~\$200,000	One-time
3	8 period Day	~\$8,800,000	On-going
4	Teacher salary to median	~\$36,000,000+	On-going
5	Asset Management Cost (Bond Election, 7-11 Committee Support, Updated Facilities Master Plan	~\$1,000,000	One-time
6	Custodial Services Increase	up to ~\$1,000,000	On-going

Consideration of New Investments will be addressed as part of the 2019-20 Budget Development Process once OUSD has more information regarding State budget decisions, proposed reductions and funding availability

Reduction Scenarios - Assumption for New Investments

	Assumptions	2019/20 Reduction	2020/21 Reduction
Scenario A (Current Reality)	<ul style="list-style-type: none"> • Level of New Investments - moderate • 18-19 Reserve: 2.25% • 19-20 Reserve: 3.17% • 20-21 Reserve: 3.06% 	\$17.3M	\$0
Scenario B	<ul style="list-style-type: none"> • Level of New Investments - moderately aggressive • 18-19 Reserve: 2.25% • 19-20 Reserve: 3.52% • 20-21 Reserve: 3.01% 	\$21.5M	\$0
Scenario C	<ul style="list-style-type: none"> • Level of New Investments - aggressive • 18-19 Reserve: 2.25% • 19-20 Reserve: 4.30% • 20-21 Reserve: 3.03% 	\$30.2M	\$0

2019-20 Central Reductions Based on Three Scenarios

Level of New Investments Scenarios	School Sites	Required Central Reductions	Superintendent (inc. HR, Facilities, Equity, Communications and other) @20%	Academic Support @40%	Operations Support @40%
Already Identified	\$3.0 M	\$7.0 M	\$1.4 M (FTE 11.6)	\$2.8 M (FTE 23.3)	\$2.8 M (FTE 23.3)
Scenario A: Moderate Increase (Current Reality)	\$3.0M (no additional reductions)	\$14.3 M	\$2.860 M (FTE 23.8)	\$5.720 M (FTE 47.6)	\$5.720 M (FTE 47.6)
Scenario B: Moderately Aggressive Increase	\$3.0M (no additional reductions)	\$18.5 M	\$3.7 M (FTE 30.8)	\$7.4 M (FTE 61.6)	\$7.4 M (FTE 61.6)
Scenario C: Aggressive Increase	\$3.0M (no additional reductions)	\$25.1 M	\$5.02 (FTE 41.8)	\$10.0 M (FTE 83.3)	\$10.0 M (FTE 83.3)

What are the Tradeoffs based on the Proposed New Investment Scenarios and Maintaining a Proposed 3% Ending Fund Balance?

2019-20 Reductions to Central Admin Costs Impact

After removing services enumerated in BP3150 (e.g. Custodial), there is roughly \$42M left in unrestricted central services (excluding S&C). A reduction of over half of the remaining FTE (a 250+ FTE reduction) would be necessary to reach the \$30M target. Such a reduction would both eliminate unrestricted funding to programs core to our Mission/Vision and severely undermine our ability to maintain the fiscal and operational solvency that is a purpose of reductions. (see [Staffing](#))

Core services severely impacted:

- **Personnel** - recruitment, staff assignment, payroll with further risk to basic staffing and retention
- **Financial oversight** - budget development, spending compliance & oversight, financial reporting further delayed, more error with less control on overspending or audit findings
- **Technology** - elimination of software and training that increase efficiency in all areas of operation

Mission/Vision-aligned services severely impacted:

- **Academic supports** - student data, analysis and curriculum support eliminated or undermined as well as wrap-around services to support student & family engagement in education
- **Network supports** - network supports to schools

2019-20 Reductions to Central Admin Costs Impact

Statutory, contractual and board-directed responsibilities could be impacted without efforts to protect needed resources from cuts. Each of these is already an area of past or current strain on District resources.

Mandated responsibilities:

- **Financial reporting** - to state, county, auditors
- **Staff assignment and processing** - extensive rules about assigning staff to temporary and permanent roles, including adjustment in hours and pay and management of support of personnel committees
- **Curriculum & textbook compliance** - curriculum adoption and *Williams* requirements
- **Student Intervention support**- district wide coordination of student academic and behavioral supports
- **Student testing support**- state testing requirements, transcripts
- **Enrollment support** - administration of the District policies of school selection by families

Assembly Bill 1840

What are the implications of AB 1840 and can we count on this funding to provide a bridge or soft-landing as we implement a long-term multi-year plan for budget reductions?

AB 1840 Questions and Considerations

Framework - What is AB 1840?

- To achieve fiscal stability for OUSD, the State Assembly passed AB 1840 to provide three years of relief funding to the district.
- This funding is intended to assist OUSD in addressing its ongoing deficit, and to provide time and space required for implementing strong and consistent fiscal controls to ensure the necessary resources to serve the students of Oakland.
- The process outlined in AB 1840 includes an oversight partnership with the Alameda County Office of Education (ACOE), FCMAT, the California Department of Education (CDE), State Board of Education (SBE), Department of Finance (DOF), and State Legislature.

AB 1840 Questions and Considerations (cont.)

Will AB 1840 fix the district's structural deficit?

- AB 1840 is designed to provide a one-time allocation of funding based on the district's projected deficit at a rate of up to 75% for Year 1 (FY 2019-20), up to 50% for Year 2 (FY 2020-21), and up to 25% for Year 3 (FY 2021-22).
- The one-time allocation provides a bridge of funding so that OUSD can develop a more balanced, sustainable, and long-term solution to our fiscal deficit.
- It is the State's intent that our budget will be balanced once this bridge funding expires.

AB 1840 Questions and Considerations (cont.)

Is funding under AB 1840 Guaranteed?

- Based on the District's numerous discussions with State and County Officials, it is our understanding that the funds are not guaranteed and are subject to an intensive review process.
- For example, in Year 1, the final funding recommendation could be zero funding to the full 75% allocation.
- In a recent Legislative Analyst Report (LAO), the LAO has recommended that the State Legislature rescind the authorization of a special grant to OUSD and Inglewood USD provided by AB 1840 and provide a loan deferral as a better public policy goal.

Reimagining OUSD

- What is our vision for re-imaging our district?
- How does the Community of Schools Citywide Plan influence our future vision?
- How are we redesigning central office in support of schools?

What is our vision for re-imaging our district?

How does the Community of Schools Citywide Plan influence our future vision?

Our Mission and Vision Ground Us

Mission: To become 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.



Vision: All **OUSD students** will find joy in their academic learning 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.**

Quality - Equity - Access - Fiscal Sustainability

Community of Schools Policy (BP 6006)

A Citywide Plan grounded in policy: Asset Management, Charter Authorization, Enrollment, Equity, Results Based Budgeting, School Governance, and Quality School Development

A	Facilities	Best leverage vacant, underutilized, and surplus properties and utilize facility use agreements to strategically engage all Oakland public schools-district or charter; identify high quality options for academic programs
B	Enrollment & Transportation	Work with all Oakland public schools district or charter - to better articulate feeder patterns across Oakland to ensure more predictability for families.
C	Charter Authorization	Strengthen our role in oversight and accountability to ensure that all charter schools operating in Oakland are providing a high quality education and working to address inequities.
D	Access to Equitable & Quality Education for all	Share best practices across all Oakland public schools , (e.g., professional development, recruitment and retention of educators) that improve equitable educational access for all Oakland students.
E	Defined Autonomies	Best support continued innovation within OUSD schools and accelerate the number of high-quality school options within OUSD

Citywide Plan Considerations

Quality & Equity

- We need better quality programs in every neighborhood for every student
- We need to identify quality metrics to be used for district and charter schools alike
- We need to provide ongoing support for school improvement to all OUSD and Charter schools

Equity & Access

- We need access to quality schools closer to home
- We need regional feeder patterns from pre-K through high school

Fiscal Vitality & Sustainability

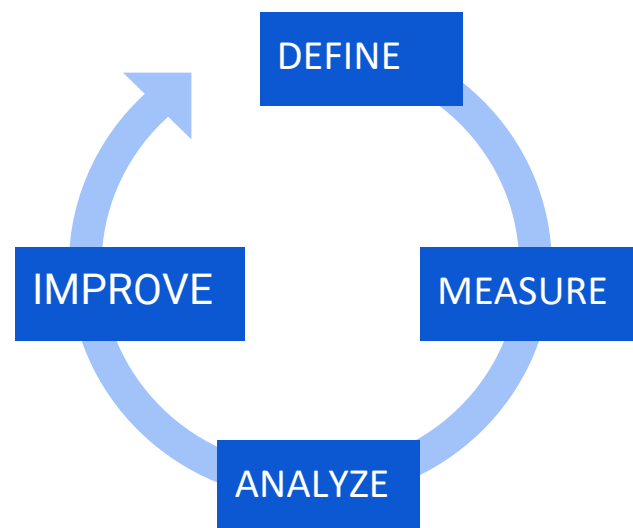
- We need fewer, better resourced schools with larger enrollment
- We need to build sustainable relationships with charter schools in our city

How are we redesigning central office in support of schools?

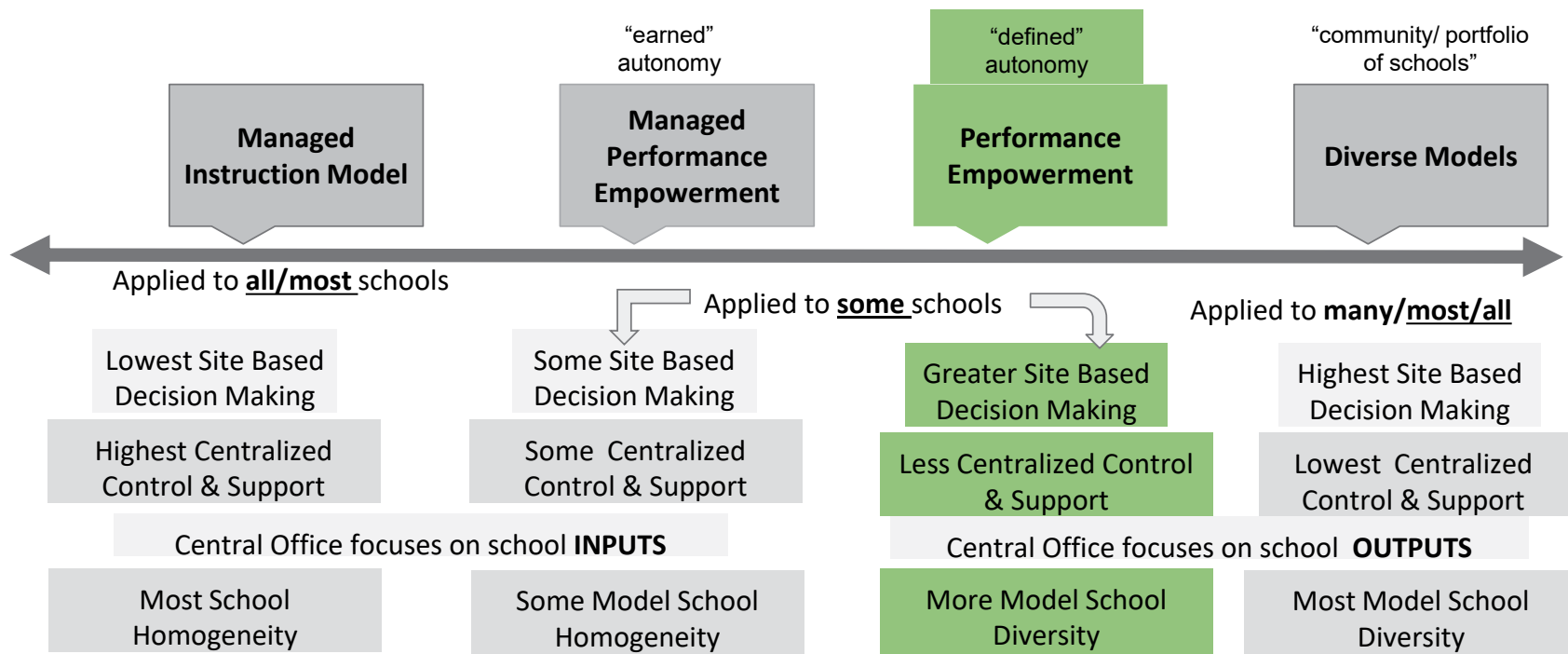
Purpose of Central Office: Continuous Improvement

To achieve the goal of **improving student outcomes** and **increasing school quality** across the district...

Central Office must focus on **continuous improvement** to **support school site capacity** and **improve the quality of services** to networks of schools.



Continuum of Central Office Theories of Action for Supporting School Sites

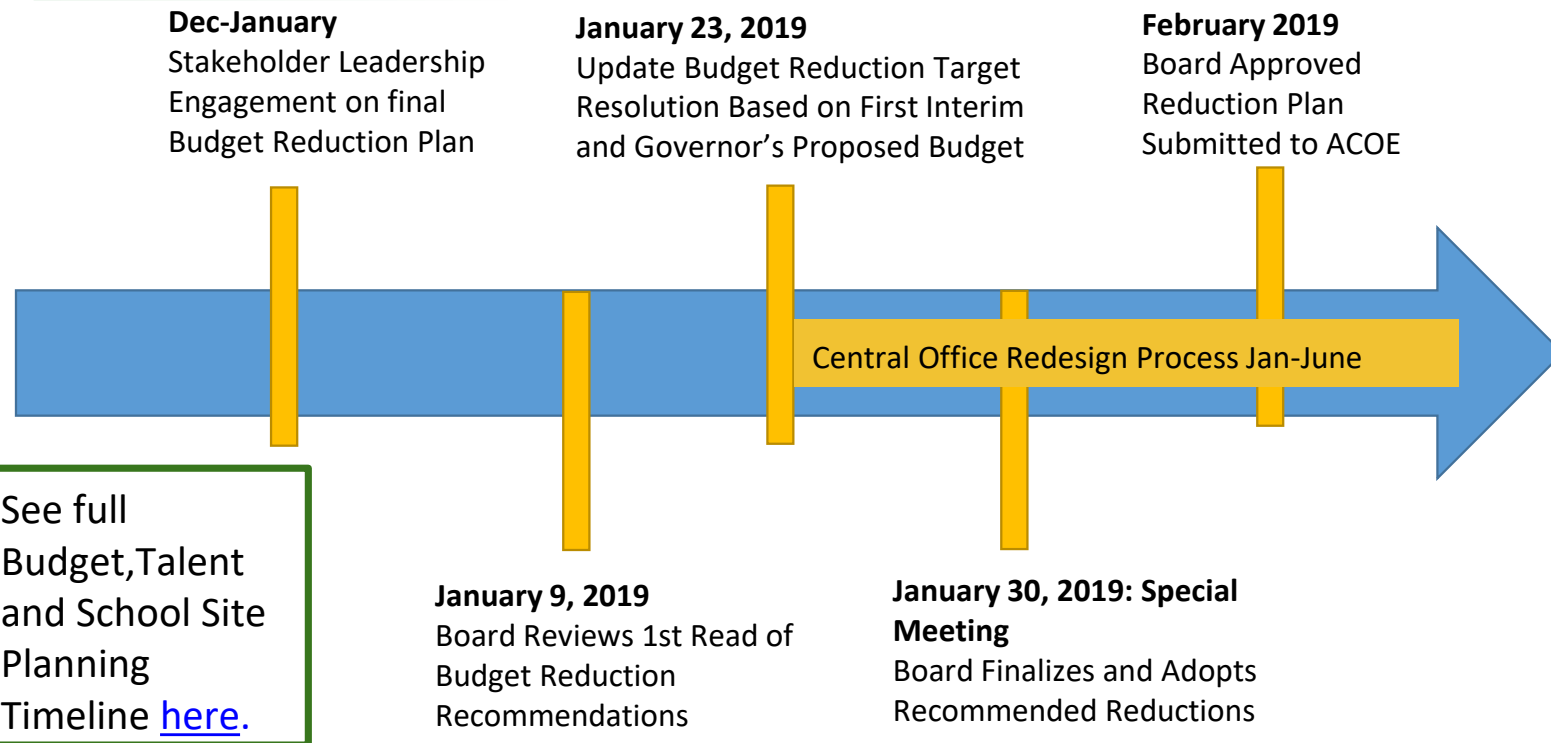


Adapted based on Katzir and McAdams: The Redesign of Urban School Districts: Case Studies in Urban School Governance (2013)

Discussion and Recommendation

	Level of Investments	2019/20 Reduction	2020/21 Reduction	FTE Loss	Rationale
Scenario A (Current Reality)	<u>Moderate</u> <ul style="list-style-type: none"> 18-19 Reserve: 2.25% 19-20 Reserve: 3.17% 20-21 Reserve: 3.06% Administration Recommendation	\$17.3M	\$0	119	<ul style="list-style-type: none"> - Allows for all currently committed investments to be funded; - Allows for fund balance reserve of 3% beginning in FY 2019-20; - Allows for a more balanced approach to Central Office Reductions; - Central Site Supports will be strained but manageable;
Scenario B	<u>Moderately Aggressive</u> <ul style="list-style-type: none"> 18-19 Reserve: 2.25% 19-20 Reserve: 3.52% 20-21 Reserve: 3.01% 	\$21.5M	\$0	154	This option would provide for slightly more increases in investments but without a decision to further expand reductions to sites and other hold-harmless support functions, Central Site Support functions would become diminished, inefficient, and ineffective.
Scenario C	<u>Aggressive</u> <ul style="list-style-type: none"> 18-19 Reserve: 2.25% 19-20 Reserve: 4.30% 20-21 Reserve: 3.03% 	\$30.2M	\$0	208	This option would provide for substantial increases in investments but without cuts to sites or other hold-harmless functions, most Central Site Support basic functions would be severely depleted and in many cases become non-existent.
All Scenarios include the original \$3 Million in site reductions					

2019-20 Budget Reduction Process Timeline (Key Activities)





**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

1000 Broadway, Suite 680, Oakland, CA 94607

www.ousd.org



@OUSDnews

APPENDIX

Staffing Info

Overall Staffing Overview*

Division	Unrestricted FTEs (Includes S&C)	Restricted FTEs (Exempt)
Superintendent	447.4	95.5
Academics	347.3	465.7
Operations	114.3	8.5
School Sites	2,237.4	904.3
Totals	3146.4	961.0

*Based on October 2018 information shared with the Fiscal Vitality Committee November 8, 2018. Some positions are funded by S&C and are treated differently in assessing potential reductions.



Staffing Overview – Office of the Superintendent

Site	Department Name	2018-19 Personnel	
		Unrestricted FTE	Restricted FTE
901	Chief of Staff	4.5	1.5
906	Ombudsman	0.0	0.0
918	Facilities Planning	0.0	0.0
929	Office Of Equity	17.5	4.5
940	Board Of Education	10.0	0.0
941	Office Of The Superintendent	5.0	0.0
942	Labor Relations	0.0	0.0
944	Human Resources Services - Talent	46.9	9.4
946	Legal Counsel	7.0	0.0
947	Charter Schools Office (admin)	5.0	0.0
958	Communications	19.5	1.1
988	Buildings & Grounds	9.0	79.0
989	Custodial Services	222.0	0.0
994	OUSD Police Department	101.0	0.0
		447.4	95.5

Custodial Services and Police services are core services enumerated in BP3150. While efficiencies are always welcome, no reduction is sought.



Staffing Overview – Academic Services

Site	Department Name	2018-19 Personnel	
		Unrestricted FTE	Restricted FTE
903	Office Of Chief Academic Office	4.0	0.0
909	Academic Innovation	86.1	62.9
910	Early Childhood Development	18.0	20.6
912	Linked Learning	17.8	24.4
921	Office Of Post Secondary Reading	0.0	0.0
922	Comm. Schools & Student Services	72.5	78.6
923	Elementary Network 4	3.3	2.5
928	Opsr Counseling	43.0	0.0
932	Jr Reserve Off Training Corp	0.0	1.0
933	Oakland Athletic League (OAL)	2.0	0.0
937	Summer Programs	0.0	0.0
948	Research Assessment & Data	27.3	2.2
954	Eng Lang Learner/multilingual Ach.	5.8	27.3
961	Pre K-5 Network 1	0.0	0.0
962	Pre-k-5 Network 2	3.0	0.0
963	Pre-k-5 Network 3	3.0	0.0
964	High School Network	14.9	4.6
965	Middle School Network	1.0	1.8
968	Health Services (nurses)	37.0	2.6
975	Special Education	8.6	237.2
		347.3	465.7

- Health Services, Counseling Services and Special Education Police services are core services enumerated in BP3150. While efficiencies are always welcome, no reduction is sought.
- Academic Services has more positions funded by Restricted than Unrestricted Funds



Staffing Overview – Operations

902	Accounts Payable
905	Office Of Sr. Business Officer
907	Student Assignment
913	Chief Of Operations
936	Accounting
949	Office Of The Internal Auditor
950	State And Federal Programs
951	Budget
979	Printing And Mail Services
980	Chief Financial Officer
983	Payroll
986	Technology Services
987	Risk Management
990	Procurement & Distribution
991	Food Service
992	Warehouse Distribution
995	Transportation

2018-19 Personnel	
Unrestricted FTE	Restricted FTE
6.0	0.0
2.2	0.0
15.4	0.7
0.0	0.0
9.9	0.4
0.0	0.0
0.5	6.5
15.2	0.6
3.0	0.0
2.0	0.0
10.0	0.0
36.0	0.0
1.0	0.0
3.0	0.0
0.0	0.3
8.1	0.0
2.0	0.0
114.3	8.5

Operations has very few positions funded by Restricted Funds as many functions are mandatory or related to compliance with law, contract or Board policy.



Budget Reduction Plan Detail

Multi-Year Budget Reduction Plan

- **Increase Revenues (Category 1)**
- **Decrease Spending (Category 2)**
- **Implement Costs Savings (Category 3)**

Goal: Make necessary adjustments to create and maintain a balanced budget where ongoing revenues meet or exceed ongoing expenditures. All adjustments intended to be ongoing.

Category 1 - Increased Revenues

Estimated Ongoing Revenue Increases

Options	FY 2019-20 (Year 1)	FY 2020-21 (Year 2)	FY 2021-22 (Year 3)	FY 2022-23 (Year 4)
Facilities Rental Redesign (NNR)	\$800,000	\$1,100,000	\$1,200,000	\$1,300,000
Saturday School District-wide Optional Implementation (ADA) (NNR)	\$500,000	\$800,000	\$900,000	\$1,000,000
Sub-Total Category 1	\$1,300,000	\$1,900,000	\$2,100,000	\$2,300,000

Note: NR = Negotiation Required / NNR - Negotiation Not Required

Category 2 - Decreased Spending Plan (cont.)

Estimated Ongoing Spending Decreases

Options	FY 2019-20 (Yr. 1)	FY 2020-21 (Yr. 2)	FY 2021-22 (Yr. 3)	FY 2022-23 (Yr. 4)
Reduce Energy/Utilities Costs (NNR)	\$150,000	\$300,000	\$300,000	\$300,000
Consolidate Printing Costs Across the District (Phase 1 – Copy Supplies, Toner) (NNR)	\$65,000	\$120,000	\$120,000	\$120,000
Consolidate Printing Costs Across the District (Districtwide Lease) (Phase 2) (NNR)	\$0	\$1,000,000	\$1,000,000	\$1,000,000
Sub-Total Category 2 (cont.)	\$215,000	\$1,420,000	\$1,420,000	\$1,420,000

Note: NR = Negotiation Required / NNR - Negotiation Not Required

Category 2 - Decreased Spending Plan

Estimated Ongoing Spending Decreases

Options	FY 2019-20 (Year 1)	FY 2020-21 (Year 2)	FY 2021-22 (Year 3)	FY 2022-23 (Year 4)
Reduce Central Staffing (NNR)	\$7,000,000 (ongoing from 2019-20, not additional cuts)	\$7,000,000	\$7,000,000	\$7,000,000
Reduce Site Discretionary (NNR)	\$3,000,000 (ongoing from 2019-20, not additional cuts)	\$3,000,000	\$3,000,000	\$3,000,000
Eliminate Vacant Positions Districtwide (NNR)	\$150,000 (ongoing from 2019-20, not additional cuts)	\$150,000	\$150,000	\$150,000
Sub-Total Category 2	\$10,150,000	\$10,150,000	\$10,150,000	\$10,150,000

Note: NR = Negotiation Required / NNR - Negotiation Not Required

Category 3 - Cost Savings Plan

Estimated Ongoing Cost Savings

Options	FY 2019-20 Year 1	FY 2020-21 Year 2	FY 2021-22 Year 3	FY 2022-23 Year 4
Districtwide Telephone Consolidation (NRR)	\$500,000	\$3,000,000	\$4,500,000	\$4,500,000
Supplemental Early Retirement Program (NRR)	\$0	\$1,800,000	\$1,300,000	\$900,000
School Consolidations and Closures (NRR)	\$81,000	\$1,200,000	\$1,600,000	\$2,100,000
Explore Opportunities to Leverage Restricted Dollars to Support GF (NRR)	\$250,000	\$250,000	\$250,000	\$250,000
Sub-Total Category 3	\$831,000	\$6,250,000	\$7,650,000	\$7,750,000

Note: NR = Negotiation Required / NNR - Negotiation Not Required

Scenario A - Moderate Increase (\$17.3 Mil. Reduction Beginning FY 2019-20)

Currently Estimated Ongoing Cost Savings, Reductions & Revenue Increases

	Estimated 4 Year Cumulative Savings			
Category 1: Increase Revenues	\$1,300,000	\$1,900,000	\$2,100,000	\$2,300,000
Category 2: Decreased Spending	\$10,365,000	\$11,570,000	\$11,570,000	\$11,570,000
Category 3: Costs Savings	\$831,000	\$6,750,000	\$8,150,000	\$8,250,000
Revised Totals	\$12,496,000	\$20,220,000	\$21,820,000	\$22,120,000



2019-20 Budget Reduction Plan

January 23, 2019 - Final



Presented by: Marcus Battle, Chief Business Officer
To: OUSD Board of Education

Discussion Topics

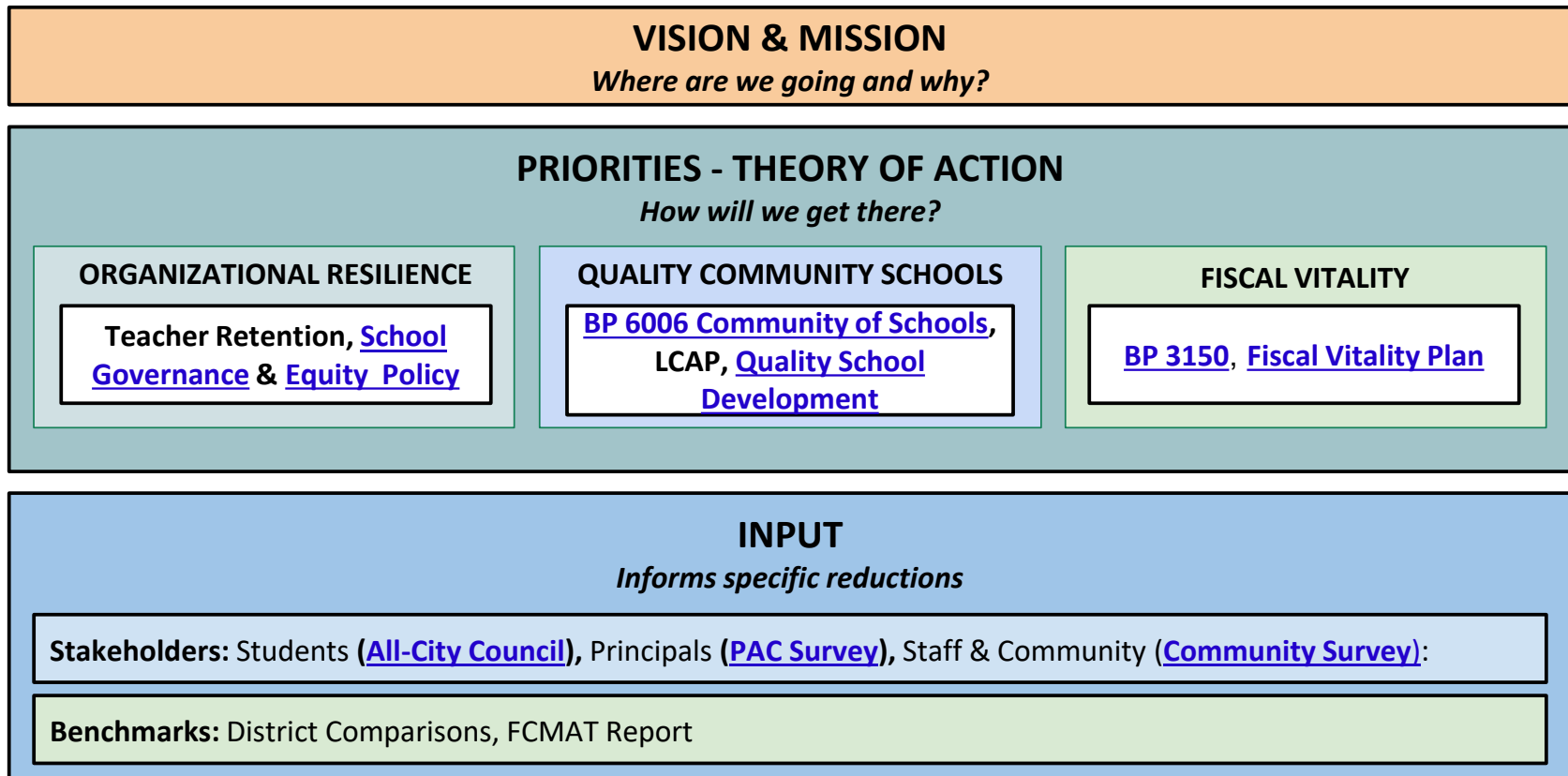
1. Background
2. Updated Reduction Scenarios & Recommendation
3. Update on Gov Budget and What it Means for Oakland
4. Next Steps



BACKGROUND



Our District Priorities



Recent Budget History

June 2018

Projected deficits in 2019-20 and beyond at current spending levels and flattening revenue

September 2018

Closing of the books for 2017-18 shows greater than expected savings from budget reductions and fiscal restraint

December 2018

2018 1st Interim support projects minimal deficit in 2019-20, but no funds for investment or 3%+ reserve

January 30, 2019

Board scheduled to adopt revised reductions/savings plan after second review January 23rd

August 2018

Board Passes [1st Fiscal Vitality Resolution](#) to plan reductions/savings of \$30M in 2019-20 to ensure solvency and reserves

November 2018

Board passes [updated Fiscal Vitality resolution](#) to plan reductions/savings of \$30M in 2019-20. to fund priorities including compensation and reserves

January 9 and 23, 2019

Full Board reviews reductions/savings plan prepared by staff



Summary from Jan. 9 Board Presentation

Staff presented three reduction scenarios which:

- Alignment with Board Policy 3150
 - Substantial reductions to central admin
 - Limited reductions to central services to sites
 - Limited reductions to school sites
- Had options with varying reduction totals (only one option with \$30M in total reductions)

The Board directed staff to return with scenarios which:

- Identify full \$30 million in reductions
- Establish 3% Reserve for 2019-20 and continue to increase every year after
- Expand range of options considered and include central services to sites
- Explore reallocating supplemental funds
- Minimize negative impact on school sites
- Investigate reductions to contracts and classified management

UPDATED REDUCTION SCENARIOS AND RECOMMENDATION



Ground in our Mission, Vision and Values

Over the previous months, we have heard from Principals, Teachers, Parents, Unions, Committees, and Community about a proposed reduction plan.

We believe the reductions we are recommending are:

- part of the hard work and trade-offs we need to do to improve teacher retention and student performance as per our LCAP goals

We recognize that these reductions will:

- affect programs we value and employees we deeply care about; we will not be able to keep the current level of current employees and programs.

We know that our community, employees and stakeholders have asked us to:

- take a deeper look at our consultant contracts and management (central office administrators)
- avoid impacting services and supports named by students, principals and community

Our Process to Recommended Reductions

In order to get to our recommendation, we explored multiple scenarios considering the follow parameters:

- Reductions need to be in unrestricted funds; which include general purpose and supplemental & concentration funds.
- Reallocation of supplemental funds need to comply with the purpose of the use of the funds and be approved by the county.
- Reductions need to be guided within the framework of BP 3150 with some flexibility to get to the desired reduction target.
- Reductions to school site budgets should be as minimal as possible.
- Look into consultant contracts and central office management



Steps Taken to Get to Reduction Recommendation

Given our parameters, we took the following steps to consider various scenarios to get to our recommendation:

Step 1: Examine the impact of only reducing central staff funded by unrestricted general purpose dollars. (Detail in appendix)

Step 2: Examine the impact of reducing central staff and staff hired to perform central services at school sites funded by unrestricted general purpose dollars; and reduce school site discretionary funds. (Detail in appendix)

Step 3: Examine the impact of reducing central staff and staff hired to perform central services at school sites funded by unrestricted general purpose dollars and supplemental funds; and reduce school site discretionary funds



Step 3: Examine the Reallocation of Supplemental Funds

The reallocation of Supplemental funds involves the following parameters:

- Supplemental are additional funds given to school sites to serve specific populations of students: English Learners, low income, and foster youth.
- Supplemental funds must be used to support the academic outcomes of the specific students listed above and must be based on the LCAP goals, measured by our student outcomes.
- The Parent and Student Advisory Committee is required to be consulted on recommendations on how we make investments using our Supplemental funds.

Student-Centered LCAP Goals

Goal 1: Graduates are college and career ready.

Goal 2: Students are proficient in state academic standards.

Goal 3: Students are reading at or above grade level.

Goal 4: English Learners are reaching English fluency.

Goal 5: Students are engaged in school every day.

Goal 6: Parents and families are engaged in school activities.



FOCUS AREAS

- Conditions for Student & Adult Learning
- Standard-Based Instruction
- Language & Literacy

Explanation of FTE and Programs in Supplemental Funds in 5700

“5700s” represent positions that sit in central budgets and provide direct services to schools; however, schools have decided to purchase these services:

- Restorative Justice Facilitators (21 FTE = 8.75 FTE central and 12.25 sites)
- African American Male Achievement Facilitator (5 FTE site funded)
- Community School Managers (33.4 FTE= 13.9 central-grant funded and 19.5 sites)
- College / Career Pathways (7.5 FTE= 6 central and 1.5 sites)
- Counselors (48.5 FTE= 33.2 GP and 15.3 FTE Supplemental)
- School Security Officers (82 FTE Supplemental)
- Custodians (210 FTE paid for by general purpose funds)
- Counseling Interns (1 FTE Supervisor; Site purchase of service)

Considerations for Prioritization

Considered Stakeholder Input	Prioritized Investments	Changes to implementing services
Student Survey Principal Survey Community Survey	Special Education Nurses Counselors Teacher Retention Teacher Recruitment Teacher Compensation Nutrition Services Custodians	Community Schools Student Services Linked Learning Academics and Instructional Innovation Procurement Financial Services Police Services Technology

BP 3150 Allocations Including Recommended Reductions

NOTE: Numbers Subject to Revision at Interim Reporting.

1. Legally Obligated Expenses	2. Central District wide Administrative Costs (12% Cap \$49.8M)	3. Specified Central Services to School Sites	4. School Site Budgets
~\$29M	~\$59M ~\$48M	~\$98.6M ~\$94.2M	~230 ~\$227M
-State Loan (~\$6.5M) -Audit Findings (~\$5.5M) -Routine Repair & Maintenance (~\$17M)	e.g. finance, human resources, performance management, instructional services, legal services, district leadership	1. Special Education 2. Custodial and Buildings & Grounds 3. School Police & School Security Officers 4. School Nurses 5. School Counselors 6. Specified Enrichment Resources (i.e. summer school, music, art, nutrition services, athletics)	1. Gradespan 2. Free & Reduced Lunch 3. English Learners 4. Foster Care 5. High-stress neighborhoods

Final Recommendation: Reduce Central Admin and Central Services using General Purpose Funds and by Reallocating Supplemental Funds, and reduce Site Budget Discretionary Funds

BP 3150	Reduction	Impact
All FTE figures are based on current employees; excluding vacancies		
Central Administration	\$11.2M Reduce 84 FTE (Supplemental & GP and max. restricted funds)	Using supplemental reallocation and general purpose funds to make reductions allows us to make more strategic reductions to central administrative services. The impact is still great and will require a central office reorganization and identification of services and functions that will no longer occur.
Central Services	\$4.4M Reduce 68.4 FTE (Supplemental & GP and max. restricted funds)	The use of supplemental dollars will help prevent the entire elimination departments providing of services to schools funded by general purpose funds (e.g. custodians) However, these reductions will cause a reorganization in how we provide services.
School Sites	\$3M	School Site Discretionary Funds Reduction: Site Based Decisions to reduce (e.g. some staffing, contracts for services).
Operational Savings	\$2M	Implement Saturday School, Facilities Rental Redesign, School Consolidations, and Energy Savings, Contracts
Total	\$20.6M	

Governor's Budget Proposal - Potential Impact to OUSD*

Funding Adjustment Description	FY 2018 - 19	FY 2019- 20	FY 2020 - 21
LCFF (COLA Adjustment - Revised LCFF Calculator) Cost of Living Adjustment estimated at \$343 per ADA (~3.37%) based on 3.46% increase to subset of LCFF Funding categories.	\$ 0	\$3 Million	\$3 Million
STRS Adjustment (Estimated One-Time Rate Savings at \$50 per ADA) Reduction in employer contribution to STRS retirements estimated at 1 percentage point 2019-20 and 2020-21.	\$ 0	\$ 1.7 Million	\$ 1.7 Million
Early Childhood Education (TBD) \$2.4 Billion of targeted investments statewide	\$ -	\$ -	\$ -
Multi-Year Estimated Adjustment at 2nd Interim <small>*Notified in part by the Governor's proposal, became law at budget adoption in June 2019. Estimated at First Interim equals 34,642 for FY 2019-20 and 34,483 for FY 2020-21.</small>	\$ 0	\$ 4.7 Million	\$ 4.7 Million



Plan for Addressing the Impact of Reductions

Given the amount of reductions that will happen in one year, we are expecting considerable impact on school sites and central office personnel and programming. The loss of people is very difficult and we will do everything we can to create a respectful transition for those who may lose a position in this process. The following are steps we will be incorporating into a transition plan to address the impact of the reductions:

- **Central Office Redesign:** Continue to redesign grounded in Board policies 3150 and 6006 and reality of staffing reductions to establish a central office that supports our LCAP goals and services to school sites.
- **Transition Planning**
 - Personalized support for employee job transitions
 - Create alternative plans to address reductions in central services to sites
 - Continue to see grant funding for programs and services that have been reduced



**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

1000 Broadway, Suite 680, Oakland, CA 94607

www.ousd.org



@OUSDnews

APPENDIX

Operational Savings Detail:

- **Cost Savings**
- **Revenue Generation**

Operational Savings

Plan	FY 2019-20
	Estimated Savings
Facilities Rentals Redesign	\$460,000
Districtwide Saturday School - ADA Recovery Program (minimum 25 sites)	\$1,265,625
School Consolidations and Closures	\$81,000
Reduced Energy & Utilities Costs	\$150,000
Total Savings & Reductions	\$1,956,625



Further Detail on Steps Taken to Examine Reduction Scenarios

Step 1: Examine the Reduction to only Central Staff that are funded with General Purpose Dollars - **Not Recommended**

BP 3150	Reduction	Impact <small>All FTE figures are based on current employees; excluding vacancies</small>
Central Administration	Reduction of 208.1 FTE impacting 252 employees \$28M (General Purpose Dollars)	Many of our staff that perform core functions are funded by general purpose dollars. Our ability to hire, support, pay and train our employees would be eliminated or reduced by 60-80%. Our ability to balance our books, clean schools, transport and provide a safe learning environment for our students would also be eliminated in its entirety or reduced by at minimum 60%. Most academic central office services would remain more intact due to supplemental funding, however, they would lack sufficient infrastructure from our core services to allow them to function.
Central Services	---	Departments that provide central services to sites would remain; however, there would be less central infrastructure to support the implementation.
School Sites	---	Reducing central administration will have indirect impact on school sites; such as delayed or discontinued services and support to sites.
Operational Savings	\$2M	Implement Saturday School, Facilities Rental Redesign, School Consolidations, and Energy Savings
Total	\$30M	

Step 2: Examine the Reduction to Central Admin and Central Services with only General Purpose Dollars; and reduce Site Budget Discretionary Funds **Not Recommended**

BP 3150	Reduction	Impact <small>All FTE figures are based on current employees; excluding vacancies</small>
Central Administration	\$11M Reduce 84 FTE out of 227.5FTE (General Purpose Dollars Only)	Reducing the total reduction to central admin funded by general purpose lessons the impact on the unrealistic reduction of departments we saw in scenario 1, however, only reducing staff funded by general purpose dollars does not allow us to be strategic in our reductions. We instead, used a proportional reduction for each department.
Central Services to Sites	\$14M Reduce 240 FTE out of a total 294.4 fte (General Purpose Dollars Only)	There are only 4 departments/position types funded by GP in central services. Given this restriction, there would be the elimination of services to maintain clean and safe schools.
School Sites	\$3M	School Site Discretionary Funds Reduction: Site Based Decisions to reduce (e.g. staffing, contracts for services).
Operation Savings	\$2M	Implement Saturday School, Facilities Rental Redesign, School Consolidations, and Energy Savings
Total	\$30M	

Board Policy 3150: Results Based Budgeting

BP 3150: Maximizing Unrestricted Funds

(Including Supplemental & Concentration Funds)

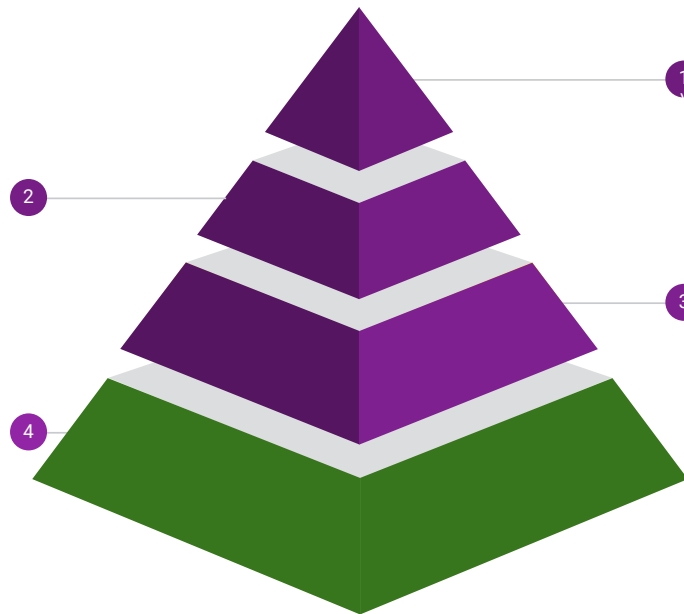
12% for District-Wide Administrative Services

12% = For example: Indirect admin costs, both mandatory expenses and commitments

All Remaining Unrestricted Revenue to School Sites

Based on the projected student enrollment and the following:

1. Gradespan
2. Free & Reduced Lunch
3. English Learners
4. Foster Care
5. high-stress neighborhoods



Legally Required District-Wide Obligations

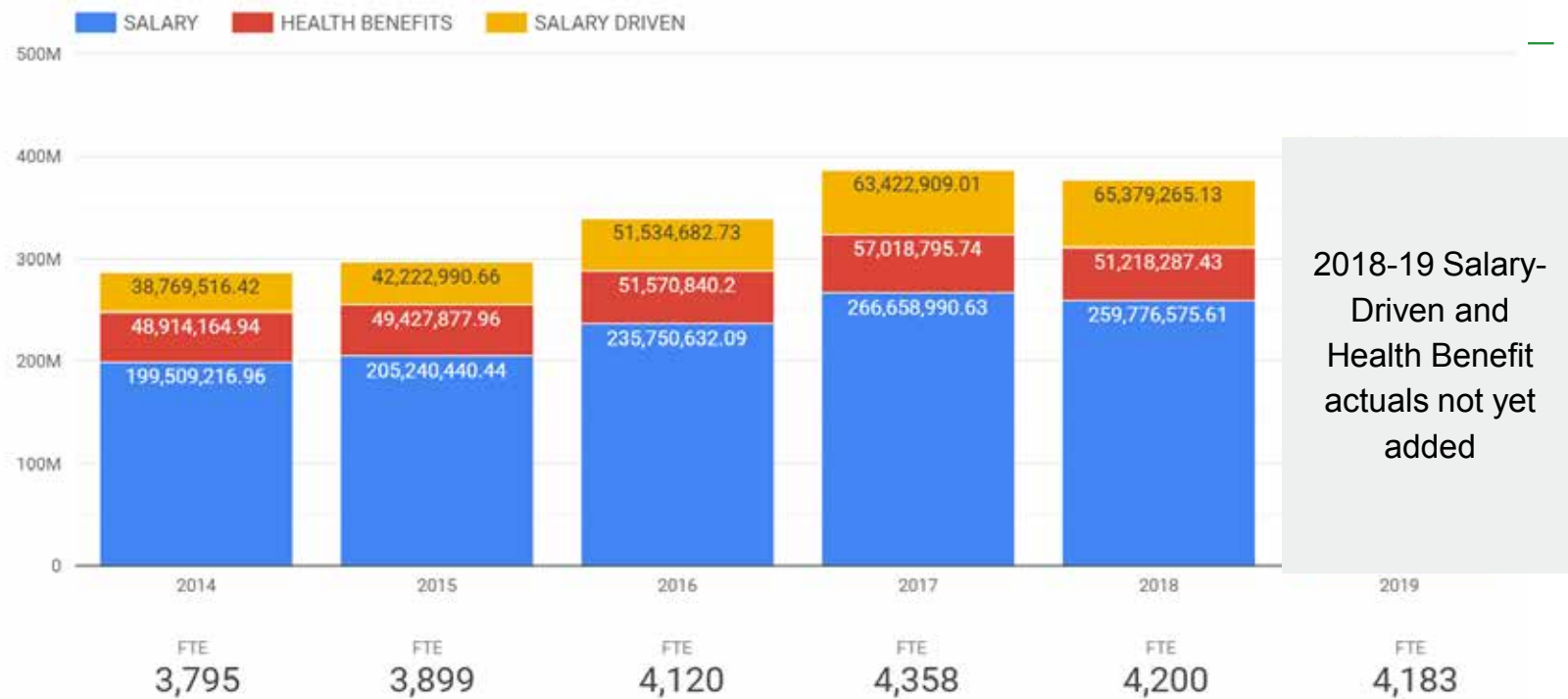
For example: State Loan Audit Findings, etc.

Specific Services to Schools

Named Services:

1. Special Education
2. Custodial and Buildings & Grounds
3. School Police & School Security Officers
4. School Nurses
5. School Counselors
6. Specified Enrichment Resources (i.e. summer school, music, art)

Staffing Info



OUSD Staffing History - FTE by site type

OUSD General Fund FTEs By Site Type*
(2013-14 to 2018-19)

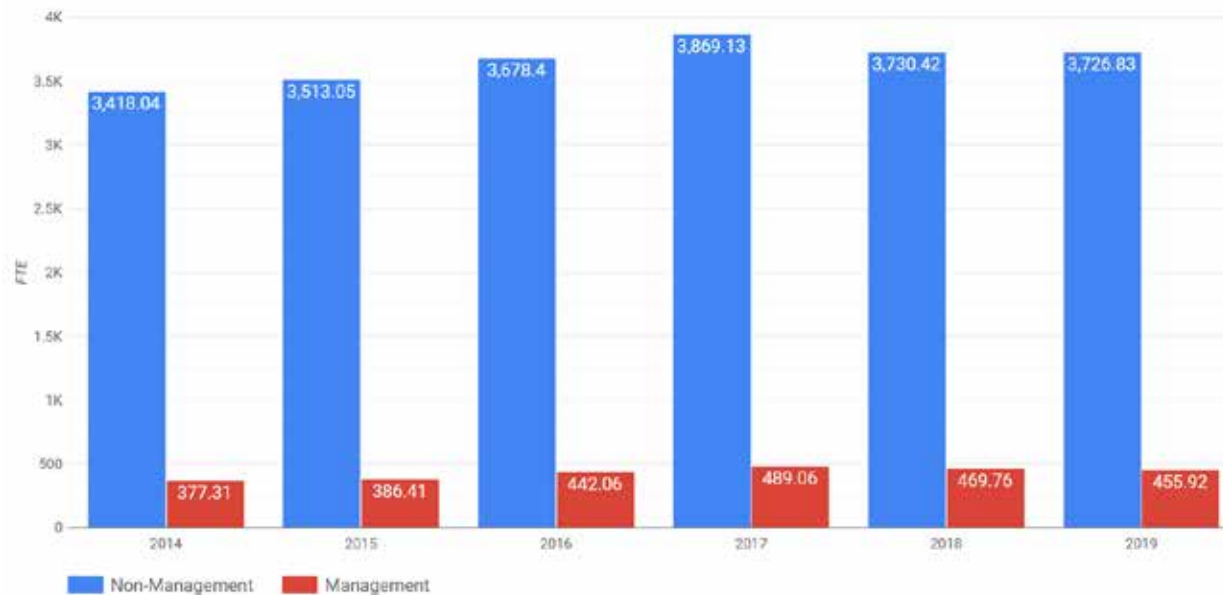


Overall, 2018-19 shows a reduction in staffing of 17 FTE from 2017-18.

However, as part of budget cleanup in 2018-19, expenditures (including FTE) held as District-wide were allocated to schools and Central departments where appropriate.

OUSD Staffing History - FTE by employee type

OUSD General Fund FTEs By Employee Type*
(2013-14 to 2018-19)



Classified Management

Public reports show OUSD has more Classified Administrators than most districts. OUSD identifies positions as Classified Administrators at a higher rate than other districts, and many of our Classified Administrator positions are funded with specialized funds to serve our specific student population.

Over-Identification

The District currently has more positions identified as Classified Management than other districts. Based on state definitions, many positions may be misidentified as management (e.g., Accountants, Executive Assistants, Coaches, Financial Analysts, RJ Coordinators, Community School Managers).

Theory of Action

Over half of the Classified Management positions are funded by **Restricted** or **S&C** funds aligned to OUSD's theory of action and the special needs of our student population.

* California Department of education includes as "Classified Supervisors and Administrators"; supervisory personnel who are business managers, controllers, directors, chief accountants, accounting supervisors, purchasing agents, site administrators, assistant superintendents, and superintendents.

Classified Management - General Purpose Funded

Central Departments and District Wide Expense	
Position Title	FTE
Financial Analyst	8.4
Financial Accountant III	5.7
Business Mgr Central Office	4
Regional Staff Analyst II HR	4
Police Sergeant	3
Supervisor Custodian Field	3
Coordinator Classified	2.5
Admin Coordinator Board of Edu	2
Analyst Central Office Staff	2
Coord Disability Management	2
Office Manager	2
Regional Staffing Analyst I HR	2
Sr Dir Strategic Projects	2
Sr Exec Asst Superintendent	2
Grand Total	120.3

School Sites	
Position Title	FTE
Program Mgr Community School	7.6
Office Manager	2
Business Manager School Site	1
Grand Total	10.6

- 120.3 FTE of Classified Management positions are funded at Central in 2018-19 with General Purpose funds
- 10.6 FTE of Classified Management positions are funded at K-12 schools in 2018-19 with General Purpose funds

*Positions shown for Central are those with 2 or greater FTE.

Classified Management - S&C, Restricted, Other Funded

Central Departments and District Wide Expense	
Position Title	FTE
Program Mgr Community School	20.8
Financial Accountant II	6
Program Mgr Behavioral Health	6
Project Manager Facilities Pln	6
Coach College/Career Pathways	5
Manager Buildings & Grounds	5
Program Manager Compliance	5
Partner Network	4.6
Coordinator Facilities Mgmt	4
Prog Mgr Restorative Justice	4
Nutrition Svc Field Supervisor	3
Partner School	3
Program Manager After School	3
Mgr CTE C&C Pathways Sec Sch	2.8
Program Manager Classified	2
Grand Total	151.9

School Sites	
Position Title	FTE
Coach College/Career Pathways	6.0
Program Mgr Community School	5.1
Program Manager Classified	1.0
Partner School Improvement	1.0
Dir Continuous Ed Lrning Lab	0.9
Coordinator Classified	0.7
Grand Total	14.6

- 151.9 FTE of Classified Management positions are funded at Central in 2018-19 with **Non** General Purpose funds
- 14.6 FTE of Classified Management positions are funded at K-12 schools in 2018-19 with **Non** General Purpose funds

*Positions shown for Central are those with 2 or greater FTE.

Contract Info

Consultant & Contracts

Of the **\$67M*** in contracts, more than **\$40M** was funded by Restricted dollars.

	Restricted	Unrestricted	Grand Total
Central	\$26.5	\$22.5	\$49.0
Schools	\$13.9	\$4.5	\$18.4
Grand Total	\$40.4	\$27.1	\$67.5

Of the **\$22M** funded with Central Unrestricted funds:

- **\$11M+** funded student transportation, an expense expected to rise in 2019-20.
- The **largest remaining** amounts primarily fund software to run existing programs or direct services to students and teachers (see appendix).

* 2017-18 Contracts entered. Not all contracts were fully completed, so total spent was less. 2018-19 was not used as it is only a partial year.

Largest Central, Unrestricted Contracts*

Vendor	Amount
ALAMEDA COUNTY OFFICE OF EDUCATION	\$1,129,500
STREET ACADEMY FOUNDATION	\$768,000
ESCAPE TECHNOLOGY	\$545,205
POWERSCHOOL GROUP,	\$401,987
GATEWAY TO COLLEGE	\$389,289
SPRINGBOARD COLLABORATIVE	\$360,855
BLUEPRINT SCHOOLS NETWORK, INC.	\$303,099
ROBERT HALF	\$287,178
PUBLIC CONSULTING GROUP	\$281,825
SHI INTERNATIONAL CORP.	\$273,244
MARCUS FOSTER EDUCATION INSTITUTE	\$250,000

* 2017-18 Contracts entered. Does not include \$11.6M in Transportation contracts. See full list of 17-18 contracts [here](#).

Board Office Use: Legislative File Info.	
File ID Number	19-0095
Introduction Date	1/23/19
Enactment Number	19-0169
Enactment Date	1/28/19 os



Memo

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Yvette Renteria, Deputy Chief of Innovation

Board Meeting Date January 23, 28, 2019

Subject RESOLUTION NO. 1819-0143 -- Approving Coliseum College Preparatory Academy Expansion and Roots International Academy Closure – Work Plan - Blueprint for Quality Schools

Action Adoption of Resolution No. 1819-0143 -- Approving Coliseum College Preparatory Academy Expansion and Roots International Academy Closure – Work Plan - Blueprint for Quality Schools

Background On February 28, 2018, the Governing Board passed Resolution No. 1718-0124 - Work Plan - Blueprint for Quality Schools to lead to the development of a phased work plan to support the District in increasing quality in school offerings. Board Policy 6006 provides that quality, equity, utility, sustainability, and community benefit are guiding principles and factors to be used during the redesign and reconfiguration process,

Discussion Resolution No. 1819-0143 authorizes: 1) Expansion of Coliseum College Preparatory Academy (CCPA), currently a 6-12 Grade School, by increasing its capacity over the next 7 school years by forming an additional 6th grade cohort in 2019-2020; an additional 7th grade cohort in 2020-2021; an additional 8th grade cohort in 2021-2022; an additional 9th grade cohort in 2022-2023; an additional 10th grade cohort in 2023-2024; an additional 11th grade cohort in 2024-2025; and an additional 12th grade cohort in 2025-2026, if needed; and 2) Closure of Roots International Academy (RIA) effective June 30, 2019 and, effectively immediately, support the enrollment transition for

2019-2020 of current RIA 6th and 7th grade students by providing priority placement at another middle school of parent, guardian or caregiver choice.

Fiscal Impact

Anticipated increase in revenues through increased enrollment at a high-demand school; cost-savings over time through reduction of District's school portfolio

Attachment

Resolution 1819-0143
Presentation

RESOLUTION
OF THE
BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 1819-0143

Approving Coliseum College Preparatory Academy Expansion and Roots International Academy Closure – Work Plan - Blueprint for Quality Schools

WHEREAS, on February 28, 2018, the Governing Board passed Resolution No. 1718-0124 - Work Plan - Blueprint for Quality Schools;

WHEREAS, Resolution No. 1718-0124 provides that criteria shall be identified and articulated in the selection of schools for reconfiguration. Such criteria shall be approved by the Board of Education prior to any efforts to implement the Blueprint for Quality Schools;

WHEREAS, Board Policy 6006 authorizes the Superintendent to increase access to high-quality public-school options for the students and families of Oakland using quality, equity, utility, sustainability, and community benefit as guiding principles and factors during the redesign and reconfiguration of the OUSD that builds upon the current work of the Blueprint for Quality Schools process to create a Citywide Plan,

NOW, THEREFORE, BE IT RESOLVED THAT the Board hereby adopts the following proposal for a segment of Cohort 2 of the Blueprint for Quality Schools: 1) Expand Coliseum College Preparatory Academy (CCPA), currently a 6-12 Grade School, by forming an additional 6th grade cohort in 2019-2020; an additional 7th grade cohort in 2020-2021; an additional 8th grade cohort in 2021-2022; an additional 9th grade cohort in 2022-2023; an additional 10th grade cohort in 2023-2024; an additional 11th grade cohort in 2024-2025; and an additional 12th grade cohort in 2025-2026, if needed; and 2) Close Roots International Academy (RIA) effective June 30, 2019 and, effectively immediately, support the enrollment transition for 2019-2020 of current RIA 6th and 7th grade students by providing priority placement at another middle school of parent, guardian or care giver choice; and

BE IT FURTHER RESOLVED THAT, as an Exception to current Board Policy 5116.1 - Open Enrollment, for this particular situation of rising 7th and 8th graders [currently 6-7 grade pupils], who are at Roots now, and also the siblings of current Roots students, who are 5th graders right now [District wide, i.e., prospective 6th graders next school year], shall have priority enrollment over anyone else that may apply to Coliseum College Preparatory Academy; and

BE IT FURTHER RESOLVED THAT the Superintendent is authorized to take any and all steps to implement the reorganization of these schools and campuses to effectuate the goals outlined in the Blueprint, save an action that requires further authorization by the Board.

Passed by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NAYS: Josue Chavez and Yota Omosowho (Student Directors)

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE: None

AYES: Jumoke Hinton Hodge, Shanthi Gonzales, Gary Yee, James Harris, Vice President
Jody London and President Aimee Eng.

NAYS: Roseann Torres

ABSTAINED: None

RECUSED: None

ABSENT: None

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Special Meeting of the Board of Education of the Oakland Unified School District held on January 28, 2019.

Legislative File	
File ID Number:	19-0095
Introduction Date:	1/23/19
Enactment Number:	19-0169
Enactment Date:	1/28/19
By:	os

OAKLAND UNIFIED SCHOOL DISTRICT

Aimee Eng
President, Board of Education

Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

Board Office Use: Legislative File Info.	
File ID Number	18-2727
Introduction Date	1/9/19
Enactment Number	
Enactment Date	



Memo

To Board of Education
From Kyla Johnson-Trammell, Superintendent
Board Meeting Date February 11, 2019
Subject Resolution No. 1819-0144 – Budget Reduction Recommendation to Achieve Fiscal Year 2019-2020 3% Reserve for Economic Uncertainty

Action Requested and Recommendation Adoption by the Board of Education of Resolution No. 1819-0144 – Budget Reduction Recommendation to Achieve Fiscal Year 2019-2020 3% Reserve for Economic Uncertainty from a reduction target of \$30M to \$21.75M.

Background and Discussion At the November 14, 2018 Board Meeting, the Board discussed and approved Resolution 1819-0013 from the Board’s Special Committee on Fiscal Vitality (FVC). The FVC met over the fall of 2018 to review key board policies and the Governance Theory of Action. The Committee created a set of recommendations for budget development and prioritization for the 2019-20 school year. In addition reductions of ~\$30 million (coupled with savings measures and efficiencies), key recommendations include: 1. implement BP 3150; 2. redesign the District; 3. competitive employee compensation; and 4. commit to shared decision making and multi-stakeholder teams.

Staff is recommending a revised target of \$21.75M which is still projected to reach the 3% reserve due to the updated information in the First Interim Report. The reduced target also allows the Superintendent and staff to minimize the impact of budget reductions on the level of service, quality of staff and education programs for District students. The FY 2019-20 Reduction Plan includes: 1. reduction of \$11.9M in central administrative costs; 2. reduction of \$3.75M in central services to sites; 3. \$1.47M in contract reductions and maximizing restricted resources; 4. \$1.6M in additional operational cost savings; and 5. \$3M in reductions to discretionary funds to school sites.

Fiscal Impact Reductions of \$21.75 million to 2019-20 Budget to reach a 3.0% reserve and account for new investments, including employee compensation, recruitment, and retention.

Attachments

- Resolution No. 1819-0144 – Budget Reduction Recommendation to Achieve Fiscal Year 2019-2020 3% Reserve for Economic Uncertainty

RESOLUTION
OF THE
BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
NO. 1819-0144

Budget Reduction Recommendation to Achieve Fiscal Year 2019-2020 3%
Reserve for Economic Uncertainty

WHEREAS, the Governing Board (hereafter “Board”) passed Commitment to Fiscal Solvency Resolution 1819-0041 on August 8, 2018 to address the Oakland Unified School District’s projected deficit which at the time was estimated to grow from an estimated \$20,300,000 in 2019-20 fiscal year, and \$59,000,000 in the 2020-21 fiscal year and provided for reductions of at least \$21,750,000 beginning in 2019-20 to address the budget shortfall and provide for a minimum 3% reserve beginning in 2019-20 fiscal year; and

WHEREAS, this Resolution supersedes Resolution No. 1819-0041 and provides for all Board reductions based on updated budget information at First Interim, release of the Governor’s 2019 Budget proposal, and a consideration of required employee investments; and

WHEREAS, the Board recognizes that the District is highly dependent on revenue from the State of California and that revenue source is dependent on the on-going stability of the California State economy; and

WHEREAS, the Board recognizes that the Governor’s 2019/2020 Budget proposal projects out year increases tied to primarily cost of living adjustments only, and that these budget components have a direct impact on the District’s multi-year projections; and

WHEREAS, the Board of Directors understands the increased costs of living to staff in the Oakland Community and Greater Bay Area and the impacts on recruiting and retaining highly skilled teachers and staff, and the Board is committed to increasing investments in staff salaries;

WHEREAS, the Board further recognizes the impact of declining enrollment and increasing California State Teachers’ Retirement System (CalSTRS) and California Public Employees’ Retirement System (CalPERS) pension costs on the District’s budget;

WHEREAS, the AB 1200 provides for the District to provide to the Alameda County Office of Education a full disclosure of proposed impacts, costs, and multi-year projections to support any negotiated salary investments; and

WHEREAS, Education Code section 42127(c) provides, in relevant part, that the County Superintendent of Schools shall:

“Determine whether the adopted budget will allow the school district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the school district to satisfy its multi-year financial commitments . . . [and] shall either conditionally approve or disapprove a budget that does not provide adequate assurance that the school district will meet its current and future obligations and resolve any problems identified in studies, reports, evaluations, or audits described in this paragraph”; and

WHEREAS, based on the District projections of revenue and expenditures and the District’s current fiscal challenges and commitment to staff salaries, it is projected that without offsetting reductions, the District would not meet its required minimum reserves beginning in the 2019-2020 and 2020-21 fiscal years, and the District would have a negative ending fund balance which would vary based on the level of employee salary commitments and other district drivers of revenue and costs; and

WHEREAS, the Board desires to minimize the impact of budget reductions on the level of service and quality of staff and education programs for District students; and

WHEREAS, on November 14, 2018, the Board passed Resolution No. 1819-0013 providing direction on the fiscal years 2018-2019 and 2019-2020 budget reductions, including desired minimum reserve levels that achieve a maximum of \$30 million in reductions for the 2019-20 year and focus on: 1. implementing BP 3150; 2. redesigning the District; 3. providing competitive employee compensation; and, 4. committing to shared decision making and multi-stakeholder teams; and

WHEREAS, the Superintendent presented information to the Board relating to the 2019-2020 budget on January 9, 2019 and January 23, 2019, which included potential options for budget reductions, a recommendation for 2019-2020 budget reductions on February 6, 2019, for first read, and a final vote on proposed budget reductions for the 2019-2020 budget on February 11, 2019; and

WHEREAS, the Superintendent recommends (1) a reduction \$11.9M in central administrative costs, a total of 90.23 FTE to be eliminated or moved to restricted funding sources ; (2) a reduction of \$3.75M in central services to sites, a total of 57.8 FTE to be eliminated or moved to restricted funding sources; (3) reallocation of supplemental funds to support educator

retention and compensation; (4) \$1.47M in reductions to contracts and maximizing restricted resources, and (5) \$1.6M in additional operational cost savings.

NOW, THEREFORE, BE IT RESOLVED, this Resolution supersedes Resolution No. 1819-0041 and provides for all Board reductions based on updated budget information at First Interim, release of the Governor's 2019 Budget proposal, and a consideration of required employee investments; and

BE IT FURTHER RESOLVED, the Governing Board hereby adopts the Superintendent's recommendation relating budget reductions to achieve its Fiscal Year 2019-20 3% Reserve for Economic Uncertain and investments in educator compensation through: (1) a reduction \$11.9M in central administrative costs, a total of 90.23 FTE to be eliminated or moved to restricted funding sources; (2) a reduction of \$3.75M in central services to sites, a total of 57.8 FTE to be eliminated or moved to restricted funding sources; (3) reallocation of supplemental funds to support educator retention and compensation; (4) \$1.47M in reductions to contracts and maximizing restricted resources; and, (5) \$1.6M in additional operational cost savings; and

BE IT FURTHER RESOLVED, that the Board hereby directs the Superintendent to initiate all steps necessary to implement these budget reductions, including without limitation, statutory notices relating to layoff or reassignment and to incorporate these budget reductions in the proposed Fiscal Year 2019-2020 District Budget to be adopted by Board not later than June 30, 2019; and

BE IT FURTHER RESOLVED, that given Board Policy 3100.1 and the District's budget, the Board requires the Superintendent to develop a conservative budget that achieves at minimum a 3% reserve beginning in FY 2019-20 in order to address unforeseen budgetary increases.

PASSED AND ADOPTED this 11th day of February, 2019, at a Special Meeting of the Governing Board by the following vote:

PREFERENTIAL AYE:

PREFERENTIAL NOE:

PREFERENTIAL ABSTENTION:

PREFERENTIAL RECUSE:

AYES:

NOES:

ABSTAINED:

RECUSE:

ABSENT:

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Special Meeting of the Board of Education of the Oakland Unified School District, held on February 11, 2019.

Legislative File Info.	
File ID Number:	
Introduction Date:	
Enactment Number:	
Enactment Date:	

OAKLAND UNIFIED SCHOOL DISTRICT

Aimee Eng
President, Board of Education

Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

Oakland Unified School District
No Settlement

2/20/2019	2018-19 2nd Interim UNRESTRICTED	2018-19 2nd Interim RESTRICTED	2018-19 Combined	2019-20 Projected UNRESTRICTED	2019-20 Projected RESTRICTED	2019-20 Combined	2020-21 Projected UNRESTRICTED	2020-21 Projected RESTRICTED	2020-21 Combined
Funded ADA	35,548.64	0.00	35,548.64	34,953.91	0.00	34,953.91	34,403.96	0.00	34,403.96
Percentage change in ADA from Prior Year									
Statutory COLA %	1.0271	1.0271		1.0346	1.0346		1.0286	1.0286	
Gap Funding Percentage	100.0000	100.0000		100.0000	100.0000		100.0000	100.0000	
CPI	1.0358	1.0358		1.0318	1.0318		1.0305	1.0305	
Lottery per ADA	151.00	53.00		151.00	53.00		151.00	53.00	
OBJECT									
A. REVENUE									
1. LCFF Sources	381,631,102	3,278,309	384,909,411	383,806,236	3,278,309	387,086,545	390,209,653	3,278,309	393,486,962
Prior Year Adjustments			0			0			0
8010-8099									
8019/8091									
2. Federal Revenues	0	50,569,982	50,569,982	0	50,581,603	50,581,603	0	50,583,175	1,266,610
8100-8299									
3. Other State Revenues	14,683,181	56,626,902	71,310,083	8,182,223	57,700,271	65,882,494	8,219,584	58,885,908	67,105,492
8300-8599									
4. Other Local Revenues	13,593,758	65,768,118	79,361,876	13,613,217	65,768,118	79,381,335	13,653,297	65,768,118	79,401,415
8600-8799									
Measure G1 - see contributions	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	409,908,041	176,243,311	586,151,352	405,630,676	177,328,301	582,931,977	412,061,534	178,525,510	590,887,044
B. EXPENDITURES									
Base Salaries	133,560,745	65,773,785	199,334,530	133,560,745	65,773,785	199,334,530	135,630,937	66,793,279	202,424,215
Step & Column	0	0	0	2,070,192	1,019,494	3,089,685	2,102,280	1,035,296	3,137,575
Off schedule 18-19	0.00%	0	0	0	0	0	0	0	0
18-19	0.00%	0	0	0	0	0	0	0	0
19-20	0.00%	0	0	0	0	0	0	0	0
20-21	0.00%	0	0	0	0	0	0	0	0
Total Certificated Salaries	133,560,745	65,773,785	199,334,530	135,630,937	66,793,279	202,424,215	137,733,216	67,828,574	205,561,791
Base Salaries	56,797,720	36,935,464	93,733,184	56,797,720	36,935,464	93,733,184	57,291,860	37,256,803	94,548,662
Step & Column	0	0	0	494,140	321,339	815,479	498,439	324,134	822,573
Off schedule 18-19	0.00%	0	0	0	0	0	0	0	0
18-19	0.00%	0	0	0	0	0	0	0	0
19-20	0.00%	0	0	0	0	0	0	0	0
20-21	0.00%	0	0	0	0	0	0	0	0
Total Classified Salaries	56,797,720	36,935,464	93,733,184	57,291,860	37,256,803	94,548,662	57,790,299	37,580,937	95,371,236
TOTAL SALARIES:	190,358,465	102,709,249	293,067,714	192,922,797	104,050,081	296,972,878	195,523,515	105,409,511	300,933,027
3. Employee Benefits	50,321,021	41,500,589	91,821,610	54,521,901	44,255,078	98,776,979	58,135,027	46,334,873	104,469,900
Health benefits	36,564,729	21,629,758	58,194,487	37,661,671	22,278,651	59,940,322	38,791,521	22,947,010	61,738,532
Total Employee Benefits	86,885,750	63,130,347	150,015,097	92,189,572	66,533,729	158,753,301	96,926,548	69,281,884	166,208,432
4. Books and Supplies	6,862,785	29,488,552	36,351,337	6,864,693	28,978,048	35,842,741	6,867,966	24,727,766	31,595,733
5. Services, Other Op.	36,891,295	54,847,522	91,738,817	33,017,888	52,893,474	85,911,362	34,273,391	59,237,487	93,510,878
6. Capital Outlay	125,887	7,424,565	7,550,452	129,385	1,344,659	1,474,044	132,847	1,364,265	1,497,112
7. Other Outgo	0	9,892,652	9,892,652	0	6,048,291	6,048,291	0	6,048,291	6,048,291
8. Direct/Indirect Costs	(4,014,803)	2,637,357	(1,377,446)	(3,213,855)	1,836,605	(1,377,250)	(2,570,221)	1,192,971	(1,377,250)
9. Debt Service	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566
TOTAL EXPENDITURES	323,758,944	270,130,444	593,889,388	328,360,046	259,714,887	588,074,933	337,803,613	267,262,175	605,065,788
C. EXCESS/DEFICIENCY	86,149,097	(93,887,133)	(7,738,036)	77,243,630	(82,386,586)	(5,142,956)	74,257,921	(86,796,665)	(14,478,744)
D. OTHER SOURCES									
1. Interfund Transfers In	564,067	0	564,067	564,067	0	564,067	564,067	0	564,067
2. Interfund Transfers Out	(1,790,000)	0	(1,790,000)	(1,790,000)	0	(1,790,000)	(1,790,000)	0	(1,790,000)
3. Other Sources In	0	0	0	0	0	0	0	0	0
4. Other Uses Out	0	0	0	0	0	0	0	0	0
5. Contrib./Restricted Programs	(73,104,691)	73,104,691	0	(74,004,244)	74,004,244	0	(78,961,596)	78,961,596	0
TOTAL SOURCES/USES	(74,330,624)	73,104,691	(1,225,933)	(75,230,177)	74,004,244	(1,225,933)	(80,187,529)	78,961,596	(1,225,933)
Change to Fund Balance	11,818,472.61	(20,782,442.08)	(8,963,969.47)	2,013,452.70	(8,382,341.73)	(6,368,889.04)	(5,929,608.24)	(9,775,069.10)	(15,704,677.34)
F. FUND BALANCE, RESERVES									
NET BEGINNING BALANCE:	17,974,961	38,612,895	56,587,856	23,188,649	17,830,452	41,019,101	25,202,101	9,448,111	34,650,212
AUDIT ADJUSTMENT	(6,604,785)		(6,604,785)						
RESTATEMENTS									
ENDING BALANCE:	23,188,649	17,830,452	41,019,101	25,202,101	9,448,111	34,650,212	19,272,493	(326,959)	18,945,535
COMPONENTS OF ENDING BALANCE:									
REVOLVING CASH	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
PREPAID	0	0	0	0	0	0	0	0	0
STORES	0	0	0	0	0	0	0	0	0
REQUIRED RESERVE	11,913,588	17,830,452	11,913,588	11,761,499	9,448,111	11,761,499	12,101,316	(326,959)	12,101,316
Legally Restricted	0	0	0	0	0	0	0	0	0
Other Commitments	0	0	0	0	0	0	0	0	0
UNAPPROPRIATED	11,125,060.72	0.00	11,125,060.72	13,290,602.42	0.00	13,290,602.42	7,021,177.18	0.00	7,021,177.18

Oakland Unified School District
Factfinder

2018-19	2018-19	2018-19	2018-19	2018-19	2019-20	2019-20	2019-20	2020-21	2020-21	2020-21
2nd Interim	2nd Interim	2nd Interim	2nd Interim	2nd Interim	Projected	Projected	Projected	Projected	Projected	Combined
UNRESTRICTED	RESTRICTED	Combined	UNRESTRICTED	RESTRICTED	UNRESTRICTED	RESTRICTED	Combined	UNRESTRICTED	RESTRICTED	Combined
35,948.64	0.00	35,948.64	34,983.91	0.00	34,983.91	0.00	34,983.91	34,403.96	0.00	34,403.96
1,0271	1,0271	1,0271	1,0346	1,0346	1,0346	1,0346	1,0346	1,0286	1,0286	1,0286
100,0000	100,0000	100,0000	100,0000	100,0000	100,0000	100,0000	100,0000	100,0000	100,0000	100,0000
1,0358	1,0358	1,0358	1,0318	1,0318	1,0318	1,0318	1,0305	1,0305	1,0305	1,0305
151.00	53.00	151.00	151.00	53.00	151.00	53.00	151.00	151.00	53.00	53.00
OBJECT										
A. REVENUE										
8010-8099										
1. LCFF Sources										
80198091										
Prior Year Adjustments										
8100-8299										
Federal Revenues										
8300-8599										
Other State Revenues										
8600-8799										
Other Local Revenues										
Measure G1 - see contributions										
TOTAL REVENUE										
409,908,041										
178,243,311										
B. EXPENDITURES										
Base Salaries										
1000 - 1999										
Step & Column										
1.55%										
Off schedule 18-19										
17-18 (18-19)										
1,638,581										
4,205,339										
4,132,983										
18-19										
19-20										
20-21										
Total Certified Salaries										
141,899,067										
69,434,737										
Base Salaries										
2000 - 2999										
Step & Column										
0.87%										
Off schedule 18-19										
18-19 (17-18)										
1,721,368										
1,755,572										
18-19										
19-20										
20-21										
Total Classified Salaries										
60,274,627										
202,173,684										
TOTAL SALARIES:										
3. Employee Benefits										
Health benefits										
53,320,266										
36,504,729										
21,629,758										
Total Employees Benefits										
89,896,395										
4,000-4999										
4. Books and Supplies										
6,862,785										
5,000-5999										
5. Services, Other Op.										
36,891,295										
6,000-6999										
6. Capital Outlay										
125,887										
7,000-7299										
7. Other Outgo										
9,892,652										
8,000-7399										
8. Direct/Indirect Costs										
(4,014,803)										
9,000-7499										
9. Debt Service										
6,649,566										
TOTAL EXPENDITURES										
338,585,419										
277,552,418										
C. EXCESS/DEFICIENCY										
71,322,622										
(101,309,107)										
D. OTHER SOURCES										
8910-8929										
1. Interfund Transfers In										
564,067										
7610-7629										
2. Interfund Transfers Out										
(1,790,000)										
8930-8979										
3. Other Sources In										
83,104,691										
7630-7699										
4. Other Sources Out										
0										
8980-8999										
5. Contrib./Restricted Programs										
(73,104,691)										
TOTAL SOURCES/USES										
(74,330,624)										
Change to Fund Balance										
(3,008,017.77)										
F. FUND BALANCE, RESERVES										
NET BEGINNING BALANCE:										
AUDIT ADJUSTMENT										
RESTATEMENTS										
ENDING BALANCE:										
COMPONENTS OF ENDING BALANCE:										
REVOLVING CASH										
PREPAID										
STORES										
REQUIRED RESERVE										
2.00%										
Legally Restricted										
Other Commitments										
UNAPPROPRIATED										

Oakland Unified School District

OUSD

2/20/2019	2018-19 2nd Interim	2018-19 2nd Interim RESTRICTED	2018-19 Combined	2019-20 UNRESTRICTED	2019-20 Projected RESTRICTED	2019-20 Combined	2020-21 UNRESTRICTED	2020-21 Projected RESTRICTED	2020-21 Combined
Funded ADA Percentage change in ADA from Prior Year	35,548.64	0.00	35,548.64	34,953.91	0.00	34,953.91	34,403.96	0.00	34,403.96
Statutory COLA %	1.0271	1.0271	1.0271	1.0346	1.0346	1.0346	1.0286	1.0286	1.0286
Gap Funding Percentage	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000
CPI	1.0358	1.0358	1.0358	1.0318	1.0318	1.0318	1.0305	1.0305	1.0305
Lottery per ADA	151.00	53.00	53.00	151.00	53.00	53.00	151.00	53.00	53.00
A. REVENUE									
1. LCFF Sources	381,631,102	3,278,309	384,909,411	383,808,236	3,278,309	387,086,545	390,208,653	3,278,309	393,486,962
8010-8099									
Prior Year Adjustments	0	50,569,982	50,569,982	0	50,581,603	50,581,603	0	50,593,175	1,286,610
8100-8299	0	56,626,902	56,626,902	8,182,223	57,700,271	65,882,494	8,219,584	58,885,908	67,105,492
8300-8599	14,683,181	0	14,683,181	0	0	0	0	0	0
Other State Revenues	13,593,758	65,768,118	79,361,876	13,613,217	65,768,118	79,381,335	13,633,297	65,768,118	79,401,415
8600-8799	0	0	0	0	0	0	0	0	0
Measure G1 - see contributions									
TOTAL REVENUE	409,908,041	176,243,311	586,151,352	405,603,676	177,328,301	582,931,977	412,061,534	178,525,510	590,587,044
B. EXPENDITURES									
Base Salaries	133,560,745	65,773,785	199,334,530	135,564,156	66,760,392	202,324,548	141,107,036	69,490,057	210,597,093
Step & Column	0	0	0	2,101,244	1,034,786	3,136,030	2,187,159	1,077,066	3,264,255
Off schedule 17-18	2,102,670	819,290	2,921,960	0	0	0	0	0	0
18-19	2,003,411	986,607	2,990,018	0	0	0	0	0	0
19-20	0	0	0	3,441,635	1,694,879	5,136,514	2,149,413	1,058,507	3,207,920
20-21	0	0	0	0	0	0	0	0	0
Total Certificated Salaries	137,666,826	67,575,682	205,246,508	141,107,036	69,490,057	210,597,093	145,443,608	71,625,660	217,069,268
Base Salaries	56,797,720	36,935,464	93,733,184	57,649,686	37,489,496	95,139,182	59,605,019	38,761,046	98,366,065
Step & Column	0	0	0	501,552	326,159	827,711	518,564	337,221	855,785
Off schedule 17-18	860,668	540,286	1,400,954	0	0	0	0	0	0
18-19	851,966	554,032	1,405,998	0	0	0	0	0	0
19-20	0	0	0	1,453,781	945,391	2,399,172	901,854	586,474	1,488,328
20-21	0	0	0	0	0	0	0	0	0
Total Classified Salaries	58,510,354	38,025,782	96,540,136	59,605,019	38,761,046	98,366,065	61,025,436	39,684,741	100,710,177
TOTAL SALARIES:	196,177,179	105,609,464	301,786,644	200,712,055	108,251,103	308,963,158	206,469,044	111,310,402	317,779,446
3. Employee Benefits	51,806,915	42,261,828	94,068,743	56,729,465	45,495,227	102,224,691	61,389,462	48,127,513	109,516,975
Health benefits	36,564,729	21,629,758	58,194,487	37,661,671	22,278,651	59,940,322	38,791,521	22,947,010	61,738,532
Total Employee Benefits	88,371,644	63,891,586	152,263,230	94,391,136	67,773,877	162,165,013	100,180,983	71,074,524	171,255,507
4. Books & Supplies	6,862,785	29,489,552	36,351,337	6,864,693	26,978,048	33,842,741	6,867,966	24,727,766	31,595,733
5. Services, Other Op.	36,891,295	54,947,522	91,738,817	33,017,888	52,896,474	85,914,362	34,273,391	59,237,487	99,510,878
6000-6999	125,887	7,424,585	7,550,472	129,385	1,344,659	1,474,044	132,847	1,364,265	1,497,112
Capital Outlay	0	9,892,652	9,892,652	0	6,048,291	6,048,291	0	6,048,291	6,048,291
7100-7299	0	2,637,557	2,637,557	(3,213,855)	1,836,605	(1,377,250)	(2,570,221)	1,192,971	(1,377,250)
8. Direct/Indirect Costs	(4,014,803)	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566
7300-7399	0	0	0	0	0	0	0	0	0
9. Debt Service	6,649,566	0	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566
7400-7499	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	331,063,553	273,791,898	604,855,451	338,350,868	265,129,057	603,475,926	352,003,577	274,955,705	626,959,262
C. EXCESS/DEFICIENCY	78,844,488	(97,548,587)	(18,704,099)	67,252,808	(87,800,756)	(20,547,949)	60,057,957	(96,430,196)	(36,372,238)
D. OTHER SOURCES									
1. Interfund Transfers In	564,067	0	564,067	564,067	0	564,067	564,067	0	564,067
2. Interfund Transfers Out	(1,790,000)	0	(1,790,000)	(1,790,000)	0	(1,790,000)	(1,790,000)	0	(1,790,000)
3. Other Sources In	0	0	0	0	0	0	0	0	0
8930-8979	0	0	0	0	0	0	0	0	0
7630-7699	0	0	0	0	0	0	0	0	0
8980-8999	(73,104,691)	73,104,691	0	(74,004,224)	74,004,224	0	(78,961,596)	78,961,596	0
5. Contrib./Restricted Programs	0	0	0	0	0	0	0	0	0
TOTAL SOURCES/USES	(74,330,624)	73,104,691	(1,225,933)	(75,230,167)	74,004,224	(1,225,933)	(80,167,529)	78,961,596	(1,225,933)
Change to Fund Balance	4,513,863.95	(24,443,896.45)	(19,930,032.49)	(7,977,349.21)	(13,796,532.35)	(21,773,881.56)	(20,129,571.97)	(17,468,599.50)	(37,598,171.47)
F. FUND BALANCE, RESERVES									
NET BEGINNING BALANCE:	17,974,961	38,612,895	56,587,856	15,884,040	14,168,998	30,053,038	7,906,691	372,466	8,279,157
AUDIT ADJUSTMENT	(6,604,785)	0	(6,604,785)	0	0	0	0	0	0
RESTATEMENTS	0	0	0	0	0	0	0	0	0
ENDING BALANCE:	15,884,040	14,168,998	30,053,038	7,906,691	372,466	8,279,157	(12,222,881)	(17,096,134)	(23,319,015)
COMPONENTS OF ENDING BALANCE:									
REVOLVING CASH	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
PREPAID	0	0	0	0	0	0	0	0	0
STORES	0	0	0	0	0	0	0	0	0
REQUIRED RESERVE 2.00%	12,132,910	0	12,132,910	12,069,599	0	12,069,599	12,539,186	0	12,539,186
Legally Restricted	0	14,168,998	14,168,998	372,466	372,466	372,466	0	(17,096,134)	(17,096,134)
Other Commitments	0	0	0	0	0	0	0	0	0
UNAPPROPRIATED	3,601,130.06	0.00	3,601,130.06	(4,312,908.15)	0.00	(4,312,908.15)	(24,912,067.12)	0.00	(24,912,067.12)

Oakland Unified School District OE										2020-21 Projected RESTRICTED	2020-21 Projected UNRESTRICTED	2019-20 Combined	2019-20 Projected RESTRICTED	2019-20 Projected UNRESTRICTED	2018-19 Combined	2018-19 2nd Interim RESTRICTED	2018-19 2nd Interim UNRESTRICTED	2018-19 2nd Interim UNRESTRICTED	2018-19 2nd Interim UNRESTRICTED
2/20/2019	Funded ADA	Percentage change in ADA from Prior Year	35,548.64	0.00	34,953.91	0.00	34,953.91	-1.67%	34,403.96	0.00	34,403.96	3,278,309	1,0286	1,0286	384,909,411	1,0271	1,0271	35,548.64	0.00
	Statutory COLA %		100.0000	1.0346	100.0000	1.0346	100.0000	1.0346	100.0000	1.0346	100.0000	50,581,603	1,0318	1,0318	50,581,603	1,0318	1,0318	100.0000	1.0346
	CPI		151.00	53.00	151.00	53.00	151.00	53.00	151.00	53.00	151.00	65,768,118	151.00	151.00	65,768,118	151.00	151.00	151.00	53.00
	Lottery per ADA											79,381,335			79,381,335				
	A. REVENUE	OBJECT																	
	1. LCFF Sources	8010-8099	3,278,309		3,278,309		3,278,309		3,278,309		3,278,309	3,278,309			3,278,309			3,278,309	
	Prior Year Adjustments	8019-8091	0		0		0		0		0	50,581,603			50,581,603			50,581,603	
	2. Federal Revenues	8100-8299	56,626,802		56,626,802		56,626,802		56,626,802		56,626,802	65,768,118			65,768,118			65,768,118	
	3. Other State Revenues	8300-8599	14,683,181		14,683,181		14,683,181		14,683,181		14,683,181	13,633,297			13,633,297			13,633,297	
	4. Other Local Revenues	8600-8799	13,593,758		13,593,758		13,593,758		13,593,758		13,593,758	10,834,653			10,834,653			10,834,653	
	Measure G1 - see contributions																		
	TOTAL REVENUE		409,908,041	176,243,311	586,151,352	405,603,876	177,328,301	582,931,977	412,061,534	178,525,510	412,061,534	3,278,309	1,0286	1,0286	3,278,309	1,0271	1,0271	35,548.64	0.00
	B. EXPENDITURES																		
	Base Salaries	1000 - 1999	133,560,745	65,773,785	199,334,530	143,276,728	199,334,530	143,276,728	199,334,530	143,276,728	199,334,530	60,859,818	39,536,678	60,859,818	93,733,184	36,935,464	56,797,720	133,560,745	65,773,785
	Step & Column	1.55%	0		0		0		0		0	2,220,789		2,220,789	5,843,920	1,638,581	1,721,336	4,205,339	1,638,581
	17-18	3.00%	4,205,339	1,638,581	5,843,920	1,638,581	5,843,920	1,638,581	5,843,920	1,638,581	5,843,920	0		0	8,207,138	2,686,495	2,940,762	5,510,643	2,686,495
	18-19	4.00%	5,510,643	2,686,495	8,207,138	2,686,495	8,207,138	2,686,495	8,207,138	2,686,495	8,207,138	0		0	0	0	0	0	0
	19-20	5.00%	0		0		0		0		0	3,559,777		3,559,777	7,274,876	0	0	0	0
	20-21	0.00%	0		0		0		0		0	0		0	0	0	0	0	0
	Total Certificated Salaries		143,276,728	70,108,860	213,385,588	152,772,393	213,385,588	152,772,393	213,385,588	152,772,393	213,385,588	60,859,818	39,536,678	60,859,818	93,733,184	36,935,464	56,797,720	133,560,745	65,773,785
	Base Salaries	2000 - 2999	56,797,720	0	56,797,720	0	56,797,720	0	56,797,720	0	56,797,720	100,396,466	64,458,763	100,396,466	873,450	560,791	364,310	560,791	64,458,763
	Step & Column	0.87%	0		0		0		0		0	873,450		873,450	0	0	0	0	873,450
	17-18	3.00%	1,721,336	0	1,721,336	0	1,721,336	0	1,721,336	0	1,721,336	0		0	0	0	0	0	1,721,336
	18-19	4.00%	2,940,762	0	2,940,762	0	2,940,762	0	2,940,762	0	2,940,762	0		0	0	0	0	0	2,940,762
	19-20	5.00%	0		0		0		0		0	1,994,032		1,994,032	0	0	0	0	1,994,032
	20-21	0.00%	0		0		0		0		0	0		0	0	0	0	0	0
	Total Classified Salaries		60,859,818	39,536,678	100,396,466	64,458,763	100,396,466	64,458,763	100,396,466	64,458,763	100,396,466	100,396,466	64,458,763	100,396,466	873,450	560,791	364,310	560,791	64,458,763
	TOTAL SALARIES:		204,136,546	109,645,538	313,782,054	217,231,156	313,782,054	217,231,156	313,782,054	217,231,156	313,782,054	109,312,756	65,454,611	109,312,756	59,940,322	50,218,401	22,947,010	50,218,401	65,454,611
	3. Employee Benefits	3000-3999	53,854,574	43,331,218	97,185,792	61,393,838	97,185,792	61,393,838	97,185,792	61,393,838	97,185,792	59,940,322	38,791,521	59,940,322	38,791,521	59,940,322	38,791,521	59,940,322	38,791,521
	Health benefits		36,564,729	21,629,758	58,194,487	37,661,671	58,194,487	37,661,671	58,194,487	37,661,671	58,194,487	0		0	0	0	0	0	0
	Total Employee Benefits		90,419,304	64,960,976	155,380,280	99,055,509	155,380,280	99,055,509	155,380,280	99,055,509	155,380,280	109,312,756	65,454,611	109,312,756	59,940,322	50,218,401	22,947,010	50,218,401	65,454,611
	4. Books and Supplies	4000-4999	6,862,785	29,488,552	36,351,337	6,664,693	36,351,337	6,664,693	36,351,337	6,664,693	36,351,337	28,978,048	6,887,966	28,978,048	6,887,966	28,978,048	6,887,966	28,978,048	6,887,966
	5. Services, Other Op.	5000-5999	36,891,295	54,847,522	91,738,817	33,017,888	91,738,817	33,017,888	91,738,817	33,017,888	91,738,817	85,911,362	34,273,391	85,911,362	34,273,391	85,911,362	34,273,391	85,911,362	34,273,391
	6. Capital Outlay	6000-6999	125,887	7,424,565	7,550,452	129,395	7,550,452	129,395	7,550,452	129,395	7,550,452	1,474,044	132,847	1,474,044	132,847	1,474,044	132,847	1,474,044	132,847
	7. Other Outgo	7100-7299	0	9,892,652	9,892,652	0	9,892,652	0	9,892,652	0	9,892,652	6,048,291	0	6,048,291	0	6,048,291	0	6,048,291	0
	8. Direct/Indirect Costs	7300-7399	(4,014,803)	2,637,957	(1,377,246)	(3,213,855)	(1,377,246)	(3,213,855)	(1,377,246)	(3,213,855)	(1,377,246)	1,836,605	(2,570,221)	1,836,605	(2,570,221)	1,836,605	(2,570,221)	1,836,605	(2,570,221)
	9. Debt Service	7400-7499	6,649,566	0	6,649,566	0	6,649,566	0	6,649,566	0	6,649,566	6,649,566	0	6,649,566	0	6,649,566	0	6,649,566	0
	TOTAL EXPENDITURES		341,070,579	278,887,362	619,967,941	359,534,343	619,967,941	359,534,343	619,967,941	359,534,343	619,967,941	27,528,650	27,528,650	27,528,650	27,528,650	27,528,650	27,528,650	27,528,650	27,528,650
	C. EXCESS/DEFICIENCY		88,837,462	(102,654,051)	(33,816,589)	46,069,333	(33,816,589)	46,069,333	(33,816,589)	46,069,333	(33,816,589)	(98,600,349)	(98,600,349)	(98,600,349)	(98,600,349)	(98,600,349)	(98,600,349)	(98,600,349)	(98,600,349)
	D. OTHER SOURCES																		
	1. Interfund Transfers In	8810-8929	564,067	0	564,067	564,067	564,067	564,067	564,067	564,067	564,067	564,067	0	564,067	564,067	564,067	564,067	564,067	564,067
	2. Interfund Transfers Out	7610-7629	(1,790,000)	0	(1,790,000)	(1,790,000)	(1,790,000)	(1,790,000)	(1,790,000)	(1,790,000)	(1,790,000)	0	0	0	0	0	0	0	0
	3. Other Sources In	8930-8979	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	4. Other Uses Out	7630-7699	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5. Contrib./Restricted Programs	8980-8999	(73,104,691)	73,104,691	0	(73,104,691)	0	(73,104,691)	0	(73,104,691)	0	74,004,224	74,004,224	0	74,004,224	74,004,224	0	74,004,224	74,004,224
	TOTAL SOURCES/USES		(74,330,624)	73,104,691	(1,225,933)	(75,230,157)	(1,225,933)	(75,230,157)	(1,225,933)	(75,230,157)	(1,225,933)	74,004,224	74,004,224	(75,230,157)	74,004,224	74,004,224	0	74,004,224	74,004,224
	Change to Fund Balance		(6,493,161.98)	(29,549,359.98)	(35,042,521.97)	(29,160,823.59)	(35,042,521.97)	(29,160,823.59)	(35,042,521.97)	(29,160,823.59)	(35,042,521.97)	(24,586,125.16)	(24,586,125.16)	(24,586,125.16)	(24,586,125.16)	(24,586,125.16)	(24,586,125.16)	(24,586,125.16)	(24,586,125.16)
	F. FUND BALANCE, RESERVES																		
	NET BEGINNING BALANCE:		17,974,961	38,612,895	56,587,856	5,877,014	56,587,856	5,877,014	56,587,856	5,877,014	56,587,856	14,940,549	9,063,535	14,940,549	9,063,535	14,940,549	9,063,535	14,940,549	9,063,535
	AUDIT ADJUSTMENT		(6,604,785)	0	(6,604,785)	0	(6,604,785)	0	(6,604,785)	0	(6,604,785)	0	0	0	0	0	0	0	0
	RESTATEMENTS																		
	ENDING BALANCE:		5,877,014	9,063,535	14,940,549	(23,283,809)	14,940,549	(23,283,809)	14,940,549	(23,283,809)	14,940,549	150,000	(15,632,591)	150,000	150,000	(15,632,591)	150,000	150,000	(15,632,591)
	COMPONENTS OF ENDING BALANCE:																		
	REVOLVING CASH		150,000	0	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	0	150,000	150,000	150,000	150,000	150,000	150,000
	PREPAID		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	STORES		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	REQUIRED RESERVE	2.00%	12,435,159	0	12,435,159	12,709,260	12,435,159	12,709,260	12,435,159	12,709,260	12,435,159	12,709,260	0	12,709,260	12,709,260	12,435,159	12,709,260	12,435,159	12,709,260
	Legally Restricted		9,063,535	9,063,535	9,063,535	9,063,535	9,063,535	9,063,535	9,063,535	9,063,535	9,063,535	9,063,535	0	9,063,535	9,063,535	9,063,535	9,063,535	9,063,535	9,063,535
	Other Commitments		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	UNAPPROPRIATED		(6,708,144.87)	0.00	(6,708,144.87)	(36,143,069.46)	(6,708,144.87)	(36,143,069.46)	(6,708,144.87)	(36,143,069.46)	(6,708,144.87)	0.00	(15,632,591)	(36,143,069.46)	0.00				

**Oakland Unified School District
Factfinder Lower STRS**

2/20/2019	2018-19 2nd Interim UNRESTRICTED	2018-19 2nd Interim RESTRICTED	2018-19 Combined	2019-20 Projected UNRESTRICTED	2019-20 Projected RESTRICTED	2019-20 Combined	2020-21 Projected UNRESTRICTED	2020-21 Projected RESTRICTED	2020-21 Combined
Funded ADA	35,546.64	0.00	35,546.64	34,953.91	0.00	34,953.91	34,403.96	0.00	34,403.96
Percentage change in ADA from Prior Year	1.0271	1.0271		1.0346	1.0346		1.0286	1.0286	
Statutory COLA %	100.0000	100.0000		100.0000	100.0000		100.0000	100.0000	
Gap Funding Percentage	1.0358	1.0358		1.0318	1.0318		1.0305	1.0305	
CPI	151.00	53.00		151.00	53.00		151.00	53.00	
Lottery per ADA									
A. REVENUE									
1. LCFF Sources	381,631,102	3,278,309	384,909,411	383,808,236	3,278,309	387,086,545	390,208,653	3,278,309	393,486,962
Prior Year Adjustments	0	50,899,962	50,899,962	0	50,581,603	50,581,603	0	50,581,603	0
2. Federal Revenues	14,683,181	56,626,902	71,310,083	8,182,223	57,700,271	65,882,494	8,219,584	58,885,908	67,105,492
3. Other State Revenues	0	0	0	0	0	0	0	0	0
4. Other Local Revenues	13,593,758	65,768,118	79,361,876	13,613,217	65,768,118	79,381,335	13,633,297	65,768,118	79,401,415
<i>Measure G1 - see contributions</i>	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	405,908,041	176,243,311	582,151,352	405,603,876	177,328,301	582,931,977	412,061,534	178,525,510	590,387,044
B. EXPENDITURES									
Base Salaries	133,580,745	65,773,785	199,354,530	137,766,084	67,412,366	205,178,450	139,901,459	68,457,257	208,358,716
Step & Column	0	0	0	2,135,374	1,044,892	3,180,266	2,168,473	1,061,087	3,229,560
Off schedule 18-19	0	0	0	0	0	0	0	0	0
17-18 (18-19)	4,205,339	1,638,561	5,843,920	0	0	0	0	0	0
18-19	4,132,963	2,022,371	6,155,353	0	0	0	0	0	0
19-20	0	0	0	0	0	0	0	0	0
20-21	0	0	0	0	0	0	0	0	0
Total Certified Salaries	141,899,067	69,434,737	211,333,803	139,901,459	68,457,257	208,358,716	142,069,931	69,518,345	211,588,276
Base Salaries	56,797,720	36,935,464	93,733,184	60,274,627	38,016,037	98,290,664	60,799,017	38,346,776	99,145,793
Step & Column	0	0	0	524,389	330,740	855,129	528,951	333,617	862,568
Off schedule 18-19	0	0	0	0	0	0	0	0	0
18-19 (17-18)	1,721,336	1,080,573	2,801,908	0	0	0	0	0	0
18-19	1,755,572	1,140,481	2,896,053	0	0	0	0	0	0
19-20	0	0	0	0	0	0	0	0	0
20-21	0	0	0	0	0	0	0	0	0
Total Classified Salaries	60,274,627	39,156,518	99,431,145	60,799,017	38,346,776	99,145,793	61,327,968	38,680,393	100,008,361
TOTAL SALARIES:	202,173,694	108,591,254	310,764,948	200,700,475	106,804,033	307,504,509	203,397,899	108,198,738	311,596,637
3. Employee Benefits	53,332,266	43,940,558	96,372,823	55,391,420	44,382,487	99,773,907	59,183,907	46,498,166	105,682,073
Health benefits	36,564,729	21,629,758	58,194,487	37,661,671	22,278,651	59,940,322	38,791,521	22,947,010	61,738,532
Total Employee Benefits	89,896,995	64,570,316	154,467,311	93,053,091	66,661,138	159,714,229	97,975,428	69,448,177	167,420,605
4. Books and Supplies	6,862,785	29,488,552	36,351,337	6,664,693	26,978,048	33,642,741	6,867,966	24,727,766	31,595,733
5. Services, Other Op.	36,891,295	54,847,522	91,738,817	33,017,888	52,893,474	85,911,362	34,273,391	59,237,487	93,510,878
6. Capital Outlay	125,887	7,424,565	7,550,452	129,385	1,344,659	1,474,044	132,847	1,364,265	1,497,112
7. Other Outgo	0	9,892,652	9,892,652	0	6,048,291	6,048,291	0	6,048,291	6,048,291
8. Direct/Indirect Costs	(4,014,803)	2,837,557	(1,377,246)	(3,213,855)	1,836,605	(1,377,250)	(2,570,221)	1,192,971	(1,377,250)
9. Debt Service	6,649,566	0	6,649,566	6,649,566	0	6,649,566	6,649,566	0	6,649,566
TOTAL EXPENDITURES	338,585,419	277,582,418	616,137,837	337,001,244	262,566,248	599,567,492	346,726,877	270,214,895	616,941,571
C. EXCESS/DEFICIENCY	71,322,622	(101,309,107)	(29,986,485)	68,602,432	(85,237,947)	(16,635,515)	65,334,657	(91,689,185)	(26,354,529)
D. OTHER SOURCES									
1. Interfund Transfers In	564,067	0	564,067	564,067	0	564,067	564,067	0	564,067
2. Interfund Transfers Out	(1,790,000)	0	(1,790,000)	(1,790,000)	0	(1,790,000)	(1,790,000)	0	(1,790,000)
3. Other Sources In	0	83,104,691	83,104,691	0	0	0	0	0	0
4. Other Uses Out	0	0	0	0	0	0	0	0	0
5. Contrib./Restricted Programs	(73,104,691)	73,104,691	0	(74,004,224)	74,004,224	0	(78,961,596)	78,961,596	0
TOTAL SOURCES/USES	(74,330,624)	156,299,362	81,878,758	(75,230,157)	74,004,224	(1,225,933)	(60,167,529)	78,961,596	(1,225,933)
Change to Fund Balance	(3,008,001,770)	54,900,274,95	51,892,273,17	(6,627,724,71)	(11,233,722,95)	(17,861,447,66)	(14,852,871,93)	(12,727,588,86)	(27,580,460,78)
F. FUND BALANCE, RESERVES									
NET BEGINNING BALANCE:	17,974,961	38,612,865	56,587,856	8,362,174	93,513,170	101,875,344	1,734,450	82,279,447	84,013,866
AUDIT ADJUSTMENT	(6,604,785)	0	(6,604,785)	0	0	0	0	0	0
RESTATEMENTS	0	0	0	0	0	0	0	0	0
ENDING BALANCE:	8,362,174	93,513,170	101,875,344	1,734,450	82,279,447	84,013,896	(13,118,422)	69,551,858	56,433,435
COMPONENTS OF ENDING BALANCE:									
REVOLVING CASH	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
PREPAID	0	0	0	0	0	0	0	0	0
STORES	0	0	0	0	0	0	0	0	0
REQUIRED RESERVE	12,358,557	0	12,358,557	11,991,350	0	11,991,350	12,338,832	0	12,338,832
Legally Restricted	0	93,513,170	93,513,170	0	82,279,447	82,279,447	0	69,551,858	69,551,858
Other Commitments	0	0	0	0	0	0	0	0	0
UNAPPROPRIATED	(4,146,382,66)	0.00	(4,146,382,66)	(10,406,900,36)	0.00	(10,406,900,36)	(25,607,254,30)	0.00	(25,607,254,30)

Oakland Unified School District

OUSD Lower STRS

2/20/2019	2018-19 2nd Interim UNRESTRICTED	2018-19 2nd Interim RESTRICTED	2018-19 Combined	2019-20 Projected UNRESTRICTED	2019-20 Projected RESTRICTED	2019-20 Combined	2020-21 Projected UNRESTRICTED	2020-21 Projected RESTRICTED	2020-21 Combined
Funded ADA	35,548.64	0.00	35,548.64	34,953.91	0.00	34,953.91	34,403.96	0.00	34,403.96
Percentage change in ADA from Prior Year	1.0271	1.0271		1.0346	1.0346		1.0286	1.0286	
Statutory COLA %	100.0000	100.0000		100.0000	100.0000		100.0000	100.0000	
Gap Funding Percentage	1.0358	1.0358		1.0318	1.0318		1.0305	1.0305	
CPI	151.00	53.00		151.00	53.00		151.00	53.00	
Lottery per ADA									
A. REVENUE									
1. LOFF Sources	381,631,102	3,278,309	384,909,411	383,808,236	3,278,309	387,086,545	390,208,653	3,278,309	393,486,962
8010-8099									
8019/8091									
Prior Year Adjustments	0	50,569,982	50,569,982	0	50,581,603	50,581,603	0	50,593,175	1,286,610
8100-8299									
Federal Revenues	14,683,181	56,626,902	71,310,083	8,182,223	57,700,271	65,882,494	8,219,584	58,885,908	67,105,492
8300-8599									
Other State Revenues	0	0	0	0	0	0	0	0	0
8600-8799									
Other Local Revenues	13,593,758	65,768,118	79,361,876	13,613,217	65,768,118	79,381,335	13,633,297	65,768,118	79,401,415
Measure G1 - see contributions	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	409,905,041	175,243,311	585,151,352	405,603,676	177,328,301	582,931,977	412,061,534	178,525,510	590,587,044
B. EXPENDITURES									
1000 - 1999	133,560,745	65,773,785	199,334,530	135,564,156	66,760,392	202,324,548	141,107,036	69,490,057	210,597,093
Base Salaries	0	0	0	2,101,244	1,034,786	3,136,030	2,187,159	1,077,096	3,264,255
Step & Column	2,102,670	819,290	2,921,960	0	0	0	0	0	0
Off schedule 17-18	2,003,411	986,607	2,990,018	0	0	0	0	0	0
18-19	0	0	0	0	0	0	0	0	0
19-20	0	0	0	3,441,635	1,694,879	5,136,514	0	0	0
20-21	137,666,826	67,579,882	205,246,508	141,107,036	69,490,057	210,597,093	145,443,808	71,825,660	217,069,268
Total Certificated Salaries									
2000 - 2999	56,797,720	36,935,464	93,733,184	57,649,686	37,489,496	95,139,182	59,605,019	38,761,046	98,366,065
Base Salaries	0	0	0	501,552	326,159	827,711	518,564	337,221	855,785
Step & Column	860,668	540,286	1,400,954	0	0	0	0	0	0
Off schedule 17-18	851,966	554,032	1,405,998	0	0	0	0	0	0
18-19	0	0	0	0	0	0	0	0	0
19-20	0	0	0	1,453,781	945,391	2,399,172	0	586,474	1,488,328
20-21	58,510,354	38,029,782	96,540,136	59,605,019	38,761,046	98,366,065	61,025,436	39,684,741	100,710,177
Total Classified Salaries	196,177,179	105,609,464	301,786,644	200,712,055	108,251,103	308,963,158	206,469,044	111,310,402	317,779,446
3. Employee Benefits	51,906,915	42,261,828	94,068,743	55,276,062	44,779,479	100,055,541	59,935,026	47,411,257	107,346,283
Health benefits	36,564,729	21,629,758	58,194,487	37,661,671	22,278,651	59,940,322	38,791,321	22,947,010	61,738,532
Total Employee Benefits	88,371,644	63,891,556	152,263,230	92,937,734	67,058,130	159,995,863	98,726,547	70,356,267	169,084,814
4. Books and Supplies	6,862,785	29,488,552	36,351,337	6,664,693	26,978,048	33,642,741	6,867,966	24,727,766	31,595,733
5. Services, Other Op.	36,891,295	54,847,522	91,738,817	33,017,888	52,893,474	85,911,362	34,273,391	59,237,487	93,510,878
6. Capital Outlay	125,887	7,424,565	7,550,452	129,385	1,344,659	1,474,044	132,847	1,364,265	1,497,112
7. Other Outgo	0	9,892,652	9,892,652	0	6,048,291	6,048,291	0	6,048,291	6,048,291
8. Direct/Indirect Costs	(4,014,803)	2,637,557	(1,377,246)	(3,213,855)	1,836,605	(1,377,250)	(2,570,221)	1,192,971	(1,377,250)
9. Debt Service	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566	6,649,566
TOTAL EXPENDITURES	331,063,563	273,791,898	604,855,461	338,897,466	264,410,310	603,307,776	350,549,141	274,239,449	624,788,588
C. EXCESS/DEFICIENCY									
	78,844,488	(97,548,587)	(18,704,099)	68,706,210	(87,082,009)	(18,375,799)	61,512,393	(95,713,939)	(34,201,546)
D. OTHER SOURCES									
1. Interfund Transfers In	564,067	0	564,067	564,067	0	564,067	564,067	0	564,067
2. Interfund Transfers Out	(1,790,000)	0	(1,790,000)	(1,790,000)	0	(1,790,000)	(1,790,000)	0	(1,790,000)
3. Other Sources In	0	0	0	0	0	0	0	0	0
4. Other Sources Out	0	0	0	0	0	0	0	0	0
5. Contrib./Restricted Programs	(73,104,691)	73,104,691	0	(74,004,224)	74,004,224	0	(78,961,596)	78,961,596	0
TOTAL SOURCES/USES	(74,330,624)	73,104,691	(1,225,993)	(75,230,157)	74,004,224	(1,225,993)	(80,187,529)	78,961,596	(1,225,993)
Change to Fund Balance	4,513,863.95	(24,443,896.45)	(19,930,032.49)	(6,523,946.75)	(13,077,784.76)	(19,601,731.50)	(18,675,335.89)	(16,752,342.90)	(35,427,478.79)
F. FUND BALANCE, RESERVES									
NET BEGINNING BALANCE:	17,974,961	38,612,895	56,587,856	15,884,040	14,168,998	30,053,038	9,360,093	1,091,213	10,451,307
AUDIT ADJUSTMENT	(6,804,785)	0	(6,804,785)	0	0	0	0	0	0
RESTATEMENTS									
ENDING BALANCE:	15,884,040	14,168,998	30,053,038	9,360,093	1,091,213	10,451,307	(9,315,043)	(15,661,130)	(24,976,172)
COMPONENTS OF ENDING BALANCE:									
REVOLVING CASH	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
PREPAID	0	0	0	0	0	0	0	0	0
STORES	0	0	0	0	0	0	0	0	0
REQUIRED RESERVE	12,132,910	0	12,132,910	12,026,156	0	12,026,156	12,495,172	0	12,495,172
2.00%									
Legally Restricted	0	14,168,998	14,168,998	0	1,091,213	1,091,213	0	(15,061,130)	(15,661,130)
Other Commitments	0	0	0	0	0	0	0	0	0
UNAPPROPRIATED	3,601,130.06	0.00	3,601,130.06	(2,816,062.68)	0.00	(2,816,062.68)	(21,960,814.57)	0.00	(21,960,814.57)

Oakland Unified School District
OEALower STRS

2/20/2019	2018-19 2nd Interim	2018-19 2nd Interim	2018-19 Combined	2019-20 Projected	2019-20 Projected	2019-20 Projected	2020-21 Projected	2020-21 Projected	2020-21 Combined
Funded ADA	UNRESTRICTED	RESTRICTED	Combined	UNRESTRICTED	RESTRICTED	Combined	UNRESTRICTED	RESTRICTED	Combined
Percentage change in ADA from Prior Year	35,548.64	0.00	35,548.64	34,983.91	0.00	34,983.91	34,403.96	0.00	34,403.96
Statutory COLA %	1,0271	1,0271	1,0346	1,0346	1,0286	1,0286	1,0286	1,0286	1,0286
Gap Funding Percentage	100,0000	100,0000	100,0000	100,0000	100,0000	100,0000	100,0000	100,0000	100,0000
CPI	1,0358	1,0358	1,0318	1,0318	1,0318	1,0318	1,0305	1,0305	1,0305
Lottery per ADA	151.00	53.00	151.00	151.00	53.00	151.00	151.00	53.00	151.00
A. REVENUE									
1. LCFF Sources	381,631,102	3,278,309	384,909,411	383,808,236	3,278,309	387,086,545	390,208,653	3,278,309	393,486,962
Prior Year Adjustments	0	0	0	0	0	0	0	0	0
2. Federal Revenues	0	50,569,982	50,569,982	0	50,581,603	50,581,603	0	50,581,603	1,286,610
3. Other State Revenues	14,683,181	56,626,922	71,310,083	8,182,223	57,700,271	65,882,494	8,219,584	58,885,908	67,105,492
4. Other Local Revenues	0	0	0	0	0	0	0	0	0
Measure G1 - see contributions	13,593,758	65,768,118	79,361,876	13,613,217	65,768,118	79,381,335	13,633,297	65,768,118	79,401,415
TOTAL REVENUE	409,908,041	176,243,311	586,151,352	405,603,676	177,328,301	582,931,977	412,061,534	178,525,510	590,897,044
B. EXPENDITURES									
1000 - 1999	133,560,745	65,773,785	199,334,530	143,276,728	70,108,860	213,385,588	152,772,393	74,755,325	227,527,718
Base Salaries	0	0	0	0	0	0	0	0	0
Step & Column	0	1,638,581	1,638,581	2,220,789	1,086,687	3,307,477	2,367,972	1,158,708	3,526,680
17-18	4,205,339	0	4,205,339	0	0	0	0	0	0
18-19	5,510,643	2,686,495	8,207,138	0	0	0	0	0	0
19-20	0	0	0	7,274,876	3,559,777	10,834,653	0	0	0
20-21	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Certificated Salaries	143,276,728	70,108,860	213,385,588	152,772,393	74,755,325	227,527,718	155,140,365	75,914,033	231,054,397
2000 - 2999	56,797,720	36,935,464	93,733,184	60,859,818	39,536,678	100,396,496	64,458,763	41,874,679	106,333,443
Base Salaries	0	0	0	0	0	0	0	0	0
Step & Column	0	0	0	529,480	343,969	873,450	560,791	364,310	925,101
17-18	1,721,336	1,080,573	2,801,908	0	0	0	0	0	0
18-19	2,340,762	1,520,641	3,861,404	0	0	0	0	0	0
19-20	0	0	0	3,069,465	1,994,032	5,063,497	0	0	0
20-21	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Classified Salaries	60,859,818	39,536,978	100,396,496	64,458,763	41,874,679	106,333,443	65,019,555	42,238,989	107,258,544
TOTAL SALARIES:	204,136,546	109,645,538	313,782,084	217,231,156	116,630,004	333,861,161	220,159,919	118,153,022	338,312,941
3. Employee Benefits	53,854,574	43,331,218	97,185,792	59,820,282	47,148,938	106,969,220	63,903,208	48,459,260	113,362,468
Health benefits	36,564,729	21,629,758	58,194,487	37,661,671	22,278,651	59,940,322	38,791,521	22,947,010	61,738,532
Total Employee Benefits	90,419,304	64,960,976	155,380,280	97,481,953	69,427,589	166,909,542	102,694,729	72,406,271	175,101,000
4. Books and Supplies	6,882,785	29,488,552	36,351,337	6,664,693	26,978,048	33,642,741	6,887,966	24,727,766	31,595,733
5. Services, Other Op.	36,891,295	54,847,522	91,738,817	33,017,888	52,893,474	85,911,362	34,273,391	59,237,487	93,510,878
6. Capital Outlay	125,887	7,424,565	7,550,452	129,385	1,344,659	1,474,044	132,847	1,364,265	1,497,112
7. Other Outgo	0	9,892,652	9,892,652	0	6,048,291	6,048,291	0	6,048,291	6,048,291
8. Direct/Indirect Costs	(4,014,803)	2,637,557	(1,377,246)	(3,213,855)	1,936,605	(1,377,250)	(2,570,221)	1,192,971	(1,377,250)
9. Debt Service	6,649,566	0	6,649,566	6,649,566	0	6,649,566	6,649,566	0	6,649,566
TOTAL EXPENDITURES	341,070,579	278,897,362	619,967,941	357,960,787	275,158,670	633,119,457	368,208,198	283,130,072	651,338,270
C. EXCESS/DEFICIENCY	68,837,462	(102,654,051)	(33,816,589)	47,642,889	(97,830,369)	(50,187,480)	43,853,336	(104,604,563)	(60,751,227)
D. OTHER SOURCES									
1. Interfund Transfers In	564,067	0	564,067	564,067	0	564,067	564,067	0	564,067
2. Interfund Transfers Out	(1,790,000)	0	(1,790,000)	(1,790,000)	0	(1,790,000)	(1,790,000)	0	(1,790,000)
3. Other Sources In	0	0	0	0	0	0	0	0	0
4. Other Sources Out	0	0	0	0	0	0	0	0	0
5. Contrib./Restricted Programs	(73,104,691)	73,104,691	0	(74,004,224)	74,004,224	0	(78,961,596)	78,961,596	0
TOTAL SOURCES/USES	(74,330,624)	73,104,691	(1,225,933)	(75,230,157)	74,004,224	(1,225,933)	(80,187,529)	78,961,596	(1,225,933)
Change to Fund Balance	(5,493,161.98)	(29,549,359.99)	(35,042,521.97)	(27,587,267.94)	(23,826,145.33)	(51,413,413.27)	(36,334,193.20)	(25,642,866.56)	(61,977,159.76)
F. FUND BALANCE, RESERVES									
NET BEGINNING BALANCE:	17,974,961	38,612,895	56,587,856	5,877,014	9,063,535	14,940,549	(21,710,254)	(14,762,611)	(36,472,865)
AUDIT ADJUSTMENT	(6,604,785)	0	(6,604,785)	0	0	0	0	0	0
RESTATEMENTS	0	0	0	0	0	0	0	0	0
ENDING BALANCE:	5,877,014	9,063,535	14,940,549	(21,710,254)	(14,762,611)	(36,472,865)	(58,044,447)	(40,405,577)	(98,450,024)
COMPONENTS OF ENDING BALANCE:									
REVENUE	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
EXPENDITURES	0	0	0	0	0	0	0	0	0
REQUIRED RESERVE	12,435,159	0	12,435,159	12,662,390	0	12,662,390	13,026,766	0	13,026,766
Legally Restricted	0	9,063,535	9,063,535	0	(14,762,611)	(14,762,611)	0	(40,405,577)	(40,405,577)
Other Commitments	0	0	0	0	0	0	0	0	0
UNAPPROPRIATED	(6,708,144.87)	0.00	(6,708,144.87)	(34,522,643.81)	0.00	(34,522,643.81)	(71,221,213.01)	0.00	(71,221,213.01)

Exhibit O

AB1840 Estimated Costs ACOE 2018-19	Estimated Actual Hours				Projected Hours									
	October	November	December	January	February	March	April	May	June	Total Hours	Days	Rate	Cost	
County Superintendent	10	60	90	100	100	60	60	60	60	600	75.0	\$1,575	\$118,125	
Associate Superintendent	10	60	90	110	120	80	100	100	80	750	93.8	\$1,375	\$128,906	
Chief of Staff	10	60	80	100	100	90	60	60	60	620	77.5	\$975	\$75,563	
ACOE Staff (various)	5	10	30	30	15	15	15	15	15	150	20.0	\$600	\$12,000	
ACOE Contractor A	10	10	20	10	10	40	40	40	40	220	27.5	\$800	\$22,000	
ACOE Contractor B	10	10	20	10	0	0	0	0	0	50	6.3	\$800	\$5,000	
External Contractor A	0	0	0	0	0	100	100	100	100	400	50.0	\$1,650	\$82,500	
External Contractor B	0	0	0	0	0	100	100	100	100	400	50.0	\$1,650	\$82,500	
External Contractor C	0	0	0	0	0	100	100	100	100	400	50.0	\$1,650	\$82,500	
External Contractor D	0	0	0	0	0	100	100	100	100	400	50.0	\$1,650	\$82,500	
External Contractor E	0	0	0	0	0	100	100	100	100	400	50.0	\$1,650	\$82,500	
										Total		\$774,094		

AB1840 Estimated Costs	Projected Hours							
ACOE 2019-20	July-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total Hours	Days	Rate	Cost
County Superintendent	80	60	60	40	240	30.0	\$1,600	\$48,000
Associate Superintendent	120	120	120	120	480	60.0	\$1,400	\$84,000
Chief of Staff	40	40	60	40	180	22.5	\$1,000	\$22,500
ACOE Staff (various)	40	60	40	40	180	24.0	\$625	\$15,000
ACOE Contractor A	60	60	60	60	240	30.0	\$800	\$24,000
External Contractor A	300	300	300	300	1200	150.0	\$1,650	\$247,500
External Contractor B	300	300	300	300	1200	150.0	\$1,650	\$247,500
External Contractor C	300	300	300	300	1200	150.0	\$1,650	\$247,500
External Contractor D	300	300	300	300	1200	150.0	\$1,650	\$247,500
External Contractor E	300	300	300	300	1200	150.0	\$1,650	\$247,500
					Total		\$1,431,000	

AB1840 Estimated Costs	Projected Hours							
ACOE 2020-21	July-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total Hours	Days	Rate	Cost
County Superintendent	40	40	20	20	120	15.0	\$1,625	\$24,375
Associate Superintendent	90	60	40	40	230	28.8	\$1,425	\$40,969
Chief of Staff	40	20	20	10	90	11.3	\$1,025	\$11,531
ACOE Staff (various)	40	30	30	20	120	16.0	\$650	\$10,400
ACOE Contractor A	60	60	60	60	240	30.0	\$800	\$24,000
External Contractor A	300	300	300	200	1100	137.5	\$1,650	\$226,875
External Contractor B	300	300	300	200	1100	137.5	\$1,650	\$226,875
External Contractor C	300	300	300	200	1100	137.5	\$1,650	\$226,875
External Contractor D	300	300	200	200	1000	125.0	\$1,650	\$206,250
External Contractor E	300	300	200	200	1000	125.0	\$1,650	\$206,250
					Total		\$1,204,400	

OUSD 2018-2020 Fiscal Vitality Plan Summary

Fiscal Vitality Plan was introduced on Dec. 13, 2017 and is organized into three chapters - stability, recovery, vitality

- Stability - short-term (one to six months)
- Recovery - medium-term (three to twelve months)
- Vitality - long-term (six to eighteen months)

FCMAT Risk Factors and Fiscal Vitality Plan-Responsive Recommendations

Risk Factor	Rating	Summary FCMAT Recommendations	FVP-Responsive Recommendations
Deficit Spending	No	Adopt a plan to eliminate deficit spending	2.1, 2.2, 2.3, 2.4
Fund Balance	No	Monitor contributions and transfers to restricted programs	1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7
Reserve for Economic Uncertainty	No	Develop a plan to restore and maintain reserve	1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7
Enrollment and Attendance	Mixed	Monitoring plan; new housing; industry, charter schools, birthrates, FTE changes	2.1
Cash Monitoring	Mixed	Plan for short-term cash flow needs; inter-fund transfers	1.9
Bargaining Agreement	No	Bargaining beyond COLA must be supported by available fund balance	3.2
General Fund	Mixed	Track one-time revenues with one-time expenditures; plan for realignment or elimination of positions funded	1.3, 2.9
Encroachment	No	Special ed, nutrition and early childhood cost containment; evaluate transportation and bell schedules	1.7
Position Control and Human Resources	No	Tracking, creating, and deleting positions; reconciling HR, budget and payroll systems	1.2, 2.5, 2.6, 2.8
Budget Development and Adoption	Yes	Budget development timeline and procedures	2.1, 2.2, 2.3
Multi-year Projections	Yes	Zero-based budgeting	2.2
Budget Monitoring and Updates	No	Budget exception framework	2.4
Leadership Stability	No	Culture and practices that promote and support systematic reform	3.1, 3.2, 3.3
Internal Controls and Audit Reports	Yes	Ensure continuity and consistency in the application of internal controls	2.4, 2.5, 2.6, 2.7, 2.8
General Ledger	Mixed	Strengthen communication among financial services departments	1.7, 1.8, 1.9, 1.10

23 Recommendations for action to help rectify OUSD fiscal health

Last available update online was [March 14, 2018](#)

Stability - Short-Term (one to six months)

Rec #	Recommendation	Status
1.1 (Pg. 13)	Restore the ending fund balance and maintain the state-mandated reserve for economic uncertainty	Complete (OUSD Supt. email)
Date & Name:	ACOE Updates	
2/11/19 Gary Shirene	The district overestimated their ADA for the prior year, resulting in an audit adjustment of \$5.4M. There was an additional audit adjustment of \$1.2M. Both reduce the fund balance. The district over-estimated their current year ADA for an additional reduction of \$2.4M. Their REU is projected to be below 2% for current plus two years.	
Date & Name:	OUSD Updates	

1.2 (Pg. 15)	Institute adjustments to existing Central Office positions	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
2/8/19 various	ACOE is monitoring proposed reductions of Central Office positions, their funding sources, and effects on operations. The current official document is available on the OUSD website, entitled "18-2727 2019-20 Appendix Proposed Staff Reduction and Position Funding Reallocation Impact Analysis (First Reading - 2619)." The document specifies reductions in Operations, Academics, and Superintendent functions, along with projected savings.	
Date & Name:	OUSD Updates	

1.3 (Pg. 16)	Maximize the use of restricted revenue resources	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
2/7/19 Gary Thomas Hernan	ACOE has completed a detailed analysis of locally restricted resources with large revenues and balances. These are resources 0002-1400 and resources that roll up to 9010. The parcel tax resources of 9332 (G1) and 9334 (G) require better management. The big restricted resources of 3010 (Title I) and 6500(Special Education) need extensive analysis, not completed by ACOE, in an effort to reduce unrestricted contributions.	
Date & Name:	OUSD Updates	

1.4 (Pg. 18)	Evaluate Central Office-based contracts and books/supplies for possible freeze and capture of savings	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
2/7/19 Gary Hernan Thomas	ACOE has not completed a detailed analysis of contracts. The supplies budgets far exceed actual spending (\$30M) and there is the possibility of large savings. The reason for the high balances is the district budgets their ending balances to Object 4399, even in resources where these balances could be used differently.	
Date & Name:	OUSD Updates	

1.5 (Pg. 20)	Pursue capture of donated days and/or furlough	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
Date & Name:	OUSD Updates	

1.6 (Pg. 21)	Adjust school per pupil allocations to capture savings	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
Date & Name:	OUSD Updates	

1.7 (Pg. 22)	Institute closer monitoring of contributions to other programs, e.g., special education, nutrition, and early childhood	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
2/11/19 Gary	The district has high interfund transfers to Fund 13 Cafeteria and contributions to special education. ACOE does not have the capacity to evaluate these programs in great detail. No analysis of Fund 12 Child Development has been attempted and ACOE does not have the capacity. Help from consultants could benefit ACOE and the district.	
Date & Name:	OUSD Updates	

1.8 (Pg. 23)	Update and implement budget forecast and projection practices	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
2/11/19 Shirene Gary Thomas Hernan Teresa	Since the conditional approval of the district's budget, ACOE has increased its involvement in trying to gather data to justify the district's assumptions and projections: enrollment, ADA, LCFF sources, 1% cost of raises to all units, step & column calculations, unspecified other adjustments, H&W costs, unaudited actuals to CY budget, actual expenditures and encumbrances to CY budget, use of parcel taxes, budgeting of MAA, Mandated Costs, and Lottery, budgeting and spending of supplies, and other outgo.	
Date & Name:	OUSD Updates	

1.9 (Pg. 25)	Review and update cash flow monitoring practices	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
2/11/19 Gary Thomas Hernan	ACOE conducted its normal review of cash flow during the technical review of First Interim (Shirene Moreira). ACOE continues to conduct extensive analysis of cash flow, comparing actual spending to projected budget. ACOE has received information from the district that indicates any proposed raises are being analyzed with cash flow in mind.	
Date & Name:	OUSD Updates	

1.10 (Pg. 27)	Institute immediate protocols to limit and review spending among Central Office and school sites	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
Date & Name:	OUSD Updates	

Recovery - Medium-Term (three to twelve months)

Rec #	Recommendation	Status
2.1 (Pg. 29)	Plan for and adopt a balanced budget that avoids future deficit spending	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
	No approved plan has been received from the district.	
Date & Name:	OUSD Updates	

2.2 (Pg. 31)	Establish and conduct zero-based budgeting sessions with all Central Office practices	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
Date & Name:	OUSD Updates	

2.3 (Pg. 33)	Research, engage and implement a Central Office reorganization	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
2/8/19 Dan Eric Gary	Reviewing organization charts and responsibilities to determine how to assist the district in reorganizing its Central Office. Consultant groups and individuals are being evaluated to determine their ability to assist.	
Date & Name:	OUSD Updates	

2.4 (Pg. 35)	Institute and conduct monthly central office and school site budget monitoring practices	Not Started (3.14.18 report)
Date & Name:	ACOE Updates	
Date & Name:	OUSD Updates	

2.5 (Pg. 36)	Review, update and implement effective position control practices	Not Started (3.14.18 report)
Date & Name:	ACOE Updates	
Date & Name:	OUSD Updates	

2.6 (Pg. 38)	Develop a process for pre-approval of extra time employee payments	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
Date & Name:	OUSD Updates	

2.7 (Pg. 39)	Review and implement revised contract approval, processing and management procedures	Not Started (3.14.18 report)
Date & Name:	ACOE Updates	
Date & Name:	OUSD Updates	

2.8 (Pg. 41)	Complete transition to Escape technology system to manage finance and human resource (HR) information	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
Doug	OUSD has completed the transition to the ACOE Escape Online 5 system. As of July 1, 2018, Escape Online 5 is OUSD's system of record. ACOE is currently providing Escape support to OUSD for most areas of the software. OUSD is still working with Escape for payroll support. They are also working with Escape on some additional district specific customizations.	
Date & Name:	OUSD Updates	

2.9 (Pg. 43)	Review and execute on shifts in expenses that maximize the use of restricted funds	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
Shirene	The District has made progress since prior year in addressing the use of restricted funds. Some of this discussion came up during their budget development during LCAP planning.	
Date & Name:	OUSD Updates	

Vitality - Long-Term (six to eighteen months)

Rec #	Recommendation	Status
3.1 (Pg. 45)	Review and engage school district and school leaders to re-establish appropriate budget roles and responsibility	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
Date & Name:	OUSD Updates	

3.2 (Pg. 47)	Establish systems for the management and oversight of bargaining agreements	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
Date & Name:	OUSD Updates	

3.3 (Pg. 49)	Consider and act on recommendations from the Blueprint for Quality Schools review	In Progress (3.14.18 report)
Date & Name:	ACOE Updates	
Date & Name:	OUSD Updates	