



OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

Oakland Unified School District

Summary of the 2020-21 Budget Development Process



Presented by Lisa Grant-Dawson, Chief Business Officer

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The Task and Current State

- Annually, the District must develop and adopt a budget for the ensuing fiscal year.
- Currently the District has certified its financial outlook as Qualified and seeks to return to Positive status.
 - Positive Status – The District will meet its fiscal obligations in the current and two subsequent fiscal years
 - Qualified Status – The District may not meet its financial obligations in the current and two subsequent fiscal years
 - Negative Status – The District will be unable to meet its financial obligations for the remainder of the current and next fiscal year.



The Task and Current State

- The District remains under fiscal oversight and the pending fiscal sustainability plan, along with building a sound budget, and positive financial outcomes is the imperative task.
- The District is currently developing a Fiscal Sustainability Plan
 - This plan is a revision and update to the [Fiscal Vitality Plan \(2018-20\)](#)
- The District is projected to make \$16MM ongoing in reductions for 2021-22 based on its Multi-Year Production



Summarizing the Local Control Funding Formula

- The primary funding for School Districts is the Local Control Funding Formula
- 2020-21 LCFF \$382 M
 - 58% - \$220M is allocated and spent at school sites
 - 20% - \$78M is allocated to Contributions to Special Education, Ongoing Major Maint
 - 20% - \$78.5M Remains for Academic, General & Admin Exp
 - 2% - \$7.5M for the District's Loan Payment
 - *This is only the UnRestricted Funding*
 - *\$6M of Measure G Funding is supporting Base Programming*



Budget Summary Year over Year

Year	Fund Balance Summary						Net Loss
	Audited Actuals					Budget	
	Unrestricted 2015-16	Unrestricted 2016-17	Unrestricted 2017-18	Unrestricted 2018-19	Unrestricted 2019-20	Unrestricted 2020-21	
Enrollment	35,484.17	34,950.92	34,877.61	34,273.87	33,698.00	33,897.00	
Net/Change in ADA		(533.25)	(73.31)	(603.74)	(575.87)	199.00	(1,587.17)
A. Revenues							
5) Total Revenues	\$ 395,830,186	\$ 407,470,557	\$ 415,065,891	\$ 398,615,795	\$ 398,245,992	\$ 393,560,323	
B. Expenditures							
9) Total Expenditures	\$ 333,429,050	\$ 344,796,819	\$ 327,080,006	\$ 312,711,971	\$ 329,645,265	\$ 316,309,301	
C. Excess (Deficiency) of Revenues Over Expenditures	\$ 62,401,136	\$ 62,673,738	\$ 87,985,885	\$ 85,903,825	\$ 68,600,727	\$ 77,251,022	
D. Other Financing Sources/Uses							
4) Total, Other Financing Sources/Uses	\$ (66,704,573)	\$ (71,048,042)	\$ (73,586,774)	\$ (66,712,003)	\$ (69,604,003)	\$ (78,125,301)	
E. Net Increase (Decrease) in Fund Balance (C + D4)	\$ (4,303,437)	\$ (8,374,303)	\$ 14,399,111	\$ 19,191,822	\$ (1,003,276)	\$ (874,279)	
F. Fund Balance, Reserves							
1) Beginning Fund Balance							
a) Adjusted Beginning Balance (F1c + F1d)	\$ 16,133,721	\$ 12,063,851	\$ 3,420,073	\$ 17,974,960	\$ 30,561,997	\$ 33,043,818	
b) Audit Adjustments	\$ 233,568	\$ (269,475)	\$ 155,776	\$ (6,604,785)	\$ 3,485,097	\$ -	
2) Ending Balance, June 30 (E + F1e)	\$ 12,063,851	\$ 3,420,073	\$ 17,974,960	\$ 30,561,997	\$ 33,043,818	\$ 32,169,539	



The Budget Development Process

- A school District budget includes not only the development of the current year budget, but the next two years in the multi-year projection.
- Key areas of data requirements in the Budget Development Process
 - Budget projections data includes
 - Enrollment , Attendance, Revenue, Expenditures, Staffing
 - Organizational philosophy, programming, priorities, goals, and for requirements

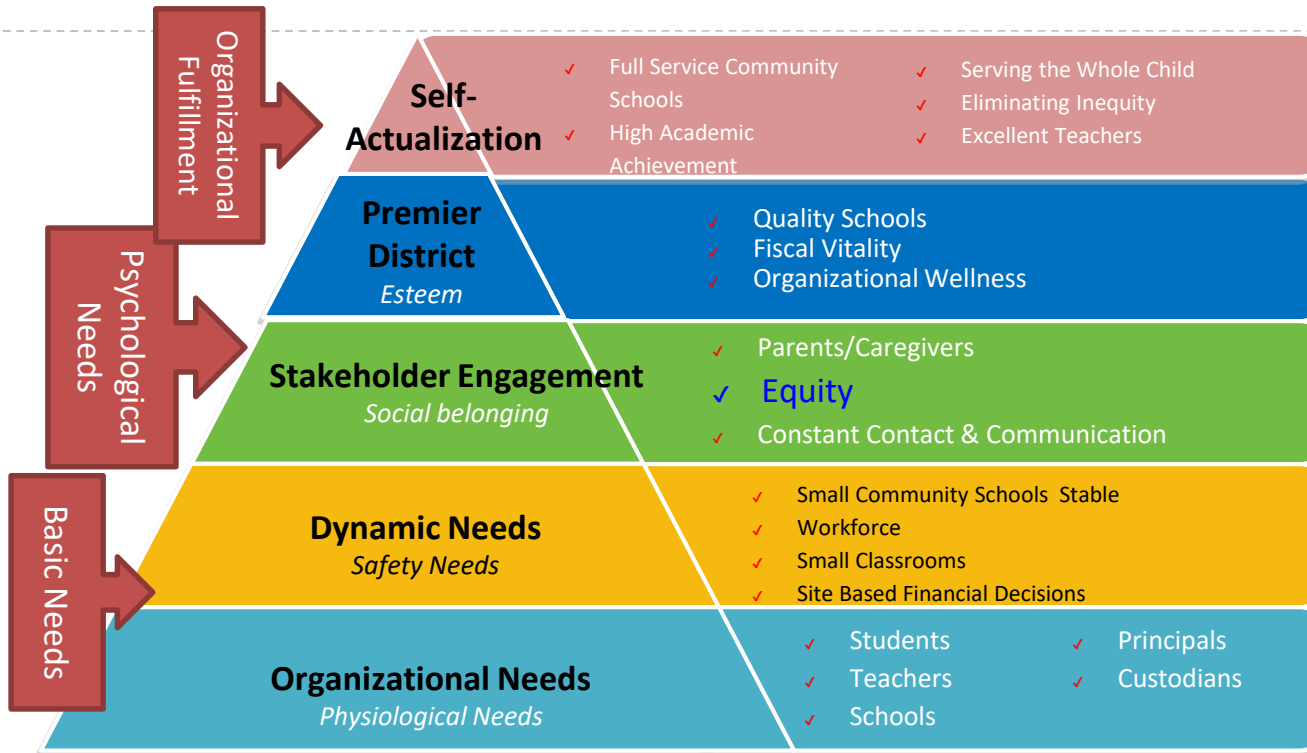


The Strategy

- The 2021-22 Budget will be built with an operational definition of the District's philosophy about how we educate, what outcomes we seek, and what one time/ongoing investments are required to achieve such goals, guided by a [budget development calendar](#).
- The 2021-22 Budget will ensure a focus on our academic, equity, and access opportunities/requirements for improvement (Blueprint/BP 3150, & Associated Resolutions)
- The 2021-22 Budget will be built clarifying short and long term affordability and the tension between the District's hierarchy of needs
- The 2021-22 Budget is the next significant step in the District exiting state receivership



OUSD's Hierarchy of Organizational Needs



The Strategy

OUSD Budget Development Process for June 2021 Adoption

Distributing Budget Development Data

Finalize Enrollment Projection
Begin Stakeholder Engagement
Provide Budget One-Pagers
Develop Reduction Options

JANUARY

Moving Towards Options

Second Interim
Review Budget Reduction Option List

MARCH

Budget Clarity and Finalization

Third Interim
Proposed 2021-22 Budget
LCAP Draft Resolution
Governor's May Revision

MAY

FEBRUARY

APRIL

Vetting Budget Development Options

Draft 1 & 2 - Fiscal Sustainability Plan
Draft 1 - of Budget Reduction Options
Stakeholder Engagement Meetings for
Budget & LCAP

Decision on Budget Options

Board Decision Budget Reductions
Continue Stakeholder Engagement



The Strategy

- Across the board reduction options alone will not meet the objective
- To provide flexibility and time for options, broader layoff notices will be deployed to ensure time for budget reduction and alignment considerations
- What About ALL the One Time Money?
 - Coronavirus Relief Funds (CRF)
 - First Allocation - \$33M Estimated Second Allocation - \$57M
 - Funding is designed to provide more & additional services not services we can't afford



The Strategy – 1 x Coronavirus Relief Funds

How do Coronavirus Relief Funds (CRF) help offset our budget woes?

Strategic use can provide temporary, but not long term relief

The eligible uses of these one time funds are within the Wordle.

*The language is specific to the response to the pandemic and what **ADDITIONAL**, not existing investments and supports we can provide*



Key Takeaways

- Attendance continues to decline and must be an area of focus regarding its impact on budget, program, and school size
- Our year over year expenditures outpace gains from our LCFF base funding mechanism
- We are straining our supplemental resources to pay for many base positions
- We must prioritize and consider our growing and required areas of focus and requests for additional/new investments
- We cannot afford all of the investments we have made



Key Takeaways

- We cannot expect our philanthropist to make sacrifices we are not willing to make ourselves as we review our affordability.
 - 6% of General Fund Positions are split funded but not due to job focus
 - We must review how we are funding these positions, our programs and assess the viability of ongoing funding in a multi-year format
- Our State Loan will be paid off within the next 5 years
 - August 2023 - \$60M - \$5.4M Annual Pmt
 - June 2026 - \$35M, \$2M Annual Pmt



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Questions?



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