



OAKLAND UNIFIED
SCHOOL DISTRICT
Community Schools, Thriving Students

Fiscal Sustainability Plan February 10, 2021



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Ask of the Board

- To share:
 - Background on and implementation of the Fiscal Vitality Plan
 - Need for and details of new plan – the Fiscal Sustainability Plan
- To respond to initial Board questions, solicit initial feedback, and to discuss timeline/next steps

Fiscal Vitality Plan

- In 2016, District began exhibiting signs of fiscal distress that carried into 2017-18
 - E.g., District ended 2016-17 with unrestricted fund balance of \$3.4 million and could not meet 2% required reserve
- District narrowly avoided state receivership by taking immediate action
- Among other things, District developed and adopted the Fiscal Vitality Plan (“FVP”)

Fiscal Vitality Plan

- **Term:** 2018-2020
- **Recommendations:**
 - 10 “Stability” Recommendations
 - 9 “Recovery” Recommendations
 - 3 “Vitality” Recommendations

Fiscal Vitality Plan

- **Need for a new plan**
 - District is in much better financial situation
 - Loss of institutional awareness and investment in FVP
 - Term expired
- **Benefits of a new plan**
 - New Board
 - Accurately reflects District's current financial situation
 - Explicitly sets the Board on path to full independent governance and decision-making

Fiscal Sustainability Plan

- **Structure**

- History and Implementation of FVP
- Additional Improvement Areas
- AB 1840
- New Fiscal Pressures
- Priorities
 - A. Budget and Operational Practices
 - B. Budget Development and Stakeholder Engagement
 - C. School Quality and Enrollment
 - D. Use of Restricted Resources
 - E. Ability to Make Difficult Decisions

Fiscal Sustainability Plan

A. Budget and Operational Practices

- Purchasing and procurement (incl. contract management)
- Position control
- Cash flow projections
- Student nutrition (incl. building an independent and viable food service system)
- Enrollment projections and staffing (incl. position funding and program management and audit requirements)
- Leave management (incl. accurate reporting and tracking)

Fiscal Sustainability Plan

A. Budget and Operational Practices

- Benefit-related agreements and practices (incl. any outstanding liability unreported on financial statements)
- Budget and account management
- Associated student body fund management
- Internal controls
- Employee compensation and bargaining management and oversight
- Effective use and strategies of one-time funds

Fiscal Sustainability Plan

B. Budget Development and Stakeholder Engagement

- Embrace District's historical and cultural nuances as well as key areas of priority and direction
- Start earlier

C. School Quality and Enrollment

- Enrollment is largest driver of revenue
- OUSD has not seen dramatic COVID-related enrollment decrease

Fiscal Sustainability Plan

D. Use of Restricted Resources

- Reduce use of restricted, one-time resources to fund ongoing base programming
- Reduce ending fund balances in each restricted resource

E. Ability to Make Difficult Decisions

- Ensure structurally balanced budgets
- Work to ensure high quality schools that attract students and that # of schools and sizes of school are financially sustainable

Timeline/Next Steps

- **February 10 Board Meeting**
 - First read
- **February 11 Budget and Finance Committee**
 - Discussion and feedback
- **February 24 Board Meeting**
 - Action

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Quality Schools in Every Neighborhood!



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