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Williams Amendment - Removing Option 3 - Failed

Board Cover Memorandum

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Sondra Aguilera, Chief Academic Officer
Lisa Grant-Dawson, Chief Business Officer

Meeting Date October 27, 2021

Subject Resolution No. 2021-0128D - Budget Reductions In Lieu of Cohort 3 School Consolidations

Ask of the Board Approval by the Board of Education of Resolution No. 2021-0128D - Reductions In Lieu of Cohort 3 School Consolidations

Background The Board of Education (“Board”) previously adopted Resolution No. 2021-0128 - Advancing District’s Citywide Plan Work (“Citywide Plan Resolution”), which articulated the goals of the Citywide Plan as addressing issues of quality, equity, and sustainability in the District by, in part, closing or consolidating schools so that the District operates fewer, better resourced schools, and supporting school improvement across the District. The Citywide Plan Resolution states, in relevant part, that:

By September 2021, the Board shall vote on each proposed expansion, redesign, merger, or closure. Should the Board vote against a proposed merger or closure, the Board must approve a resolution (by October 2021) identifying reductions in ongoing General Fund expenditures for 2022-23 that amount to at least the estimated ongoing net savings from that merger or closure; the Superintendent shall implement any mergers and/or closures as proposed unless and until the Board passes such a resolution.

This intended group of school consolidations was termed “Cohort 3” as it was to be the third group of school consolidations to come before the Board.

On September 22, 2021, as part of its discussion on Resolution No. 2021-0128C - Postponing Blueprint Cohort 3 Decision to Fall 2022 (which ultimately was not approved by the Board), it was clear that there was not a Board majority in support of consolidating schools as part of Cohort 3. According to the fiscal impact of that item, the estimated ongoing savings from Cohort 3 was \$2 million. As explain in the Citywide Plan Resolution, the Board does not need to consolidate schools as part of Cohort 3 if, by October 2021, it approves ongoing General Fund expenditures for 2022-23 that amount to at least the estimated ongoing net savings from that merger or closure (i.e., \$2 million).

Discussion

District staff have developed a list of three options to reduction ongoing expenditures by \$2 million starting in 2022-23:

Option 1. Reduce the budgeted amount for Deferred Maintenance from the current \$5 million to \$3 million. This would be easy to implement. However, this option reduces a recently restored investment that—in the long term—could prove to be more costly to the District due to the need for earlier, more expensive facility replacement costs.

Option 2. Eliminate \$2 million in ongoing vacancies in the Unrestricted General Fund. There are an estimated \$7 million in vacancies as of September 21, 2021. This option would direct staff to determine which vacancies have been historic and so eliminate those vacancies, removing the possibility of actually filling those positions at some point in the future. Given this, the eliminated positions are more likely to be central office rather than school site positions. However, this option is not aligned to the “Why” of the reductions (i.e., the need for the District to operate fewer, better-resourced schools).

Option 3. Reduce the annual site-based supplemental allocation by approximately \$65 per student. This option aligns the reductions to the fact that keeping the current number of schools makes it harder to fully support that number of schools. However, by definition, it would have a direct impact (next year) on school sites.

District staff also is considering reductions to expenditures on outside consultants. Any future reductions in these costs would come forward as part of the larger District-wide budget reduction process.

While the Board need only approve ongoing reductions of \$2 million, it is recommended that the Board approve all three options for a total ongoing reduction of \$6 million. It is clear that the Board will need to make ongoing reductions significantly above even \$6 million, and will need to do so soon. At Budget adoption, the ongoing General Fund deficit was estimated at \$16 million. (This number includes no new investments, including no new ongoing compensation increases for employees that are needed to keep the District’s compensation competitive.) The recent Conditional Budget approval letter by the Alameda County Office of Education estimated an even higher structural deficit. In fact, one of the conditions set forth in that letter was for the District to “provide a list of board-approved expenditure reductions or ongoing budget-balancing

solution” by December 15, 2021. By approving all three options now, the structural deficit will be partially addressed, making future decisions easier.

The Resolution is written to be consist with the recommendation to approve all three options. If the Board wishes to approve less than three or otherwise to modify them, it will need to amend the Resolution accordingly.

Fiscal Impact Reduction of approximately \$6 million in ongoing General Fund expenditures starting in 2022-23.

Attachment ● Resolution No. 2021-0128D - Reductions In Lieu of Cohort 3 School Consolidations

**RESOLUTION OF THE
BOARD OF EDUCATION OF THE
OAKLAND UNIFIED SCHOOL DISTRICT**

Resolution No. 2021-0128D

Reductions In Lieu of Cohort 3 School Consolidations

WHEREAS, on December 9, 2020, the Oakland Unified School District (“OUSD” or “District”) Board of Education (“Board”) adopted Resolution No. 2021-0128 - Advancing District’s Citywide Plan Work (“Citywide Plan Resolution”), naming the goals of the Citywide Plan as addressing issues of quality, equity, and sustainability in the District by, in part, closing or consolidating schools so that the District operates fewer, better resourced schools;

WHEREAS, Resolution 2021-0128 states, in relevant part, that:

By September 2021, the Board shall vote on each proposed expansion, redesign, merger, or closure. Should the Board vote against a proposed merger or closure, the Board must approve a resolution (by October 2021) identifying reductions in ongoing General Fund expenditures for 2022-23 that amount to at least the estimated ongoing net savings from that merger or closure; the Superintendent shall implement any mergers and/or closures as proposed unless and until the Board passes such a resolution.

;

WHEREAS, this list is referred to as “Cohort 3” as there have been two previous groups of schools to undergo expansions, redesigns, mergers, and/or closures under the Citywide Plan;

WHEREAS, the estimated ongoing savings from Cohort 3 is \$2 million;

WHEREAS, the Board does not currently support the as part of Cohort 3 school consolidations estimated ongoing savings from Cohort 3 is \$2 million;

WHEREAS, this means that the Board does not need to consolidate schools as part of Cohort 3 if, by October 2021, it approves ongoing General Fund expenditures for 2022-23 that amount to at least those estimated ongoing net savings (i.e., \$2 million); and

WHEREAS, on September 15, 2021, the Alameda County Office of Education (“ACOE”) sent its 2021-22 Local Control and Accountability Plan & Adopted Budget Review letter to the District in which it requested that the District “provide a list of board-approved expenditure reductions or ongoing budget-balancing solution” by December 15, 2021.

NOW, THEREFORE, BE IT RESOLVED, the Board hereby approves the following ongoing General Fund expenditure reductions starting in 2022-23:

- Reduce the budgeted amount for Deferred Maintenance from the current \$5 million to \$3 million.
- Eliminate \$2 million in ongoing vacancies in the Unrestricted General Fund. The specific vacancies eliminated would be at the discretion of the Superintendent or designee.

- ~~Reduce the annual site-based supplemental allocation by approximately \$65 per student.~~

BE IT FURTHER RESOLVED, the Board directs the Superintendent or designee to includes these reductions in the proposed 2022-23 Annual Budget brought to the Board for approve by June 2022; and

BE IT FURTHER RESOLVED, by approving these reductions, the Board satisfies the conditions set forth in the Citywide Plan Resolution such that the Superintendent shall no longer—and the Board need no longer—move forward with consideration of school consolidations under Cohort 3.

PASSED AND ADOPTED by the Board of Education of the Oakland Unified School District this ____ day of _____, 2021, by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NOE: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE: None

AYES: VanCedric Williams, Mike Hutchinson

NOES: Aimee Eng, Gary Yee, Clifford Thompson, Vice President Benjamin "Sam" Davis, President Shanthi Gonzales

ABSTAINED: None

RECUSED: None

ABSENT: Samantha Pal (Student Director), Natalie Gallego 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 _____, 2021.

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By:	

OAKLAND UNIFIED SCHOOL DISTRICT

Shanthi Gonzales
President, Board of Education

Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education