

OAKLAND UNIFIED SCHOOL DISTRICT

Board Study Session

Budget Development Update:
LCAP Investments and Prioritization in a time of
Budget Adjustments

January 8, 2024



OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students



Continuation of our Journey

June 2023

August 2023

Oct 2023

Nov. 2023

January 2024

January 2024

Feb. 2024

Board Retreat

Teaming & Visioning

**Board
Retreat**

Priorities & Work
Plan

**Study
Session**

Fiscal Outlook

***Study
Session***
LCAP Deep Dive

**Study
Session**

Prioritization
Guidance

**Study
Session**

Attachment B
Adjustments

**Board
Action**

Our Vision

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

Our Mission

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



Outcomes

1. Summarize the scope and scale of near term decisions needed to navigate our financial context and maximize positive student outcomes
2. Board Directors and the public will leave with a deeper understanding of current LCAP investments in alignment with District priorities.
3. Receive Board Directors prioritization and guidance on how to prioritize LCAP investments and suggest revisions for the upcoming Goals of the 3-Year LCAP Cycle.
4. Board Directors will preview forthcoming artifacts from Attachment B, including Adjustments to School Site Allocations and major Board Resolutions from 2020 to date.

Today's Agenda

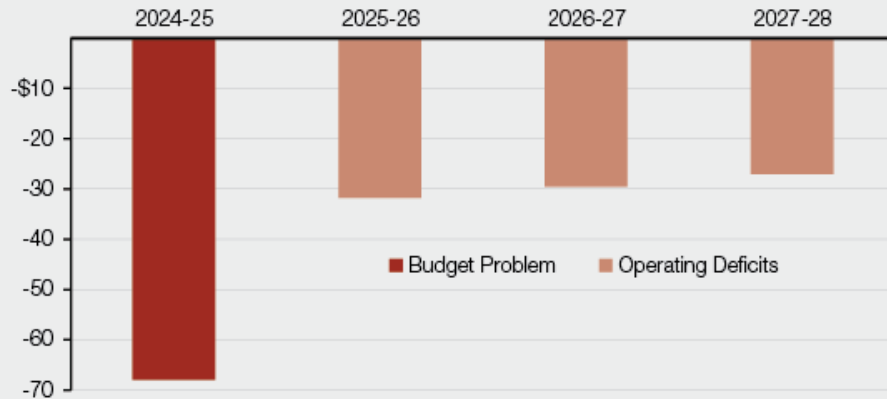
- Our Financial Context - Summarize the Challenge Ahead
- Community Schools - Map a student-focused path forward
- LCAP by the Numbers - Clarify our where we are now
- Receive Board Guidance - Prioritize where we go from here
- Next Steps toward February Decisions

Our State's Financial Situation* - \$68 Billion Deficit

Figure 4

State Faces Serious Budget Problem in 2024-25, and Significant Operating Deficits in Future Years

(In Billions)



* [California Legislative Analyst's Report](#) - December 7, 2023

Drivers for Deficit Impacting Budget

- ❖ California Entered an Economic Downturn Last Year
- ❖ Unprecedented Revenue Shortfall
- ❖ Statewide enrollment continues to decline (5% since 2019)

Solutions on the table

- Reduce Proposition 98 education spending
- Deplete entire Proposition 98 Reserve
- Reduce one-time spending
- 1% COLA for school budgeting
- Alternate approaches to school funding

OUSD's Financial Situation

LCFF Deficits

Over \$70M in projected deficits of Unrestricted resources over next 3 years - [First Interim](#)

Primary Causes: Slow revenue growth, high inflation

One-time Funds expiring

Over \$140M in one-time funds sunseting soon; over \$60M expiring this year - [Interactive Dashboard](#)

Primary Causes: Sunsetting resources, high inflation

Oversight Requirements

The District has recommended and the County has confirmed that the Board must take formal action on **multi-year budget balancing solutions by February 2024**, to ensure the District meets its obligations in the subsequent fiscal year. See [excerpt from County letter](#).

First Interim Multi-Year Projection* -

2023-24 First Interim MYP Fund Balance Summary - Unrestricted

	2023-24 Unrestricted	2024-25 Unrestricted	2025-26 Unrestricted
A. Revenues			
5) Total Revenues	\$ 507,096,534	\$ 495,388,436	\$ 502,940,335
B. Expenditures			
9) Total Expenditures	\$ 416,491,538	\$ 404,376,296	\$ 409,634,879
C. Excess (Deficiency) of Revenues Over Expenditures	\$ 90,604,996	\$ 91,012,140	\$ 93,305,456
D. Other Financing Sources/Uses			
4) Total, Other Financing Sources/Uses	\$ (112,115,085)	\$ (114,699,290)	\$ (119,051,059)
E. Net Increase (Decrease) in Fund Balance (C +D4)	\$ (21,510,089)	\$ (23,687,150)	\$ (25,745,603)
F. Fund Balance, Reserves			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 118,353,704	\$ 96,843,616	\$ 73,156,465
2) Ending Balance, June 30 (E + F1e)	\$ 96,843,616	\$ 73,156,465	\$ 47,410,862
Restricted Reserve	\$ 150,000	\$ 150,000	\$ 150,000
Other Assignments	\$ 10,673,452	\$ 10,673,452	\$ 10,673,452
Reserve for Economic Uncertainty	\$ 27,641,007	\$ 24,914,748	\$ 25,212,438
Unassigned Unappropriated	\$ 58,379,156	\$ 37,418,265	\$ 11,374,972

* Does not include certain anticipated employee compensation and other costs not yet finalized.

LCAP + STRATEGIC PLAN = ONE COLLECTIVE EFFORT

The Strategic Plan will enact the goals that the District has set out in its Local Control and Accountability Plan (LCAP).

LCAP





Our plan for addressing the needs of all students, especially our highest need students. The LCAP is adopted yearly along with the budget. The 2021 LCAP was a community effort - students, parents, staff, and community members have all contributed.



STRATEGIC PLAN

Our 3-year road map to realize our mission and vision. It is an opportunity to reimagine our work and to create an Oakland community and school system that fulfill our highest hopes and dreams for ourselves and the generations to come.



Goal 1: All students graduate college, career, and community ready.	Goal 3: Students and families are welcomed, safe, healthy, and engaged.	Goal 4: All staff are high quality, providing optimal service to our students, families, and staff.	
Goal 2: Focal student groups demonstrate accelerated growth to close our equity gap.			
 Ensuring Strong Readers by the Third Grade Accelerating Citywide Efforts to Guarantee Literacy for all Third Graders	 Supporting Powerful Graduates Developing Essential Skills to Secure Post-Secondary Success	 Creating Joyful Schools Redesigning schools to be places of joy, inclusion and beauty	 Growing a Diverse and Stable Staff Attracting and retaining staff reflective of Oakland's rich diversity
** Black and Brown Excellence will Flourish When We Invest in Full-Service Community Schools. **			

North Star - Prioritize College, Career and Community Supports

Within our limited resources, we recommend prioritizing the most effective aspects of our Community School supports to schools within the funds available

Base Program	College, Career and Community Schools Supports	Shared Costs
<ul style="list-style-type: none"> ● Teachers ● Principal ● Assistant Principals ● Attendance Clerk ● Noon Supervisors ● Admin Assistant ● Prep Teachers: PE, Music, Dance, etc. 	<ul style="list-style-type: none"> ● Mental Health Services ● Family Engagement ● Teacher Coaching & Support ● Academic Acceleration Support ● College/Career & Community Supports ● Restorative Safety Supports ● Enrichment ● 1:1 Device and Tech Support 	<ul style="list-style-type: none"> ● Custodians ● Nutrition Services ● School Nurse ● Library Services ● Special Ed services ● Central Office Operations ● Intervention Specialists ● Newcomer Supports ● Expanded Learning ● After School Literacy Support

The Process

Last year, in June, we began the process of identifying budget adjustments that would address projected deficits. See Board Memo from 10/25.

Following from our October Study Session, today we share more detail on current investments and funding in our LCAP and **seek Board prioritization and guidance LCAP revision and associated budget adjustments.**

Board Sessions

June 23rd Board Retreat

August 3rd Board Retreat

October 2nd Study Session

November 14th Study Session (cancelled)

January 8th Study Session

January 31st Study Session

February 14th Board Meeting (decision point)

LCAP Overview

Our plan for addressing the needs of all students, especially our highest need students.

The LCAP is adopted yearly along with the budget. The [2023-24 LCAP](#) was a group effort - students, parents, staff, and community members have all contributed.

Goal 1:
All students graduate college, career, and community ready.

Goal 2:
Focal student groups demonstrate accelerated growth to close our equity gap.

Goal 3:
Students and families are welcomed, safe, healthy, and engaged.

Goal 4:
Our staff are high quality, stable, and reflective of Oakland's rich diversity.

Goal 5:
Students, families, and staff have the resources and supports necessary to address the impacts of the COVID-19 pandemic.

Goals

5

Action Areas

59

Investments

1,300+

Spending

\$292M+

Staff*

1,200+

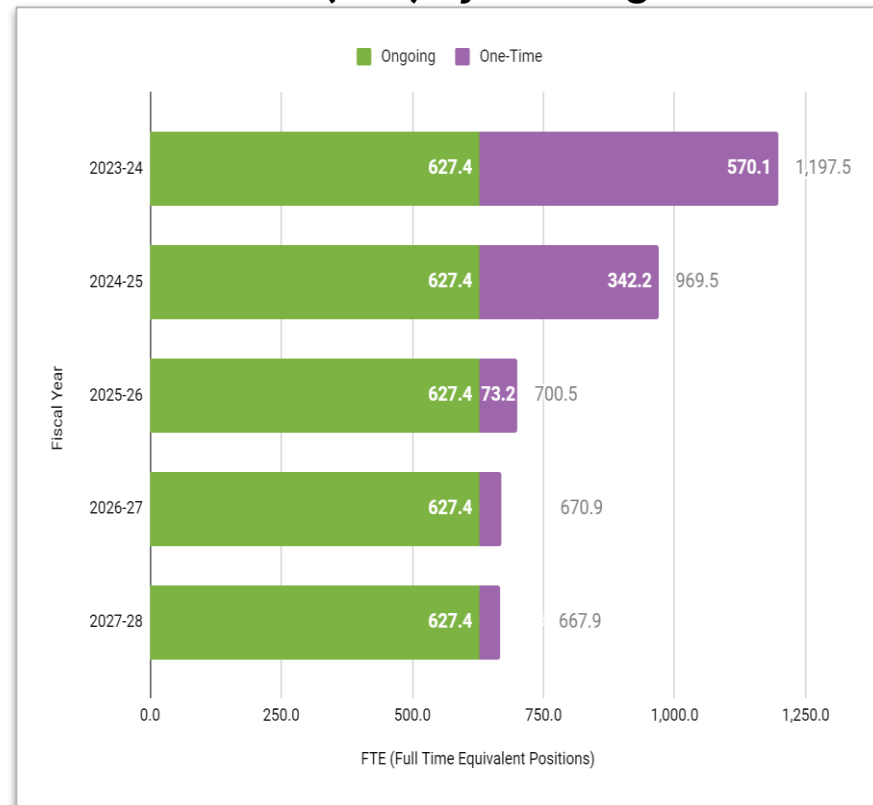
* Includes employee and contracted positions

LCAP Summary - Sunsetting of \$140M of One-Time Funds

LCAP Funding by duration



LCAP Positions (FTE) by Funding duration



Review detailed spending with prioritization in mind



Without Board Decisions

- **Expected Impact:** Existing allocations of LCFF S&C buy less as the cost of staff and services continue to increase
- **Expected Impact:** Positions and services funded by sunseting resources are eliminated as resources sunset or are expended

Board Decisions Needed

- **Decision:** Which investments in ongoing resources to reduce to continue investments currently funded with sunseting resources
- **Decision:** Which investments to reduce to maintain other investments despite cost inflation
- **Attachment B Example:** Reduce allocation of LCFF Supplemental to schools - see Attachment B, Item #2
- **Decision:** Additional budget reductions needed to eliminate deficit spending and provide salary increases to other bargaining units.

Board Discussion

Round One (3 minutes/Director)

What clarifying questions, if any, do you have related to the following:

- Current LCAP Investments
- Goals for Upcoming 3-Year LCAP Cycle
- Board's Decision Making Process & Timeline

Round Two (3 minutes/Director)

What guidance are you providing around prioritization?

- How are you thinking about what to maintain and/or increase?
- How are you thinking about what to eliminate and/or reduce?

School Site Positions Funded with Ongoing S&C Funding

Positions	Cost	Required?
Base Classroom Teachers: Retention Contribution	\$13.5M	Yes, per OEA contract
Base Classroom Teachers: Collaboration Time	\$5.3M	Yes, per OEA contract
Additional Teachers to Reduce Class Size at High-Need Schools	\$2.8M	Yes, per OEA contract
Newcomer Social Workers and TSAs	\$1.7M*	Yes, per OEA contract
Counselors	\$4.8M	Yes, per OEA contract
Student Support Positions (CSMs, Case Managers, etc.)	\$8.0M	No
Culture Keepers & Culture/Climate Ambassadors	\$5.0M	No
Teachers for Electives for Students Required to Take ELD	\$3.9M	No
Assistant Principals at High-Need Schools	\$3.2M	No
Teachers, Late-Arriving Newcomer Students	\$1.8M	No

* excluding positions funded by Salesforce grant

School Site Positions Funded with Ongoing S&C Funding (cont.)

Positions	Cost	Required?
Teachers to Offer Additional A-G Sections at Smaller High Schools	\$1.8M	No
Teachers, Late-Arriving Continuation Students	\$1.5M	No
11-Month Teachers at Castlemont, Fremont & McClymonds	\$1.3M	No
Teachers, African American and Latino/a Achievement classes	\$1.1M*	No
Specialists to Support College & Career Readiness at High Schools	\$0.3M	No

** excluding positions funded by Kaiser grant*

School Site Positions Funded with One-Time Funding

Positions	Cost	Funding Source
STIP (Substitute Teacher Incentive Program) Teachers	\$9.0M	COVID Funds
Academic Acceleration Teachers on Special Assignment	\$5.0M	COVID Funds
Early Literacy Tutors	\$4.6M	COVID & Grant Funds
Community Positions at non-CCSPP Sites	\$2.9M	COVID Funds
One-Time Positions for Low Enrollment Schools (e.g., Assistant Principal for small secondary school, classroom teacher for small elementary school)	\$2.0M	LCFF S&C Carryover Funds
Teachers on Special Assignment, School Improvement	\$1.1M	Comprehensive Support & Improvement (CSI) Grant
Middle School Math Coaches & Computer Science Teachers	\$1.0M	Private Grant Funds
Math Tutors	\$0.8M	COVID Funds
Teachers on Special Assignment to Support Historically Black Schools	\$0.8M	Black Thriving Students (Per OEA MOU)
Additional Counselors to help students reach graduation	\$0.3M	Comprehensive Support & Improvement (CSI) Grant

LCAP Overview

Our plan for addressing the needs of all students, especially our highest need students.

The LCAP is adopted yearly along with the budget. The [2023-24 LCAP](#) was a group effort - students, parents, staff, and community members have all contributed.

Goal 1:
All students graduate college, career, and community ready.

Goal 2:
Focal student groups demonstrate accelerated growth to close our equity gap.

Goal 3:
Students and families are welcomed, safe, healthy, and engaged.

Goal 4:
Our staff are high quality, stable, and reflective of Oakland's rich diversity.

Goal 5:
Students, families, and staff have the resources and supports necessary to address the impacts of the COVID-19 pandemic.

Goals

5

Action Areas

59

Investments

1,300+

Spending

\$292M+

Staff*

1,200+

* Includes employee and contracted positions

Board Discussion

Round One (3 minutes/Director)

What clarifying questions, if any, do you have related to the following:

- LCAP Priorities
- Ongoing Funded Positions
- One-Time Funded Positions

Round Two (3 minutes/Director)

What guidance are you providing around prioritization?

- How are you thinking about what to maintain and/or increase?
- How are you thinking about what to eliminate and/or reduce?

First Interim Multi-Year Projection* -

2023-24 First Interim MYP Fund Balance Summary - Unrestricted

	2023-24 Unrestricted	2024-25 Unrestricted	2025-26 Unrestricted
A. Revenues			
5) Total Revenues	\$ 507,096,534	\$ 495,388,436	\$ 502,940,335
B. Expenditures			
9) Total Expenditures	\$ 416,491,538	\$ 404,376,296	\$ 409,634,879
C. Excess (Deficiency) of Revenues Over Expenditures	\$ 90,604,996	\$ 91,012,140	\$ 93,305,456
D. Other Financing Sources/Uses			
4) Total, Other Financing Sources/Uses	\$ (112,115,085)	\$ (114,699,290)	\$ (119,051,059)
E. Net Increase (Decrease) in Fund Balance (C +D4)	\$ (21,510,089)	\$ (23,687,150)	\$ (25,745,603)
F. Fund Balance, Reserves			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 118,353,704	\$ 96,843,616	\$ 73,156,465
2) Ending Balance, June 30 (E + F1e)	\$ 96,843,616	\$ 73,156,465	\$ 47,410,862
Restricted Reserve	\$ 150,000	\$ 150,000	\$ 150,000
Other Assignments	\$ 10,673,452	\$ 10,673,452	\$ 10,673,452
Reserve for Economic Uncertainty	\$ 27,641,007	\$ 24,914,748	\$ 25,212,438
Unassigned Unappropriated	\$ 58,379,156	\$ 37,418,265	\$ 11,374,972

* Does not include certain anticipated employee compensation and other costs not yet finalized.



Unpacking Attachment B

- Adjustments to School Site Allocations (Unrestricted)
- Adjustments to School Site Allocations (LCFF)
- Potential Merger of District Schools
- Major Board Resolutions List
- Board Policy 3150
- Special Education Program Costs
- Reduction in Board Pay & Engagement Funds
- Maintaining Small School Investments

Analysis of Major Board Resolutions

- Context: As a follow-up to the request made during the October 2nd Study Session, the Board is being provided with a list of major Board Resolutions from 2020 to date, along with their current estimated fiscal impact.
- Ask: Read through and familiarize yourself with the current list and be prepared to provide recommendations on Board Resolutions to continue and/or remove.

Next Steps in Journey Towards Decision-Making

June 23rd Board Retreat (Identification of Board Priorities)

August 3rd Board Retreat (Identification of Board Priorities & Work Plan)

October 2nd Study Session (LCAP Priority Investment Areas)

November 14th Study Session (cancelled)

January 8th Study Session

January 31st Study Session (Attachment B Adjustments)

February 14th Board Meeting (board action)



Community Schools, Thriving Students



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

www.ousd.org     [@OUSDnews](https://twitter.com/OUSDnews)

1011 Union Street, Oakland, CA 94607



Appendix

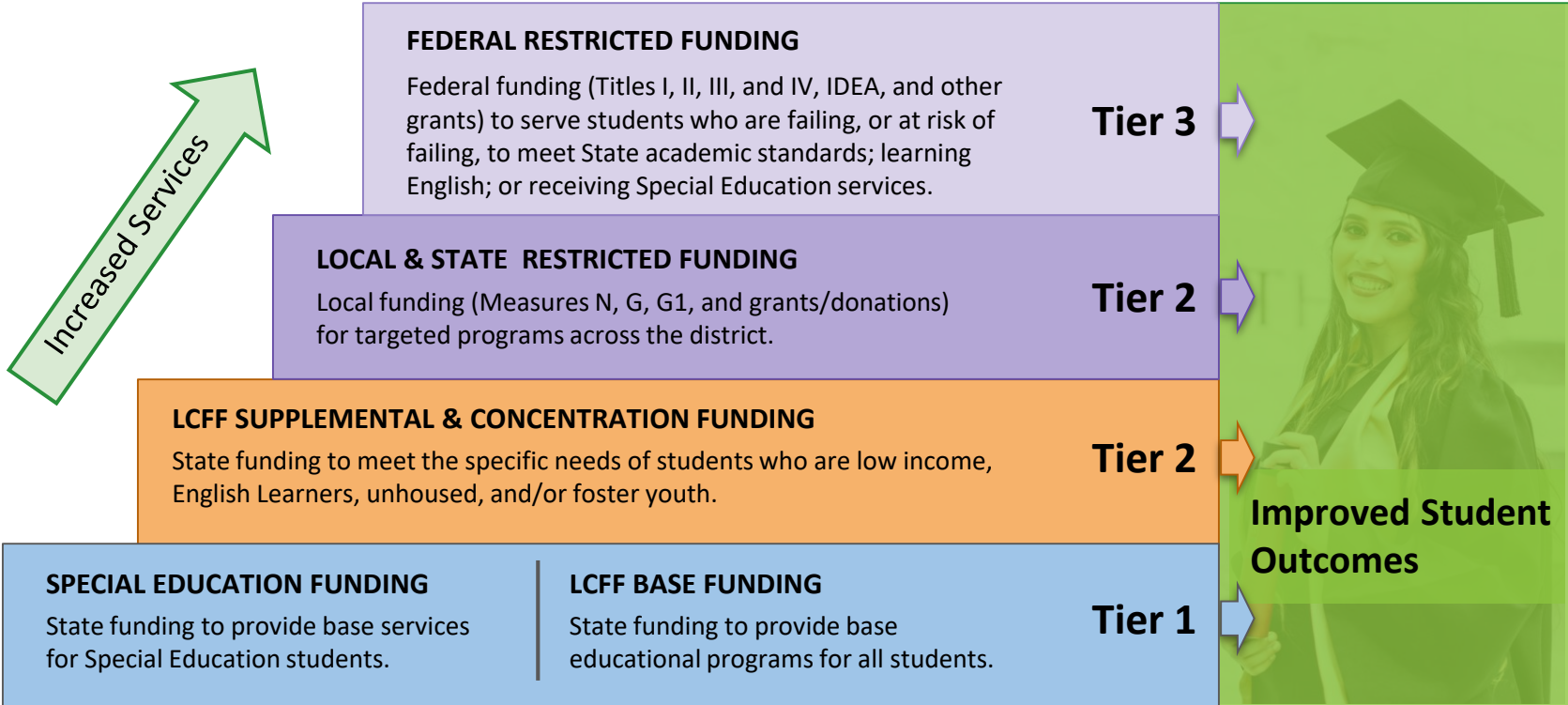
Requirement of ACOE

Excerpt from [Alameda County Office of Education's \(ACOE\) Response](#) to the District's AB1200 filing regarding the ability to afford the Tentative Agreement with the Oakland Education Association.

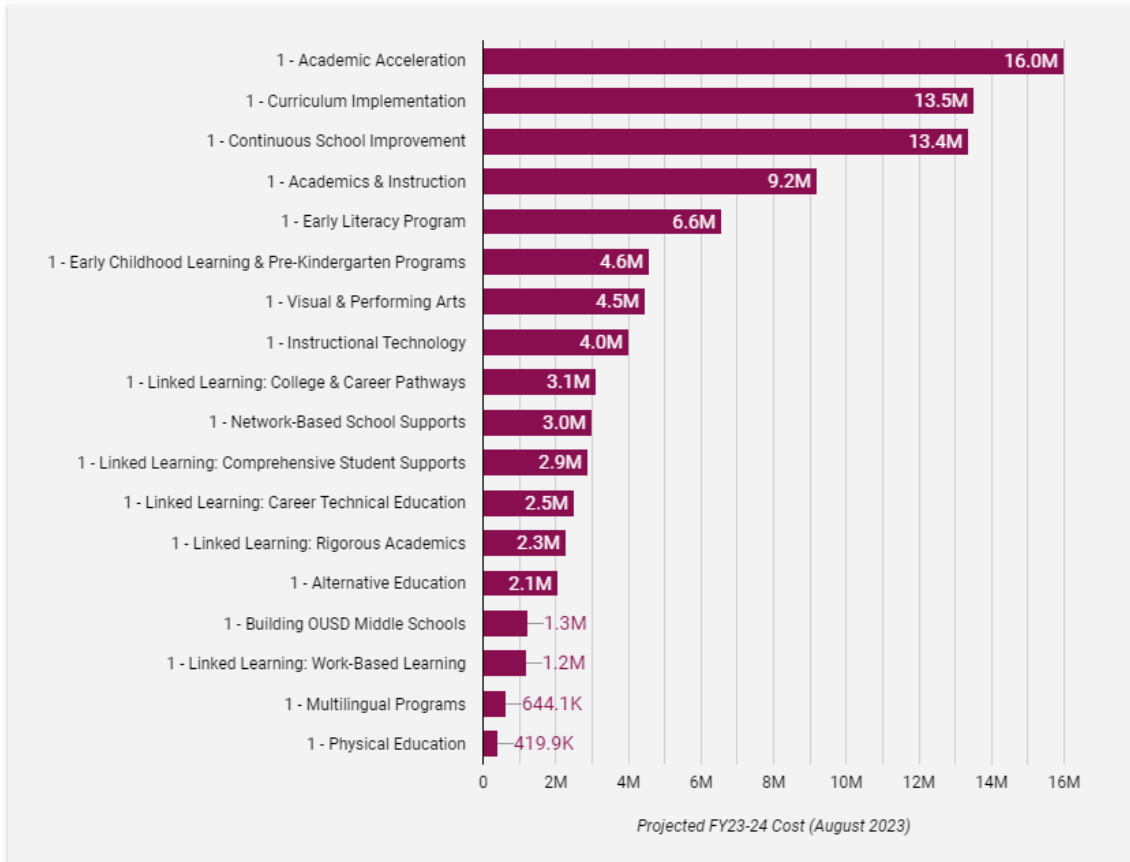
“In order for ACOE to verify that Board and District staff are implementing the budget adjustments the Board approved within the Public Disclosure documents, OUSD will:

- Provide ACOE with a Board-approved detailed update on its list of Budget Adjustments by October 31, 2023;
- Share additional updates in ACOE's bi-weekly call to monitor the staff and Board's progress with strategic planning;
- Present a public update to be provided by First Interim, **with further public disclosure and formal Board Action required no later than February 2024, to ensure the District meets its obligations in the subsequent fiscal year.**”

It's useful to think of OUSD's funding in Tiers of support



LCAP Goal 1 Summary - 2023-24 Projected Costs



Projected FY2023-24 Cost
91.1M

Duration

Ongoing
45.0M

One-time
46.2M

Type

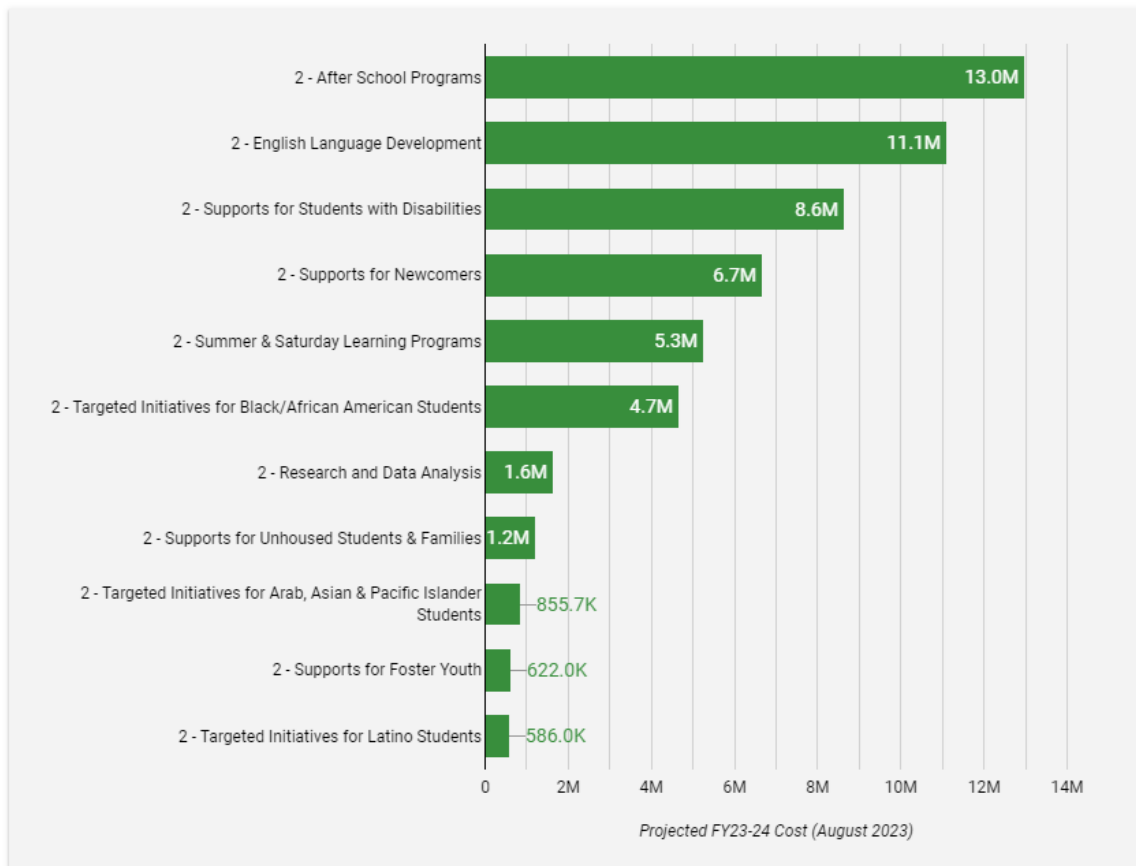
S&C
45.9M

Other Unrestricted
444.0K

COVID Relief
10.2M

Other Restricted
34.6M

LCAP Goal 2 Summary - 2023-24 Projected Costs



Projected FY2023-24 Cost

54.2M

Duration

Ongoing

30.9M

One-time

23.3M

Type

S&C

26.8M

Other Unrestricted

775.9K

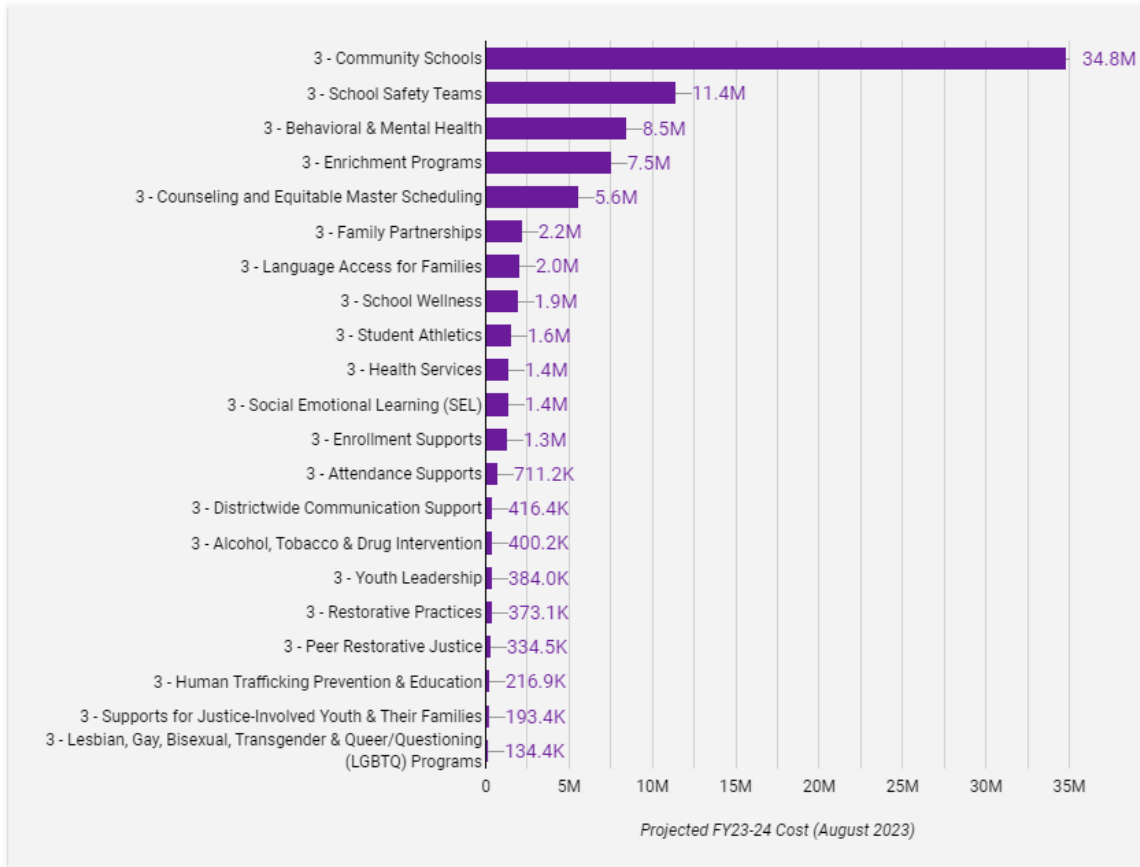
COVID Relief

5.7M

Other Restricted

20.9M

LCAP Goal 3 Summary - 2023-24 Projected Costs



Projected FY2023-24 Cost
82.8M

Duration

Ongoing
50.1M

One-time
32.7M

Type

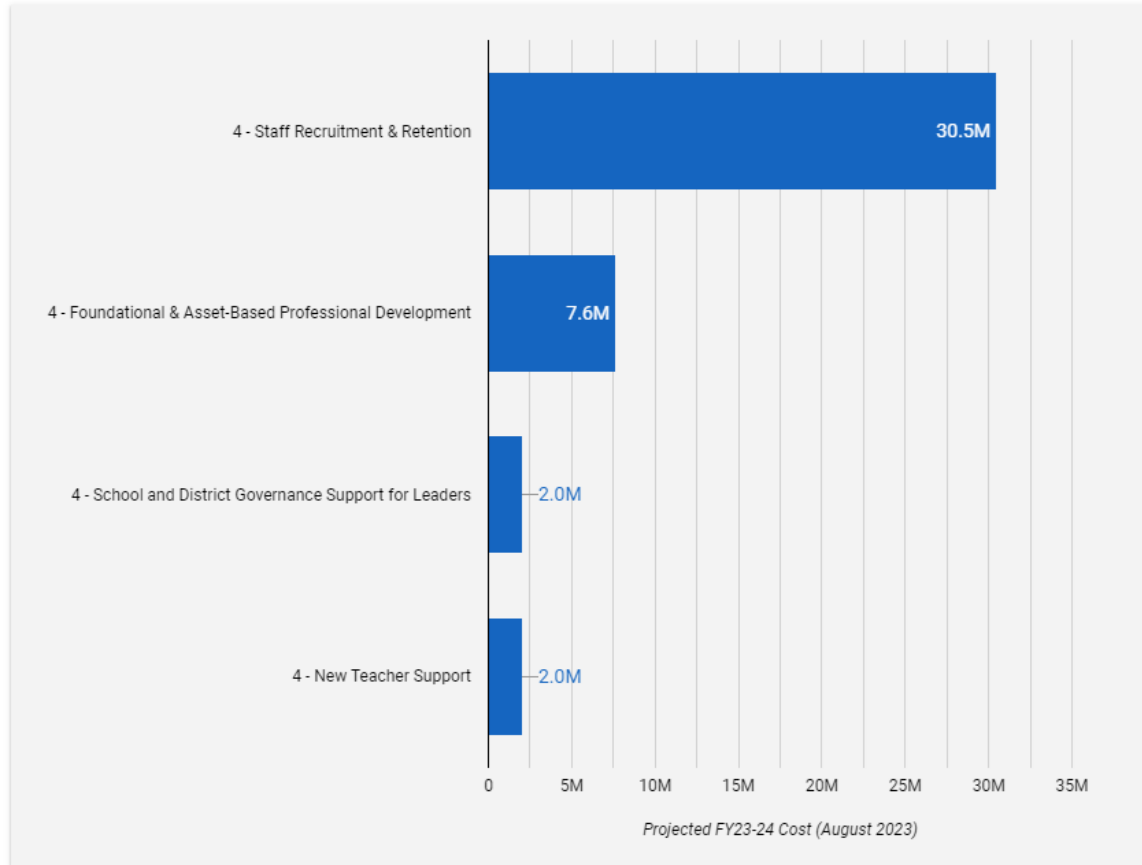
S&C
48.4M

Other Unrestricted
693.9K

COVID Relief
6.6M

Other Restricted
27.1M

LCAP Goal 4 Summary - 2023-24 Projected Costs



Projected FY2023-24 Cost
42.2M

Duration

Ongoing
27.5M

One-time
14.7M

Type

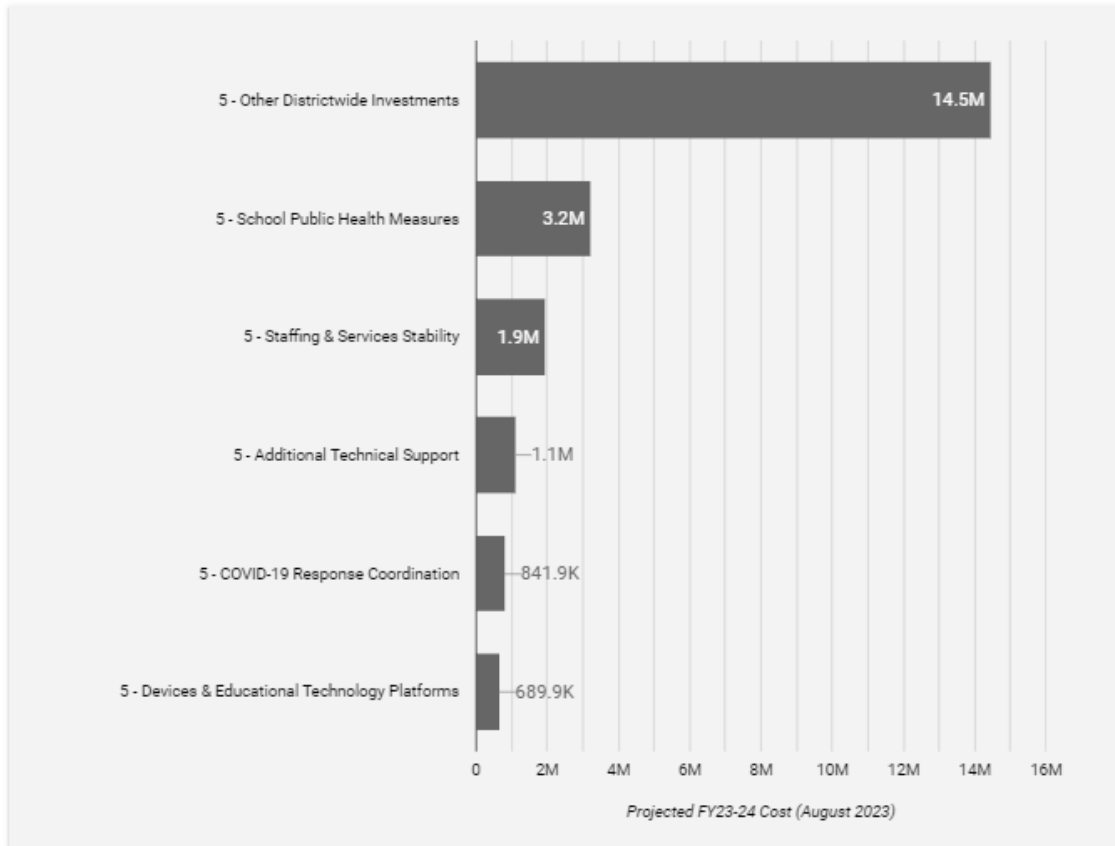
S&C
27.7M

Other Unrestricted
No data

COVID Relief
8.9M

Other Restricted
5.5M

LCAP Goal 5 Summary - 2023-24 Projected Costs



Projected FY2023-24 Cost

\$22.3M

Duration

Ongoing

No data

One-time

\$22.3M

Type

S&C

No data

Other Unrestricted

No data

COVID Relief

\$22.3M

Other Restricted

No data

Positions

FTE

21.0

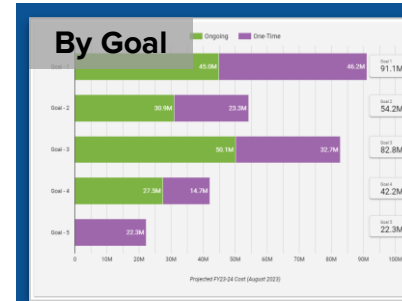
Additional Resources Available Since Nov/Dec

✓ [Interactive Dashboard](#) - LCAP investments shared with PSAC in November. Filter LCAP Investments by:

- Resource type
- Resource duration
- Expenditure type
- LCAP Goal/Action Area

✓ [Presentation shared with PSAC](#) on LCAP Investments in November

✓ [Positions Funded by One-time Funds](#) shared with PSAC in December



Investment Detail

By Specific Investment

Investment	Category	Personnel	Count	Cost
Investments in playgrounds at high-opp schools	SBC Carryover	Non-Personnel	18	\$2,774,637
CEI allocation to schools	ES&A, Comp Support & Improvement	Non-Personnel		\$1,287,793
Elementary Teacher on Special Assignment, School Transformation	ES&A, Comp Support & Improvement	Personnel		\$1,191,500
One-time investments in declining enrollment schools to lower student services	SBC Carryover	Personnel	5	\$663,773
Director, Continuous School Improvement	Unrest A81840	Personnel		\$444,077
Stipends	SBC Carryover	Personnel		\$420,000
Other Student Support Staff (approved additions)	SBC Carryover	Personnel	2	\$339,494
Extended contracts to support school-wide process	Central Concentration	Personnel		\$335,624
Additional stipends to ensure graduation rates at schools designated for Comprehensive Support and Improvement (CSI)	ES&A, Comp Support & Improvement	Personnel		\$325,000
Deputy Chief of Continuous School Improvement	Central Supplemental	Personnel		\$308,371
Director of First Year Student Support	ES&A/CSI	Personnel	3	\$271,848
Consultants for Blueprint	Central Concentration	Non-Personnel		\$192,000
Consultants	SBC Carryover	Non-Personnel		\$190,000
Extended time teachers	Central Concentration	Personnel		\$60,000

Projected FY2023-24 Cost
\$292.6M

Duration

Ongoing
\$152.7M

One-time
\$139.9M

Type

S&C
\$148.8M

Other Unrestricted
\$1.9M

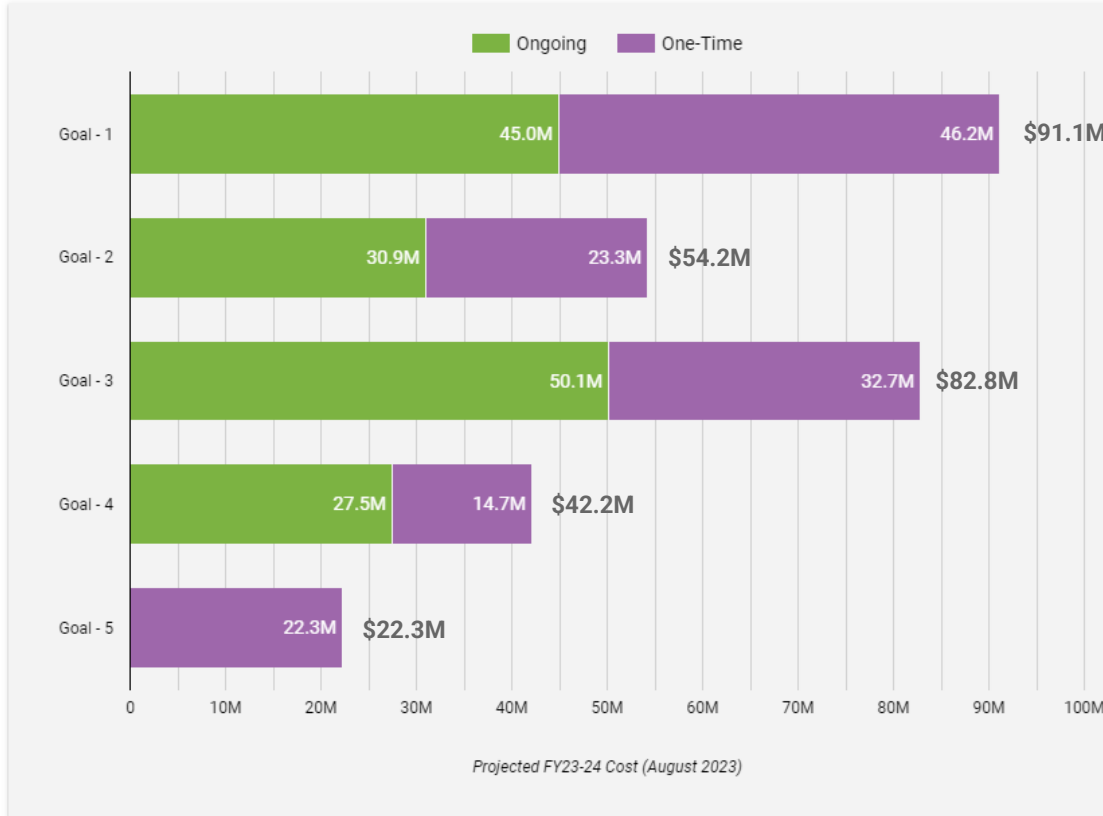
COVID Relief
\$53.8M

Other Restricted
\$88.1M

Positions

FTE
1,197.5

LCAP Financial Summary - 2023-24 Projected Costs



Projected FY2023-24 Cost
292.6M

Duration

Ongoing
153.5M

One-time
139.2M

Type

S&C
148.8M

Other Unrestricted
1.9M

COVID Relief
53.8M

Other Restricted
88.1M