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Board Cover Memorandum

To Board of Education

From Jennifer Brouhard, President
Valerie Bachelor, Vice President

Meeting Date October 8, 2025

Subject Amendments, Resolution Directing the Preparation of Budget Scenarios to Address OUSD's Structural Deficit

Board Action

Approval by the Board of Education, upon recommendation by the Budget and Finance Committee, of Resolution No. 2526-0177 authorizing District staff to submit at least three scenarios reflecting the areas of suggested budget adjustments to the General Fund as described in the resolution

Background & Discussion

The Interim Superintendent directed the Board to provide direction to the Chief Business Officer (CBO) on where adjustments in the 2026–2027 budget could be made to address expected budget cuts of at least \$80 million. The deadline for the Board to provide this direction is October 8.

This resolution provides the necessary direction so the CBO can prepare at least three budget scenarios reflecting adjustments in the amount of \$80 million. The resolution intends to focus budget adjustments on areas that will have the least impact on students and staff who directly serve them. While recognizing that all OUSD staff ultimately serve students, this resolution emphasizes protecting site-based staff wherever possible.

The adjustments will need to be made from the General Fund. Another purpose of the resolution is to begin exploring options for restructuring central office staff,

services, and contracts in anticipation of at least two years of potential budget reductions.

In her letter dated September 15, 2025, Alameda County Superintendent of Schools Alysse Castro warned that OUSD will face significant budget reductions in the 2026–27 and 2027–28 fiscal years. This resolution is a proactive step to ensure fiscal stability and maintain local control of the District’s finances.

Fiscal Impact

The fiscal impact will be determined when the three scenarios are presented to the Board in November.

Attachment(s)

- Amendments, Resolution- No. 2526-0177

Amendments, Resolution No. 2526-0177

Directing the Preparation of Budget Scenarios to Address OUSD's Structural Deficit

Submitted by Jennifer Brouhard, Board President, and Valarie Bachelor, Board Vice President

WHEREAS, it is the joint responsibility of the Board and District to center students with the most needs and the staff who work directly with them so that all OUSD students can graduate college-, career-, and community-ready, and so that families can confidently send their children to OUSD schools knowing they will be prepared for life after graduation; and

WHEREAS, the Board of Education recognizes that the Oakland Unified School District (OUSD) faces a structural deficit, in which projected ongoing expenditures exceed projected ongoing revenues. In a letter dated September 15, 2025, the Alameda County Office of Education stated that ongoing minimum budget adjustments of \$78M will need to be made in 2026-27, and \$73M will need to be made in 2027-28; and

WHEREAS, the budget adjustments come directly from the general funds; and

WHEREAS, the Board must work with District leadership to develop a budget that reflects the vision and needs of the communities we serve, including parents and caregivers who want schools with optimal learning conditions, clean and safe spaces; and

WHEREAS, the Board must also prioritize staff retention and compensation to provide continuity in schools and ensure that students and families feel a sense of belonging; and

WHEREAS, it is the responsibility of the Board to approve a budget that keeps the District solvent and maintains local control of its finances; and

WHEREAS, the Board has a duty to monitor expenditures to ensure fiscal responsibility and maintain solvency; and

WHEREAS, to maintain a solvent District, the Board must direct staff to identify positions and financial practices that (1) ~~do not directly~~ have the least impact on students in schools, (2) are funded by one-time funds or grants with end dates, or (3) are no longer necessary or affordable; and

WHEREAS, students identified as focal groups in the OUSD Local Control and Accountability Plan (LCAP)—including Black students, Latinx students, newcomer students, foster students, unhoused or housing-insecure students, and ~~students with disabilities~~ disabled students must be prioritized in the District budget.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Education directs the Superintendent to prepare at least three budget scenarios for Board review and community input. Each scenario shall address the following and include both cost and impact on students: **at least two budget scenarios for community input and Board review that total \$100 million in budget adjustments. The scenarios will include both the costs and the impact on students. The budget scenario will not include school closures or mergers. The budget scenarios will be presented to the Board at the first study session in November 2025.**

1. Central Services and Network Restructuring

The Board directs staff as follows:

- a) Identify and cut positions and financial practices that (1) do not directly impact students in schools, (2) are funded by one-time funds or grants with end dates, or (3) are no longer necessary or affordable.
- b) Provide options for consolidating the elementary network to one or two networks, noting that larger districts with more schools and students operate with one or two elementary networks.
- c) Provide options for restructuring the middle school and high school networks to ensure cost savings and efficiency.

2. Improving Student Attendance

Provide a comprehensive plan for improving daily attendance at each site, including monitoring and support for schools struggling to improve attendance. An increase of 1% in attendance would yield approximately \$5.25 million:-

3. Leveraging Other Agencies and Resources

Provide options for potential cost savings from leveraging other agencies and resources.

4. Financial Systems Improvements

Provide options for improving financial systems, such as limiting outsourcing contracts.

5. Programs & Services

- a) Inventory the District's programs and services, assess their usage and impact on student achievement, and identify programs and/or services that could be consolidated or eliminated for 2025-26 and 2026-27. Staff will present to the Teaching and Learning committee, and recommendations from that committee will be brought to the full board.
- b) Identify and cut positions and financial practices that (1) ~~do not directly~~ **have the least** impact students in schools, (2) are funded by one-time funds or grants with end dates, or (3) are no longer necessary or affordable.

6. Centralizing Contracts and Services

Provide options for additional centralizing contracts and services—such as, but not limited to, afterschool providers, mental health services, furniture replacement, and equipment

purchases—to increase the District’s return on investment.

BE IT FURTHER RESOLVED THAT, the Superintendent will notify the Board when new expenditures are added or when a budget area approaches 80% of its budget allocation. The Chief Business Officer will present the Board with proposed adjustments to maintain a balanced budget.