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

Board Cover Memorandum

To Board of Education

From Dr. Denise Saddler, Interim Superintendent (v2)

Meeting Date December 10, 2025

Subject Update on Resolution 2526-0177A: Directing the Preparation of Budget Scenarios to Address OUSD's Structural Deficit

Ask of the Board Receive an update on *Resolution 2526-0177: Directing the Preparation of Budget Scenarios to Address OUSD's Structural Deficit* and adopt Scenario 3 or Scenario 4, which both include Scenario 1 or 2.

Background On October 8, 2025, the Board adopted Resolution 2526-0177: Directing the Preparation of Budget Scenarios to Address OUSD's Structural Deficit, in which parameters were set for staff to make \$100M of budget adjustments. On November 19, 2025, the Board received an update, including the presentation of Scenario 1 and Scenario 2, and amended Resolution 2526-0177[A] to provide further direction to staff in the development of proposed budget scenarios.

Discussion The development of Scenario 3 and 4 followed months of investigating every possible option to balance the 2026-27 budget and address the District's multi-decade structural deficit.

In what is a simplified approach, a reduction of \$100M equates to a reduction of over 640 FTE, based on current data and estimates. Ultimately, to reduce staffing levels by over 640 FTE, there are significant shifts to essential elements of the District's structure that would be needed in order to ensure every school site and core operational and compliance department can continue to function. The viable option to achieve \$100M in adjustments lies heavily on restructuring the District. The most viable pathway to meeting the \$100M target relies on a comprehensive restructuring of the District rather than incremental cuts. Under this framework, the first option ("**Scenario 3**") proposes significant reductions across the

organization in an effort to provide a balanced, internally managed solution for the Board, while the second option ("**Scenario 4**") incorporates potential external borrowing to bridge the fiscal gap.

Together, these options reflect a critical policy decision: whether the Board prefers to address the immediate structural imbalance through organizational redesign and substantial staffing reductions, or pursue temporary relief through a loan that delays, but does not eliminate, the need for future restructuring. To be clear, both **Scenario 3** and **Scenario 4** will require restructuring.

In the first two sections of this report, we update and summarize the major areas we have evaluated/considered that can be implemented for the 2025-26 and 2026-27 school year. Excluding the reduction of management staffing and the reductions of departments and contracts, which were proposed in Scenario 1 and 2, with a projected maximum savings in Scenario 1 of \$21M, the major spending is in our academic footprint and the associated costs of each school program.

What is also included is the need for a sustained Board commitment to begin the District restructuring process from January through June 2026 that addresses the root causes of the structural deficit. After a meaningful community engagement process this spring, the Board can vote on a multi-year District restructuring plan in June 2026. Staff can then begin implementation with phased and periodic checkpoints and decision points over the course of the multi-year plan. In the meantime, staff will continue to manage the District's cash flow and prepare for the development of options to leverage cash needs as decisions are finalized.

Fiscal Impact

Short-term impacts for 2025-26 mid-year adjustments will be provided to the Board by the January 14 Board Meeting. Scenario 1 impact to the 26-27 budget is \$21.3M in savings, \$16.4M from Unrestricted and \$4.9M from the Restricted General Fund. Scenario 2 impact to the 2026-27 budget is \$18.4M in savings, \$14.8M from Unrestricted and \$3.6M from the Restricted General Fund. Scenario 4 impact to 26-27 and out years requires a strategic restructuring engagement and implementation plan and commitment.

Attachment(s)

- Attachment B with Active Revisions
- Multi-Year Projection \$100M 1 Year Implementation
- Multi-Year Projection \$100M 2 Year Implementation
- 25-2531F November 19 & December 3 Presentation - Update - Resolution No. 2526-0177 Budget Scenarios - OUSD Structural Deficit - Fiscal Years 2025-2026; 2026-2027

- 25-2531F December 3 Board Memorandum - Resolution No 2526-0177 - Budget Scenarios - Attendance Plan - OUSD Structural Deficit - Fiscal Years 2025-2026; 2026-2027
- 25-2531F December 3 Board Memorandum - Initial Cost Savings Review of Outsourcing Task Force Recommendations - OUSD Structural Deficit - Fiscal Years 2025-2026; 2026-2027

Following the adoption of the 2025-26 Budget, we all knew we had a herculean task ahead of us to develop a balanced budget for the 2026-27 school year. At the time, we were looking at an approximately \$78 million deficit, which eventually grew to \$100 million as the 2024-25 financial books closed and projections continued to evolve. After months of exploring all of the options available, the viable option to achieve \$100M in adjustments lies heavily on restructuring the District. In the first two sections of this report, we update and summarize the major areas we have evaluated/considered that can be implemented for the 2025-26 and 2026-27 school year. Excluding the reduction of management staffing and the reductions of departments and contracts, which were proposed in Scenario 1 and 2, with a projected maximum savings in Scenario 1 of \$21M, the major spending is in our academic footprint and the associated costs of each school program. On November 19, 2025, the Board received an update, including the presentation of Scenario 1 and Scenario 2, and amended Resolution 2526-0177. At that time, the Board provided further direction. Specifically, the Resolution 2526-0177 was amended, in relevant part, to include “the Board directs the Superintendent, or designee, to present to the Board on December 10th 2025, for its consideration and possible adoption, budget scenarios, and recommendations, without restriction, that will result in a balanced budget for Fiscal Years 2025-2026, 2026-2027.”

In accordance with Board direction, we have developed two options (“Scenario 3 and Scenario 4”). The development of these scenarios begin to illustrate why we have to make reductions throughout the District, recognizing that our staffing and compensation costs are the majority of our spending and that our current obligations and revenue earned do not allow us to continue spending at these levels. There is a formula that has been developed using our current proportion of spending in 2025-26 and what reducing \$100M using those same proportions would yield in spending and staffing. This analysis continues to affirm that single or combinations of cutting “around” school spending will not yield the outcomes the District has struggled to achieve.

The circumstances we are in to accomplish the goal of reducing \$100M has consistently been proposed as a minimum lead time of one year. While revisiting how we came to be in these circumstances is a valuable exercise, it is not where I will focus my energy for the purposes of this memo. I will instead

focus on the aspects of our District budget we investigated, some obstacles we encountered, and possible paths forward.

I. What Has Been Investigated

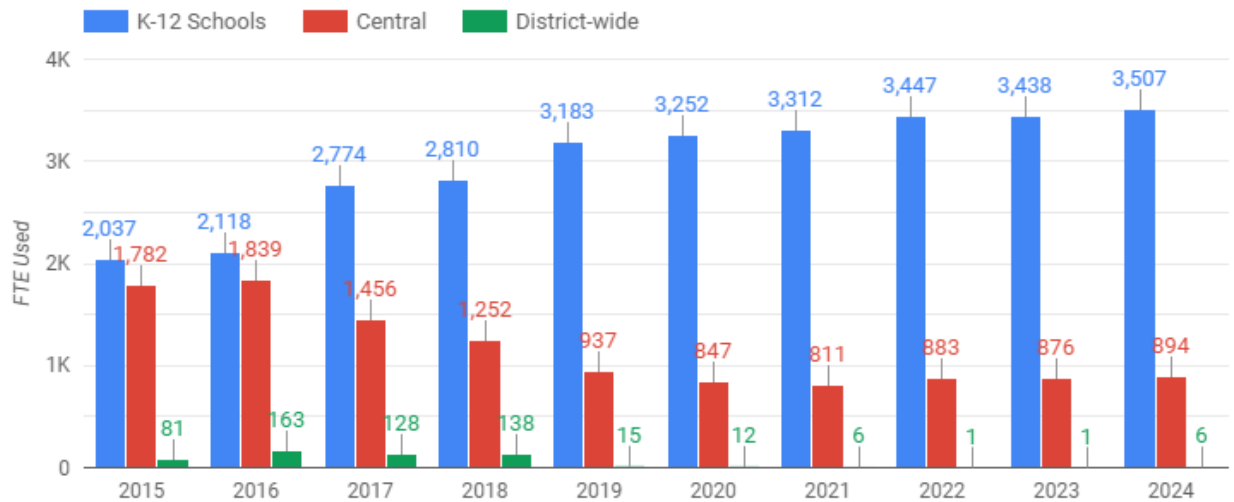
First, my team and I needed to know where to focus our efforts based on the direction of the Board. It has been clear that the Board's preferences have been at odds with past staff proposals to present a balanced District budget. In an effort to mitigate these differences, on August 15, I asked the Board to provide me with their preferred budget balancing strategy by October 8. The Board adopted Resolution 2526-0177 on October 8. From there, we conducted the following assessments and exploration of options:

- A. We reviewed and felt very strongly about returning to the 2023-24 Attachment B, where the District staff framed the key areas required to restructure the District. Evidence and rationale was also provided. Though time has passed, there are modifications in scope and updates to data that we have resumed, which are reflected in the developing edits of Attachment B below. The general framework of the Attachment B, with some amendments as noted below is to focus on the following areas:
 - a. Restructuring of Schools Process
 - b. Restructuring of Staff Formula to Schools
 - c. Restructuring of Continuous School Improvement (CSI) Division
 - d. Restructuring of Business/Operations to Centralize Services & Asset Management
 - e. Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies to Move from Results-Based Budgeting to a More Centralized Approach with Clear Criteria for Earned Autonomies
- B. Clearly identify the **root elements of the [District's structural deficit](#)**, which re-affirmed staff's focus on any budget balancing solutions **relieving the Base General Purpose** (Resource code 0000).
- C. **Shifts of expenses** into Supplemental and Concentration (S&C) and Restricted resources continued to be assessed. However, the District had already reached a point of saturation in shifting many Base General Purpose expenses into S&C and Restricted Resources. Assessing base programming to identify investments to shift into other resources has been a consistent practice since the implementation of LCFF and even more so as we faced financial dilemmas. Other shifts were due to the District's reduction of ongoing resources, the desire to retain investments, and the prioritization of such in appropriate supplemental (resources in addition to Base) resources. Continuing to rely on the strategy of shifting investments would **a) not yield enough funds to address our deficit; b) exacerbate the problem by avoiding the structural deficit dilemma of the Base General Purpose funds; and c) risk being in compliance** with certain funding resources.

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- D. Scenario 1 & 2, presented on November 19, had a primary focus on **central management reductions** and may yield upwards of \$21M in budget savings, **\$16.4M from Unrestricted** and **\$4.9M from the Restricted General Fund**.
- E. OUSD's plan for **increasing attendance** was outlined in a [memo](#) prepared for the December 3 Special Board Meeting. While the District continuously improves our attendance efforts, it is not a sound budgeting practice to include any desired Average Daily Attendance (ADA) increases as part of the budget solutions until the increased revenue from improved student attendance is real. The District will evaluate based on current efforts and planned improvements how to improve our attendance. The Board has already included in its resolution the following, "An increase of 1% in attendance would yield approximately \$5.25 million." Staff efforts to stabilize and increase **enrollment** continue, though like ADA, enrollment projections for the 2026-27 budget cannot be based on any goals we hope to achieve. To be fiscally sound, such projections need to be based on historical and demographic data.
- F. **Outsourcing** Task Force Recommendations were reviewed and a brief summary [memo](#) of potential cost savings was provided for the December 3 Special Board Meeting. With all budgets adjusting to lower amounts, there is considerable work to be done to identify necessary contracting to maintain basic District functions while identifying cost savings that can be realized. This work will consider the recommendations from the Task Force and the details will be available for budget adoption. At this time, adjusting contracts will not significantly assist in solving the District's structural deficit, unless the spending impacts contributions from the Base resource. At the planned January 2026 Study Session, the District will share an enhancement to the Consultant tool to illustrate the data used to strategically plan this goal.
- G. **Academic and related programs** were reviewed at the November 4 and December 4 Teaching and Learning Committee meetings. Scenarios 1 & 2 contain changes to programs due to the restructuring of the Elementary Networks and reduction in staff aligned to Secondary Networks when content staff are reduced from one team for Middle Schools and one team for High School to 1 team that will support 6-12 programming. Additional changes to programs may emerge from Committee recommendations to be presented at a Board Meeting in early 2026.
- H. **Increases in staffing levels** (see Figure 1) is an area that we have reviewed in numerous ways and have pointed to how the use of one-time money and grants has led to a discipline of seeking to replace these funds with "newer" one-time resources. The District *has* increased the investment of staffing at school sites. The District *has* reduced central staffing and expenditures to support the school sites as priority. The District *has* funded numerous programs that are not sustainable. The District *is* an innovator and seeks to provide equity in the distribution of staffing across more schools and programs. As shared in the presentation provided on December 3, 2025, we have an average of two (2) more adults in our system per student than comparison Districts. This is a function of the elements of any school District: the number of schools, enrollment standards, contractual obligations, program adoptions, the number and level of

services provided, enrollment trends and the need to balance funding with investments and clarity of targeted outcomes.

Figure 1



- I. In response to Governor Newsome’s Universal TK Program and the implementation of more TK classrooms districtwide, staff is exploring districtwide opportunities to develop **Transitional Kindergarten (TK) hubs** as part of a long-term enrollment and operational strategy to ensure that every family has access to quality early childhood programming. This analysis included reviewing enrollment trends, program demand, staffing patterns, kindergarten progressions, and facilities’ capacity to identify where TK hubs would yield increased enrollment, generate improved program coherence, and strengthen school site budgets. The TK hub strategy provides a pathway to concentrate early learning services, create economies of scale, and reduce structural inefficiencies that contribute to ongoing deficits, while simultaneously expanding access for families and supporting long-term fiscal stability. The District could benefit from between 2-4 TK hubs across the district in schools that have excess capacity and are in close proximity to other schools with limited access to TK and high demand. We are also very conscious of our historical challenges of retention of 1st grade students and seek to use this opportunity to retain students we now meet one year earlier, through high school in OUSD. The analysis continues, but the opportunity exists.
- J. **Board Policies** review has begun and some have been shared with the budget and finance committee and full board unpacking BP 3150 and all of the related policies. The District also cited critical policies for review in Attachment B and listed them in Section E. Staff has also raised the need for discussion of BP 5116.1 Open Enrollment. Nearly half of OUSD families take advantage of the district’s open enrollment policy to select schools outside of their

neighborhood, demonstrating a strong desire for choice and access to programs that best meet their students' needs.

- K. Analyzed OUSD finances and operations **compared to other California school districts** in a [presentation](#) prepared for the December 3 Special Board Meeting. The intent was to compare and contrast data between OUSD and other districts in support of some of the foundational data required to provide “nimble...strategic expansion and contraction of staffing and programs based on student and community needs,” as cited in Resolution 2526-0177.
- L. Reviewed all **past options**, including those approved by the Board, those presented to the Board but not approved, and those prepared by staff but ultimately not presented to the Board. This included a review of 2023-24 Attachment A, 2024-25 Attachment B, and 2025-26 Attachment C, the AB1912 work submitted in December 2024, and initial 3Rs implementation plans.
- M. Reviewed the District's **Budget Development Handbook for Schools** to see where any additional allocation, staffing, and funding opportunities exist.
- N. Met with County Superintendent Castro to discuss Alameda County Office of Education (**ACOE**) **service opportunities** and requested proposals for the following areas:
 - a. Support for special student groups (Newcomer, Foster Youth, Unhoused);
 - b. Educator pathway and credentialing support program; and
 - c. Medical Health insurance billing
- O. **Across the board % cuts** to all sites and departments, recognizing its mathematical impact and its practical challenges and outcomes.
- P. Reviewed **Special Education** comprehensively and opportunities to create an **in-district Non-Public School**.

II. Developing Financial and Operational Framework for Scenario 4

To best illustrate what is and has been the District's financial challenge, we used a model of mathematical proportions of how we currently spend resources in the Unrestricted General Fund and specifically, the Base General Fund, in order to achieve \$100M in reductions (see Figure 2). This model suggests that the District would need to eliminate \$83M in compensation related expenditures, which coincides to over 640 FTE. This analysis again is mathematical and although the majority of staffing expenses are FTEs, there are non-FTE expenditure lines to include substitute costs, overtime, additional time, professional development, etc. Based on this model, an additional elimination of \$34M in non-labor expenses, such as materials, supplies, utilities, interagency agreements, and consultant costs, would be needed; thus, how these amounts and in what proportions and the timeline to achieve is where a subsequent strategic plan based after approval of this scenario would occur.

Figure 2

Classification of Budget Expenditures	All Unrestricted General Fund	Proportion %	Base General Fund, Resource 0000	Proportion %	Proportional Reduction of Spending by \$100M
1 - Certificated Salaries	\$180,475,132	38%	\$85,828,663	36%	-\$36,197,338
2 - Classified Salaries	\$69,032,164	15%	\$40,904,384	17%	-\$17,250,995
3 - Benefits	\$127,319,245	27%	\$69,914,659	29%	-\$29,485,774
4 - Books & Supplies	\$25,781,357	5%	\$10,748,653	5%	-\$4,533,131
5 - Other Services and Operating Expenditures	\$67,297,116	14%	\$29,716,832	13%	-\$12,532,762
Total Expenditures/FTE	\$469,905,013		237,113,191		-\$100,000,000

-\$82,934,106 <<Total Compensation

8 - Contributions - \$107,485,616 <<<This must be covered by the Base and includes Ongoing Major Maintenance and Special Education

Classification of Budget Expenditures	All Unrestricted FTE's by Classification	Proportional % FTE	Base, Resource 0000 FTE's	Proportional % Res 0000 FTE	Reduce by FTE Proportionally by 31.15%	Revised FTE
1 - Certificated Salaries	1,861.26	67.70%	1,518.36	55.23%	-472.97	1,045.39
2 - Classified Salaries	887.90	32.30%	561.80	20.44%	-175.00	386.80
3 - Benefits						
4 - Books & Supplies						
5 - Other Services and Operating Expenditures						
Total Expenditures/FTE	2,749.16		2,080.16		-647.97	1,432.19

Total Compensation Cost	\$359,814,824	\$266,255,674.50
Compensation Share of Reduction of \$100M		-\$82,934,106 *
Total Remaining Compensation		\$183,321,568.19

*The total \$82,934,106 in Base Compensation Expenses is 31.15% of the total Base Compensation Expenditures of \$266,255,675 (\$82.9M/\$266.3M), which is the AMOUNT from the expenditure share that mathematically would have to be reduced to absorb the @100M decrease.

This analysis is primarily focused on the LCFF portion (\$493,188,357) of our expenditures, which is the majority of the Unrestricted Funding (Figure 3), which also includes some state and local expenditures, for a total of \$522,584,008. The First Interim **Base Grant** is \$348,822,053 (Figure 4). We are focused on balancing our expenditures within the base grant and its responsibilities to the Unrestricted and Restricted resources, of which two require a contribution from the Base. We have also shared that the Base is where our over spending and deficit spending exists; thus, the focus is on restoring the Base so that it can better fulfill commitments in an ongoing sustainable manner.

Figure 3

Oakland Unified Alameda County		2025-26 First Interim General Fund Unrestricted (Resources 0000-1999) Revenues, Expenditures, and Changes in Fund Balance				01 61259 0000000 Form 011 G813XHWUM(2025-26)		
Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) LCFF Sources		8010-8099	491,227,018.00	491,227,018.00	87,239,537.67	493,188,357.00	1,961,339.00	0.4%
2) Federal Revenue		8100-8299	0.00	0.00	0.00	0.00	0.00	0.0%
3) Other State Revenue		8300-8599	11,628,095.89	11,628,095.89	1,043,772.00	11,628,095.89	0.00	0.0%
4) Other Local Revenue		8600-8799	17,767,555.24	17,767,555.24	2,336,594.46	17,767,555.24	0.00	0.0%
5) TOTAL, REVENUES			520,622,669.13	520,622,669.13	90,619,904.13	522,584,008.13		

Figure 4

LCFF Entitlement Summary	
Base Grant	\$ 334,212,043
Grade Span Adjustment	14,610,010
Adjusted Base Grant	\$ 348,822,053
Supplemental Grant	57,471,922
Concentration Grant	62,079,861
Total Base, Supplemental and Concentration Grant	\$ 468,373,836
Allowance: Necessary Small School	-
Add-on: Targeted Instructional Improvement Block Grant	10,094,682
Add-on: Home-to-School Transportation	6,405,868
Add-on: Small School District Bus Replacement Program	-
Add-on: Economic Recovery Target	-
Add-on: Transitional Kindergarten	5,698,153
Total Allowance and Add-On Amounts	\$ 22,198,703
Total LCFF Entitlement Before Adjustments (excludes Additional State Aid)	\$ 490,572,539
Miscellaneous Adjustments	
Total LCFF Entitlement (excludes Additional State Aid)	\$ 490,572,539

**Note, the District has received an additional \$2.6M from prior year Education Protection Act allocation that cannot be modeled in the LCFF Calculator. Our total LCFF for 2025-26 is \$493,188,357.*

A Multi-Year Projection model has also been developed to show how the \$100M would be applied if \$100M was reduced by 2026-27, which is not feasible due to the barriers we face in time and task in implementation which include: strategic planning, engagement, needs assessments, negotiations, contractual bargaining agreement, compliance considerations, timing to plan and deploy each segment

of the plan, and cash flow considerations and needs during the execution of the plan. This model does consider the approval of Scenario 1 or 2 and the coinciding reductions that would be adjusted; thus, reducing the remaining target and required tasks of building a strong restructuring plan. A second Multi-Year projection has also been created reflecting the impact of reducing the budget by adopting Scenario 1 (the larger reduction) and Scenario 4 in the out years. Please see the attachments included in this packet.

III. Two Possible Paths Forward: Scenarios 3 & 4

SCENARIO 3

Oakland Unified School District faces an unprecedented fiscal challenge requiring \$100 million in recurring budget adjustments to restore long-term solvency, meet state reserve requirements, and address concerns raised by rating agencies about our structural deficit. To remain a stable public institution capable of delivering high-quality education, OUSD must undergo a bold, multi-year restructuring.

In the Update on Resolution 2526-0177: Directing the Preparation of Budget Scenarios to Address OUSD's Structural Deficit on the Board's agenda for December 10, 2025, we have outlined the need to restructure the District to remain solvent. Additionally here, we are providing a scenario for reaching the \$100 million for the 2026-2027 school year. This memo outlines a scenario of comprehensive approaches grounded in eight (8) strategic areas of savings and built to achieve sustainable, recurring reductions. These strategies combine immediate actions with the structural reforms required to protect our instructional core while reshaping how the system operates.

Reaffirming the Need to Re-Envision, Redesign, and Restructure

As we present the budget reduction scenarios, we want to reaffirm our belief that the District must continue to follow the 3R's process previously outlined and adopted by this Board. The Re-Envision, Redesign, and Restructure ("3Rs") Resolution established that the year OUSD must undertake a comprehensive, systemwide restructuring of schools, services, staffing, and the district's long-term footprint. The 3Rs are not simply an initiative; they are the Board-approved framework that defines how OUSD must redesign itself to recover financial stability, meet state and county requirements, right-size the district, and ensure resources are directed where students need them most.

The district cannot meet its fiscal challenges without completing the re-envisioning, redesign, and restructuring work outlined in the 3Rs. As we approached these reductions we kept the principles of the 3Rs at the forefront. To clearly communicate solutions under consideration, the District has grouped potential reductions into categories that apply to both school sites and the central office. These categories allow staff, the Board, and the community to see the types of actions necessary to meet the \$100M target.

What We Can Do Now: Reset

In this final alternative scenario we have estimated a cost savings of \$103,210,000. In order to stay out of state receivership the Board would need to accept these recommendations in its entirety and effectively reset its investments. We are now at a critical crossroads. Without significant, systemwide reductions, OUSD will not be able to achieve the required \$100M reduction in base funding. This reality requires difficult, disciplined choices; choices that impact every part of the district, including school sites, central office, operations, programs, and contracted services. In alignment with the Board's direction to place all options on the table, staff has developed a recommendation that reflects the full range of possible actions. We offer this with clear understanding that there are real implications to our district. The work before us is difficult but necessary and reflects the full range of choices required to reach \$100M in recurring reductions and position OUSD for long-term stability. The information below is intended to support the Board in making informed decisions that safeguard both our educational mission and our long-term financial future. Considering the need to make shifts in some areas, at least in the short term, a revision to the District's LCAP after community engagement, particularly with the Parent Student Advisory Committee ("PSAC"), the Community Advisory Committee ("CAC") and with the approval of the County Superintendent. The County Superintendent has been supportive in exploring these and other concepts to address the current fiscal challenge. We are committed to working collaboratively with the Board, labor partners, school leaders, families, community constituents and the Alameda County Office of Education and to make decisions that honor both our fiscal reality and our mission to serve Oakland's students.

Item #	Category	Approximate Reduction	Unrestricted Savings	Restricted Savings
25-26	<i>Immediate Emergency Strategies to Restore the Fund Balance</i>	<i>\$27,000,000</i>		
1	Hiring Freeze yielding Vacancy Savings generated by this action.	\$10,000,000	<i>Pending</i>	<i>Pending</i>
2a	6-Week Freeze on all new contracts being initiated unless in key emergency areas approved by the Superintendent.	\$0	<i>Pending</i>	<i>Pending</i>
2b	6 week freeze on all expenditures in 4000 and 5000 until Feb 1, 2026	\$0	<i>Pending</i>	<i>Pending</i>
2c	Reduced Site and Central Budgets (Central Office 2x Reduction of School Sites)	\$7,000,000	<i>Pending</i>	<i>Pending</i>
3	Superintendents Special Task Forces on Attendance to increase attendance rate for OUSD 25-26 by 2%. (Currently tracking at 1.8%)	\$10,000,000	<i>Pending</i>	<i>Pending</i>

4	Superintendent to convene a team of top school finance experts to review OUSD budget and provide additional recommendations and support implementation (Funded by AB1840)	TBD	Pending	Pending
26-27	Superintendent's Proposal	\$102,460,000		
Reduction 1	Central Office Reductions (Scenario 1 and Scenario 2)	\$21,000,000	Pending	Pending
Reduction 2	School Site Budget Reduction between 7.5%-10% in collaboration with school communities, SSCs and Site Leaders	\$32,000,000	Pending	Pending
Reduction 3	Central Department Reductions not included in Reduction 1 through a 15%-20% reduction in total budget.	\$11,000,000	Pending	Pending
Reduction 4	Reduce School Site Access to Unutilized Spaces	\$1,600,000	Pending	Pending
Reduction 6	After budget development do a second tier review of contracts to for		Pending	Pending
Reduction 7	Reduction triggered by decreased expenditures in RRMA	\$1,000,000	Pending	Pending
Revenue Gen 1	Increase attendance for 25-26 by 2%	\$10,000,000	Pending	Pending
Revenue Gen 2	TK Hub Launch for 2-3 Hubs	\$1,500,000	Pending	Pending
Savings 1	Centralized Procurement and Copiers	TBD	Pending	Pending
Savings 2	Fleet Management System (Future Savings)	TBD	Pending	Pending
Shift to Restrict 1	Shift Attendance Specialist and Noon Supervisors to Supplemental	\$3,860,000	Pending	Pending
Shift to Restrict 2	Shift Costs of 2-3 Small Schools into supplemental/concentration	\$8,500,000	Pending	Pending
SPED 1	10% Reduction in Contribution to Special Education through restructuring and reducing outside contracts, management, and programmatic elements that are not legally mandated	\$12,000,000	Pending	Pending
SPED 2	Feasibility Study for NPS in OUSD Properties	TBD	Pending	Pending

If the Board approves the Scenario above, staff will begin working to strategically organize the areas listed above into the following comprehensive implementation plan.

1. Central Office Staffing Reductions

The Central Office has identified a comprehensive set of staffing and cost reductions across all divisions to support the district's fiscal stabilization efforts. These include the elimination or reduction of positions within the Talent/Human Resources Division, Continuous Improvement, Governance, Budget & Finance, Operations, Strategy & Partnerships, and the Office of the Superintendent. In addition to position reductions, we are implementing adjustments to employee work calendars, restructuring and consolidating teams, and continuing vacancy freezes and hiring pauses across departments. We are also reducing overtime, substitute labor costs, and stipends/extra-duty assignments. Together, these actions represent a districtwide approach to cost containment that minimizes impact to schools while aligning Central Office operations with the financial realities ahead.

2. School Site Budget Adjustments

School site budgets will also undergo targeted adjustments to align with available revenues and based on school site enrollment projections. These changes include reductions to LCFF site discretionary funds, decreases in per-pupil allocations, and cuts to school-based program budgets such as athletics, clubs, and library services as determined by the site. Additionally, enrollment-based allocation adjustments will be applied to ensure that funding levels accurately reflect current student counts. These adjustments, while difficult, are necessary to preserve districtwide solvency and to ensure that limited resources are distributed equitably across all schools.

3. Contracted Services

Contracted services across the district will undergo significant reductions as part of our cost-containment strategy. This includes scaling back curriculum and instructional contracts, professional development vendors, technology service providers (including SIS, HRIS, and analytics systems), transportation vendors, security and campus safety contracts, mental health and behavioral support providers, contractors across custodial, landscaping, HVAC, and trades, as well as consulting and strategic planning engagements will be interrogated to ensure that only critical services are outsourced.. Effective immediately, we will implement a districtwide freeze on discretionary spending and halt new contracted services unless explicitly approved. Chiefs will no longer have authority to independently sign contracts; all contracts will require review and approval through a centralized process involving the Superintendent. To ensure continuity of essential student services, we will establish a fast-track approval process for time-sensitive contracts related to special education, legally required services, and after-school programming. These measures ensure tighter fiscal controls while maintaining compliance and prioritizing student safety and support.

4. Program and Services Adjustments

The district will also implement a series of programmatic and service-level adjustments to align ongoing expenditures with available resources. These include the reduction or consolidation of

certain academic programs, as determined by the Teaching & Learning committee in collaboration with the Superintendent. Wellness initiatives, employee recognition events, and retirement celebrations will be paused or significantly reduced. Recruitment and employee support programs, including teacher residencies, apprenticeships, and other pipeline investments, will be narrowed to essential, legally required components. Additionally, academic internships, mentorships, and apprenticeship opportunities will be reduced, along with specialized instructional programs, family engagement initiatives, and leadership development offerings. While these are difficult decisions, they reflect the need to prioritize core instructional services and protect classroom-based supports during this period of fiscal adjustment.

5. Materials and Supplies

Reductions will also extend to materials, supplies, and technology across the district. Classroom materials and office supplies will be limited to essential purchases only, and technology equipment replacement cycles will be extended to reduce immediate costs. Custodial and maintenance teams will operate with constrained supply budgets, and the district will slow or postpone planned textbook adoptions and curriculum replacement cycles. These adjustments are designed to preserve core instructional operations while delaying non-urgent purchases until the district reaches greater fiscal stability.

6. Operations and Facilities

Operational and facilities-related adjustments will also play a significant role in our cost-containment strategy. The district will extend maintenance and custodial schedules, defer non-critical repairs, and implement energy-reduction strategies to lower utility expenses. Transportation routes will be consolidated where feasible to optimize efficiency, and we will pursue additional utilities savings through conservation measures. As part of longer-term structural adjustments, the district may consider facility closures, co-locations, or consolidations based on utilization and enrollment trends, accompanied by updates to facilities rental rates and fee structures. Ground maintenance will be explored to ensure that they are reduced to only the essential services. These operational shifts, while challenging, are necessary to ensure the district can sustain safe, functional learning environments within our fiscal constraints.

7. Structural and Long Term Savings

The district is also pursuing structural and long-term savings strategies designed to create lasting financial stability. This includes reviewing and adjusting key policies and operational practices—such as bell schedules, class size initiatives, and transportation eligibility to increase systemwide efficiency. As enrollment continues to decline, we are evaluating school site mergers and potential closures to better align our facilities footprint with student population trends, as well as considering the closure or repurposing of underutilized central office buildings. Additionally, summer learning and extended day program structures will be reviewed to ensure they are sustainable and aligned with both student needs and available resources. These long-term measures aim to position the district for greater fiscal health while preserving high-quality learning environments.

8. Revenue and Funding Adjustments

The district's revenue outlook will also require strategic adjustments to ensure long-term fiscal stability. Enrollment projections continue to have significant budget implications, as declining student counts reduce our LCFF revenue and necessitate tighter alignment between staffing, services, and actual enrollment. In addition, we are reviewing opportunities to responsibly rebalance the use of restricted and unrestricted funds, ensuring that programs funded with expiring or limited grants are either right-sized or transitioned appropriately to avoid creating ongoing obligations without sustainable revenue. These revenue and funding adjustments are essential to maintaining solvency and ensuring that resources are deployed in a way that supports core instructional priorities.

SCENARIO 4

1. For the 2025-26 school year:

- a. **Reduce Unrestricted unencumbered funds** by Second Interim using a current target of **7.5% for all sites**. This would include the proposed vacancy savings from the freeze and a refreshed review and proposal for the "exempt" positions. The goal of this modification is to support the restoration of the Fund Balance, as cited in the resolution. As the analysis and implementation plan to slow spending is determined, new purchasing activity will be monitored which may mean rejection of spending plans.

2. For the 2026-27 school year:

- a. **Apply 2025-26 mid-year reductions** to unencumbered funds to 2026-27 site/department budgets.
- b. In order to provide enough services for schools that do not generate enough funding due to enrollment and attendance, review the **site allocations** and the impact to all schools Districtwide.
- c. Address additional structural cost savings in the base through **ongoing negotiations with labor partners**. While the specifics have yet to be identified, we recognize that we need to work even more strategically with our labor partners to identify possible changes to staffing allocations. This strategy has been successful in other districts and we seek to see what this type of partnership can yield for OUSD.
- d. Begin the restructuring work to support the District's operational future using our financial models and goals for quality outcomes for students and improved alignment of spending in labor and non labor costs to achieve a sustainable district. This would include the adoption of Scenario 1 or 2, recommendations for additional reductions as noted above. By adopting Scenario 3 or Scenario 4, you do indeed begin the Restructure work, which includes a tremendous amount of work and engagement by the entire community.

3. Multi-Year Restructuring Plan Commitment

Ultimately, we are faced with a choice - do we want to constructively tackle the District structure that has caused so much consternation - and ultimately failed - our community? I believe we must, once and for all, lead OUSD out of the cycle of year-to-year fiscal survival and repeated generational academic failure for the benefit of current and future generations of Oakland children.

But we will not do this alone. I may not be the Superintendent to implement this work or see it through the finish line. You may not be on the Board to see it through. That is why we need our community to own it. If our community owns it, no superintendent or elected school board can derail it - even as it evolves to meet the needs of our community.

To do this, **I need the Board to sincerely pledge to a robust District restructuring engagement process from January through June 2026.** After a deep and meaningful community engagement process this spring, the Board can vote on a **multi-year District restructuring plan in June 2026.** Staff can then begin implementation with phased and periodic checkpoints and decision points over the course of the multi-year plan. **In the meantime, staff will continue to manage the District's cash flow and prepare for the development of options to leverage cash needs as decisions are finalized.**

From where I sit, there is no feasible or reasonable alternative. The District must be restructured- Schools and Central Offices. If the Board makes a commitment to truly restructure OUSD, **it must see it through this time.**

So one of my asks of you at the December 10 Board Meeting is that you commit the Board, and thereby the entire District, to engage in a multi-year restructuring planning process with heavy attention to January to June 2026 for significant future year planning and implementation. Your final resolve in your amended resolution 25-2531 is for the Superintendent to present "proposed adjustments totaling \$100.7M." I am asking you to accept reducing the current footprint of the District which includes school closures and mergers, in addition to the reduction in central office networks, reduction of contracts, focusing on minimizing outsourcing, and increased attendance as part of the accompanying significant school closures. As we've seen all over California and across the country, school closures are a growing occurrence. In our local and national economy, we are also seeing business and longstanding institutional restructures happening. We are not exempt from this consideration and responsibility.

I know that together, we can create the conditions for our community to engage not in whether or not we close schools, but how we do so in a way that comes from a place of strength and hope for what is possible for our students, families, and educators.

REVISIONS and UPDATES to ATTACHMENT B - DECEMBER 2025

Attachment B was originally created in 2024 to illustrate what the Board could do to restructure our District. While this report is from a previous proposal, there are areas that are still applicable and could be considered for directing staff to create a plan to restructure our District.

ATTACHMENT B MEMO

Resolution No. 2324-0137 - Proposed Budget Adjustments for Fiscal Year 2024-25

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I.	Executive Summary	

This memo provides a detailed update and analysis of Attachment B, adopted by the Board. The memo is divided into two main sections: Background and Recommendations for Restructuring.

The Background Section articulates the current challenge and further outlines the history and context that preceded the adoption of Attachment B. It begins with the past efforts by the District, dating back to 2017, to achieve fiscal solvency.

The Recommendations for Restructuring Section outline the information District staff continue to provide to the Board. This includes the most recent update on Attachment B areas of budget adjustment that have been shared with the board multiple times since February 2023 in the following areas:

- A. Restructuring of Schools Process ~~Aligned to AB1912~~ (This Legislation has Expired)
- B. Restructuring of Staff Formula to Schools
- C. Restructuring of Continuous School Improvement (CSI) Division
- D. Restructuring of Business/Operations to Centralize Services & Asset Management
- E. Restructuring of School Site Allocations to Centralize Key School Investments and
Revising Accompanying Board Policies to Move from Results-Based Budgeting to a More
Centralized Approach with Clear Criteria for Earned Autonomies

II. Background

A. Current Challenge

As we navigate the intricate landscape of the district's fiscal affairs, a significant challenge continues to loom on the horizon with the impending expiration of one-time state, federal, and private resources after the 2023-24 academic year. These resources have been instrumental in bolstering and sustaining our strategic priorities, infrastructure development, and our ability to address staff retention through increased compensation. The impending conclusion of these funds demands strategic foresight and meticulous planning to ensure a seamless transition without compromising the quality of programming, support services and operations provided to our students, educators and District. Achieving quality, through the coherence of increased efficiency, effectiveness, and sustained and predictable investments across our schools and central departments is the “North Star” for every student and employee of the District.

(Fund 01, one-time grants or grants with spending deadlines)

Updated 12/4/2025

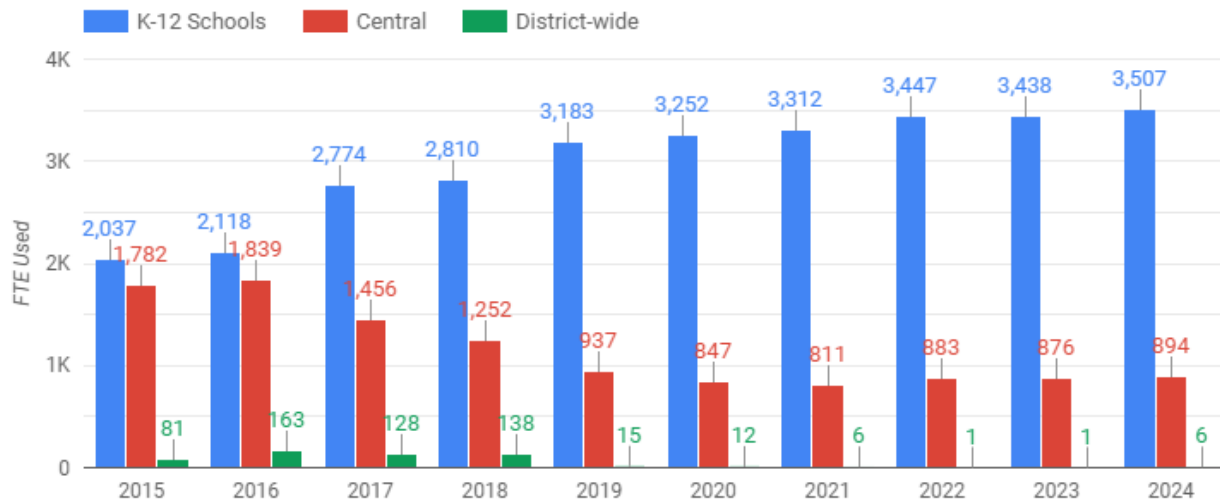


Table 1 – Grants with End Date and Projected Ending Fund Balance for FY25-26

Resource Code	Resource Desc	Resource End Date	Beginning Balance	Revenue Revised	Expense Revised	Net Activity	Resulting Balance
7435	Learning Recovery Emergency	6/30/2028	34,683,011	0	16,475,998	(16,475,998)	18,207,013
6383	Golden State Pathways Program	6/30/2029	11,814,892	0	2,956,600	(2,956,600)	8,858,292
9339	Measure H	12/31/2037	8,926,457	6,263,068	13,770,836	(7,507,768)	1,418,689
6211	Lit Coach & Read Specialist	6/30/2027	7,909,728	3,150,000	3,398,913	(248,913)	7,660,815
9332	Measure G1 Parcel Tx	6/30/2028	7,321,126	6,790,600	13,273,317	(6,482,717)	838,409
9225	Kaiser Health&wellness W/ebcf	6/30/2027	7,144,661	0	4,349,847	(4,349,847)	2,794,814
6332	CCSPP Implementation Grant	6/30/2027	5,269,237	21,582,500	24,513,911	(2,931,411)	2,337,826
9333	Measure N	12/31/2024	1,469,247	(1,462,868)	0	(1,462,868)	6,379
120	BlackThrivingCommunity	6/30/2026	1,081,484	0	692,674	(692,674)	388,810
9038	Eat Learn Play Fdnt	6/30/2026	894,144	1,070,000	1,359,258	(289,258)	604,885
7339	College & Career Access Pathwy	6/30/2027	864,677	150,976	988,153	(837,177)	27,500
9026	SF Fdn R&K Ridell Outdoor	6/30/2026	849,948	528,000	1,266,912	(738,912)	111,036
7413	A-G Learning Loss Mitigation	6/30/2026	745,933	0	606,122	(606,122)	139,811
7412	A-G Access Grant	6/30/2026	567,520	0	372,748	(372,748)	194,772
9043	Stupski Foundation	2/29/2028	266,366	260,000	495,816	(235,816)	30,550
9122	City of Oak Dept of Viol Prev	9/30/2025	204,717	50,000	116,356	(66,356)	138,361
9067	Walter & Elise Haas Fund	6/5/2025	142,665	0	142,665	(142,665)	0
9273	Intrepid Fdnt Light Awards	6/1/2026	46,451	30,000	66,451	(36,451)	10,000
6019	SSPD Discretionary Block Grant	6/30/2029	0	9,513,762	0	9,513,762	9,513,762
7822	Cal Fire Implementation Grant	2/27/2027	0	3,626,098	2,150,447	1,475,651	1,475,651
5846	Human Trafficking Prevention	9/29/2028	(11,888)	511,888	500,000	11,888	0
Sub Total Fund 01 - Resources Projected FdBal > \$0			233,307,428	810,919,347	917,355,457	(106,436,110)	126,871,318

Table 2 – Grants with End Date, Having Beginning Fund Balance and Projected to Be Fully Spent for FY25-26

Resource Code	Resource Desc	Resource End Date	Beginning Balance	Revenue Revised	Expense Revised	Net Activity	Resulting Balance
6762	Arts, Music, IM Block Grant	6/30/2026	11,443,774	0	11,443,774	(11,443,774)	0
6266	Educator Effectiveness	6/30/2026	3,016,769	0	3,016,769	(3,016,769)	0
7085	Prop 47 - LCSSP	12/31/2026	1,710,576	150,000	1,860,576	(1,710,576)	0
9213	Alameda Alliance for Health	6/30/2026	1,253,957	443,223	1,697,181	(1,253,957)	0
7828	Dept of Health Care Access	6/30/2027	1,106,721	3,320,163	4,426,884	(1,106,721)	0
7032	2022 Kitchen Infra & Training	6/30/2026	1,013,261	0	1,013,261	(1,013,261)	0
9243	Association For Continuing Edu	6/30/2025	531,066	502,000	1,033,066	(531,066)	0
7827	Peer-to-Peer Yth Mental Health	6/30/2027	389,791	247,866	637,657	(389,791)	0
9283	Salesforce.org	6/30/2025	377,220	2,878,216	3,255,437	(377,220)	0
9042	Helzel Family Foundation	6/30/2026	322,172	0	322,172	(322,172)	0
9024	Oak Pub Ed - OaklandUndivided	6/30/2024	253,677	0	253,677	(253,677)	0
9342	Golden State Warriors Grant	6/30/2026	251,292	0	251,292	(251,292)	0
7830	CA Serves Grant Program	6/30/2027	249,993	0	249,993	(249,993)	0
9236	Kenneth Rainin Foundation	6/30/2026	226,372	0	226,372	(226,372)	0
9027	ELD Instruction Program	6/30/2027	216,060	0	216,060	(216,060)	0
7826	Commission on Tchr Credential	6/30/2027	148,931	320,000	468,931	(148,931)	0
7820	Ethnic Studies Prof. Dev.	6/30/2026	126,589	0	126,589	(126,589)	0
9201	Schusterman Family Foundation	9/30/2023	98,927	0	98,927	(98,927)	0
9054	Oakland Promise-CalKids	6/30/2026	90,000	0	90,000	(90,000)	0
9269	West Ed	7/31/2023	84,805	15,000	99,805	(84,805)	0
9305	Educate 78 -asp.pri.prg.	6/30/2025	71,473	0	71,473	(71,473)	0
9034	Collaborative for Ed Excl	6/30/2023	60,000	0	60,000	(60,000)	0
9139	Zellerbach Family	5/31/2026	50,100	50,000	100,100	(50,100)	0
9341	Tides Center	12/31/2025	43,220	473,074	516,294	(43,220)	0
9206	Alam.cty.pub.health-health&wel	9/30/2026	38,175	103,920	142,095	(38,175)	0
9141	Stuart Foundation	6/30/2023	28,563	0	28,563	(28,563)	0
9051	BA K-16 Collab-UC Berkeley	5/31/2025	20,470	0	20,470	(20,470)	0
9053	American Instit. of Research	12/31/2026	17,150	4,750	21,900	(17,150)	0
9209	New Tchr Ctr-sidney Frank	6/30/2023	12,321	0	12,321	(12,321)	0
9096	Music - Instruments	Ended	9,429	0	9,429	(9,429)	0
9289	Oak Ed Fund Aagls	Ended	6,090	0	6,090	(6,090)	0
9197	Chvrn Grp - Pri Lead The Way	Ended	5,355	0	5,355	(5,355)	0
9018	Oppenheimer Family Foundation	Ended	4,002	0	4,002	(4,002)	0
9215	MHSSA Partnership Program	12/31/2026	3,370	300,000	303,370	(3,370)	0
9295	Share Our Strength	7/31/2025	3,368	100,000	103,368	(3,368)	0
9277	SF Fdnt OaklandPublicEdFund	6/30/2023	3,212	0	3,212	(3,212)	0
7823	Diverse Ed Leaders Pipeline	6/30/2027	2,956	170,000	172,956	(2,956)	0
9297	Baphr - Lgbtq Supprt	6/30/2023	1,534	0	1,534	(1,534)	0
9062	ConnectED	9/30/2023	1,426	0	1,426	(1,426)	0
9316	PCY 360/365 Grant	Ended	1,363	0	1,363	(1,363)	0
9037	National CTR BEI	6/30/2026	1,259	120,000	121,259	(1,259)	0
9291	Silvergiving Fndatn	Ended	851	(851)	0	(851)	0
9017	Bechtel	Ended	432	0	432	(432)	0
Sub Total Fund 01 - Resources Projected FdBal = \$0			23,298,071	9,197,362	32,495,433	(23,298,071)	0

Table 3 – Grants With End Date On A Reimbursement Basis, Projected To Be Fully Spent for FY25-26

Resource Code	Resource Desc	Resource End Date	Beginning Balance	Revenue Revised	Expense Revised	Net Activity	Resulting Balance
5812	Envir. Protection Agency Grant	4/30/2030	0	14,488,020	14,488,020	0	0
6387	CTE Incentive Grant	12/31/2025	0	1,761,966	1,761,966	0	0
6388	K12 Strong Workforce Grant	6/30/2026	0	1,603,914	1,603,914	0	0
7810	Other State	6/30/2027	0	1,495,836	1,495,836	0	0
9052	Alameda County Office of Ed	5/31/2025	0	1,372,730	1,372,730	0	0
7832	Dept of Toxic - ECRG	9/30/2026	0	1,182,300	1,182,300	0	0
7220	Partnership Academy Program	6/30/2026	0	917,960	917,960	0	0
7816	CalNEW Grant CDSS	6/30/2027	0	678,654	678,654	0	0
7831	CA Dept of Parks and Rec	6/30/2027	0	632,000	632,000	0	0
9019	Cross-Age Mentoring Program	9/30/2026	0	549,200	549,200	0	0
3550	CTE 21st Century Perkins V 131	6/30/2026	0	520,864	520,864	0	0
9121	Oakland Fund Children & Youth	6/30/2026	0	517,085	517,085	0	0
7813	CDFA Farm to School Innovation	12/31/2026	0	508,305	508,305	0	0
6385	Career Technical Ed Initiative	6/30/2027	0	471,365	471,365	0	0
9055	Oakland Children's Initiative	6/30/2026	0	385,000	385,000	0	0
4201	Title III Immigrant Student	6/30/2026	0	376,882	376,882	0	0
5844	Healthy Oakland Teens	7/31/2029	0	360,000	360,000	0	0
5813	U.S. Department of Labor ETA	9/30/2026	0	291,451	291,451	0	0
6054	Early Educator Teacher Develop	12/31/2025	0	287,325	287,325	0	0
5821	USDE Mental Health Counseling	12/31/2027	0	270,000	270,000	0	0
7817	CA Opport Youth Apprenticeship	12/31/2026	0	258,809	258,809	0	0
7811	Refugee Program Bureau-NC	6/30/2026	0	253,220	253,220	0	0
7824	PHI Afghan Refugee Schl Impact	6/30/2026	0	203,541	203,541	0	0
6386	Green Tech Partnership Acad	6/30/2026	0	188,536	188,536	0	0
9050	CA Apprenticeship Initiative	6/30/2026	0	164,846	164,846	0	0
6690	Tupe Grade 6-12 Tier 2	6/30/2026	0	115,573	115,573	0	0
5630	Homeless Children & Youth	6/30/2027	0	103,087	103,087	0	0
5857	Enrollment Stabilization Prog	9/30/2025	0	101,400	101,400	0	0
6271	Teacher Incentive Program	12/31/2029	0	95,000	95,000	0	0
9154	Alder Grad School of Education	6/30/2026	0	79,500	79,500	0	0
9064	K-16 ED Collaboratives Grant	6/30/2026	0	65,000	65,000	0	0
9066	National Park Foundation:	6/30/2025	0	60,000	60,000	0	0
9068	CA Ass for Leading Innov in Ed	7/30/2026	0	50,340	50,340	0	0
9065	Koshland Foundation	6/30/2026	0	50,000	50,000	0	0
5811	Adult Transition Partnership	6/30/2026	0	44,092	44,092	0	0
5856	DOJ COPS Sch Violence Prev Prq	12/31/2025	0	38,447	38,447	0	0
9235	Altamont Education Advisory	6/30/2026	0	31,000	31,000	0	0
5814	USDE Oakland Promise	12/31/2025	0	22,320	22,320	0	0
9180	Measure Y City Of Oakland	9/30/2025	0	21,500	21,500	0	0
Sub Total Fund 01 - Resources On Reimbursement Basis			0	30,617,068	30,617,068	0	0
Total for Fund 010			256,605,499	850,733,777	980,467,958	(129,734,181)	126,871,318

One-Time Resource	Total Resource Amount
ESSER III Res 3213— Expires 9/2024	\$71M
State Reserve ESSER III Res 3216— Expires 9/2023	\$1.8M
Expanded Learning Opportunity Grant Res 2600— Ongoing	\$1.6M
In Person Instruction Grant Res 7422— Expires 9/2024	\$1.8M
Proposition 47 Learning Communities for School Success Program (LCSSP) Res 7085— One time Resource	\$1.5M
Learning Recovery Emergency Block Grant Res 7435— Expires 6/2028	\$46.3M
Arts Music Instructional Material Block Grant Res 6762— Expires 6/2026	\$18.9M
Early Literacy Block Grant Res 7812— One time Resource	\$2.3M
Rainin Foundation Res 9237— Annual Application	\$1.7M
Salesforce Res 9283— Annual Application	\$6.9M

B. History and Context

In 2017, the District was in significant financial distress. According to an analysis conducted at the time: “Of particular concern [was] deficit spending, substantial reductions in fund balance, inadequate reserve levels, approval of bargaining agreements beyond cost-of-living adjustments, large increases in contributions to restricted programs, especially in special education, lack of oversight for position control that allows positions to be added before verification of funding and board approval, breakdown in leadership with excessive turnover, and the inability of the governing board to hold accountable administrators who have been allowed to overspend budgets and override board policy.”¹

The District’s response to its fiscal reality involved both short- and long-term components. First, the Board approved midyear budget reductions later in the 2017-18 school year; these cuts were painful but necessary to stave off additional county intervention and a possible second state takeover. After that, the District conducted an in-depth analysis of the District’s challenges and their root causes. That analysis identified “severe budget challenges, central office operational effectiveness needs, and a disproportionate facilities footprint to the size of our student population.”²

¹ Fiscal Crisis and Management Assistance Team, August 15, 2017, “Oakland Unified School District: Fiscal Health Risk Analysis,” p. 44 (available as Appendix C).

² Oakland Unified School District, Community of Schools Citywide Plan (“CWP”), p. 6 (available as Appendix D).

In response, the Board adopted two multi-year plans: the *Fiscal Vitality Plan* (“FVP”), which listed 23 “recommendations for action” to improve the District’s fiscal health, and the *Citywide Plan* (“CWP”), which established (in concert with the FVP) the District’s approach to “simultaneously make improvements in financial stability and key central office systems and functions to support high-quality teaching and learning across the district.” One of the CWP’s key components was the Blueprint for Quality Schools (“Blueprint”), the purpose of which was to “identif[y] a fiscally sound number of schools given OUSD’s projected student population for 2023 [with] optimal locations for schools and where high-quality options are needed.” As described in the CWP, the rationale for the Blueprint was as follows:

While we address our structural deficit, we must also continue to transform our schools as more Oakland families actively seek innovative school programs. If [families] don’t find the school options they are looking for within OUSD, they will vote with their feet and look outside of our district.

We all want well-resourced, high quality schools with innovative programs in every neighborhood. And, to create the necessary conditions in all of our schools, the following must be true:

- 1. All schools must have high quality teachers and principals, which means we need to compensate employees competitively on an ongoing basis to retain our best talent.*
- 2. All schools must be adequately staffed, so we can support teachers and leaders in creating a quality learning environment for students.*
- 3. All schools must have sufficient academic and enrichment resources and programs.*

To invest more in our schools so they are properly resourced and staffed and to reimagine our school programing options requires us to engage in the tough and painful work of both right-sizing our school district-getting to fewer schools, of a sustainable size, with more resources—WHILE reimaging the type of school programs we offer.

In other words, the District did not have sufficient resources to fully support all of its existing schools at the level that the District sought to fund them and that the schools needed in order to offer a high quality education. Therefore, in addition to addressing its structural deficit, the District sought to reduce the number of schools it operated so that the remaining schools could be “properly resourced and staffed.”

The Alameda County Office of Education (“County” or “ACOE”) and the State also got involved, offering support to the District and applying pressure on the District to keep it on track—in general, towards ensuring fiscal solvency and offering a high quality education and, more specifically, towards school consolidations. In addition to the County’s oversight role under AB 1200 (that monitors the fiscal health of the District) and the existence of the County Trustee, the County created the Intensive Support and Technical Assistance (“ISTA”) team to push into the District to support key initiatives identified in the FVP and the CWP. The County provided regular reports to the Board on the District’s progress with respect to those initiatives.

At the state level, the Legislature approved and the Governor signed Assembly Bill No. 1840 (“AB 1840”) in Fall 2018. One of AB 1840’s many provisions was to offer one-time payments to the District (and to Inglewood USD) as an incentive to continue to make the difficult but necessary decisions to address the District’s long-term financial needs and to rightsize the District. Under AB 1840, the State would allocate

three one-time appropriations to OUSD for 2019-20, 2020-21, and 2021-22 as long as OUSD met certain conditions established prior to each fiscal year. AB 1840 included a possible list of such conditions, including the “[a]doption and implementation of necessary budgetary solutions, including the consolidation of school sites,” which was later amended to read: “Affirmative board action to continue planning for, and timely implementation of, a school and facility closure and consolidation plan that supports the sale or lease of surplus property.”³ AB 1840 also directed the Fiscal Crisis and Management Assistance Team (“FCMAT”) to analyze the District’s progress and provide the State with an update twice a year on how well OUSD was progressing in general and with respect to the specific AB 1840 conditions. Under AB 1840, the District received allocations of \$514K for 2019-20, \$16M for 2020-21, and \$10M for 2021-22.

In the fall of 2022, School Services of California Inc. (SSC) conducted an organizational structure and staffing review of the Finance Division, Talent Division, and Information Technology Services Department. The review was developed to provide an objective analysis of the District’s current organization structure and staffing as compared to similar school districts

County	District Name ⁴	20-21 Enrollment	# of Schools	2020-21 UPP ⁵
San Bernardino	Fontana Unified School District (USD)	35,461	45	87%
Fresno	Fresno USD	69,709	100	89%
Riverside	Moreno Valley USD	31,593	39	84%
Alameda	Oakland USD	35,489	81	76%
Riverside	Riverside USD	39,443	47	67%
Orange	Santa Ana USD	43,917	54	88%
San Joaquin	Stockton USD	33,943	56	82%

In September 2023, the Fiscal Crisis Management Assistance Team (FCMAT) assigned to support Oakland Unified School District (OUSD) provided an update to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance on the progress the district has made in addressing our financial challenges:

“Essential to the district’s success will be identifying and implementing a comprehensive budget reduction plan that resolves the district’s structural deficit spending pattern. The governing board has not agreed on how to achieve this and has been unable to provide unified, timely guidance to district leaders for implementation. The lack of a comprehensive stabilization plan has resulted in short-term spending adjustments, often made period by period, without regard to

³ This condition, which required the District to continue consolidating schools, was included for 2019-20 and 2021-22. This condition was initially included for 2020-21 but then taken out at the last minute.

⁴ 2020-21 list of schools from DataQuest—does not include district/central office or non-traditional school programs (e.g., charter schools, child development centers, nonpublic schools)

⁵ UPP: Unduplicated Pupil Percentage

the larger context of the district's status or a goal of stabilization. This has reduced or eliminated the positive compounding effect that timely adjustments would provide and has hindered the district's ability to develop and provide timely, reliable financial information for major decision-making. Complete implementation of a fiscal stabilization plan to greatly reduce or eliminate the district's structural deficit is imperative."

As stated in the AB1200 Letter:

- F. "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:
1. Provide ACOE with a Board-approved detailed update on its list of Budget Adjustments by October 31, 2023;
 2. Share additional updates in ACOE's bi-weekly call to monitor the staff and Board's progress with strategic planning;
 3. 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."

As we are approaching the end of the budget development cycle for the SY24-25, February is the month when we must receive board decisions about next year's budget and position changes, as well as any other adjustments that must be made to meet our future financial obligations.

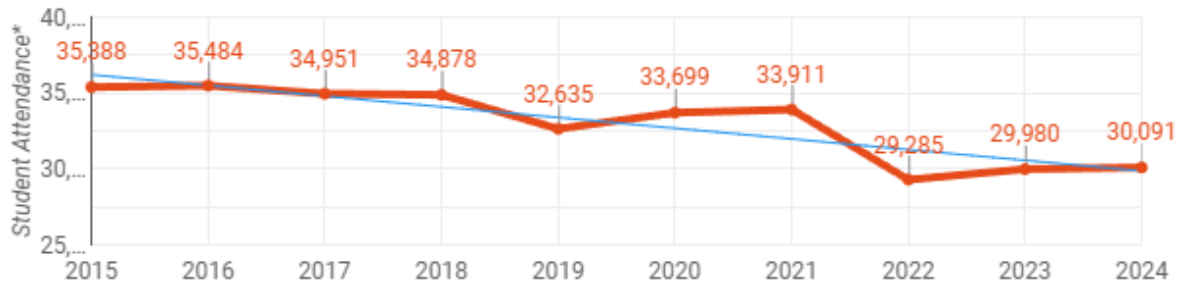
C. Central Office Reductions (2015-2024)

Since the period leading up to the fiscal distress which culminated in 2017, the District has repeatedly engaged in cost reduction efforts aimed largely at staffing reductions in its central operations while simultaneously increasing staffing across its K-12 Schools.

General Fund Staffing: 2014-15 to 2023-24

Staffing reductions in central operations continued until the changing responsibilities and increased resources associated with the COVID pandemic led to slight increases in staffing throughout the District. The timely addition of unprecedented one-time resources supported the increased staffing despite the ongoing trend of declining enrollment and attendance as illustrated below:

K-12 Average Daily Attendance (ADA): 2014-15 to 2023-24



D. Recommendations

Staff has continued to provide the Board with information and updates regarding the Budget development for 2024-25. Below is the most recent update on Attachment B which provides information about areas of budget adjustment that have been shared with the board multiple times since February 2023. These reductions are summarized below.

Item #	Adjustments (savings, cost avoidance, revenue shifts)	Total Resource Amount
1	School Site Allocations- Discretionary (Unrestricted)	(\$0.5M)
2	Adjustment to School Site Allocations- Local Control Funding Formula (LCFF)	(\$2.6M)
	Allocate additional resources only after May revise	_____
3	Merger of District Schools	_____
4	Board Policy 3150 Adjustment	_____
5	Central Office: Continuous School Improvement Redesign	_____
6	Central Office: Legal Department Restructuring	_____
7	Central Office: All other departments Restructuring	_____
8	Adjusted Support toward previous Board Resolutions	_____
9	Review Special Education Program costs	_____
10	Maintaining Small School Investments	_____

11	Revenue shifts from ongoing Supplemental and Concentration to Supplemental and Concentration Carryover and Arts Music Instructional Materials (AMIM)	(\$11.7M)
12	Reduction of consistently vacant positions	(\$1.6M)
Total		\$16.38M
Additions are summarized below		
	Ongoing Enrollment Office Investments (BP 5115)	\$1M
	One Time Investments returning to Base & Other Resource	_____
	Facilities and Deferred Maintenance (BR 19-2526)	\$0

III. Restructuring Recommendations

A. Restructuring of Schools Aligned to AB1912 Process

Analysis after analysis on our District financial dilemmas and low student achievement outcomes has identified a clear problem for Board Leadership to solve concerning the number of schools we operate. This dilemma is not easily solved. However, it is clear that OUSD operates twice as many schools as other similarly-sized Districts. There have been waves of reform efforts that have been implemented in OUSD under the many Superintendents that have led our District. Some have arguably been successful while others have flamed out only to leave behind disappointment and waning trust in the public education system. The recommendation to close and merge schools is action the Board should take to interrupt decades of inefficient spending and prioritizing politics and adults over the success of future generations of students.

While it is unlikely that we operate half the number of schools in our District, the analysis provides insight as to how District resources could be re-invested in fewer schools. **The District does not suggest school closures or mergers with the singular hope of saving money; yet instead, the driver is a deeper investment in student and family programs and services, better outcomes for students, and the ability to pay staff a competitive wage required to live and work in Oakland.**

The Board and school District are guided by our mission that seeks to inspire students and staff alike by “focusing on high academic achievement while serving the whole child, eliminating inequities, and providing each child with excellent teachers, every day.”

Unfortunately, the operational and programmatic infrastructure to fully realize our mission and deliver on our commitments to students, families and educators are not currently in place due to inefficient

spending. Most importantly, the school-based programs and services that could be concentrated in fewer schools is a missed opportunity to implement the mission of our District. Students and families currently access a reduced menu of programs and services because funding is spread too thinly across multiple school sites instead of concentrating funding in fewer schools that would allow for a deeper investment in essential programs and services that support, inspire and retain students and educators throughout our District.

The School Board has the opportunity to implement the Assembly Bill (AB) 1912 process as outlined in legislation and subsequently provide our District with a renewed 5-year vision for a quality public education system in Oakland. **The window to take action and work towards a collective vision for operating fewer schools is diminishing and will likely result in extreme State intervention as experienced 20 years ago if the Board delays any immediate action.** Taking action requires the AB 1912 process be implemented, and a decision adopted by October 2024 to provide the necessary time for families to understand their enrollment options by the opening of the enrollment window in December 2024.

For too long, years of OUSD School Boards have avoided solving the dilemma of operating too many schools and have only intensified the added problems of declining student enrollment, the inability to pay staff a liveable wage, and poor academic outcomes for students.

Few understand the deep and complex financial dilemmas of the District like Board Directors. Therefore, it is important that they connect their commitment to social justice and equity to the difficult decision ahead to address the number of schools we operate through the outlined AB1912 process.

At this point, the Board has openly acknowledged the continued and persistent challenge of our finite resources being too thinly stretched when there remains an excessive number of schools compared to our current enrolled student population and statewide and national declining enrollment trends. Discussions have centered on the repercussions of this surplus, such as limited access to expanded programs and outdated facilities.

It is important to also acknowledge, however, that often overlooked is the dual challenge facing OUSD: the continued abundance of schools alongside a projected worsening teacher shortage.

As an urban school district, OUSD is disproportionately affected by this national teacher shortage, and compounded by the impacts of extreme living costs in Oakland and the greater Bay Area. Efforts in recruitment and retention have been intensified, with our programs serving as national models. **Despite strides made in these practices, the need for qualified teachers escalates with the number of schools. Consolidating schools would mitigate staffing demands and facilitate equitable resource allocation, ensuring every OUSD student receives the quality education they deserve.**

Maintaining surplus schools exacerbates staffing demands, resulting in students being taught by less qualified teachers or experiencing teacher vacancies throughout the year. Consolidating schools improves resource allocation, attracting experienced educators and enhancing the educational experience. Annually, the District contends with at least 30 classrooms without a teacher, impacting hundreds of students. Nearly 36% of our teachers have less than 5 years of teaching experience, and our reliance on emergency permit teachers has doubled in the last five years.

While consolidating schools won't entirely address staffing challenges, it offers a greater likelihood of students having experienced teachers and reduces instances of teacher vacancies. *This is our collective responsibility.* While consolidating schools may present some challenges, maintaining excess schools amidst a worsening teacher shortage neglects our students' right to quality education, which must be our foremost concern.

This item is recommended by staff in conjunction with the Items on Attachment B that this item, Restructuring of Schools Aligned to AB1912 Process, be implemented upon the Board's ratification of Resolution No. 2324-0137 - Proposed Budget Adjustments for Fiscal Year 2024-25 and Restructuring Recommendations for 2025-26.

B. Restructuring of Staff Formula to Schools

The Board is recommended to direct staff to take the remainder of this calendar year and adopt an Oakland base staffing formula that assigns key supplemental staff to every Oakland District school instead of the approach that is taken now to provide dollars to sites in the hope that schools will invest in key positions. This recommendation would need to be in place by December 2024 in order for the cascade of activities needed to successfully implement this supplemental staffing approach.

The outcomes for students have been flat and uneven for too many years for us not to take action on the supplemental staffing formulas at school sites. Additionally, the Central Office infrastructure needed to implement a fee for service model that has been left-over from the Results Based Budgeting (RBB) phase of our budgeting approach is not attainable given the overall financial dilemmas in our District. In the early 2010's, the District shifted to some of the provisions under Board Policy 3150⁶, (most noticeably, a teacher to student ratio and the assignment of basic school staff) without addressing the areas of the District financial system that needed to be updated after the removal of RBB.

⁶ The Board Policy on Results-Based Budgeting provides policy direction to the Superintendent regarding the Oakland Unified School District's continuous budget development process. The Board Policy on Results-Based Budgeting is directly aligned to and builds upon Board of Education policies on School Governance and Quality School Development.

This resulted in an uneven approach to budget development that even now persists. Moreover, some schools do not always spend the entirety of their school-based funds. While certainly unintentional, this reality is often the result of the everyday demands and challenges placed on school leaders that often prohibit them from the detailed level of financial management required, leaving behind valuable resources to school communities.

The recommendation for a new staffing formula does not end school site decision-making, rather, it allows for the most strategic use of multiple funding sources to be braided together to maximize the services at school sites.

School sites would still receive site-based allocations; however, this would occur *after* the basic and agreed upon staffing for each school was in place. The impact of this approach to budgeting may seem insignificant. However, the ability for programmatic alignment and coherence to be in place to assist in the implementation of key District strategies would be groundbreaking. There are benefits to assigning the supplemental staffing at school sites from programmatic and financial services perspectives while not impacting the services at school sites. Taken together, the implementation of AB 1912 processes and defining the Oakland base staffing would lead to the maximization of services our students should access in alignment with our District vision, mission and Strategic Plan.

This item is recommended by staff in conjunction with the Items on Attachment B that this item, Restructuring of Staff Formula to Schools, be implemented upon the Board's ratification of Resolution No. 2324-0137 - Proposed Budget Adjustments for Fiscal Year 2024-25 and Restructuring Recommendations for 2025-26.

C. Restructuring of Continuous School Improvement (CSI) Division

Restructuring of the Continuous School Improvement (CSI) Division was presented to the Board in August 2023 and implementation of remedies to address the themes outlined in the Public Works Report is underway. The recommendations were the following:

Theme	Recommendation
1	CSI Restructuring: Realignment of 25 positions within CSI to be more productive, eliminate 29 positions and create 6 positions.
2	Strong need to improve small schools to improve CSI services.
3	Lack of Accountability: Use of data-driven decisions to achieve strategic goals.
4	Lack of collaboration among CSI Departments and with Network Superintendents.
5	Lack of Clear Communication District-wide.

6 Better Balance between site autonomy and central office non-negotiables.

Themes 1 (*CSI Restructuring*), 3 (*Lack of Accountability*), and 4 (*Lack of collaboration among CSI Departments and with Network Superintendents*) are being implemented together because they are deeply connected to the way CSI Departments and Network Superintendents collaborate. Theme 2 (*Strong need to improve small schools to improve CSI services*) was addressed in the section above recommending the Board implement the AB 1912 process. Themes 5 (*Lack of Clear Communication District-wide*) and 6 (*Better Balance between site autonomy and central office non-negotiables*) are district-wide dilemmas that have not been the focus of this redesign effort. However, an approach to begin addressing Theme 6 is discussed above in the supplemental staffing formula recommendation.

The CSI Division will be restructured so that services that support schools are supervised and directed by the Network Superintendents. This does not make the Executive Director of a Department obsolete because the programmatic guidance will still be developed by the appropriate Department. Yet, the decision to direct services to particular schools will be under the direction of the Network Superintendent because they are the most knowledgeable of site-level support needs.

Additionally, the recommendation to change the Academic Structure to situate underneath the Network Superintendent to address improved coherence, collaboration, and communication is being implemented. The Network Superintendents would supervise the academic program and the grade-span specific Executive Director. A picture of how this structure has changed over-time is below:

Academic Year	Structure Change
2022-2023	The Executive Director of Academics and Instructional Innovation reported to the Chief Academic Officer.
2023-2024 <i>[This Year]</i>	A temporary structure was created: Director of Elementary Instruction Reports to Elementary School Network Superintendents; Director of Literacy reports to Elementary School Network Superintendents; Director of Secondary Instruction reports to High School and Middle School Network Superintendents.
2024-2025 <i>[New Structure]</i>	Elementary Executive Director supervised by Elementary School Network Superintendents; Secondary Executive Director supervised by High School and Middle School Network Superintendents.

Each year, school-based surveys are collected from school principals. Within the data collected, there were concerns that emerged from principals that there are Department Partners that are not accountable to being at school sites. In some cases, there was no predictable schedule for the school to know when a Department Partner would be on site to work with the school. This lack of clarity causes schools to feel like Department Partners are not worth the investment. To address this concern, Department Partners began providing schedules that specified a predictable schedule of support for schools to follow. **The Network Superintendent is responsible for setting a predictable schedule with the Department Partners and the Department Executive Director is responsible for ensuring that the**

Department Partner is supporting schools to implement District programmatic guidance. This is an example of how our Network Superintendents and Department Leaders are approaching dual supervision of the Department Partners. Additionally, the Public Works Report proposed the creation of the following Directors to be part of the Network School Support Teams: Director of Equity, Director of Community Schools, Director of English Language Learner and Multilingual Achievement (ELLMA). These additions are not possible due to the need to significantly decrease investments district-wide.

Lastly, the recommendation for the Early Childhood Education (ECE) Department to be eliminated will not be implemented and the hiring for the Executive Director of Early Childhood Education is underway. This decision is based on the level of management needed to implement The Oakland Children's Initiative which is resulting in increased funding to expand early childhood programs and services. There are, however, structural changes that are necessary as we learn more about the expectations for expanding services in the preschool setting. The Chief Academic Officer and the new Executive Director of ECE will make changes to the structure in the near future.

Future restructuring changes may be needed as funding to central services is decreased in order to continue to mitigate funding small schools.

This item is recommended by staff in conjunction with the Items on Attachment B that this item, Restructuring of Continuous School Improvement (CSI) Division, be implemented upon the Board's ratification of Resolution No. 2324-0137 - Proposed Budget Adjustments for Fiscal Year 2024-25 and Restructuring Recommendations for 2025-26.

D. Restructuring of Business/Operations to Centralize Services

OUSD operations departments will conduct a feasibility study in the 2024-25 school year to identify cost savings in key operation areas for the District. This would involve a comprehensive examination of current spending, resource allocation, and operational efficiency across critical areas including administration, procurement, facilities management, transportation, utilities, technology services, and safety investments with the support of the Chief Systems and Services Officer (CSSO) team. This study would identify potential areas for cost reduction without compromising the quality of education and services provided to students. By leveraging data analysis of school site spending in these areas, stakeholder feedback, and best practices in educational management, the study proposes actionable strategies that could include streamlining administrative processes, optimizing facility energy use, renegotiating vendor contracts, adopting cost-effective technology solutions, and reevaluating transportation routes. The ultimate goal is to enhance financial sustainability and allocate more resources directly to student learning and support services, thereby improving educational outcomes while ensuring fiscal responsibility. Again, achieving quality, through the coherence of increased efficiency, effectiveness, and sustained and predictable investments across our schools and central departments is the "North Star" for every student and employee of the District.

Below are the key areas the feasibility study will address:

Operational Area(s)	Summary
Copiers, Printers, Printing Costs, and Toner Costs	Centralizing copier and printer options can lead to substantial cost savings, particularly in printer and toner expenses and paper usage. By consolidating these devices into fewer, more efficient models, OUSD may be able to benefit from reduced energy consumption and lower maintenance costs due to the decreased need for servicing a wide variety of machines. Bulk purchasing of toner and paper for centralized printers can also significantly reduce costs.
Centralized Fleet Management	Currently OUSD's vehicles are managed by each department individually, including the procurement of vehicles, gas, maintenance, and smog. This would be centralized. Centralizing Safety Systems: Centralizing key safety tools to key site investments such as Walkie Talkies and Visitor Management Systems, can support increased safety systems in schools. Likely not a cost savings, but will significantly enhance the level of service and safety provided to schools.
Safety Investments	By implementing a unified approach, schools can ensure a streamlined, consistent communication channel across the campus, enabling quick responses in emergencies and facilitating better staff coordination. The Visitor Management System enhances security by providing a robust method to track and manage all visitors, ensuring that only authorized individuals can enter school premises.
Centralizing Procurement	Centralizing the procurement of school supplies, furniture purchases, and managing utilities can lead to substantial efficiencies and savings for educational institutions. By adopting a unified procurement strategy, schools can leverage bulk purchasing to secure lower prices on supplies and furniture, ensuring both quality and consistency across classrooms while minimizing costs.
Mail Services	Streamlining mail services within the district post-pandemic represents a strategic approach to reduce operational costs, though it may introduce potential service delays.

The projected cost savings will take multiple years to develop the district's cost savings or cost avoidance. These projections are after 3 years of implementation.

Operational Area(s)	Operational Impact	Fiscal Impact
Copiers, Printers, Printing Costs, and Toner Costs	Centralized copier and print options typically offer better controls for managing print jobs, which can lead to further savings by reducing unnecessary printing, promoting double-sided printing to save paper, and allowing for more accurate monitoring and replenishment of consumables. This approach streamlines operations and encourages more responsible printing practices, reducing waste and operational expenses. Overall, the move towards centralizing copier and printer options can contribute to a more cost-effective, efficient, and environmentally friendly printing environment within an organization.	Up to \$500,000 annually after 3 years.
Centralized Fleet Management	Centralizing fleet management will allow us to save monthly, project life cycle costs, and better vehicle maintenance and gas prices.	Potentially 1-5% cost avoidance after 3 years as we improve efficiency.
Safety Investments	By implementing a unified approach, schools can ensure a streamlined, consistent communication channel across the campus, enabling quick responses in emergencies and facilitating better staff coordination. The Visitor Management System enhances security by providing a robust method to track and manage all visitors, ensuring that only authorized individuals can enter school premises.	No savings.
Centralizing Procurement	This centralized approach simplifies procurement, reducing administrative overhead and allowing for better negotiation with suppliers. Additionally, managing	Up to \$500,000 annually or projected cost avoidance in 3 years

	utilities centrally can optimize energy consumption across buildings, leading to significant savings.	
Mail Services	Consolidating mail operations, such as centralizing sorting facilities or reducing the frequency of deliveries, can significantly lower expenses related to transportation, labor, and maintenance of facilities.	Up to \$100,000

Below are the key quarterly milestones towards completion of the proposed 2024-25 feasibility study to identify cost savings in key operation areas for the District:

Operational Area(s)	Key Quarterly Milestones
Copiers, Printers, Printing Costs, and Toner Costs	Key quarterly milestones include a 3rd Party Assessment, selecting a vendor to support the centralization, and developing an implementation plan across the schools and departments over the 2025-26, and 2026-27 school years.
Centralized Fleet Management	Key milestones would be assessing current practices Tech Services, Nutrition Services, B and G, Facilities, Warehouse, Academics, Risk Management, and any other departments that currently manage a fleet of vehicles and identify opportunities for improvement and savings.
Safety Investments	Key implementation milestones for this initiative would include the selection of technology platforms that meet the specific needs of the school environment, training for staff on how to effectively use these tools, integrating these systems into the school's existing security infrastructure, and regular drills to ensure readiness.
Centralizing Procurement	Key implementation milestones in this strategy include conducting a comprehensive audit of current procurement practices and utility usage, identifying preferred vendors and products, negotiating contracts that leverage the institution's consolidated purchasing power, and implementing tracking systems for monitoring consumption and expenditures.

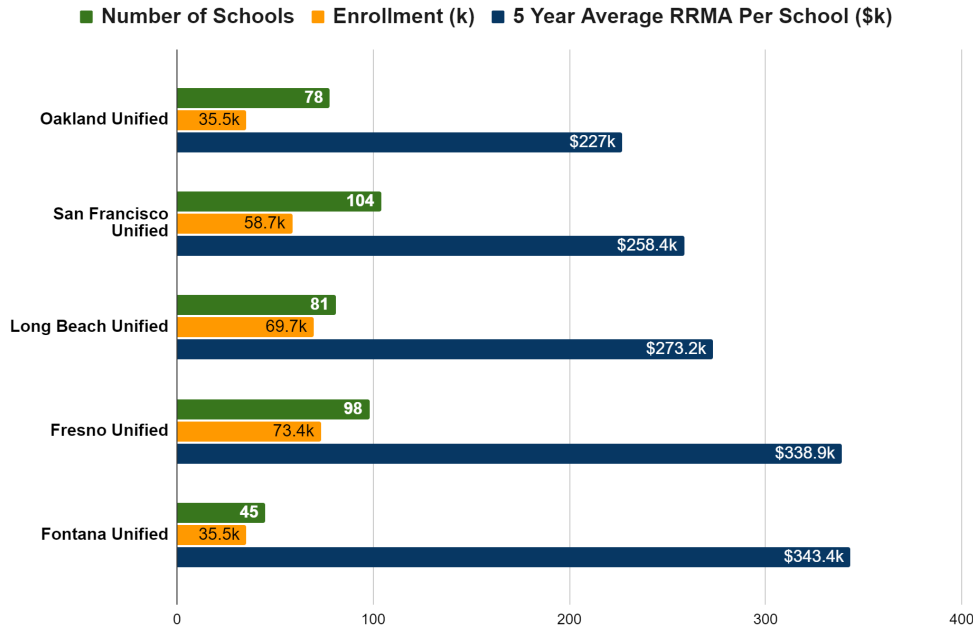
Mail Services	Implementation milestones for optimizing mail services include evaluating current mail flow and volumes, identifying areas for consolidation, upgrading to more efficient sorting technologies, and retraining staff for new protocols that align with other deliveries.
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Furthermore, regarding the management of District assets, the Board must adopt a strategy that accounts for the enrollment and demographic shifts across the City of Oakland, while remaining attuned to the evolving needs of past, current, and future families.

As enrollment increases or declines, the District must continue to adjust how facilities are used to maximize student opportunities. OUSD manages a diverse portfolio of 108 sites, spanning 482 acres across the City of Oakland. Our presence in the community is significant with 73 sites exclusively supporting District-run K-12 schools and an additional 35 sites serving the needs of Early Childhood Education, charter schools, and critical school support services to OUSD. Yet, challenges persist, with twice as many schools as similar size districts and 8 vacant sites awaiting strategic development. This creates- in part, and in sum with the larger aforementioned context and challenge- an abnormal burden on the District's finances and capacity to ensure that all students experience the safe and joyful schools they deserve.

Based on the current age and condition of our buildings, all OUSD sites require significant ongoing maintenance to both sustain the condition of the properties *and* update them to the 21st century learning standards required to prepare our students for college, career and community success. For example, over the last 5 years, the 8 vacant properties mentioned above have cost OUSD over \$1M to manage their maintenance and safety. While two of these vacant sites have been leased for affordable and workforce housing, complexity in development has slowed progress and further exploration is underway to maximize the revenue and community impact potential of these assets. Another vacant site has been developed as a shared-space for community programs, services, and resources.

Underutilized sites, which students and staff do not use to their fullest capacity, also require substantial facilities maintenance each year given the median age of our buildings, which is 75 years old. Retaining the same portfolio of schools and buildings across the district necessitates annual maintenance tradeoffs that result in poorly maintained campuses where students are being served daily. As an example, Fontana Unified, which serves the same number of students as OUSD but has 33 fewer campuses, is able to invest \$120k more than Oakland in the routine maintenance of *each* of its school facilities.



To optimize our properties' use to support the district's vision, we must evaluate opportunities such as property sales, reimagining school configurations to enhance academic programming, and alignment of our long-term vision for school facilities with an eye toward fiscal solvency *and* quality programming.

To facilitate this process, our staff is adding to a comprehensive database of district properties, to integrate property valuations and reuse recommendations that will support the long term health of the district and create strategic advantages for the District. We aim to generate revenue, maintain strengthened community partnerships, support the needs of our staff and address urgent needs while sustaining our educational mission. We urge the Board to prioritize student and district needs now and into the foreseeable future and consider proactive measures to create flexible learning environments, ensuring the longevity of our educational infrastructure.

This item is recommended by staff in conjunction with the Items on Attachment B that this item, Restructuring of Business/Operations to Centralize Services, be implemented upon the Board's ratification of Resolution No. 2324-0137 - Proposed Budget Adjustments for Fiscal Year 2024-25 and Restructuring Recommendations for 2025-26.

- E. Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies to Move from Results-Based Budgeting to a More Centralized Approach with Clear Criteria for Earned Autonomies

The District currently has the following Board Policies which primarily impact budget, allocations, and prioritization and will need to be reviewed. It is the District's intent to provide recommended

amendments to provide symmetry and updates based on the Board's Goals and District's requirements for sustainability. The policies listed below are the initial policies identified and may be expanded to include other policies and may include related resolutions to ensure a comprehensive review:

- BP 3150 - Results Based Budgeting
- BP 3625 - School Governance
- AR 3625 - School Governance & SSC Procedures Guide
- BP 5115- Enrollment Stabilization
- BP 6005 - Quality School Improvement
- BP 6006 - Quality School Development: Community of Schools
- BP 5116.1 - Open Enrollment

This process will take minimally one year to complete.

This item is recommended by staff in conjunction with the Items on Attachment B that this item, Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies to Move from Results-Based Budgeting to a More Centralized Approach with Clear Criteria for Earned Autonomies, be implemented upon the Board's ratification of Resolution No. 2324-0137 - Proposed Budget Adjustments for Fiscal Year 2024-25 and Restructuring Recommendations for 2025-26.

IV. Conclusion

The Board is aware of the current dilemmas and difficult decisions required to address them. These recommendations have been diligently provided by staff through detailed analysis, continued feedback and documented engagement. The successful implementation of any restructuring will require decisive action by the Board. This memo also outlines the time necessary to effectively execute on the recommendations provided.

V. Appendices

- A. School Services Reorganization Recommendations: Talent Department
- B. School Services Reorganization Recommendations: Technology Department

APPENDIX A

To: Board of Education
From: Tara Gard, Chief Talent Officer
Date: January 18, 2024
Subject: Update: [School Services Reorganization Recommendations](#) [Talent Division]

Background: In October 2020, the District contacted School Services of California (SSC) and requested a staffing and department organizational structure analysis of Business Services and Talent Divisions in response to a 2018-19 requirement by the Fiscal Crisis Management and Assistance Team's recommendation for the District's Fiscal Vitality Plan and in conjunction with the tenants of Assembly Bill 1840.

Purpose: This memo details the status of each recommendation related to the Talent Division. School services provided three recommendations of which two are completed and one is pending completion.

School Services Recommendation #1:

Reorganization of the Talent Division to minimize the separation of duties and increase the integration of services for employee support for schools and the central office, human resources operations, and recruitment, residency, and retention services to assist in cross-training, increased staff capacity, and allow for flexibility to serve in high-need areas.

- **Status:** Completed
- **Status Detail:** Historically, there have been many reorganizations to the Talent Division. Specifically, reorganizations occurred in 2005, 2009, 2011, 2015, 2017 and 2022. Arguably the repeated reorganization in response to the District budget uncertainty has impacted the services and stability of the Division. Organizational charts can be viewed by clicking the links: [2013](#), [2016](#), [2017](#), [2023](#). Previous reorganization reports: [2012 BOE approval plan](#), [2013/14 plan](#), [2018 Executive Brief Study](#)

Although there have been many reorganizations of Talent we are in agreement that further alignment is needed to minimize the separation of duties and increased cross-training and collaboration within the teams. Following the school services report there has been a great deal of work completed as a Division to name our core functions, align to district goals and our division vision and mission.

*The following changes were made for the **2023-24** in response to the school services report:*

Position Title	Description of Change	FTE Impact
Director, HR Operations	Elimination of the Director, HR Operations position. This position managed the system operations,	-1.00

	compensation & classification and audits. The work of this position was integrated into the Director, Business Analytics that is responsible for data reporting. In addition, each Director within the Division is responsible to be responsive to district audits as related to their area of expertise within the Division. This allows for more collaboration and cross-training amongst the team as it relates to audits and operations. The positions direct reports moved under the oversight of the HR Services & Support team, including benefits.	
Manager, Substitute Services	Elimination of Manager, Substitute Services. This position elimination effectively ended the “substitute office” within the Talent Division. The work of substitutes was distributed throughout the team. The substitute office was responsible for recruiting, monitoring credentials, performance and the substitute system for classified and certificated substitutes district-wide. This work has moved and is embedded in the Recruitment & Retention teams and Employee Support teams. There is no longer a “specialized substitute office” in Talent.	-1.00

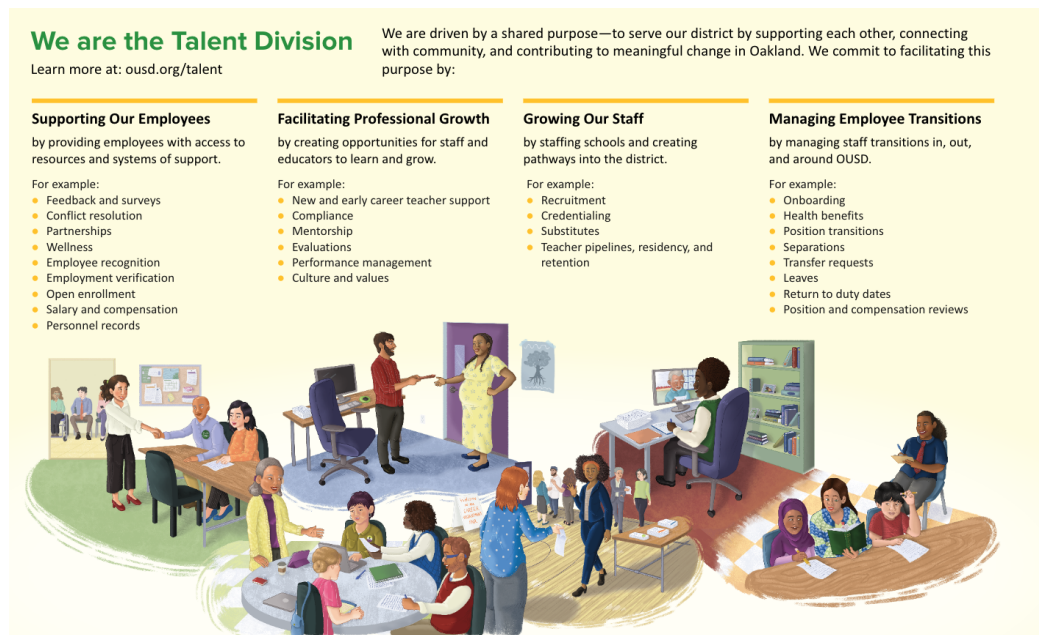
The following changes are proposed for the **2024-25** school year in response to the school services report:

Position Title	Description of Change	FTE Impact
Coordinator, Retirement	The Human Resources department does not have a retirement specialist or anyone on the team that supports exiting employees with retirement and those returning to work as a retiree. This position will be created to meet the need of this critical role.	+1.00
Employee Support Specialist	The Employee Support Specialist role primarily supports the onboarding and employee changes including layoffs, position changes and transfers. In an effort to cross change and eventually reduce the staff the Employee Support Specialists will begin completing the data entry into the HRIS system. Currently, there are positions within the Division that are responsible for data entry. This work will begin to shift in the 23-24 school year resulting in an elimination in the 25-26 school year of the position responsible solely for data entry.	n/a

The following changes are proposed for the **2025-26** school year in response to the school services report:

Position Title	Description of Change	FTE Impact
Employee Information Systems Analyst	This position is currently responsible for data entry. We will work through the 23-24 school year embedding the data entry function into the Employee Support specialist role and eliminate the position in 25-26	-1.00

Note: There are a number of grant funded positions within the Talent Division which will be evaluated for sustainability year to year.



School Services Recommendation #2:

Revision of job titles for Division positions, as well as modification of the Division name to align with industry standard - this will provide clarity in the position's role and improve efficiency within the Division which is an important consideration related to adjustments in staffing levels.

- **Status:** Completed
- The Talent Division name will remain the same. School services may have not realized that "Talent Division" is in reference to a Division. Within the Talent Division there are several departments/functional areas which include: Human Resources, Talent Development, New Teacher Support & Development and PAR. This does meet industry standards. In fact, other

Districts often have more FTE within the subsequent departments, especially related to Talent Development and New Teacher Support & Development.

There has been work to revise a few job titles within the Division. Specifically, the staff working with credentials were in a job title called "Employee Support Specialist". These positions were revised and are now in the industry aligned title "Credential Associate".

School Services Recommendation #3:

Assessment of clerical and administrative support in Division to align with support needs, and also evaluate positions in the confidential classification to determine if they are appropriately classified.

- **Status:** [Pending](#)
- There are 174 classifications that are currently listed under "confidential". 91 of the classifications are not currently in use however they are current classifications that need to also be evaluated. These positions have been evaluated for a move to union representation and/or unrepresented. The evaluation can be found [here](#). This process is underway as it requires negotiation with represented unions and engagement with impacted employees. Essentially these employees have not been paying union dues and will likely shift to paying towards union dues. Some will become eligible for annuity which they have not been eligible for previously that is an improved benefit. These changes also impact days work, sick leave allocation, evaluation timelines and other employee impacting compliance rules and regulations. Ultimately, after the union discussions and approval the changes will be brought to the Board of Education for final approval.

The assessment of the clerical and administrative support within the Talent Division indicates that there is a need for additional support. However, given the current budget and prioritization of needs we are not seeking additional FTE to meet this need at this time.

APPENDIX B

To: Board of Education
From: Susan Beltz, Chief Technology Officer
Preston Thomas, Chief Systems and Services Officer
Date: February 14th, 2024
Subject: Update: [School Services Reorganization Recommendations](#) [Tech Services]

Background: In October 2020, the District contacted School Services of California (SSC) and requested a staffing and department organizational structure analysis of Business Services and Talent Divisions in response to a 2018-19 requirement by the Fiscal Crisis Management and Assistance Team's recommendation for the District's Fiscal Vitality Plan and in conjunction with the tenants of Assembly Bill 1840.

After SSC completed the comprehensive review, it became evident that our district faces significant cyber threats, similar to the major attacks experienced by the City of Oakland and the Los Angeles Unified School District (LAUSD). This increased risk landscape has necessitated a critical review of our cybersecurity measures and staffing to support that infrastructure. In response, we have initiated a realignment of our IT staff to ensure our school district adheres to, and surpasses these standards. We are now focusing on enhancing our cybersecurity infrastructure by recruiting skilled professionals and implementing advanced security protocols and training to protect our students and staff effectively. In addition, the pandemic profoundly shifted the educational environment towards a more technology-integrated education system. Moving from traditional textbooks to digital platforms has expedited, necessitating an expansion in our technological infrastructure. As a result of this shift, OUSD has tripled the number of devices available to students, ensuring that each one has access to the necessary tools for their learning.

With the launch of generative Artificial Intelligence (AI), the Education sector is the most likely to benefit from advancements that revolutionize student tutoring and student support. We have a district task force investigating AI-driven programs in our classrooms to provide personalized learning experiences and additional support to meet the diverse needs of our student population. We do not anticipate that the staffing needs to support the Tech Services needs of students and staff will decline in the future.

The Technology Services department supports OUSD by providing reliable and secure networks and business applications, devices for students and staff, and districtwide technical support. Key areas of growth include VOIP telecommunications, cybersecurity initiatives, classroom A/V solutions, generative AI, and more. The team includes six network team positions, eight applications team positions, thirteen site technician positions, two HelpDesk support positions, four leadership positions, and one clerical position.

In prior years the Technology Services department was subject to reductions, most notably leading into the 2019-20 school year. These prior reductions had led to the loss of 1) a clerical support position,

which has subsequently been restored, 2) a coordinator and a project manager, 3) a senior software developer, 4) a senior applications team specialist, 5) two Tier 1 support positions on the HelpDesk, 6) a senior network engineer position, which was subsequently offset by the addition of an additional senior network administrator, and 7) the loss of management positions to lead the applications and HelpDesk teams; we have subsequently added a management position for the HelpDesk and also added a mid-level management position to lead the growing number of site technicians, which has increased from a low of eight technician positions to our current level.

Purpose: This memo details the status of each recommendation related to the Technology Services Division. School Services provided three recommendations: one has been completed, the second has been supported by one-time funding, and the third is an ongoing area of focus for the department.

School Services Recommendation #1:

An evaluation of staffing of the Information Technology Services Department to address school support needs as well as additional management and clerical support required as a result of the findings—providing adequate staffing levels is crucial to support the current and future technology needs of the District

- **Status:** Completed

*The following changes were made for the **2023-24** school year in response to the school services report:*

Position Title	Description of Change	FTE Impact
Administrative Assistant III	Addition of the Administrative Assistant III position. This position provides clerical support to the Technology Services department, including assistance with purchasing, contracts and invoicing, along with general clerical duties.	+1.00

*The following changes were previously made for the **2022-23** school year in response to the school services report:*

Position Title	Description of Change	FTE Impact
Director, Technical Support and Customer Service	Addition of the Director, Technical Support and Customer Service position. This position's direct reports include those on the Technology Services HelpDesk team, which provides Tier 1 technical support across all areas of technology, including the resolution or reassignment of all inbound support requests.	+1.00

Manager, Site Technology	Addition of the Manager, Site Technology position. This position's direct reports include those on the Technology Services Technicians team, who provide in-person support to schools and central departments, including support for student and staff devices.	+1.00
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*No position changes are currently proposed for the **2024-25** school year in response to the school services report.*

The assessment of management and clerical support within the Technology Services Division indicates a need for additional support. Most notably, the Technology Services Applications team members still report directly to the Chief Technology Officer who leads the department. However, given the current budget and prioritization of needs, we are not seeking additional FTE to meet this need.

School Services Recommendation #2:

Reorganization of the Information Technology Services Department by functional area to align functions and oversight to allow for a more appropriate span of control for each supervisory or management position, and enhance the standardization of support, communications, and improve service levels

- **Status:** In Progress

*The following changes were previously made since the **2021-22** school year in response to the school services report:*

Position Title	Description of Change	FTE Impact
School Site Technology Specialist	Addition of five School Technology Specialist positions to bring the total number of staff in this position from five to eleven. These staffing increases reflect the increased need for device support at schools associated with upgrading computers from Chromebooks to Windows laptops for teachers and other school staff, and attaining a 1:1 ratio for student classroom Chromebooks, not currently funded in ongoing funding.	+5.00

- The department had initially planned to add six School Technology Specialist positions. However, this would have significantly increased the number of positions reporting directly to the Executive Director of Technology, who also leads the Technology Services Network team. Hence the number of positions was reduced by one to support the addition of the Manager, Site Technology position.
- The report notes that: *Now that California schools have resumed in-person learning, technology demands have not waned as the need to support devices deployed during the pandemic*

continues. The addition of technician, management and clerical support without eliminating any positions in other areas has assisted the department in providing a high level of service to schools, with school and central leaders expressing a very high degree of satisfaction with the Technology Services Division in a Spring 2023 survey.

The assessment of technical staffing within the Technology Services Division indicates a need for additional support. Most notably, the report recommends that *roving technicians are assigned no more than five schools to allow for at least a weekly visit, also providing time to address emergencies.* However, given the current budget and prioritization of needs, along with our continued partnership with Site Data and Technology Lead (SDTL) teachers at schools, we are not seeking additional FTE to meet this need at this time.

School Services Recommendation #3:

Evaluation of the District's technology procedures and standards to ensure the selection of technology that is supportable by the department and aligns with the District's technology needs and plan, and establishment of the expectation that all District staff and schools will follow the established selection process and standards

- **Status:** Ongoing
- OUSD has implemented a 1:1 standard for classroom Chromebooks, along with the centralized procurement and management of staff devices. This ensures that schools are able to integrate technology into instruction on a much more equitable basis. In addition, while the variance in device types eligible for purchase was previously controlled, centralized management further reduces support overhead by ensuring that staff and students receive replacements for obsolete and damaged devices.
- The Technology Services Division continues to procure and maintain software that is reliable, secure, and well-utilized throughout OUSD. While business applications may change over time, the department seeks to procure cost-effective, industry leading software with a strong track record in K-12 education.
- The Technology Services Division continues to engage in long-term technology planning and standards for OUSD, including the aforementioned standards for student and staff devices, along with business applications, network infrastructure, telecommunications and cybersecurity protections.

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Multiyear Projection
Scenario 3 - OUSD 2025-26 First Interim w/\$20M Reducton Year in
2026-27 & \$80M
 Unrestricted

Fund 01
Projection# 29298

Description (Object Range) [Sum Detail]	2024-25 Historical 1	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
A. REVENUES & OTHER FINANCING SOURCES [Sum Lines A1-A5c]	\$0.00	\$422,646,994.56	\$381,420,514.25	\$396,361,886.37
1. LCFF/Revenue Limit Sources (8010-8099)	0.00	493,188,357.00	505,986,526.00	522,270,602.00
2. Federal Revenues (8100-8299)	0.00	0.00	0.00	0.00
3. Other State Revenues (8300-8599)	0.00	11,628,095.89	12,228,914.68	13,119,621.49
4. Other Local Revenues (8600-8799)	0.00	17,767,555.24	17,487,556.24	17,567,553.53
5. Other Financing Sources				
a. Transfers In (8900-8929)	0.00	0.00	0.00	0.00
b. Other Sources (8930-8979)	0.00	15,000.00	15,000.00	15,000.00
c. Contributions (8980-8999)	0.00	(99,952,013.57)	(154,297,482.67)	(156,610,890.65)
B. EXPENDITURES & OTHER FINANCING USES [Sum Lines B1-B10]	\$0.00	\$459,459,182.62	\$451,506,478.62	\$382,519,098.32
1. Certificated Salaries (1000-1999)	0.00	179,713,479.12	176,068,280.71	150,631,776.32
2. Classified Salaries (2000-2999)	0.00	71,475,708.71	72,022,496.26	59,662,150.19
3. Employee Benefits (3000-3999)	0.00	125,968,311.54	121,705,310.19	98,887,028.94
4. Books and Supplies (4000-4999)	0.00	24,767,844.31	24,559,671.51	21,601,189.57
5. Services and Other Operating Expenditures (5000-5999)	0.00	66,287,540.09	65,904,421.10	60,490,654.45
6. Capital Outlay (6000-6999)	0.00	2,126,325.72	2,126,325.72	2,126,325.72
7. Other Outgo (excluding Transfers of Indirect Costs) (7100-7299,7400-7499)	0.00	26,000.00	26,000.00	26,000.00
8. Other Outgo - Transfers of Indirect Costs (7300-7399)	0.00	(13,906,026.87)	(13,906,026.87)	(13,906,026.87)
9. Other Financing Uses				
a. Transfers Out (7600-7629)	0.00	3,000,000.00	3,000,000.00	3,000,000.00
b. Other Uses (7630-7699)	0.00	0.00	0.00	0.00
10. Other Adjustments (described in assumptions)	---	0.00	0.00	0.00
C. NET INCREASE (DECREASE) IN FUND BALANCE	0.00	(36,812,188.06)	(70,085,964.37)	13,842,788.05

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Multiyear Projection
Scenario 3 - OUSD 2025-26 First Interim w/\$20M Reducton Year in
2026-27 & \$80M
 Unrestricted

Fund 01
Projection# 29298

Description (Object Range) [Sum Detail]	2024-25 Historical 1	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
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B. EXPENDITURES & OTHER FINANCING USES: Salary
Details

1. Certificated Salaries (1000-1999)[Sum Lines B1a-B1d]	\$0.00	\$179,713,479.12	\$176,068,280.71	\$150,631,776.32
a. Base Salaries	---	179,713,479.12	179,713,479.12	176,068,280.71
b. Step & Column Adjustment	---	---	6,604,269.59	(978,634.39)
c. Cost-of-Living Adjustment	---	---	0.00	0.00
d. Other Adjustment	---	---	(10,249,468.00)	(24,457,870.00)
2. Classified Salaries (2000-2999)[Sum Lines B2a-B2d]	\$0.00	\$71,475,708.71	\$72,022,496.26	\$59,662,150.19
a. Base Salaries	---	71,475,708.71	71,475,708.71	72,022,496.26
b. Step & Column Adjustment	---	---	1,429,514.18	1,440,449.93
c. Cost-of-Living Adjustment	---	---	2,567,472.37	0.00
d. Other Adjustment	---	---	(3,450,199.00)	(13,800,796.00)
3. Employee Benefits (3000-3999)	0.00	125,968,311.54	121,705,310.19	98,887,028.94

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Multiyear Projection
Scenario 3 - OUSD 2025-26 First Interim w/\$20M Reducton Year in
2026-27 & \$80M
 Unrestricted

Fund 01
Projection# 29298

Description (Object Range) [Sum Detail]	2024-25 Historical 1	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
B. EXPENDITURES & OTHER FINANCING USES: Employee Benefit Details				
3. Employee Benefits (3000-3999)[Sum Lines B3a-B3i]	\$0.00	\$125,968,311.54	\$121,705,310.19	\$98,887,028.94
a. State Teachers' Retirement System, STRS (3101-3102)	0.00	33,161,361.96	32,482,588.72	28,002,474.91
b. Public Employees' Retirement System, PERS (3201-3202)	0.00	18,982,808.50	18,801,010.81	15,781,527.50
c. OASDI/Medicare/Alternative (3301-3302)	0.00	8,570,815.06	8,542,188.76	7,100,777.55
d. Health and Welfare Benefits (3401-3402)	0.00	53,982,099.38	50,715,835.90	38,577,048.51
e. State Unemployment Insurance (3501-3502)	0.00	206,421.86	203,437.66	175,050.59
f. Workers' Compensation Insurance (3601-3602)	0.00	9,191,596.57	9,075,519.63	7,695,891.64
g. OPEB, Allocated (3701-3702)	0.00	33.00	33.00	33.00
h. OPEB, Active Employees (3751-3752)	0.00	0.00	0.00	0.00
i. Other Benefits (3901-3902)	0.00	1,873,175.21	1,884,695.71	1,554,225.24
3. Employee Benefits (3000-3999)[Sum Lines B3j-B3k]	\$0.00	\$125,968,311.54	\$121,705,310.19	\$98,887,028.94
j. Total Certificated (Sum Objects 3XX1)	0.00	82,295,944.89	78,859,975.46	63,911,265.70
k. Total Classified (Sum Objects 3XX2)	0.00	43,672,366.65	42,845,334.73	34,975,763.24

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Multiyear Projection
Scenario 3 - OUSD 2025-26 First Interim w/\$20M Reducton Year in
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Fund 01
Projection# 29298

Description (Object Range) [Sum Detail]	2024-25 Historical 1	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
C. NET INCREASE (DECREASE) IN FUND BALANCE	0.00	(36,812,188.06)	(70,085,964.37)	13,842,788.05
D. FUND BALANCE				
1. Beginning Fund Balance (9791-9795)	0.00	55,845,233.22	19,033,045.16	(51,052,919.21)
2. Ending Fund Balance [Sum lines D2a-D2e2]	\$0.00	\$19,033,045.16	(51,052,919.21)	(37,210,131.16)
a. Nonspendable (9710-9719)	---	150,000.00	150,000.00	150,000.00
b. Restricted (9740)	---	0.00	0.00	0.00
c. Committed				
1. Stabilization Arrangements (9750)	---	0.00	0.00	0.00
2. Other Commitments (9760)	---	0.00	0.00	0.00
d. Assigned				
1. Other Assignments (9780)	---	0.00	0.00	0.00
e. Unassigned/Unappropriated				
1. Reserve for Economic Uncertainties (9789)	---	18,832,823.11	28,939,294.00	26,708,898.00
2. Unassigned/Unappropriated (9790)	---	50,222.05	(80,142,213.21)	(64,069,029.16)

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Multiyear Projection
Scenario 3 - OUSD 2025-26 First Interim w/\$20M Reducton Year in
2026-27 & \$80M
 Unrestricted

Fund 01
Projection# 29298

Description (Object Range) [Sum Detail]	2024-25 Historical 1	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
E. AVAILABLE RESERVES				
1. From Components of Ending Fund Balance				
a. Stabilization Arrangements (9750)	---	0.00	0.00	0.00
b. Reserve for Economic Uncertainty (9789)	---	18,832,823.11	28,939,294.00	26,708,898.00
c. Unassigned/Unappropriated (9790)	---	50,222.05	(80,142,213.21)	(64,069,029.16)
d. Negative Restricted Ending Balances (negative resources 2000-9999) (979Z)	---	0.00	(3,567,793.86)	(24,910,875.81)
2. Special Reserve Fund - Noncapital Outlay (Fund 17)				
a. Stabilization Arrangements (9750)	---	0.00	0.00	0.00
b. Reserve for Economic Uncertainty (9789)	---	0.00	0.00	0.00
c. Unassigned/Unappropriated (9790)	---	0.00	0.00	0.00
3. Total Available Reserves - by Amount	\$---	\$18,883,045.16	(54,770,713.07)	(62,271,006.97)

Oakland Unified 01-61259-0000000	Multiyear Projection Scenario 3 - OUSD 2025-26 First Interim w/\$100M Reducton Year in 2026-27 Unrestricted				Fund 01 Projection# 29297
Description (Object Range) [Sum Detail]	2024-25 Historical 1	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3	
A. REVENUES & OTHER FINANCING SOURCES [Sum Lines A1-A5c]	\$0.00	\$422,646,994.56	\$381,420,514.25	\$396,361,886.37	
1. LCFF/Revenue Limit Sources (8010-8099)	0.00	493,188,357.00	505,986,526.00	522,270,602.00	
2. Federal Revenues (8100-8299)	0.00	0.00	0.00	0.00	
3. Other State Revenues (8300-8599)	0.00	11,628,095.89	12,228,914.68	13,119,621.49	
4. Other Local Revenues (8600-8799)	0.00	17,767,555.24	17,487,556.24	17,567,553.53	
5. Other Financing Sources					
a. Transfers In (8900-8929)	0.00	0.00	0.00	0.00	
b. Other Sources (8930-8979)	0.00	15,000.00	15,000.00	15,000.00	
c. Contributions (8980-8999)	0.00	(99,952,013.57)	(154,297,482.67)	(156,610,890.65)	
B. EXPENDITURES & OTHER FINANCING USES [Sum Lines B1-B10]	\$0.00	\$459,459,182.62	\$373,407,089.92	\$396,085,586.81	
1. Certificated Salaries (1000-1999)	0.00	179,713,479.12	147,110,410.71	150,052,618.92	
2. Classified Salaries (2000-2999)	0.00	71,475,708.71	58,221,700.26	59,386,134.27	
3. Employee Benefits (3000-3999)	0.00	125,968,311.54	101,412,221.45	104,813,982.45	
4. Books and Supplies (4000-4999)	0.00	24,767,844.31	19,538,247.55	20,069,687.87	
5. Services and Other Operating Expenditures (5000-5999)	0.00	66,287,540.09	55,878,211.10	70,516,864.45	
6. Capital Outlay (6000-6999)	0.00	2,126,325.72	2,126,325.72	2,126,325.72	
7. Other Outgo (excluding Transfers of Indirect Costs) (7100-7299,7400-7499)	0.00	26,000.00	26,000.00	26,000.00	
8. Other Outgo - Transfers of Indirect Costs (7300-7399)	0.00	(13,906,026.87)	(13,906,026.87)	(13,906,026.87)	
9. Other Financing Uses					
a. Transfers Out (7600-7629)	0.00	3,000,000.00	3,000,000.00	3,000,000.00	
b. Other Uses (7630-7699)	0.00	0.00	0.00	0.00	
10. Other Adjustments (described in assumptions)	---	0.00	0.00	0.00	
C. NET INCREASE (DECREASE) IN FUND BALANCE	0.00	(36,812,188.06)	8,013,424.33	276,299.56	

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Multiyear Projection
Scenario 3 - OUSD 2025-26 First Interim w/\$100M Reducton Year in
2026-27
 Unrestricted

Fund 01
Projection# 29297

Description (Object Range) [Sum Detail]	2024-25 Historical 1	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
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B. EXPENDITURES & OTHER FINANCING USES: Salary
 Details

1. Certificated Salaries (1000-1999)[Sum Lines B1a-B1d]	\$0.00	\$179,713,479.12	\$147,110,410.71	\$150,052,618.92
a. Base Salaries	---	179,713,479.12	179,713,479.12	147,110,410.71
b. Step & Column Adjustment	---	---	6,604,269.59	(1,557,791.79)
c. Cost-of-Living Adjustment	---	---	0.00	0.00
d. Other Adjustment	---	---	(39,207,338.00)	4,500,000.00
2. Classified Salaries (2000-2999)[Sum Lines B2a-B2d]	\$0.00	\$71,475,708.71	\$58,221,700.26	\$59,386,134.27
a. Base Salaries	---	71,475,708.71	71,475,708.71	58,221,700.26
b. Step & Column Adjustment	---	---	1,429,514.18	1,164,434.01
c. Cost-of-Living Adjustment	---	---	2,567,472.37	0.00
d. Other Adjustment	---	---	(17,250,995.00)	0.00
3. Employee Benefits (3000-3999)	0.00	125,968,311.54	101,412,221.45	104,813,982.45

Oakland Unified
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Multiyear Projection
Scenario 3 - OUSD 2025-26 First Interim w/\$100M Reducton Year in
2026-27
Unrestricted

Fund 01
Projection# 29297

Description (Object Range) [Sum Detail]	2024-25 Historical 1	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
B. EXPENDITURES & OTHER FINANCING USES: Employee Benefit Details				
3. Employee Benefits (3000-3999)[Sum Lines B3a-B3i]	\$0.00	\$125,968,311.54	\$101,412,221.45	\$104,813,982.45
a. State Teachers' Retirement System, STRS (3101-3102)	0.00	33,161,361.96	27,240,766.96	27,897,619.21
b. Public Employees' Retirement System, PERS (3201-3202)	0.00	18,982,808.50	15,175,489.72	15,707,640.13
c. OASDI/Medicare/Alternative (3301-3302)	0.00	8,570,815.06	6,964,389.54	7,069,218.48
d. Health and Welfare Benefits (3401-3402)	0.00	53,982,099.38	42,826,293.85	44,753,477.07
e. State Unemployment Insurance (3501-3502)	0.00	206,421.86	169,810.40	174,377.95
f. Workers' Compensation Insurance (3601-3602)	0.00	9,191,596.57	7,513,749.85	7,664,651.84
g. OPEB, Allocated (3701-3702)	0.00	33.00	33.00	33.00
h. OPEB, Active Employees (3751-3752)	0.00	0.00	0.00	0.00
i. Other Benefits (3901-3902)	0.00	1,873,175.21	1,521,688.13	1,546,964.77
3. Employee Benefits (3000-3999)[Sum Lines B3j-B3k]	\$0.00	\$125,968,311.54	\$101,412,221.45	\$104,813,982.45
j. Total Certificated (Sum Objects 3XX1)	0.00	82,295,944.89	67,478,782.10	69,639,960.00
k. Total Classified (Sum Objects 3XX2)	0.00	43,672,366.65	33,933,439.35	35,174,022.45

Oakland Unified
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Multiyear Projection
Scenario 3 - OUSD 2025-26 First Interim w/\$100M Reducton Year in
2026-27
Unrestricted

Fund 01
Projection# 29297

Description (Object Range) [Sum Detail]	2024-25 Historical 1	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
C. NET INCREASE (DECREASE) IN FUND BALANCE	0.00	(36,812,188.06)	8,013,424.33	276,299.56
D. FUND BALANCE				
1. Beginning Fund Balance (9791-9795)	0.00	55,845,233.22	19,033,045.16	27,046,469.49
2. Ending Fund Balance [Sum lines D2a-D2e2]	\$0.00	\$19,033,045.16	\$27,046,469.49	\$27,322,769.05
a. Nonspendable (9710-9719)	---	150,000.00	150,000.00	150,000.00
b. Restricted (9740)	---	0.00	0.00	0.00
c. Committed				
1. Stabilization Arrangements (9750)	---	0.00	0.00	0.00
2. Other Commitments (9760)	---	0.00	0.00	0.00
d. Assigned				
1. Other Assignments (9780)	---	0.00	0.00	0.00
e. Unassigned/Unappropriated				
1. Reserve for Economic Uncertainties (9789)	---	18,832,823.11	25,943,976.49	26,537,470.00
2. Unassigned/Unappropriated (9790)	---	50,222.05	952,493.00	635,299.05

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Multiyear Projection
Scenario 3 - OUSD 2025-26 First Interim w/\$100M Reducton Year in
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 Unrestricted

Fund 01
Projection# 29297

Description (Object Range) [Sum Detail]	2024-25 Historical 1	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
E. AVAILABLE RESERVES				
1. From Components of Ending Fund Balance				
a. Stabilization Arrangements (9750)	---	0.00	0.00	0.00
b. Reserve for Economic Uncertainty (9789)	---	18,832,823.11	25,943,976.49	26,537,470.00
c. Unassigned/Unappropriated (9790)	---	50,222.05	952,493.00	635,299.05
d. Negative Restricted Ending Balances (negative resources 2000-9999) (979Z)	---	0.00	(3,567,793.86)	(24,910,875.81)
2. Special Reserve Fund - Noncapital Outlay (Fund 17)				
a. Stabilization Arrangements (9750)	---	0.00	0.00	0.00
b. Reserve for Economic Uncertainty (9789)	---	0.00	0.00	0.00
c. Unassigned/Unappropriated (9790)	---	0.00	0.00	0.00
3. Total Available Reserves - by Amount	\$---	\$18,883,045.16	\$23,328,675.63	\$2,261,893.24

Oakland Unified 01-61259-0000000	Multiyear Projection Scenario 3 - OUSD 2025-26 First Interim w/\$100M Reducton Year in 2026-27 Assumptions	Fund 01 Projection# 29297
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Description (Object range)	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
State Rates			
State Categorical COLA	2.3000%	3.0200%	3.4200%
Special Education COLA	2.3000%	3.0200%	3.4200%
California CPI	3.0900%	2.8200%	2.7200%
California Lottery - Base	\$190.00	\$190.00	\$190.00
Applied Change Rate		0.0000%	0.0000%
California Lottery - Instructional Materials	\$82.00	\$82.00	\$82.00
Applied Change Rate		0.0000%	0.0000%
Mandate Block Grant	2.3000%	3.0200%	3.4200%
Interest Rate Trend for 10-Year Treasuries	4.5000%	4.3600%	4.4000%
Applied Change Rate		-3.1111%	0.9174%
STRS Rate Change	19.1000%	19.1000%	19.1000%
Applied Change Rate		0.0000%	0.0000%
PERS Rate Change	26.8100%	26.4000%	26.9000%
Applied Change Rate		-1.5293%	1.8939%
Federal COLA	0.0000%	0.0000%	0.0000%
ESSA: Title I, Part A, Basic Grants Low-Income and Neglected	0.0000%	0.0000%	0.0000%
Description (Object range)	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
Local Rates			
LCFF Sources - State Aid, Current Year	\$0.00	\$275,103,617.00	\$275,103,617.00
LCFF Sources - Education Protection Account, Current Year	\$0.00	\$52,348,033.00	\$59,411,955.00
LCFF Sources - Local Revenue	0.0000%	0.0000%	0.0000%
LCFF Sources - Local Revenue, ERAF Adjustments	\$0.00	\$16,543,472.00	\$9,220,154.00
LCFF Sources - Charter In-Lieu of Property Tax Transfer	\$0.00	\$0.00	\$0.00
Certificated Staff Step & Column	0.0000%	2.0000%	2.0000%
Certificated COLA	0.0000%	0.0000%	0.0000%
Certificated COLA - One-time Off Schedule Bonus %	0.0000%	0.0000%	0.0000%
Classified Staff Step	0.0000%	2.0000%	2.0000%
Classified COLA	0.0000%	5.8000%	0.0000%
Classified COLA - One-time Off Schedule Bonus %	0.0000%	0.0000%	0.0000%

Description (Object range)	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
Local Rates			
Certificated Management COLA	0.0000%	0.0000%	0.0000%
Certificated Management COLA - One-time Off Schedule Bonus %	0.0000%	0.0000%	0.0000%
Classified Management COLA	0.0000%	0.0000%	0.0000%
Classified Management COLA - One-time Off Schedule Bonus %	0.0000%	0.0000%	0.0000%
Certificated Health & Welfare Percent Change	0.0000%	4.5000%	4.5000%
Classified Health & Welfare Percent Change	0.0000%	4.5000%	4.5000%
OASDI/Medicare/Alternative Rate Change	0.0000%	0.0000%	0.0000%
Applied Change Rate		0.0000%	0.0000%
Certificated OASDI/Medicare/Alternative Rate Change	0.0000%	0.0000%	0.0000%
Applied Change Rate		0.0000%	0.0000%
Classified OASDI/Classified Medicare/Alternative Rate Change	0.0000%	0.0000%	0.0000%
Applied Change Rate		0.0000%	0.0000%
State Unemployment Insurance Rate Change	0.0000%	0.0000%	0.0000%
Applied Change Rate		0.0000%	0.0000%
Workers Compensation Insurance Rate Change	0.0000%	0.0000%	0.0000%
Applied Change Rate		0.0000%	0.0000%
OPEB, Allocated Rate Change	0.0000%	0.0000%	0.0000%
Applied Change Rate		0.0000%	0.0000%
Average Cash Balance	\$0.00	\$0.00	\$0.00
Applied Change Rate		0.0000%	0.0000%
Community Redevelopment Funds, % Adjustment	0.0000%	0.0000%	0.0000%
Community Redevelopment Funds, \$ Adjustment	\$0.00	\$0.00	\$0.00
Description (Object range)	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
User-defined Rates and Values			
Classified Other Benefits Rate Change	0.0000%	0.0000%	0.0000%
Applied Change Rate		0.0000%	0.0000%
Certificated Other Benefits Rate Change	0.0000%	0.0000%	0.0000%
Applied Change Rate		0.0000%	0.0000%
Description (Object range)	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
Other Adjustments			
Other Adjustments - Unrestricted - Expenditures	\$0.00	\$0.00	\$0.00
Other Adjustments - Unrestricted - Other Financing Uses	\$0.00	\$0.00	\$0.00

Description (Object range)	2025-26 Base Year	2026-27 Year 2	2027-28 Year 3
Other Adjustments			
Other Adjustments - Restricted - Expenditures	\$0.00	\$0.00	\$0.00
Other Adjustments - Restricted - Other Financing Uses	\$0.00	\$0.00	\$0.00