

# ACTION PLAN FOR OAKLAND UNIFIED SCHOOL DISTRICT

January 20, 2026



# HYA STRATEGY AND ACTION PLAN FOR OAKLAND UNIFIED SCHOOL DISTRICT



Hazard Young & Attea's (HYA) Fiscal Expert Team commits to work with the Oakland Unified School District staff to achieve fiscal stabilization and maintain solvency,

To assist the Oakland Unified School District chart and solidify its course to adjust, reduce and maintain its current budget and financials for the 2025-26 fiscal year with the paramount goal of reducing and ultimately eliminating the current year deficit and restoring the required Reserves for Economic Uncertainty, and to provide guidance and support to the Superintendent, leadership team & staff in creating a 2026-27 Budget and Financial Plan.

## HYA IDENTIFIED PRESENT NEEDS AND PROPOSED TEAM ACTIONS

The Team proposes to conduct a full Review and Analysis of the current 2025-26 budget as it is:

- Determine Budget Accuracy, Budget Integrity,
- Determine Budget Flexibility & MYP
- First Interim Certification Assurance and Management
- Second Interim Certification Development
- Determination of Structural Deficits  
Unrestricted/Restricted
- Staff Restructuring Review & Implementation (SSC Report)
- Cashflow Review & Recommendation
- Enrollment Analysis & Projections
- Community Budget Presentations
- Board Finance Presentation
- Reserve for Economic Uncertainty, Analysis & Restoration
- NPS & SELPA Contract Review
- Verify & Analyze Current Staffing FTE's
- Consult & Analyze & Recommend LCFF/LCAP and Supplemental Concentration Revenues

# **HYA IDENTIFIED NEEDS AND PLANNED ACTIONS – ONGOING AND LONG TERM**

# IMMEDIATE FINANCIAL STABILIZATION

## STRENGTHEN BUDGET CONTROLS AND TRANSPARENCY

- 01 Adopt a realistic revenue forecast: Update the budgetary basis on expected increases in student attendance until they are actually realized, to assist in effective fiscal planning.
- 02 Implement robust financial transparency: Ensure that detailed periodic budget reports are shared with the board and public, enabling early detection of shortfalls and building community trust.

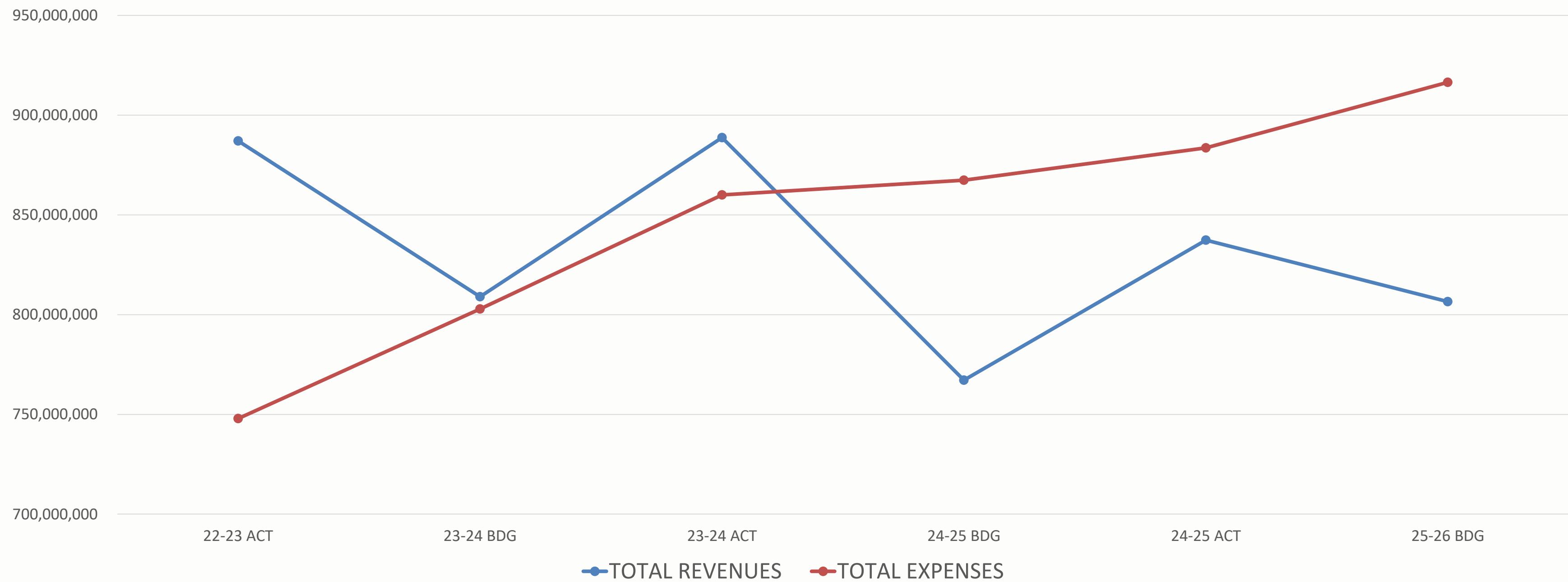
## HYA SUPPORT ACTIONS:

- 01 Provide support and assistance in reviewing revenue projections and expense assumptions, as well as enrollment/attendance forecasts and analyses.
- 02 Assist in the development of executive reports and dashboard reporting to show real-time budget health.
- 03 Train leadership and governance teams on the topics of reading and interpreting multi-year fiscal trends.

# IMMEDIATE FINANCIAL STABILIZATION

## Multi-Year Financial Analysis

### Revenues and Expenditures – Actual to Budget Comparatives



Source: District Staff Financials Reports

# IMMEDIATE FINANCIAL STABILIZATION

## TIGHTEN EXPENDITURE CONTROLS

- 01 Freeze non-essential spending and limit one-time solutions that obscure long-term fiscal health.
  
- 02 Analyze all major contracts and service agreements to identify savings — including review of outside vendor costs and consultant scopes.

## HYA SUPPORT ACTIONS:

- 01 Assist in the development of an expenditure analysis to identify low-value contracts and redundant services.
  
- 02 Recommend spending freeze protocols until key financial benchmarks are met.

# STRUCTURAL REBALANCING: ALIGN COSTS WITH REVENUES



OUSD's structural deficit is rooted in spending more per student than it receives, partly due to maintaining a significant number of small schools and a large cost footprint relative to its enrollment.





## STRUCTURAL REBALANCING: ALIGN COSTS WITH REVENUES

### RIGHTSIZING THE DISTRICT FOOTPRINT

- Analyze the size and capacity of school sites, including staffing, budgeting, enrollment, and resources, and plan for facility and campus options with clearer community engagement and impact analysis.
- Redesign service delivery: Centralize functions where possible to reduce duplication across sites, including services and functions in the District Office.

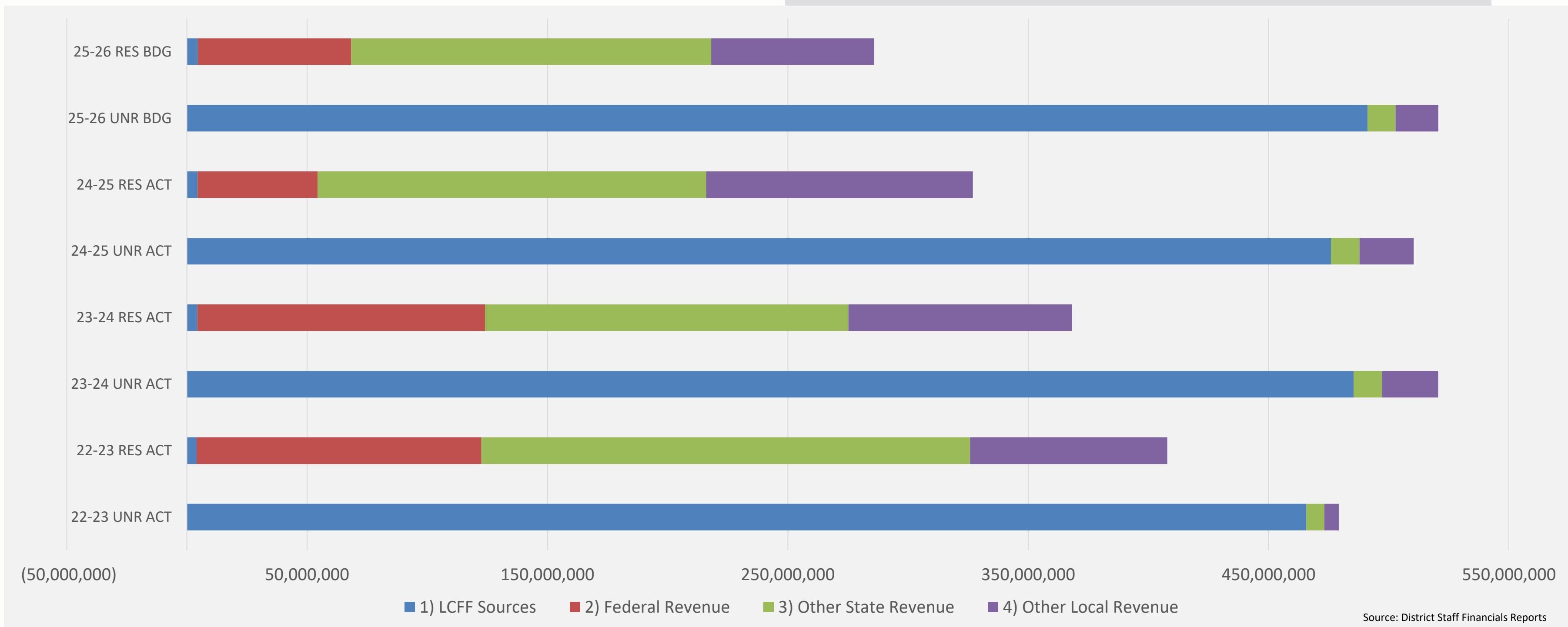
### HYA SUPPORT ACTIONS:

- Guidance for the development of facility use studies and demographic projections to evaluate staffing, enrollment, budgeting, and resources for school sites, including small schools.
- Assist in facilitating community engagement to shape a plan that minimizes challenges for students.

# STRUCTURAL REBALANCING: ALIGN COSTS WITH REVENUES

## Multi-Year Financial Analysis

### Revenue Sources – Change Over Time Category Comparison





## STRUCTURAL REBALANCING: ALIGN COSTS WITH REVENUES

### WORKFORCE REALIGNMENT

- Prioritize attrition and voluntary retirements where possible.
- Align staffing levels with student needs and enrollment patterns.
- Review classifications and roles to eliminate duplication, optimize and align with core instructional priorities.

### HYA SUPPORT ACTIONS:

- Assist in the development of workforce models that show long-term budget impacts of different staffing scenarios.
- Advise on legally defensible reduction strategies that comply with state law and collective bargaining agreements.

# STRATEGIC REVENUE ENHANCEMENT

## MAXIMIZE EXISTING FUNDING

- Improve attendance and enrollment initiatives because state funding for K-12 is heavily tied to ADA – but budget only for real, attained attendance increases.
- Ensure full utilization of restricted grant funds while protecting unrestricted general fund where possible.
- Develop the implementation of the use of most restricted funds first.

## HYA SUPPORT ACTIONS:

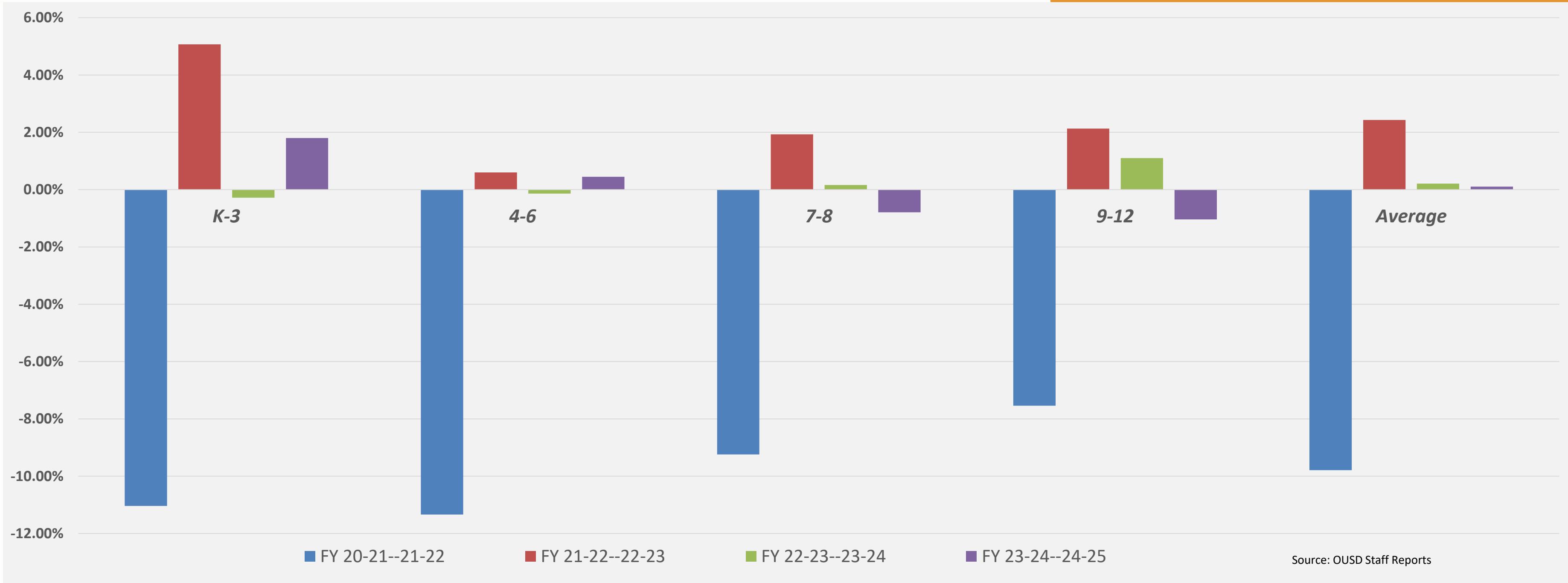
- Assist in the development of attendance improvement plans that link to school performance and community support.
- Train finance teams and district staff on restricted vs. unrestricted fund optimization without risky budget practices.



# STRATEGIC REVENUE ENHANCEMENT

## Multi-Year LCFF ADA

### ANNUAL ATTENDANCE PERCENT DIFFERENTIAL BY GRADE SPAN



# STRATEGIC REVENUE ENHANCEMENT

## COMMUNITY-SUPPORTED REVENUE

- Evaluate future property tax measures or parcel taxes for ballot consideration, with clear accountability and community benefit frameworks.
- Partner with local organizations to secure private grants or philanthropic investments aligned with district priorities.

## HYA SUPPORT ACTIONS:

- Assist in the planning and development of feasibility studies for local funding measures.
- Assist with grant strategy and writing for targeted educational programs.

# GOVERNANCE AND OVERSIGHT ENHANCEMENTS

Because OUSD has reached a qualified budget certification and county fiscal advisers have indicated concerns with the district's financial position, strengthening leadership and governance is critical.



## BUILD FINANCIAL LITERACY AMONG DECISION-MAKERS

- Provide governance and leadership teams with ongoing training and support in school finance basics and multi-year budgeting.
- Review current budget decision-makers and committee practices to improve legitimacy of difficult decisions.

### HYA SUPPORT ACTIONS:

- Assist in developing and leading workshops on fiscal health and budgeting.
- Support the governance and leadership teams analyze the development of budget policies and guardrails tied to solvency thresholds.

## GOVERNANCE AND OVERSIGHT ENHANCEMENTS

## USE OF FISCAL OVERSIGHT AND ADVISORY TEAMS

- Leverage the county's fiscal teams to guide structural changes in budgeting and financial reporting.
- Reduce or eliminate any budget adjustments that mask structural issues; instead, pursue methodical planning with clear milestones.

## HYA SUPPORT ACTIONS:

- Assist in the development of benchmarking against similar districts that have exited fiscal distress.
- Advise on multi-year budget plans with scenario modeling and contingency planning.

## GOVERNANCE AND OVERSIGHT ENHANCEMENTS

# MULTI-YEAR RECOVERY PLAN

Develop a sustainable recovery plan  
that includes:

Element	Purpose
3-year balanced budget projections	<i>To demonstrate solvency under multiple enrollment and cost assumptions</i>
Key performance indicators (KPIs)	<i>Track targets such as reserve levels, expense ratios, and attendance trends</i>
Stakeholder engagement strategy	<i>Ensure communication and input throughout the process</i>

## HYA Support Actions:

- Provide guidance in creating scenario models that show the impact of different decisions on long-term solvency.
- Facilitate the development of a public recovery roadmap with clear phases and progress measures.

# OUSD FINANCE AND BUDGET PLANNING TIMELINE FINANCIAL RESTRUCTURING / SCENARIO 3 CALENDAR (Current to June 30, 2026)

Month	OUSD Strategy	Key Actions & Decisions	Oversight Signal
Up to Dec 2025	Launch	<ul style="list-style-type: none"> <li>• Authorize recovery process</li> <li>• Receive cash flow &amp; conservative MYP</li> </ul>	Review District fiscal condition
	Direction	<ul style="list-style-type: none"> <li>• Review staffing &amp; enrollment analysis</li> <li>• Review program cost inventory</li> </ul>	Are drivers identified?
	Commit	<ul style="list-style-type: none"> <li>• Confirm Budget Stabilization goals</li> </ul>	Governance discipline
	Decide	<ul style="list-style-type: none"> <li>• Adopt Scenario Three as baseline</li> <li>• Set dollar reduction targets</li> </ul>	Seriousness test
	Structure	<ul style="list-style-type: none"> <li>• Develop reduction plan (list)</li> <li>• Review options introduced</li> </ul>	Structural balance on paper
Jan 2026	Authorize	<ul style="list-style-type: none"> <li>• Reaffirm Scenario Three and updated options</li> <li>• Draft Fiscal Recovery &amp; Solvency Plan</li> </ul>	County confidence
Feb 2026	Verify	<ul style="list-style-type: none"> <li>• Updated cash flow &amp; MYP</li> <li>• Approve reduction in force &amp; labor parameters</li> <li>• Confirm savings are executable</li> </ul>	Plan reality check
Mar 2026	Irreversible	<ul style="list-style-type: none"> <li>• Notices issued by March 15</li> <li>• Staffing revised updates</li> <li>• Second Interim Report</li> </ul>	Insolvency Reversal/ County review
Apr 2026	Finalize	<ul style="list-style-type: none"> <li>• Approve site &amp; central office budgets</li> <li>• Implement impacts bargaining</li> </ul>	Final / No reversals
May 2026	Hear	<ul style="list-style-type: none"> <li>• Public hearing on proposed budget</li> </ul>	Transparency
Jun 2026	Adopt	<ul style="list-style-type: none"> <li>• Adopt 2026-27 Budget &amp; MYP</li> <li>• AB 1200 certification</li> </ul>	Certification approval

- ✓ “Ongoing structural solutions.”
- ✓ “Conservative revenue assumptions.”
- ✓ “Cash solvency maintained throughout the fiscal year.”
- ✓ “Staffing aligned to enrollment.”
- ✓ “Board-authorized actions by March.”
- ✓ “Reserve restoration incorporated into the multi-year plan.”
- ✓ “Avoidance of one-time solutions.”
- ✓ “Regular monitoring and reporting to the County Office of Education.”

**Scenario 3 direction: +\$100 M in budget reductions (negative certification)**

**Specific Current Actions/Outcomes:**

1. **Qualified 1<sup>st</sup> Interim Certification**
2. **+/- \$50 M in budget shifts and reductions**
  - **Use of Discretionary Grants – Reduce Unrestricted Costs**
  - **Central unspent funds reductions and schools' supplies/services**
  - **Carryover reductions and shifts to S&C – I.e.: Alt Ed / Small Schools**
  - **Deferred maintenance – Cost reduction from general fund**
3. **Emphasize the use of the most restricted funds first**
4. **Next steps: 2<sup>nd</sup> Interim, reduction verification, and budget development**

Scenario 3 remains in effect under both negative and qualified certifications. The OUSD executive team has emphasized protecting school sites and programs, and the reductions take into account the significant budgetary restructuring needed, starting with central budgets before reducing schools and instructional programs.



# A PATH FORWARD FOR OUSD

01. Stabilize finances with realistic budgets and transparent oversight.
02. Align spending with revenues through rightsizing and structural changes.
03. Enhance revenues ethically and sustainably.
04. Strengthen governance, leadership and financial literacy.
05. Serve as advisors and partners in strategic planning.

The planned strategies and approach puts long-term solvency and community trust at the center — not just short-term cuts — and positions OUSD to protect its educational mission even while facing and resolving structural fiscal challenges.

# THANK YOU

HYA | HAZARD  
YOUNG  
ATTEA  
ASSOCIATES



OAKLAND UNIFIED  
SCHOOL DISTRICT

*Community Schools, Thriving Students*