Superintendent Report

Interim Superintendent, Dr. Denise Saddler
May 13, 2026

OAKLAND UNIFIED SCHOOL DISTRICT
Community Schools, Thriving Students

Our Vision

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

Our Mission

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

Superintendent Report Overview

School Highlights
Expulsion / Suspended Expulsion Data + Systems of Support
OUSD Fiscal Solvency Update & Accountability Roadmap

School Highlights

Montera Middle School Unveils New FIFA Soccer Pitch

On April 29, I attended a wonderful ceremony officially opening the new FIFA soccer pitch at Montera Middle School. It was exciting to see the student-athletes celebrate the addition of this beautiful new playspace.

The field is the product of an amazing partnership between the school and FIFA, U.S. Soccer, Oakland United, and Oakland Genesis, and it came about because of the upcoming World Cup here in the Bay Area.

I was honored to cut the ribbon with Principal Latoya Williams and Olympic Silver Medalist and co-founder of Bay FC, Danielle Slaton.

Montera's three-time OAL champion girls soccer team (in yellow) was part of the celebration, which was followed by some exciting scrimmages.

The District's Annual LitFest was a Smashing Success

On April 23, thousands of students, families, and staff came together at the 3rd Annual LitFest. It was an incredible celebration of student voice, knowledge, and literacy learning that happened in the auditorium and the play yard at La Escuelita.

We kicked it off with a news conference with President Brouhard and Mayor Barbara Lee, the Oakland Literacy Coalition, Eat. Learn. Play. Foundation, and a host of educators, students, and families.

The day came with a challenge, an end of year Reading Challenge. We promoted the fact that **Oakland Is a Reading Town**, and called on students to read at least 20 minutes a day through May 15 to bolster their literacy skills.

“Oakland Goes Outdoors” Takes Students on 1,000th Trip

Our partner organization, Oakland Goes Outdoors (OGO), took students from Frick United Academy of Language on the 1,000th student trip since OGO was launched in 2018.

This trip, students spent part of April 23 inside Reinhardt Redwood Regional Park in the Oakland Hills. Students and staff hiked around the gorgeous natural space, amid the collection of redwood trees.

By covering transportation, gear, and program costs, OGO removes barriers and ensures equitable access to nature-based learning opportunities. To date, more than 18,000 students have participated, with more than 6,200 served last year alone across 23 school sites.

Senior Leadership Team Visits Outstanding Educators

At Castlemont High, I led our senior leadership team on a visit with two outstanding educators. One was **Iyla Ollinger, a 2026-27 OUSD Teacher of the Year**. Supporting newcomer students with their English Language Development, Ollinger (top photo) has helped them thrive in their new country. She's a passionate advocate who holds students to high academic standards while consistently affirming their home languages, reinforcing cultural and linguistic diversity as strengths.

We also visited Lillian Jacobson, an engineering teacher for whom students show great love, and who has helped countless students pursue engineering as a college course of study, and as a career.

Expulsion / Suspended Expulsion Data + Systems of Support

May 2026

Presented by: Misha Karigaca

Created by: Ashley Craver, Nimia Berrara, Emily Zanoli & Misha Karigaca

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Overview

April 2026

1. Expulsion & Susp. Expul.

Overall Data

- Past 4.5 years of records

- **Suspended Expulsion**
    - Disciplinary actions since DHP
    - Pattern identification

2. Systems of Support

Placement Process
Streamlining student transitions

Resources
Accessible tools for student success

Prevention
Proactive strategies and interventions

DHP Process

01. Referral Determination: Site administrator determines if incident meets expulsion criteria based on OUSD's Discipline & Intervention Guide.

02. Network Superintendent Sign-off: Network Superintendent must sign off on the expulsion referral.

03. IEP/504 Special Requirement: For students with an IEP or 504, a Manifestation Determination Meeting must confirm if the incident was disability-related or failure to implement IEP/504. If not....

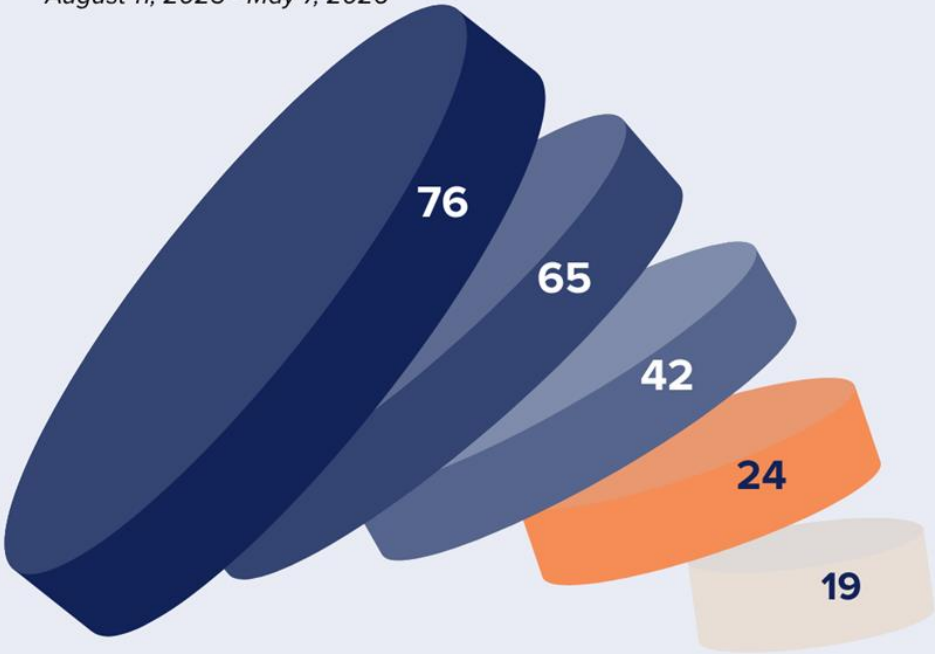
04. Expulsion Hearing: Expulsion hearing is held by an OUSD Facilitator and two retired OUSD administrators. Student, guardians and site administrators are also invited/present.

05. Panel Decision: The Panel either reinstates the student back into an OUSD school or recommends Expulsion/Suspended Expulsion to the School Board.

OUSD Discipline Hearing Process

An exploration of student protections throughout the disciplinary hearing process.

August 11, 2025 - May 7, 2026



76

DHP Referrals
Total referrals submitted from school sites for the 25-26 school year (through 5.7.26). 11 Referrals are currently pending.

23

Withdrawn or Dismissed Referrals
Referrals withdrawn resulting from Manifestation Determination (IEP) Meetings or withdrawn by referring school.

18

Voluntary Transfer or Reinstated
Students who are not recommended for expulsion and return to an OUSD school site.

5

Suspended Expulsions
Students whose expulsions are suspended by the OUSD School Board and able to return to an OUSD school site.

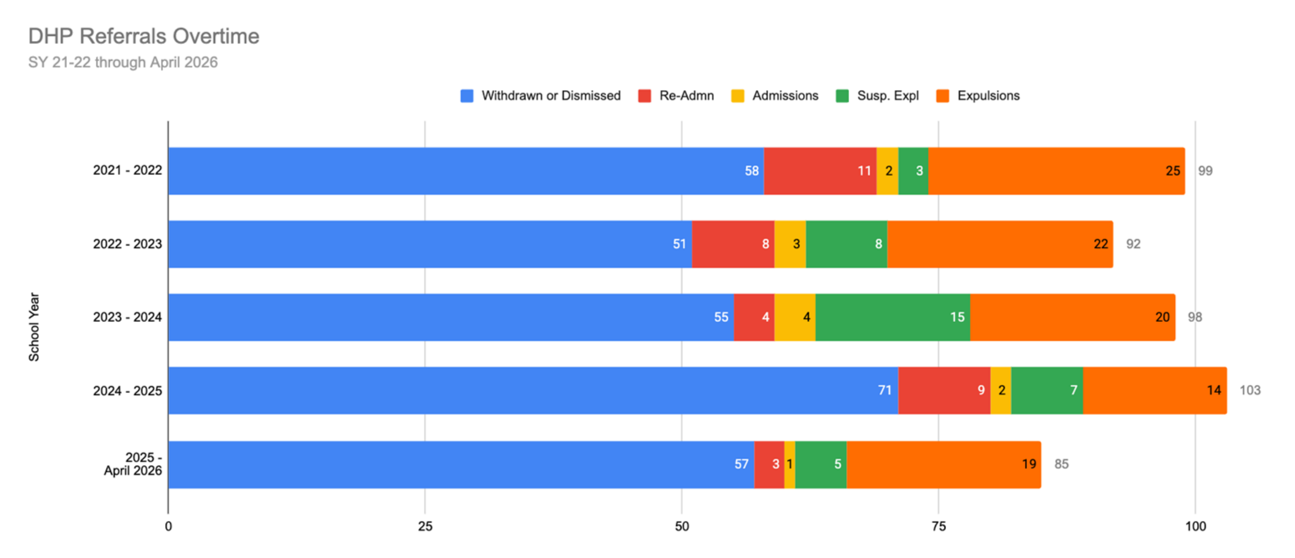
19

Expelled Students
Students whose are expelled from OUSD by the School Board and referred to an Alameda County school program.

DHP Referrals Overtime

SY 21-22 through April 2026

●Withdrawn or Dismissed ●Re-Admn ●Admissions ●Suspended Expulsions ●Expulsions



Suspended Expulsion Data

Number of Disciplinary Actions Since Suspended Expulsion

School Year	# of Susp. Expl.	# of Disciplinary Acts (excluding minor offenses) Since Susp. Expl	# of Students with Disciplinary Acts Since Susp. Expl.
2021 - 2022	3	0	0
2022 - 2023	8	3	3
2023 - 2024	15	5	4 * **1** student repeated same offense and was expelled
2024 - 2025	7	5	3
2025 - 2026	5	0	0

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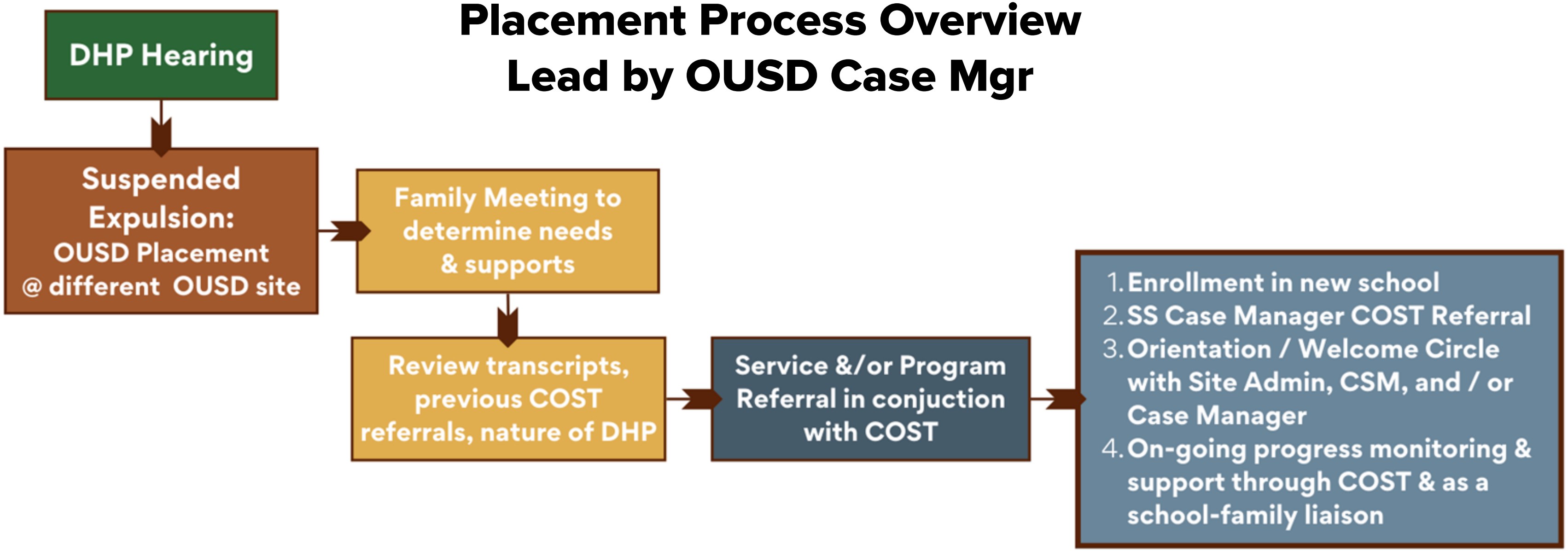
Supports for Suspended Expulsion

Placement Process Overview
Lead by OUSD Case Mgr



Our OUSD Case Manager supports expelled students with the following:

1. Helps with the transition into County school
2. Meets with County staff to help make sure each student is on target to get re-admitted
3. Helps with the re-entry & reintegration back into OUSD schools.

Supports for Suspended Expulsion

Prevention

Tier I Interventions	Tier II Interventions	Tier III Interventions
1. SS Case Manager 2. COST Referrals 3. Village Response Team 4. Healthy Oakland Kid & Teen Lessons	1. Peer Groups 2. Affinity Groups 3. CICO 4. Group Counseling	1. Life Coaching Services 2. Individual Counseling 3. Intensive Case Management 4. Diversion Services

Note: The above tiered interventions are specifically designed for students who have been identified as experiencing challenges.

Thank you

For more information, please reach out:

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Director of Student Support & Safety

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OUSD Fiscal Solvency Update & Accountability Roadmap

Board of Education Presentation
May 13, 2026

Tara Gard • Deputy Superintendent, Business & Operations
Ryan Nguyen • Chief Financial Officer
Dr. Ruben Frutos • Consultant, HYA

OUSD Fiscal Solvency Update & Accountability Roadmap

Opening: Context and Transparency

Where is OUSD financially, how the District got here, and what we are doing to ensure long-term solvency?

- We have been transparent from the beginning:
- In December 2025, this Board publicly recognized a structural deficit of over $100 million and implemented a plan to improve OUSD's fiscal condition and reduce the deficit. That moment set the tone for the work we are doing today—honest, disciplined, and focused on solutions.
- We are focused on fiscal stabilization and long-term sustainability
- We have improved cash flow and implementation progress
- We are maintaining local control through disciplined execution

December 2025: A Critical Crossroads for OUSD

Our previous staff recommended certifying OUSD's budget as **NEGATIVE** meaning the district projected it could not meet its financial obligations for the current fiscal year and the two subsequent fiscal years.

Two paths were presented to the Board:

OPTION 1: Take Another State Loan

- Accept state intervention
- Lose local control of budget, hiring, and governance
- State-appointed administrator makes decisions for OUSD
- Families and communities lose their voice

OPTION 2: Build a New Stabilization Plan

- Develop board-adopted fiscal stabilization plan
- Restructure finances and reduce structural deficit
- Maintain local governance and community voice
- Demonstrate that OUSD can self-correct

The Board chose to fight for local control — and they committed to doing the hard work.

OUSD Fiscal Solvency Update & Accountability Roadmap

Ongoing Efforts: Planning and Execution

"There has been controversy about whether OUSD has a plan. We want our community to understand what a plan is, how many we have had, and what the real problem has been."

What Is a Fiscal Plan?

A document that:

- Identifies the gap between revenues and expenditures
- Proposes specific actions to close it
- Assigns ownership
- Is formally adopted by the governing board

What We Have Had

OUSD has had multiple fiscal plans over the past decade:

- Formally adopted
- Presented to county oversight
- Acknowledged by the state

What Has Been Missing

- Consistent execution
- Quarterly reporting and timely plan adjustments
- The institutional discipline to follow through even when decisions are painful and unpopular

From December 2025 to Today

Progress to Date: Deficit Reduction and Fiscal Discipline

Since that time, we have taken meaningful and measurable action:

- Reduced the structural deficit by more than $65 million through a combination of reductions and strategic shifts.
- Implemented expenditure controls and strengthened position control processes.
- Begun aligning staffing levels with enrollment realities and program needs.
- Initiated deeper reviews in key cost areas, including Special Education and operational structures.
- Workforce alignment and expenditure controls underway
- Restricted-first budgeting expanded
- Additional stabilization work continues into 2026-27

This work has not been easy. It has required difficult decisions and prioritizing sustainability over short-term convenience.

- Initial recommendation projected a negative certification
- Board adopted stabilization strategy instead of receivership
- Qualified certification maintained at Second Interim
- Current cash flow reflects improved operational conditions

Solvency and Deficit Reduction Progress

Interim Reports: Qualified Certification – A Critical Achievement

- As a result of this work, the District submitted both the First and Second Interim Reports with a Qualified certification.
- Importantly:
    - The Alameda County Office of Education agreed with our Qualified certification at both reporting periods. This reflects a shared understanding that:
        - The District can meet its financial obligations,
        - While acknowledging that continued action is required.
- At the Second Interim, the County added a “going concern” designation:
    - We understand this designation.
    - It reflects the seriousness of our structural challenges.
    - But it does not change the fact that the District remains able to meet its obligations and is actively implementing a solvency plan.
- Additional stabilization work continues into 2026-27
    - Position control and staffing alignment
    - Contract review and procurement discipline
    - Attendance recovery and revenue protection
    - Facilities and operational optimization

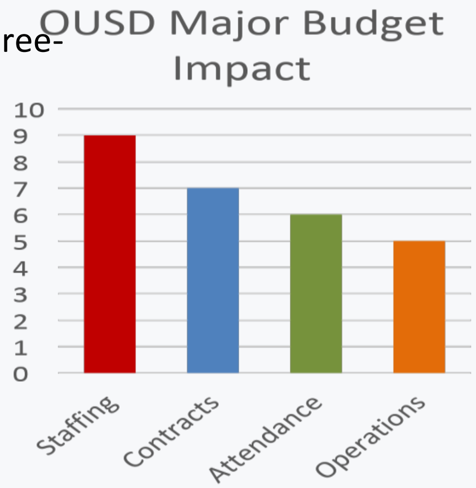
ACOE may monitor, require reporting, and assign support, but it should not frame OUSD as functionally insolvent where the District has a qualified certification, has adopted corrective actions, and has updated projections showing solvency if current measures are completed.

Fiscal Sustainability Strategies

Budget Development Process: Structured, Data-Driven, and Transparent

Our 2026–27 budget development process is fundamentally different from prior years:

1. **Grounded in Reality**
   - Enrollment and ADA projections are being aligned with actual trends.
   - Revenue assumptions are tied directly to state formulas and verified projections.
2. **Multi-Year Focus**
   - Every decision is evaluated not just for the current year, but for three-year sustainability.
3. **Cash flow-Driven**
   - We are managing not only the budget, but also the monthly cash flow, including:
     - Identification of seasonal cash lows
     - Development of contingency tools, if necessary
4. **Separation of Unrestricted and Restricted Funds**
   - We are clearly distinguishing:
     - What is legally available for operations
     - What is restricted and not for addressing the structural deficit



Budget Development and Criteria

OUSD Budget Strategy for 2026-27

The strategic fiscal posture for OUSD is:

1. Do not book the delayed $5.6B settle-up.
2. Book LCFF COLA conservatively.
3. Treat discretionary block grants as one-time.
4. Use any future settle-up for reserve restoration, cash stabilization, deficit reduction, and restructuring transition costs — not ongoing costs or staffing.
5. Explicitly show that OUSD's solvency plan does not depend on speculative state settle-up.

Bottom line:

Prop 98 settle-up represents meaningful potential upside for OUSD, possibly $26M–$29M if fully distributed by ADA, but it is not a reliable current-year or 2026–27 budget solution unless and until the state appropriates it.

Budget Development and Criteria

State Budget Context: Helpful but Not the Complete Solution

- The Governor's 2026–27 budget provides:
  - A 2.41% COLA,
  - One-time discretionary funding,
  - Additional targeted program investments.
- These resources are helpful and appreciated.
- However, we are clear:
  - They do not solve our structural deficit.
  - One-time funds will be used for one-time purposes only, including transition costs and stabilization.

Cashflow and Liquidity Management

- The District experiences seasonal cashflow pressures, particularly in the fall and late winter months.
- These are driven by the timing of revenues versus expenditures—not by an inability to meet obligations.
- Cash management, payment strategies, and monitoring resources are now an ongoing reality.

Key Observations – Cash Flow

1. Critical low point

- March (~$5-10M) → Check safe threshold
- **Also fragile:** October–November (~$10-15M)

2. Cashflow shape

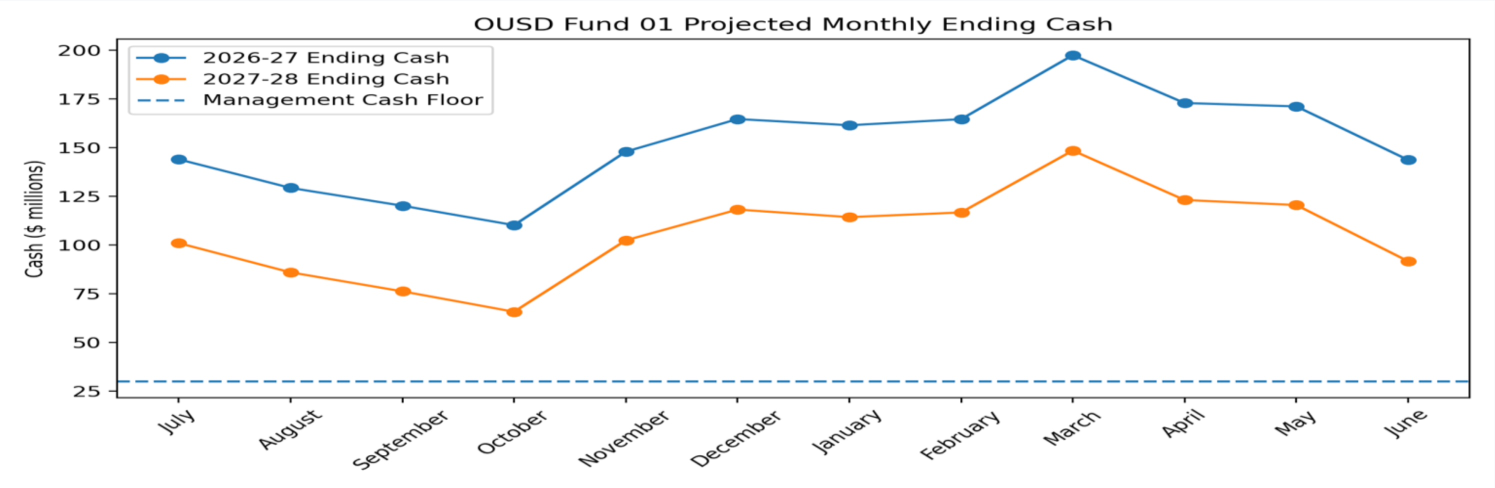
- Classic CA pattern:
  - Early-year stress
  - Mid-year stabilization
  - Spring recovery

OUSD Fiscal Solvency Update & Accountability Roadmap

Ongoing Efforts: Will OUSD Be Insolvent in 2025-26, 2026-27, or 2027-28?

NO

- Historical seasonality is clear: OUSD experiences large negative cash movement early in the year, strong revenue receipts around December/January and spring property tax periods, and heavy June disbursements/accrual activity.
- The 2026-27 state budget assumptions improve the outlook, especially the 2.41% COLA and the proposed one-time Discretionary Block Grant, but these do not eliminate the structural deficit or the need for reductions.
- The projection shows no total General Fund cash insolvency under the known conditions, but projected usable liquidity can become constrained if the ongoing fiscal stability plan does not continue to improve district solvency.



Budget Costs Criteria

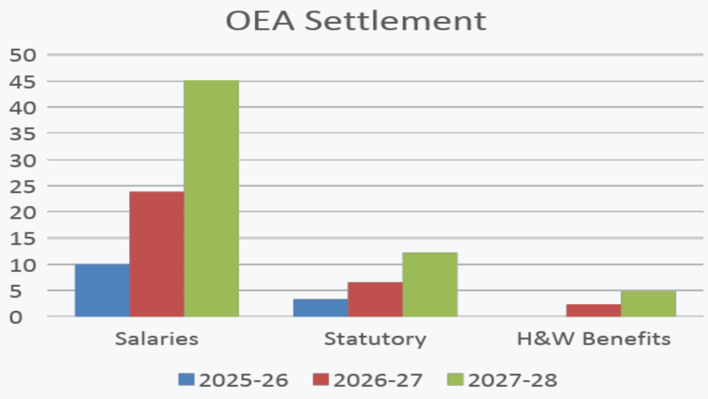
OUSD – OEA Settlement Cost Analysis

With the settlement with OEA, the Board accomplished the continuity of instructional programs by averting a strike, and a 2-year contract that will preserve academic stability until the end of 2026-27. The costs, while significant, are part of the Board-directed plan for fiscal actions that seek to protect programs through budget reductions, enabling deficit containment. The current district fiscal projections allow for the payment of the settlement obligations, assuming that the established fiscal solvency measures continue in the outgoing years.

OEA Settlement costs - 3 Year Forecast

	2025-26	2026-27	2027-28
Salaries	10,010,183	23,850,200	45,141,406
Statutory	3,361,591	6,574,571	12,217,038
H&W Benefits	-	2,385,677	4,878,708
Total Yr Cost	13,371,774	32,810,448	62,237,152

Source: Data provided by OUSD Fiscal Services Staff



Budget Development and Criteria

Ongoing Need for Fiscal Discipline: Our Plan for FY 2026-27 and Beyond

Arne Duncan (Former Secretary of Education): Stated that the "fiscal cliff" should be viewed as an "opportunity to innovate," rather than just a reason to cut, urging administrators to "stop doing what doesn't work" to maintain solvency. (Forbes)

FY 2026-27 PRIORITY ACTIONS

- Enrollment-based staffing alignment (Year 2)
- Central office and administrative overhead reductions
- Renegotiation or exit of high-cost service contracts
- District wide right-sizing analysis
- Special Education program restructuring
- Facilities use optimization and program review
- Labor negotiations grounded in budget reality

FY 2027-28 & STRUCTURAL REFORM

- Multi-year bargaining framework tied to reliable fiscal projections
- School model redesign to reduce per-site operational costs
- Revenue diversification: facilities, grants, partnerships
- Structural Special Ed cost containment strategy
- Reserve rebuilding — Stable +3% by FY 2028-29
- Quarterly accountability reporting to Board & community
- Solvency analysis as part of annual budget report

Path Forward

Draft Estimates (Prior to May Revision) – General Fund Multi-Year

Category	2025–26 projected	2026–27 forecast	2027–28 forecast
Beginning cash	~$267.9M	~$170M–$190M	~$150M–$180M
Total receipts	~$850M–$900M	~$880M–$925M	~$900M–$945M
Total disbursements	~$930M–$965M	~$900M–$940M	~$905M–$945M
Net operating change	Reduced Deficit	Minor Deficit to stabilized	Stabilized if reductions hold
Ending cash	~$170M–$190M	~$150M–$180M	~$160M–$190M
Lowest cash month	March/April	March/April	March/April
Cash Concerns	Possible	Possible if unrestricted cash floor is breached	Lower if reductions fully implemented

Major Fiscal Risks Mitigation

Fiscal Solvency Strategy: The Path Forward

Our solvency plan is built on four pillars:

1. Structural Alignment

- Align staffing, programs, and operations with enrollment and revenue realities

2. Cost Containment

- Focus on major drivers, including Special Education and central services

3. Revenue Integrity

- Improve attendance, enrollment stability, and program alignment

4. Cash and Fiscal Discipline

- Maintain adequate liquidity and effective financial reporting
- Produce data and informational reports that are reliable and defendable

Governance & Administration

Key Message: Where We Are Today

Administrative and Governance messaging clarity:

- The District is **not ignoring its fiscal challenges**
- The District is **actively addressing them**
- The District is **meeting its financial obligations**
- The District will **protect student programs and avert strikes**
- The District **will continue its plan implementation**
- The District **will maintain its fiscal solvency efforts**
    - Complete structural stabilization work
    - Expand attendance recovery efforts
    - Protect reserves and maintain solvency
    - Strengthen long-term sustainability planning
- And the District is **on a path toward long-term solvency**

Governance & Administration

Board decision calendar through budget adoption

May 2026 — Report on solvency updates, including information on Interim reports, Cash Flows, and multi-year budget planning

June 2026 — Board-approved Third Interim due; reconcile assumptions to April cash flow, including labor settlement costs

June 30 — Adopt the 2026–27 budget; approve multi-year projection, LCAP, and cash flow controls

July–Aug — Close 2025–26 books; update Unaudited Actuals; monitor payroll costs and carryovers

Sept–Dec — First Interim cycle; district audit; verify recurring savings and prepare 2027–28 structural solutions

2026-27 and Ongoing Priorities

Closing: Confidence and Commitment

- This work requires continued discipline, partnership, and transparency.
- We will continue to:
  - Seek support and work with ACOE
  - Provide regular updates regarding ongoing fiscal efforts and results
- Make the decisions necessary to ensure long-term stability
- **We want to thank:**
  - Our staff for their dedication
  - And our partners for their oversight and collaboration
  - The Board for its leadership
- ***We are not finished but we are making real, measurable progress, and we are moving in the right direction.***

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1011 Union Street, Oakland, CA 94607