

OAKLAND UNIFIED SCHOOL DISTRICT



Financial Stabilization Implementation Plan: Protecting Equity, Maintaining Local Control, and Prioritizing Students - OUSD Structural Deficit

Budget and Finance Committee Meeting | May 14, 2026

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The Fiscal Reality Facing California School Districts

Why context matters before we look at OUSD's numbers

California school districts are navigating a perfect storm:

- Enrollment decline reducing per-pupil LCFF funding
- Inflation-driven costs outpacing COLA adjustments
- Post-pandemic one-time funds fully exhausted
- State budget uncertainty and mid-year deferrals
- Rising special education mandated costs
- Labor cost increases outpacing revenue growth

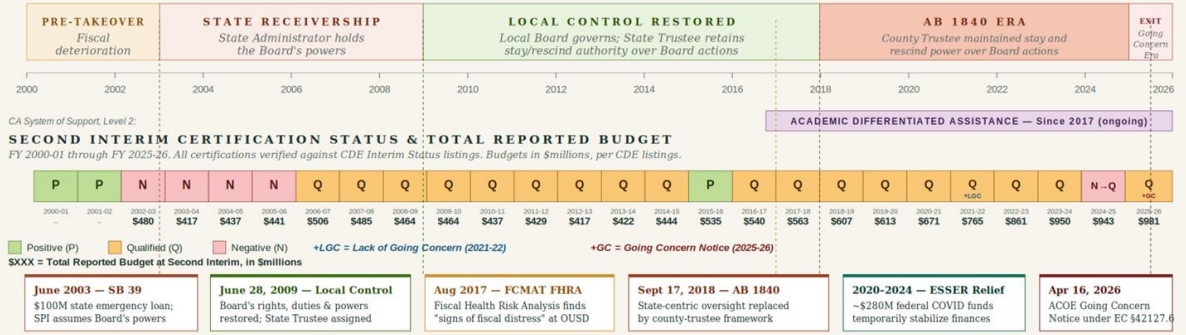
OUSD is not alone — but our decisions carry extraordinary weight given the 34,000+ students and families we serve.

A Twenty-Five Year Fiscal Arc

State Receivership, Local Control, and Fiscal Certifications — 2000 to 2026

View 25 years of
 OUSD
 Budget,
 Leadership,
 Enrollment,
 Graduation Rates
 and Fiscal Plans

[HERE](#)



STATE ADMINISTRATORS & FISCAL TRUSTEES

State Administrators held the Board's powers during receivership (2003-2009); Fiscal Trustees retain veto authority over financial decisions to ensure repayment of the state loan.

Randy Ward State Admin 2003-06	K. Statham 2006-07	V. Matthews Interim '07-'08	R. Mayor Interim '08-'09
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Chris Learned Fiscal Trustee 2017-2021	Luz Cázares Fiscal Trustee 2021-2025
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LOCALLY-SELECTED SUPERINTENDENTS (POST-RECEIVERSHIP)

Tony Smith Superintendent 2009-2013	Gary Yee Acting '13-'14	Antwan Wilson 2014-2016	D. Dillon Interim '17	Kyla Johnson-Trammell Superintendent 2017-2025	D. Saddler Interim '25-
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ENROLLMENT & ACADEMIC OUTCOMES

Enrollment: OUSD district-run schools only (charter enrollment not included), per OUSD RAD Aeries SIS Fall Census Day dashboard. Graduation rate: 4-year cohort, all students, per OUSD RAD.

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Enrollment (district-run, TK-12)	35,412	36,084	36,341	36,431	38,096	33,613	36,824	33,789	33,859	37,025	34,431	33,968	37,216	34,140			
Graduation rate (4-yr cohort)	59.3%	62.8%	60.7%	64.2%	65.7%	70.7%	73.1%	72.2%	72.0%	71.7%	74.4%	74.1%	79.5%	74.0%			
A-G eligibility (UCICSU-ready)	28.4%	30.5%	27.9%	32.3%	33.6%	34.7%	35.5%	40.0%	41.7%	41.2%	44.6%	42.2%	48.7%	46.0%			

BUDGET BALANCING & RECOVERY PLANS

Operational and strategic responses to fiscal distress; horizontal extent shows plan period.

State Receivership Response
2003 — state imposed

Blueprint for Quality Schools
2017-2019

Fiscal Sustainability Plan
2023-2026

Fiscal Viability Plan
2023-2026

BBS: A 2023-2024
BBS: B 2024-2025
BBS: C 2025-2026

The 3Rs
2024 — Redesign, Re-Evaluate, Restructure

FSP — Scenario 3
2025 — FY 2026

FSP = Financial Stabilization Implementation Plan: Protecting Equity, Maintaining Local Control, and Prioritizing Students — Scenario 3 (the in-use plan adopted in 2025).
 BBS = Budget Balancing Solutions (board-document attachments A, B, C delivered alongside Second Interim reports in 2023, 2024, and 2025 respectively).

Sources: CDE Interim Status listings at <https://www.cde.ca.gov/ta/tv/tr/interimstatus.asp> (every certification and budget verified, 2000-01 through 2025-26); FCMAT AB 1840 letters (2019, 2020, 2021); ACOE concurrence letters; OUSD Board records. Prepared by the Office of the Deputy Superintendent of Business and Operations, May 2026.

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 or 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.

"Do We Have a Plan?" — Addressing This Directly

"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

OUSD Fiscal Plans from 2017 - current

Plan / Document	Key Strategies
Blueprint for Quality Schools (2017-2019)	The Blueprint for Quality Schools in the Oakland Unified School District (OUSD) is a multi-year, iterative, and community-driven initiative aimed at restructuring the district to address critical challenges in sustainability, quality, and equity. It was developed to align school facilities and programs with changing population trends—notably a significant decrease in student enrollment—by creating a "Community of Schools" that includes both district-run and charter schools.
Fiscal Vitality Plan (2018-2020)	The Fiscal Vitality Plan (FVP) in the Oakland Unified School District (OUSD) was a foundational strategy initiated around 2018–2020 designed to address the district's severe, chronic financial issues, including structural deficits, declining enrollment, and reliance on state loans. While the original FVP has been replaced by newer "Fiscal Sustainability Plans" (FSP) as of 2021, its core principles set the stage for OUSD's current efforts to maintain solvency.
Fiscal Sustainability Plan (2023-2026)	The Fiscal Sustainability Plan (FSP) for 2023-2026 is a strategic framework adopted by the Oakland Unified School District (OUSD) board in January 2023 to address chronic structural deficits, declining enrollment, and meet state-mandated requirements for financial solvency. The plan, mandated by AB1840, was essential for accessing state financial support and avoiding insolvency.

OUSD Fiscal Plans from 2017 - current, continued...

Plan / Document	Key Strategies
<p>Budget Balancing Solutions: Attachment A (2023)</p> <p>Budget Balancing Solutions: Attachment B (2024)</p> <p>Budget Balancing Solutions: Attachment C (2025)</p>	<p>OUSD's budget balancing solutions (Attachments A, B, and C) are a series of proposed structural changes, staffing formula revisions, and school restructuring initiatives designed to close a projected structural deficit for these school years. These attachments represent a, b and c—a, b and c respectively—efforts to avoid state takeover, with a, b and c focus on, respectively: school restructuring, staffing formulas, and departmental cuts.</p>
<p>The 3Rs: Redesign, Re-Envision, Restructure (2024)</p>	<p>Based on the Oakland Unified School District (OUSD) budget adjustment efforts announced around June 2024, the "3 R's" refer to a strategic framework to address financial challenges and restructure the district's portfolio of schools The 3 R's are:</p> <ul style="list-style-type: none"> ● Redesign: Creating new, sustainable models for schools that align with modern student needs and population changes. ● Re-envision: Reimagining the district's overall structure and how resources are used to ensure long-term viability and academic success. ● Restructure: Implementing concrete changes to the school portfolio, which has included consolidating schools, merging sites, and reallocating staff positions to address budget deficits.
<p>Financial Stabilization Implementation Plan: Protecting Equity, Maintaining Local Control, and Prioritizing Students (2025)</p>	<p>The Financial Stabilization Implementation Plan: Protecting Equity, Maintaining Local Control, and Prioritizing Students (2025-2026) is the Oakland Unified School District's (OUSD) strategic response to a critical structural deficit, aimed at closing over \$100 million in budget gaps while avoiding state takeover. The plan focuses on retooling district operations to match a declining student enrollment, with a stated commitment to keeping schools open and prioritizing classroom-level services over central office operations</p>

OUSD Fiscal Plans Actions Comparison

Budget Reduction or Revenue Strategy	Fiscal Vitality	3Rs 2024	Attach. A/B/C	Scenario 3	Current Plan	# Plans
School Portfolio Right-Sizing / Consolidation / Closures	✓	✓	✓ (C)	✓	✓	5
Central Office Restructuring & Reduction	✓	✓	✓	✓	✓	5
Workforce Reduction (RIF / Layoffs / Position Control)	✓	✓	✓	✓	✓	5
Attendance Recovery (1% ADA = \$5.25M revenue)	✓	✓	✓	✓	✓	5
Enrollment Stabilization / Growth Strategy	✓	✓	✓	✓	✓	5
Labor Cost Discipline (No Raises Without Offsets)	✓	✓	✓	✓	✓	5
Special Education Cost Containment / NPS Review	▷	✓	✓	✓	✓	4+
Position Control Enforcement (Budgeted FTE = Actual FTE)	✓	✓	✓	✓	✓	5
Vendor / Consulting Contract Review & Reduction	✓	✓	✓	✓	✓	5
Medi-Cal / LEA Billing Optimization	✓	✓	✓	✓	✓	5
Restricted-First Budgeting (S&C, Title I prioritized)	✓	✓	✓	✓	✓	5

OUSD Fiscal Plans Actions Comparison, continued...

Budget Reduction or Revenue Strategy	Fiscal Vitality	3Rs 2024	Attach. A/B/C	Scenario 3	Current Plan	# Plans
School Site Budget Reductions (7.5–10%)	—	✓	✓	✓	✓	4
Hiring Freeze During Fiscal Distress	▷	✓	✓	✓	✓	4+
Benefits Restructuring / Healthcare Cost Mgmt	✓	▷	✓	✓	✓	4+
Facility / Asset Monetization	✓	✓	▷	✓	✓	4+
Monthly Fiscal Transparency Reporting (Public Dashboard)	▷	✓	✓	✓	✓	4+
Parcel Tax Reauthorization / Voter Revenue Measures	✓	✓	▷	▷	✓	3+
Multi-Year Projection-Based Budgeting	✓	✓	✓	✓	✓	5
Labor Agreement Costing Before Ratification	▷	✓	✓	✓	✓	4+
SPED Program Audit (NPS, transport, staffing ratios)	▷	✓	✓	✓	✓	4+
Annual FCMAT Self-Assessment	▷	✓	▷	✓	✓	3+

STAY WITH IT.

What this Plan asks of everyone is the same thing.

- *Stay with it when the early reductions hurt.*
- *Stay with it when pressure builds to defer.*
- *Stay with it through leadership transitions, election cycles, and the next downturn.*
- *When circumstances require a change of course — change course openly and on the record.*

The strategies have been right for years.

The structure to hold them - and to hold ourselves accountable through them is what we are committing to now.

THANK YOU

Questions and discussion.

We will not have every answer tonight. We will publish responses to questions raised here, in plain language, on the public budget website.

WHERE TO FIND MORE

Budget Website:

Public — updates on the first business day of each month

Board Meetings:

Second and fourth Wednesdays — public comment welcomed

Office of the Deputy Superintendent:

Business & Operations, Tara Gard email: tara.gard@ousd.org