

Financial Stabilization Implementation Plan (2025-26)

Protecting Equity, Maintaining Local Control, and Prioritizing Students

Oakland Unified School District stands at a critical juncture of opportunity to build a foundation for sustainable educational excellence. This Fiscal Stabilization Implementation Plan ("Plan") establishes a systematic approach to strengthening OUSD's fiscal health while protecting the quality of education for all Oakland students.

I. Executive Summary

This roadmap focuses on proactive stabilization through strategic planning, expert guidance, and phased implementation. Our core commitments are consistent, professional standards in how the District operates; fiscal sustainability that protects teaching and learning; and reliable operations that maintain the trust of families.

Implementation Phases

- **Phase 1: Immediate Stabilization (Fall 2025 – Spring 2026):** Focuses on corrected fiscal practices and restoration of reserves.
- **Phase 2: Workforce Realignment (Spring 2026):** Includes staffing decisions, such as the Supplemental Early Retirement Program (PARS), to reduce the workforce while protecting student-facing services.
- **Phase 3: Budget Preservation for FY 26-27 (Spring-Summer 2026):** Translating workforce decisions into a balanced, Board-adopted budget that protects key neighborhood schools and programs.
- **Phase 4: Long-Term Sustainability and Growth (FY 27-28 through FY 30-31):** Implementing final recommendations from fiscal experts (HYA), building operational excellence, and positioning the District for enrollment growth.

II. Key Results to Date

As of early 2026, the District has achieved several critical stabilization milestones:

- **Reserve Restoration:** The Unrestricted General Fund ending balance is projected at \$35.1M, exceeding the Board-mandated 3% threshold.
- **Deficit Clarification:** The structural deficit has been reduced from an initial \$100M+ projection to approximately \$37M through FY 26-27 via corrected fiscal practices (including a conservative approach to the May Revision)
- **Certification Status:** The Alameda County Office of Education (ACOE) accepted the First and Second Interim Report with a Qualified certification. The District reports a positive budget for the Third Interim Report.
- **School Continuity:** All 80+ neighborhood schools remain open; no crisis-driven closures were implemented.

III. Strategic Framework

Equity-Centered Reductions

Equity demands precision rather than across-the-board percentage cuts. Reductions prioritize central office administrative functions over direct classroom instruction and protect departments already operating lean that serve high-need students.

Strategies Include:

- **Reduce the Special Education general fund contribution by 10%** – Ensure all eligible state and federal reimbursements are fully claimed, and that costs are allocated to the correct funding sources. No student's IEP services will be reduced.
- **Study leasing district property to Non-Public Schools** – Assess generating lease revenue from underused facilities by housing certified NPS providers.
- **Reduce central office workforce** – Lower staffing costs at the central office to protect school-facing roles.

- **Cut central office spending 15–20% above the \$21M base** – Target administrative spending rather than classroom instruction.
- **Reclaim underused space at school sites** – Consolidate or recover classrooms and facilities that aren't fully used. *(pending your confirmation of intent)*
- **Review second-tier contracts after budget adoption** – Scrutinize discretionary contracts at or above \$15,000 for duplication and cost-effectiveness.
- **Decrease restricted maintenance (RRMA) spending** – Reduce spending from the state-required maintenance account by planning projects more efficiently and avoiding emergency or duplicative costs.
- **Launch the TK Hub** – Stand up transitional kindergarten capacity to capture early-enrollment growth and funding.
- **Centralize procurement** – Buy materials and services district-wide to lower per-unit costs.
- **Adopt a fleet management system** – Manage district vehicles centrally to generate future operating savings.
- **Fund attendance and supervision staff through Supplemental & Concentration resources** – Shift Attendance Specialist and Noon Supervisor costs to Supplemental & Concentration funds at schools serving predominantly high-need students.
- **Align small school funding to the correct source** – Move eligible staffing costs for low-income students, English learners, and foster youth to Supplemental & Concentration funds and other applicable sources – paying from the funding the state designates specifically for those students.
- **Improve student attendance** – *Invest in attendance recovery – restore daily attendance toward pre-pandemic levels, which directly grows enrollment-based state funding.*

IV. Monitoring and Accountability

The District will utilize a multi-tiered reporting structure to ensure transparency and compliance with County oversight.

Audience	Frequency	Format	Responsible Party
Board of Education	Monthly ▾	Closed session fiscal update	Deputy Superintendent Bu... ▾
Budget & Finance Committee	Monthly ▾	Public meeting with detailed reports	CFO ▾
Senior Leadership Team	Weekly ▾	Status updates and problem-solving	Deputy Superintendent Bu... ▾
Staff	Monthly ▾	Email update and website posting	Deputy Chief, Business & ... ▾
Community	Quarterly ▾	Public meetings and website updates	Superintendent ▾

V. Success Measures

Progress will be measured against the following indicators:

Fiscal Sustainability – Achieve a Positive certification by FY 27-28 and maintain reserves at or above the 3% minimum.

Spending Discipline – Bring all contracts and discretionary spending at or above \$15,000 through second-tier review, route defined spending categories through centralized procurement, and sustain the central office vacancy freeze without informal backfill, reported quarterly.

Protected Teaching and Learning – Direct budget reductions away from classrooms so schools serving historically underserved students stay funded to support growth in literacy and mathematics.

Reliable Operations and Family Trust – Keep neighborhood schools open and stable, ending crisis-driven disruption, meet SLA standards for hiring, payroll accuracy, and facility work orders, and stabilize enrollment in District-run schools.

1. **Fiscal Sustainability** – Achieve a Positive certification by FY 27-28 and maintain reserves at or above the 3% minimum.
2. **Protected Teaching and Learning** – Direct budget reductions away from classrooms so schools serving historically underserved students stay funded to support growth in literacy and mathematics.
3. **Consistent, Professional Standards** – Meet service level agreement (SLA) standards for hiring, payroll accuracy, and facility work orders.
4. **Reliable Operations and Family Trust** – Keep neighborhood schools open and stable, ending crisis-driven disruption, and stabilize enrollment in District-run schools.

10% Reduction of Contribution to Special Education

TARGET REDUCTION \$12M	STATUS In Progress
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BACKGROUND

Oakland Unified is committed to serving its students with disabilities well while ensuring those services are funded sustainably. Special education has dedicated state and federal funding, and the general fund contributes spending above and beyond those revenues. For more than a decade, that additional contribution has grown year over year, consuming an increasing share of unrestricted general fund resources. A 10% reduction in the general fund contribution requires a rigorous and methodical review of special education costs and funding.

SCOPE OF THIS STRATEGY

The District needs to review the program to understand and share the impact of the contribution as it has grown to one-third of base funding, where 17% of enrolled students are supported by Special Education Programs. It is imperative that the District understand the costs, the drivers, and be able to predict where the contribution will be going forward. The intent of this analysis is to understand the program's cost escalation as it will directly impact ongoing base flexibility and its required and policy-driven responsibilities.

The goal of this strategy is not to reduce any student's entitlement under the Individuals with Disabilities Education Act (IDEA) or California special education law. Every student's IEP remains the governing document for their services. The goal is to ensure that the District is funding those entitlements as efficiently as possible, that all available external revenue is being captured, and that the general fund contribution reflects actual cost rather than accumulated inefficiency. A 10% reduction is achievable through disciplined analysis and program design; it does not require cutting services to students who need them.

SLT OWNER(S)

Tara Gard - Deputy Superintendent, Business & Operations

Sondra Aguilera - Chief Academic Officer

Jenine Lindsey - General Counsel

ACTIONS NEEDED

- NPS Review [In Progress]**
 Review of nonpublic school placements to assess educational necessity, cost appropriateness, and opportunities to serve students in lower-cost, district-operated settings.
- Revenue Maximization [In Progress]**
 Ensuring that all eligible services are properly billed, that Administrative Claiming is fully utilized, and that contribution to special education is reduced. Many districts routinely leave reimbursement revenue on the table due to incomplete billing practices or staffing gaps in the billing function.
- Staffing Ratios and Vacancy Management [Not Started]**
 Analyze staffing patterns including ratios of service providers to students, the use of contractor versus employee staff, and the cost of long-term unfilled positions covered by temporary providers. This has a direct and measurable impact on the general fund contribution.
- Special Education Fund Accounting and Cost Allocation [Not Started]**

Contribution growth is sometimes compounded by imprecise cost allocation charging general fund activities to special education or failing to allocate shared costs accurately. A review of how indirect costs, administrative functions, and shared staff are allocated between restricted special education funds and the general fund.

SIMILAR STRATEGIES IN PREVIOUS PLANS

Fiscal Vitality (2017–19) [Not Completed]

Institute closer monitoring of contributions to other programs, e.g. special education, nutrition, early childhood.

Attachment B (2023–24) [Not Completed]

The District needs to review the program to understand and share the impact of the contribution as it has grown to 1/3 of Base Funding, where 17% of enrolled students are supported by Special Education Programs. It is imperative that the District understand costs, drivers, and be able to predict where it will be as we look forward. The intent of this analysis is to understand the program's cost escalation as it will directly impact ongoing base flexibility and its required and policy-driven responsibilities.

Attachment C aligned to 3 R's Resolution (2024–25) [Not Completed]

The Special Education Contribution comes from the base and needs to be shared by supplemental resources as the base cannot support all of the investments planned for SPED. The Contribution has grown by \$103M in 14 years. The Base General Fund has grown by \$151M in 14 years. The District must be able to balance the cost increases with supplemental funds. The contribution to ongoing major maintenance has grown by \$13M, and it should be noted is calculated based on 3% of total expenditures.

RECOMMENDATION TO CONTINUE IN 2026-27

CONTINUE STRATEGY INTO FY 2026–27

Given the structural nature of special education contributions and the multi-year scope of the required analysis and program design work, this strategy is recommended for continuation into FY 2026–27. The actions identified; revenue maximization, staffing review, cost allocation analysis, and in-house NPS review cannot be fully completed within a single fiscal year. Sustained implementation is necessary to achieve and maintain the targeted \$12M reduction and to prevent contribution growth from re-emerging in subsequent years. The FY 2026-27 phase should focus on completing the audit, implementing program design changes, and validating that savings are structural rather than one-time.

Feasibility Study of Non-Public School (NPS) in OUSD Properties

TARGET REDUCTION

\$TBD

STATUS

In Progress

BACKGROUND

As the District works to close a structural deficit exceeding \$100 million, maximizing the revenue-generating potential of underutilized properties is a necessary and appropriate strategy. Non-Public Schools (NPS) private special education providers operating under state certification represent a viable tenant class for such facilities. NPS providers serve students with complex needs who are placed by school districts pursuant to IEPs when the district cannot provide the required program in-house. Housing NPS operators on OUSD property creates a revenue stream through lease arrangements while maintaining proximity to District-enrolled students receiving services, which may also support coordination and oversight.

SCOPE OF THIS STRATEGY

This strategy encompasses the identification, solicitation, evaluation, and placement of one or more NPS providers on OUSD-owned or OUSD-controlled property beginning in the 2026-27 school year. The scope includes the full procurement cycle from RFP issuance through application review, interview, Board approval, and executed lease or license agreement as well as ongoing contract administration and fiscal monitoring. This strategy does not alter the District's obligation to fund NPS placements for students whose IEPs require out-of-district services; rather, it creates an opportunity to generate offsetting revenue by providing physical space to qualified NPS operators who serve OUSD and other district students. The fiscal impact of individual lease agreements will be determined through the application review and negotiation process and reported to the Board prior to final approval.

SLT OWNER(S)

Jenine Lindsey - General Counsel
Sondra Aguilera - Chief Academic Officer

ACTIONS NEEDED

- **Request for Proposals (RFP) [Completed]**
The District issued a Request for Proposals to solicit qualified NPS providers interested in occupying OUSD property.
- **Decision to Proceed after RFP [In Progress]**
Applications have been received and the District is currently in the review and interview phase, evaluating candidates against criteria including program quality, certification standing, financial capacity, site compatibility, and potential revenue to the District. The review committee must complete its evaluation of all received applications and conduct remaining applicant interviews. Upon completion of the review phase, staff will develop lease or license terms for one or more selected providers and conduct due diligence on the proposed sites. A recommendation and proposed agreement will be prepared for Board approval at the August 2026 regular Board meeting. Following Board approval, the District will execute agreements and support the provider's transition onto the designated site in advance of the 2026-27 school year start.

SIMILAR STRATEGIES IN PREVIOUS PLANS

None.

RECOMMENDATION TO CONTINUE IN 2026-27

CONTINUE STRATEGY INTO FY 2026–27

Staff recommends that the Board authorize continuation of this strategy into the 2026-27 school year and affirm the August 2026 Board meeting as the target date for presentation of the first NPS placement recommendation and proposed lease agreement. The RFP process has generated sufficient applicant interest to support a competitive and well-considered selection. Bringing a qualified NPS provider onto OUSD property at the beginning of 2026-27 advances two District priorities simultaneously: it generates new revenue from underutilized assets, and it positions the District to coordinate more effectively with providers serving our highest-need students. Staff will return to the Board in August with a complete recommendation including proposed terms, site designation, and projected annual revenue.

Second-Tier Contract Review

TARGET REDUCTION

\$TBD

STATUS

In Progress

BACKGROUND

A preliminary review of District expenditure patterns conducted in Spring 2026 identified systemic concerns with both discretionary spending and the practice of contracting out services that could otherwise be provided through District staff or resources. These patterns present at both the central office and school site levels represent a material risk to fiscal stabilization and are inconsistent with the level of spending discipline required under the current fiscal emergency. In response, the District implemented a second-tier review requirement for any contract or spending request at or above \$25,000. Within weeks of implementation, the threshold was further reduced to \$15,000, reflecting the finding that a meaningful volume of problematic or duplicative spending was concentrated below the original threshold. This review process was initiated near the close of the 2025-26 school year, a period when school sites were managing graduation events, end-of-year programming, and transition planning, which created implementation friction and limited the District's ability to enforce consistent compliance. The strategy carries forward into 2026-27 with a mandate to establish durable, clearly defined processes for both central office departments and school sites..

SCOPE OF THIS STRATEGY

This strategy governs the review, approval, and monitoring of all contracts and discretionary spending requests at or above \$15,000, regardless of funding source or organizational unit. It applies to central office departments, school sites, and any program office or grant-funded function operating within the District's financial system. The scope encompasses both the procurement of external services including consulting, staffing, professional development, and contracted program delivery and non-personnel expenditures such as materials, events, and site-level discretionary accounts. This strategy is designed to operate in coordination with the Board's Contracting Out Task Force, which has made recommendations to mitigate contract services that may otherwise be performed by District employees. The strategy does not prohibit necessary spending; it establishes a structured review and authorization pathway intended to ensure that every dollar committed above the threshold is aligned with District priorities, is not duplicative of existing capacity, and has been evaluated for cost-effectiveness and compliance with the District's fiscal stabilization obligations.

SLT OWNER(S)

Tara Gard, Deputy Superintendent Business & Operations
Jenine Lindsey - General Counsel

ACTIONS NEEDED

- The District must establish and publish a clear written policy defining the \$15,000 review threshold, the categories of spending subject to review, the authorized approvers at each level, and the timeline for review decisions. This policy must distinguish between school site authority and central office authority and specify what documentation is required to initiate a review request. **[In Progress]**
- A standardized intake form and workflow must be created for all spending and contract requests at or above the threshold. The form should capture the business purpose, the funding source, whether the service is available through existing District staff or vendor contracts, and the requesting administrator's certification that the expenditure is necessary and non-duplicative. Requests should route electronically through a designated review queue with defined turnaround times. Requiring a re-design of contracts online system. **[Not Started]**
- Conduct a full audit of active contracts, recurring purchase orders, and vendor relationships to identify agreements that are expired, underperforming, duplicative, or misaligned with current programmatic need.

Contracts identified through this audit as non-essential should be allowed to expire or be terminated consistent with their terms. This audit should be completed before the start of the 2026-27 fiscal year and results reported to the Cabinet and the Board's Contracting Out Committee. **[In Progress]**

- Central office departments must submit a forward-looking spending plan at the beginning of 2026-27 identifying all anticipated contracts and discretionary expenditures above the threshold for the full fiscal year. This will enable proactive review rather than reactive approval and will surface potential conflicts or redundancies before commitments are made. **[Not Started]**
- School sites must receive explicit, written guidance on what spending authority they retain, what requires central review, and how to submit requests within the new process. This guidance must be issued before the first day of the 2026-27 school year and reinforced at the fall principal meeting. **[In Progress]**
- Finance and Procurement staff must have real-time visibility into encumbrances, purchase orders, and contract commitments by site and department. Review of the current system, Escape and contracts online, its capabilities to ensure timely information. If the current financial system does not provide adequate dashboards or reporting for this purpose, including weekly snapshots. **[Not Started]**
- Development of a decision tree or checklist that purchasing staff and department heads can apply at the point of origination to determine whether a contracting out review is required before proceeding. **[In Progress]**
- Training provided to all budget managers, site administrators, and program directors on the new review process, the rationale behind the \$15,000 threshold, and the fiscal consequences of non-compliance. This training should be completed in the first month of 2026-27 and incorporated into onboarding materials for new administrators. **[In Progress]**
- Implement a consequence framework for spending that bypasses the review process or is submitted after a commitment has already been made. This framework should be firm, consistently applied, and communicated in advance so that the expectation of compliance is understood before violations occur. **[In Progress]**

SIMILAR STRATEGIES IN PREVIOUS PLANS

Fiscal Vitality (2018–20) **[Completed]**

Evaluate Central Office-based contracts and books/supplies for possible freeze and capture of savings

Fiscal Sustainability Plan (2021–23) **[Not Completed]**

Purchasing and procurement (including contract management)

Attachment A (2022–23) **[Not Completed]**

Adjustment to Central Site Discretionary Dollars (Unrestricted): Reduce central departments' discretionary dollars. Discretionary dollars are used to fund non-labor items (e.g. instructional and operational supplies, consultant contracts, professional development, safety equipment) and overtime and substitute coverage for central department employees (i.e. Payroll overtime and subs, Custodian overtime and subs, Culture Keeper overtime and subs). Consultant contracts will be reduced first from this area.

Attachment B (2023–24) **[Not Completed]**

The District needs to review the program to understand and share the impact of the contribution as it has grown to 1/3 of Base Funding, where 17% of enrolled students are supported by Special Education Programs. It is imperative that the District understand costs, drivers, and be able to predict where it will be as we look forward. The intent of this analysis is to understand the program's cost escalation as it will directly impact ongoing base flexibility and its required and policy-driven responsibilities.

Attachment C aligned to 3 R's Resolution (2024–25) **[Not Completed]**

Reduce consultant contracts.

RECOMMENDATION TO CONTINUE IN 2026-27

CONTINUE STRATEGY INTO FY 2026–27

Staff recommends that the Board affirm the \$15,000 second-tier review threshold as a standing fiscal control for the 2026-27 school year and direct staff to complete the policy, process infrastructure, and training described above no

later than the first week of August 2026, in advance of the school year start. The spring 2026 implementation demonstrated both the necessity of this control and the operational gaps that must be closed for it to function as intended. End-of-year conditions at school sites created legitimate competing demands that limited compliance; those conditions will not persist into a full year of operation under clear, advance-communicated expectations. The District's fiscal stabilization obligations require that spending discipline extend below the traditional Board approval threshold, and this strategy is one of the most direct tools available to achieve that discipline at scale. Staff will report on implementation status and compliance metrics to the Board and to the Contracting Out Committee on a quarterly basis beginning in fall 2026.

Centralized Procurement of Materials and Services

TARGET REDUCTION

\$TBD

STATUS

In Progress

BACKGROUND

Oakland Unified has operated with a partially centralized procurement function for materials and services, with established vendor contracts, board-approved agreements, and purchasing policies that govern certain categories of spending. In practice, however, school sites and central office departments have continued to purchase independently sourcing their own vendors, negotiating informal arrangements, and acquiring supplies, technology, professional development, and contracted services outside of District-managed channels. This fragmentation has produced predictable outcomes: duplicative vendor relationships, inconsistent pricing, missed volume discount opportunities, compliance gaps, and an overall spending posture that is misaligned with the District's current fiscal obligations. The Going Concern Notice issued by ACOE on April 16, 2026 and the Board's adoption of Resolution 2526-0177A directing closure of a structural deficit exceeding \$100 million together establish that the District cannot sustain the expenditure patterns of prior years. Centralized procurement is not a new concept at OUSD; it is a partially built system that must now be completed, enforced, and operationalized across all spending categories and all organizational sites and departments.

SCOPE OF THIS STRATEGY

This strategy governs the centralization of procurement activity across five primary spending categories: supplies and materials at the site and department level, professional development and conference attendance, technology hardware and software, contracted services and vendors, and any other non-personnel expenditure processed through the District's financial system. Centralization in this context means that purchasing decisions within these categories flow through District-managed channels approved vendor lists, master contracts, cooperative purchasing agreements, and authorized procurement pathways rather than through independent site or department action. This strategy applies to all organizational units including school sites, central office departments, and grant-funded programs regardless of funding source. It operates in direct coordination with the second-tier spending review process and the Board's Contracting Out Committee, and is designed to produce both immediate cost savings through consolidated purchasing power and durable process improvements that reduce administrative burden on site administrators while increasing fiscal accountability across the system.

SLT OWNER(S)

Tara Gard, Deputy Superintendent Business & Operations
Jenine Lindsey - General Counsel

ACTIONS NEEDED

- Completion of a comprehensive inventory of all active vendor relationships, purchase orders, subscriptions, software licenses, and service agreements currently in use across sites and departments. This inventory must identify duplicative vendors serving the same function, agreements that have not been competitively bid in the required period, and expenditures that could be consolidated under a single master contract or cooperative purchasing agreement. The inventory should be completed before the start of 2026-27 and used as the foundation for vendor rationalization decisions. [\[In Progress\]](#)
- Procurement develops and publishes a District-wide approved vendor list organized by spending category. This list should include pre-negotiated pricing, contract terms, and ordering instructions for each approved vendor. Sites and departments should be directed to procure within these approved relationships as the default, with a defined exception process for purchases that cannot be fulfilled through an approved vendor. [\[In Progress\]](#)

- Maximize our participation in existing cooperative purchasing consortia to access pre-negotiated pricing. Procurement staff should audit current cooperative participation and identify categories where additional enrollment would produce immediate savings. **[Not Started]**
- A technology purchasing policy established that routes all hardware and software acquisitions through the Office of Technology, regardless of the funding source used to pay for them. No site or department should be permitted to acquire technology independently. This policy must address not only hardware purchases but also software subscriptions, application licenses, and digital platforms, which have proliferated at the site level in ways that create both fiscal and data privacy risk. **[Not Started]**
- Professional development and conference attendance must be subject to a centralized approval and procurement process. All requests for out-of-district professional development, conference registration, travel, and associated expenses must be reviewed and approved through a central process before any commitment is made. The District should establish an annual professional development budget by division and site, communicated at the beginning of the fiscal year, so that spending expectations are set in advance rather than managed reactively. **[Not Started]**
- Review the District's financial system to be sure it is configured to enforce procurement pathways rather than simply record them after the fact. This means implementing purchasing controls that require selection of an approved vendor at the point of requisition, flag purchases that bypass approved channels, and prevent issuance of purchase orders outside of authorized categories without a supervisor override. If current system configuration does not support these controls, interim manual checkpoints must be established while system improvements are planned and implemented. **[In Progress]**
- Site administrators and budget managers must receive clear, written guidance before the start of 2026-27 specifying what they may purchase independently, what must flow through central procurement, how to access approved vendors, and what the process is for requesting an exception. This guidance should be issued as a one-page reference document and reinforced at the fall principal and department head meetings. **[In Progress]**
- Establish a quarterly reporting structure that tracks procurement compliance by site and department, identifies the volume and value of purchases flowing through approved channels versus outside of them, and surfaces savings achieved through consolidated purchasing. This report should be provided to Cabinet, the Board's Contracting Out Committee, as part of the District's fiscal stabilization compliance reporting. **[Not Started]**
- Evaluate whether its current Procurement staffing and structure are adequate to support centralized operations across 80-plus sites and all central office functions. If staff capacity is insufficient to manage the volume of purchasing activity the centralized model requires, the District must address that gap through reallocation, restructuring, or targeted investment before implementation, as an underfunded procurement function will produce the same fragmentation this strategy is designed to correct. In addition, a review of where procurement independently exists throughout the organization. **[In Progress]**

SIMILAR STRATEGIES IN PREVIOUS PLANS

Fiscal Vitality (2018–20) **[Completed]**

Evaluate Central Office-based contracts and books/supplies for possible freeze and capture of savings

Fiscal Sustainability Plan (2021–23) **[Not Completed]**

Purchasing and procurement (including contract management)

Attachment A (2022–23) **[Not Completed]**

Proposed Reduction to School Site Funding Allocation Effective FY 23-24: Grades TK–5: \$50.00 per student, Grades 6–8: \$65.00 per student and Grades 9–12: \$80.00 per student. Impact: No impact to school allocations in FY 23-24. Starting in FY 24-25, schools will be able to afford less supplies, operational maintenance (i.e. copier upkeep) and/or staff etc. than prior years. Mitigation FY 23-24: Status-quo for 1 year as one-time funds (i.e. ESSER III) will be used to offset the reduction. Mitigation FY 24-25: Schools may purchase supplies centrally, allowing for reduction in costs and use other restricted resources to fund priorities.

Attachment C aligned to 3 R's Resolution (2024–25) **[Not Completed]**

Centralize materials and supplies.

RECOMMENDATION TO CONTINUE IN 2026-27

CONTINUE STRATEGY INTO FY 2026–27

Staff recommends that the Board affirm centralized procurement of materials and services as a standing fiscal control for 2026-27 and direct staff to complete the vendor inventory, approved vendor list, technology purchasing policy, and site guidance materials no later than August 1, 2026. The partial centralization that currently exists at OUSD demonstrates that the infrastructure and institutional knowledge to operate a centralized system are present; what is required is the organizational will and administrative follow-through to extend that system to all units and all categories without exception. The fiscal savings achievable through consolidated purchasing power, vendor rationalization, and the elimination of duplicative contracts are not speculative; they are a direct and predictable consequence of disciplined implementation. Staff will report on compliance metrics, savings achieved, and outstanding implementation gaps to the Board on a quarterly basis beginning in fall 2026.

Fleet Management System (Future Savings)

TARGET REDUCTION

\$TBD 5-20% operational costs savings

STATUS

In Progress

BACKGROUND

Oakland Unified operates a multi-category vehicle fleet that includes yellow school buses serving transportation-eligible students, administrative and pool vehicles supporting central office and program functions, and maintenance and facilities vehicles supporting operations across more than 80 sites. Fleet-related costs including fuel, maintenance and repair, insurance, staffing, and vehicle replacement represent a meaningful and recurring line in the District's operating budget. Historically, OUSD has managed its fleet without the benefit of an integrated fleet management system, relying instead on decentralized tracking, informal maintenance scheduling, and manual fuel accounting practices that make it difficult to assess true total cost of ownership, identify underutilized assets, or optimize routing and deployment decisions. The absence of systematic fleet oversight represents both an unquantified liability and a recoverable savings opportunity. This strategy designates fleet management system implementation as a forward-looking investment whose primary value is in the durable cost reductions it will produce beginning in 2026-27 and compounding in subsequent fiscal years.

SCOPE OF THIS STRATEGY

This strategy encompasses all District-owned and District-operated vehicles across three categories: the yellow bus fleet managed by the Transportation department, administrative and pool vehicles assigned to or available for use by central office departments and program staff, and maintenance and facilities vehicles operated by the Operations division. The strategy covers four interconnected areas of fleet management: GPS tracking and route optimization, vehicle maintenance and lifecycle management, fleet right-sizing, and fuel management and cost controls. Implementation will proceed in phases, with data collection and system selection occurring in the first phase and operational savings beginning to materialize as the system is deployed and fleet decisions are informed by real data. This strategy does not propose immediate fleet reduction targets; rather, it establishes the data infrastructure necessary to make defensible, evidence-based decisions about fleet composition, deployment, and replacement in 2026-27 and beyond.

SLT OWNER(S)

Tara Gard, Deputy Superintendent Business & Operations

ACTIONS NEEDED

- The District must conduct a complete physical inventory of all vehicles across all three categories, documenting for each vehicle the year, make, model, mileage, current condition, assigned department or site, frequency of use, and estimated remaining useful life. This inventory does not currently exist in consolidated form and is the essential foundation for every subsequent decision in this strategy. The inventory should be completed and validated before the start of 2026-27. **[In Progress]**
- Using the completed inventory as a baseline, staff must evaluate and select a fleet management software platform appropriate for a district of OUSD's size. The selected platform should provide, at minimum: GPS tracking and real-time vehicle location, automated maintenance scheduling and service history logging, fuel consumption tracking by vehicle, utilization reporting by vehicle and department, and cost-per-mile or cost-per-route analytics. Procurement of this system should follow the District's centralized procurement process and, where possible, leverage cooperative purchasing agreements to reduce cost and procurement timeline. **[In Progress]**

- Once a system is selected and deployed, Transportation staff must integrate GPS tracking and route optimization functionality into daily bus operations. Route optimization analysis should identify opportunities to consolidate routes, reduce deadhead mileage, and right-size the active bus fleet based on current ridership data. Any route consolidation decisions must be evaluated against the District's transportation obligations for students with IEPs and other legally mandated service requirements before implementation. [\[In Progress\]](#)
- A preventive maintenance schedule must be established for every vehicle in the fleet, replacing the current reactive repair model with a calendar-driven maintenance cadence tied to mileage, age, and manufacturer specifications. Deferred maintenance is a hidden cost vehicles that are not maintained on schedule incur higher repair costs, fail more frequently, and reach end-of-life prematurely. The fleet management system should generate automated maintenance alerts and track compliance with the schedule across all vehicles and all departments. [\[In Progress\]](#)
- The District must establish a formal vehicle utilization review process to identify assets that are underutilized, redundant, or no longer mission-critical. Administrative and pool vehicles, in particular, should be subject to utilization thresholds; vehicles that fall below a defined usage floor in a given period should be flagged for reassignment, consolidation into the pool, or disposal. Proceeds from the sale of surplus vehicles should be directed to the General Fund consistent with District policy. [\[In Progress\]](#)
- Fuel management must be systematized. The District should implement a fuel card or controlled fueling system that assigns fuel transactions to specific vehicles and drivers, enabling consumption tracking by vehicle, route, and department. Fuel budget variances should be reportable in real time, and anomalies — including unusual consumption patterns or off-schedule fueling — should trigger automatic review. Where the District operates its own fueling infrastructure, the condition and security of that infrastructure should be assessed as part of this strategy. [\[In Progress\]](#)
- The District must establish clear vehicle assignment and pool use policies governing who may use District vehicles, for what purposes, under what authorization, and with what documentation. Informal or undocumented vehicle use is both a fiscal and liability risk. These policies should be issued in writing before 2026-27 and incorporated into the relevant employee handbooks and department operating procedures. [\[In Progress\]](#)
- Fleet-related contracts including vehicle maintenance vendors, fuel suppliers, insurance carriers, and any outsourced transportation services should be reviewed as part of the broader vendor rationalization work underway under the centralized procurement strategy. Where the District is paying for maintenance or repair services that could be performed more cost-effectively in-house, that analysis should be documented and presented to leadership. [\[In Progress\]](#)
- Establish a vehicle replacement fund or multi-year capital plan that schedules fleet replacement based on lifecycle data generated by the fleet management system. Operating aging vehicles beyond their useful life is a false economy maintenance and fuel costs on high-mileage vehicles routinely exceed the annualized cost of replacement. [\[In Progress\]](#)

SIMILAR STRATEGIES IN PREVIOUS PLANS

None.

RECOMMENDATION TO CONTINUE IN 2026-27

CONTINUE STRATEGY INTO FY 2026–27

Staff recommends that the Board authorize procurement and implementation of a fleet management system as a 2026-27 operational priority and direct staff to complete the vehicle inventory and initiate the vendor selection process no later than September 1, 2026. This strategy is appropriately characterized as a future savings initiative because its most significant financial benefits: optimized routes, right-sized fleet composition, reduced maintenance costs, and disciplined fuel management will accumulate over time as the system generates data and informs decisions. The upfront investment in a fleet management platform is modest relative to the savings potential across a multi-hundred-vehicle fleet operating without systematic oversight. Staff will report on system implementation status, initial utilization findings, and projected savings to the Board beginning in the second quarter of 2026-27, with a full fleet analysis and right-sizing recommendation presented no later than the Third Interim reporting cycle.

Decreased RRMA Expenditures

TARGET REDUCTION \$1M	STATUS In Progress
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BACKGROUND

Repairs, Replacements, Maintenance, and Alterations expenditures represent one of the largest recurring non-personnel cost categories in the District's operating budget. RRMA spending spans a wide range of activity from routine custodial and grounds maintenance to emergency repairs, equipment replacement, facility alterations, and contracted trades work and is distributed across more than 80 sites and multiple central office departments. Because RRMA work is often reactive, site-initiated, and authorized through informal channels, the District has historically lacked the centralized visibility and control structure necessary to manage this spending category with the discipline that its scale requires. Work orders are generated at the site level, contractors are engaged without consistent competitive review, and the line between necessary repair and discretionary improvement is frequently blurred in ways that inflate expenditures beyond what genuine operational need requires. This strategy focuses exclusively on reducing ongoing and recurring RRMA expenditures through tightened authorization controls, a disciplined prioritization framework, rigorous in-house versus contracted work analysis, and a reduced maintenance load achieved through consolidation of underutilized facility use within the existing portfolio.

SCOPE OF THIS STRATEGY

This strategy governs all recurring and ongoing RRMA expenditures funded through the General Fund and any other operating fund, including restricted funds where RRMA expenditures are charged to categorical or grant sources. It applies to school sites, central office facilities, and all operational departments with maintenance or repair responsibilities, including Facilities, Custodial Services, Grounds, and any program office that independently initiates or funds facility work. The strategy does not address the deferred maintenance backlog, which is a capital planning matter governed by separate facilities planning and bond program processes. The focus here is on the spending that recurs year over year in the operating budget and that is most directly amenable to management controls, authorization tightening, workforce deployment decisions, and prioritization discipline.

SLT OWNER(S)

Preston Thomas, Chief Systems & Services Officer

ACTIONS NEEDED

- Establish a formal work order authorization policy that defines who may initiate, approve, and close RRMA work orders at each level of the organization. Site principals and department heads should have clearly defined authorization limits expressed in dollar terms above which requests must route to a central Facilities supervisor or the Deputy Superintendent for approval. The current practice of informal or verbal authorization for maintenance and repair work must be replaced with a documented workflow that creates an auditable record of every commitment before work begins.
- A prioritization framework developed and published that distinguishes between three categories of RRMA work: work that is legally required or necessary to maintain health, safety, and code compliance; work that is operationally necessary to keep instructional and operational functions running; and work that is discretionary, cosmetic, or deferrable without meaningful operational consequence. In a period of fiscal constraint, only the first two categories should be funded from the operating budget without executive review. Discretionary and cosmetic work should require explicit approval and should be deferred unless a non-General Fund source is identified.

[Not Started]

- Conduct a systematic analysis of all RRMA work currently performed by contracted vendors to determine which categories of work could be performed more cost-effectively by in-house classified staff. Trades work that is contracted out on a recurring basis including electrical, plumbing, HVAC, painting, and roofing repairs below a certain scope threshold should be evaluated against the fully loaded cost of District maintenance employees performing the same work. Where in-house performance is cost-effective and staffing capacity permits, the District should transition recurring work back in-house and reduce its dependence on contracted trades vendors. This analysis should be completed in the first quarter of 2026-27 and findings presented to Cabinet. **[Not Started]**
- Evaluate whether its current in-house maintenance workforce is appropriately sized and deployed relative to the actual workload. Positions that are funded but underutilized, misaligned with current facility needs, or duplicative of contracted capacity represent a different form of RRMA inefficiency. The workforce deployment analysis should examine both directions of work that should come in-house and positions that may no longer be warranted and produce a staffing recommendation that optimizes for cost-effectiveness across the full RRMA function. **[In Progress]**
- All active RRMA vendor contracts and on-call agreements must be reviewed as part of the broader vendor rationalization work underway in the District. Contracts that have not been competitively bid within the required cycle should be queued for re-procurement. On-call or time-and-materials agreements with contractors who are routinely engaged without competitive process should be replaced with competitively bid master agreements that establish pre-negotiated rates for defined scopes of work. Emergency procurement exceptions, which are sometimes used as a default rather than a genuine last resort, should be tracked and reported to ensure they are not being used to circumvent normal procurement controls. **[Not Started]**
- The District must implement a facility utilization analysis to identify buildings or wings within the existing portfolio that are consistently underoccupied and whose maintenance load is disproportionate to their programmatic value. Without closing any facilities, the District can reduce RRMA expenditures by consolidating programmatic use into fewer and better-utilized spaces within a building, mothballing or restricting access to portions of a facility that are not in active use, and deferring non-essential maintenance on spaces with no current occupancy. Facilities staff should identify candidate spaces for this approach by October 1, 2026 and present a utilization-based maintenance reduction plan. **[Not Started]**
- Equipment replacement decisions must be governed by a lifecycle policy rather than by reactive response to failure. When equipment reaches end of useful life or requires repair costs that approach or exceed replacement value, the decision to repair or replace should be made through a documented cost-benefit analysis rather than by default authorization of repair. The District should establish a threshold — expressed as a percentage of replacement cost — above which repair of aging equipment requires central review and written authorization. This policy will reduce the incidence of costly repairs on equipment that should be retired and replaced through a planned capital process. **[In Progress]**
- The District must establish a fuel and utility consumption baseline for each facility and implement monitoring that flags significant variances from baseline. Facilities that are consuming utilities at rates inconsistent with their occupancy level or programmatic use should be investigated for equipment malfunction, operational inefficiency, or unauthorized use. Correcting these variances will reduce a category of RRMA-adjacent expenditure that is often overlooked in traditional spending reviews. **[Not Started]**

SIMILAR STRATEGIES IN PREVIOUS PLANS

Attachment B (2023–24) **[Not Completed]**

Review Facilities and Deferred Maintenance Modifications - The District needs to return to the Board to review the underfunded Deferred Maintenance Plan and develop a method to fund programs that are funded after emergencies, but lack proper staffing and preparation for future challenges with our facilities. Interest in Priorities for Safety: Facilities needs and the recruitment, retention and training of staff.

RECOMMENDATION TO CONTINUE IN 2026-27

CONTINUE STRATEGY INTO FY 2026–27

Staff recommends that the Board affirm decreased RRMA expenditures as a standing fiscal control strategy for 2026-27 and direct staff to complete the work order authorization policy, prioritization framework, and in-house versus contracted work analysis no later than September 15, 2026. Unlike some stabilization strategies whose savings are contingent on multi-year implementation, RRMA spending controls can produce meaningful budget relief within a single fiscal year if authorization discipline is established early and consistently enforced. The combination of tightened work order controls, vendor rationalization, in-house workforce optimization, and facility utilization adjustments creates multiple simultaneous pathways to reduced expenditure that do not require capital investment or workforce reduction to achieve. Staff will report RRMA expenditure trends, compliance with authorization controls, and savings achieved against prior-year baseline to the Board on a quarterly basis beginning in fall 2026..

Reduce School Site Access to Unutilized Spaces

TARGET REDUCTION

\$1.6M

STATUS

In Progress

BACKGROUND

Oakland Unified operates a large and aging facility portfolio across more than 80 sites, many of which contain classroom wings, portable structures, gymnasiums, multipurpose rooms, and ancillary spaces that are not in regular programmatic use. Despite being unoccupied or minimally occupied, these spaces continue to generate operating costs utilities must be maintained at minimum thresholds to prevent damage, custodial staff are required to clean and secure them, maintenance and repair obligations do not diminish with vacancy, and insurance and liability exposure persists regardless of whether a space is actively used. The cost of maintaining access to unutilized spaces is a recoverable expenditure that does not produce instructional or operational value commensurate with its burden on the General Fund. This strategy does not propose closing schools or permanently vacating facilities. It proposes a disciplined and systematic reduction in the number of spaces within the existing portfolio that are kept open, climate-controlled, cleaned, and accessible when they serve no active program, no enrolled student, and no operational function that could not be consolidated into an adjacent occupied space. The savings potential is direct and immediate: fewer open spaces means lower utility consumption, reduced custodial workload, lower maintenance exposure, and a more defensible and efficient use of the District's operating resources.

SCOPE OF THIS STRATEGY

This strategy applies to all school sites and District-operated facilities within the existing portfolio, without regard to school level, enrollment size, or geographic location. It covers all categories of interior and exterior space that are not in consistent active use for instructional programs, student services, or essential operational functions, including unused classroom wings, portables with no current assignment, gymnasiums or multipurpose rooms that are open but infrequently programmed, storage areas that have accumulated materials without active management, and administrative spaces that are staffed below capacity or used only intermittently. The strategy does not affect spaces that are subject to third-party lease or license agreements, spaces designated for community use under Civic Center Act permits, or spaces identified for use in the 2026-27 instructional program. It operates in coordination with the RRMA expenditure reduction strategy, the centralized procurement strategy, and the NPS placement strategy, each of which either reduces the cost of maintaining the existing portfolio or generates revenue from its underutilized components.

SLT OWNER(S)

Preston Thomas, Chief Systems & Services Officer

ACTIONS NEEDED

- Conduct a site-by-site space utilization assessment before the start of 2026-27 that documents, for every facility, the total number of spaces, the number in active programmatic use, the number that are open and accessible but not consistently programmed, and the number that are already restricted or closed. This assessment should be completed by Facilities in coordination with the relevant principal or site administrator and validated against enrollment data, master schedule information, and custodial deployment records. The output should be a District-wide space inventory with a utilization rating for each space and a preliminary designation of spaces recommended for restriction or closure. [\[In Progress\]](#)
- Develop and implement a formal space restriction protocol. Spaces designated as unutilized should be physically secured doors locked, access restricted to authorized personnel only and removed from the active custodial cleaning schedule. Utility service to restricted spaces should be reduced to the minimum level required to prevent structural damage, consistent with the recommendations of Facilities staff and, where applicable, the

requirements of the District's insurance carrier. Heating, cooling, and lighting systems serving restricted spaces should be placed on setback or deactivated where doing so does not create a risk of damage to the structure or its contents. **[Not Started]**

- Custodial staffing deployment must be recalibrated to reflect the reduced number of spaces requiring regular cleaning and maintenance. Where space restrictions result in a meaningful reduction in the custodial workload at a given site, Facilities leadership should evaluate whether current custodial staffing levels at that site remain appropriate or whether redeployment to higher-need sites is warranted. Any staffing adjustments must follow applicable collective bargaining agreements and classified employee notification requirements. **[Completed]**
- Clear authorization process for any request to reopen a restricted space. Site administrators should not have unilateral authority to restore access to a space that has been formally designated as unutilized. Requests to reopen restricted spaces must be submitted in writing, must identify the specific programmatic or operational purpose for which the space is needed, and must be approved by the Superintendent or a designated central office administrator before access is restored. This authorization requirement prevents the gradual re-expansion of the active footprint that would otherwise erode the savings this strategy is designed to achieve. **[In Progress]**
- A communication plan must be developed and distributed to all site administrators, custodial supervisors, and program directors before the start of 2026-27 that explains the rationale for space restrictions, identifies which spaces at each site are subject to the new protocol, and provides clear guidance on the process for requesting an exception or restoration of access. Community stakeholders including parents, partner organizations, and after-school program providers should receive appropriate notice where space restrictions affect existing community access arrangements. **[Not Started]**
- Track and report the fiscal impact of space restrictions on a quarterly basis, measuring changes in utility consumption, custodial workload, and maintenance expenditure at restricted sites relative to prior-year baseline. This reporting should be organized by site and presented to Cabinet and the Board as part of the District's broader fiscal stabilization compliance reporting. Where actual savings diverge materially from projections, the Chief Systems & Services Officer should direct an investigation to identify the cause and remediate any implementation gaps. **[Not Started]**

SIMILAR STRATEGIES IN PREVIOUS PLANS

None.

RECOMMENDATION TO CONTINUE IN 2026-27

CONTINUE STRATEGY INTO FY 2026–27

Staff recommends that the Board affirm the reduction of school site access to unutilized spaces as a standing fiscal control strategy for 2026-27 and direct Facilities staff to complete the site-by-site space utilization assessment and implement initial space restriction protocols no later than August 15, 2026, before the first day of the school year. This strategy is among the most operationally direct savings measures available to the District because its fiscal benefits reduced utility consumption, lower custodial workload, and decreased maintenance exposure begin accruing immediately upon implementation and require no external procurement, no vendor negotiation, and no Board approval beyond the policy direction provided here. The primary implementation risk is cultural rather than operational: site administrators accustomed to unrestricted access to all spaces within their buildings may resist restrictions that feel like a reduction in their autonomy. Clear communication of the fiscal rationale, consistent enforcement of the authorization process, and visible leadership support for the strategy will be essential to sustaining compliance across the portfolio. Staff will report on space restriction implementation, utility and custodial savings achieved, and any access restoration requests approved to the Board and to ACOE on a quarterly basis beginning in fall 2026.

Central Office Reductions

TARGET REDUCTION

\$21M

STATUS

In Progress

BACKGROUND

Central office staffing and operations represent a significant share of the District's non-instructional personnel expenditure. In a period of enrollment decline, fiscal distress, and structural deficit, the size and cost of the central office must be calibrated to the District's current scale and its obligations under the Financial Stabilization Implementation Plan, not to the organizational structures inherited from prior years or designed for a larger, better-resourced institution. Oakland Unified has carried central office staffing levels and organizational layers that, in many cases, were built incrementally over years of grant funding, program expansion, and administrative growth that is no longer supportable by the General Fund. Central office reductions are not a peripheral strategy; they are a necessary demonstration that the District is applying the same fiscal discipline to its own administrative infrastructure that it is asking of schools, departments, and the community.

SCOPE OF THIS STRATEGY

This strategy documents the central office reductions already effectuated through the March 15, 2026 workforce reduction process and establishes the framework for continued central office right-sizing in 2026-27. It covers three interconnected reduction levers: elimination of positions and enforcement of vacancy freeze protocols, reorganization of central office departments to consolidate functions and reduce management layers, and the Public Agency Retirement Services (PARS) Early Retirement Incentive Program as a voluntary separation tool that reduces long-term personnel costs without the procedural and relational costs of involuntary layoff. This strategy applies to all central office divisions including those within the Deputy Superintendent's portfolio Human Resources, Budget, Payroll, Accounting, Accounts Payable, Transportation, Procurement, and Communications as well as all other cabinet-level departments. It does not govern school-site staffing reductions, which are addressed under separate workforce reduction strategies.

SLT OWNER(S)

Jeff Dillon, Chief Talent Officer
 Tara Gard, Deputy Superintendent Business & Operations
 Ryan Nguyen, Chief Financial Officer
 Sondra Aguilera, Chief Academic Officer
 Preston Thomas, Chief Systems & Services Officer
 Jenine Lindsey, General Counsel

ACTIONS NEEDED

- The District has already issued workforce reduction notices to central office positions as part of the March 15, 2026 process affecting approximately 716 position actions across the organization. Staff must complete the documentation, tracking, and confirmation of all central office position eliminations effectuated through that process, including confirmation of which positions have been vacated, which employees have exercised bumping or transfer rights, and which positions remain in a pending status pending grievance, appeal, or reassignment resolution. A complete and current central office position control reconciliation must be maintained and available for review by the CFO and Deputy Superintendent at all times. **[Completed]**
- A vacancy freeze enforced across all central office departments for the duration of the fiscal stabilization period. No vacant central office position, whether created by the March 15 reductions, voluntary resignation, retirement, or any other separation may be filled without written authorization from the Deputy Superintendent and CFO.

Requests to fill a vacancy must include a written justification demonstrating that the work cannot be absorbed by existing staff or reorganized away, a funding source confirmation, and an assessment of whether the position is necessary to fulfill a legal, contractual, or student service obligation. This authorization requirement must be enforced consistently and without exception. **[In Progress]**

- The PARS Early Retirement Incentive Program administered in accordance with its adopted terms, with staff ensuring that all eligible employees have received clear, accurate information about the program, enrollment deadlines have been communicated, and actuarial and fiscal projections for participation levels have been updated to reflect actual enrollment. The fiscal benefit of PARS is realized only when departing positions are not backfilled; the vacancy freeze protocol and the PARS program must therefore operate in tandem, with each PARS separation treated as a permanent reduction unless a compelling and documented exception is approved through the authorization process described above. **[Completed]**
- Each central office division must conduct an internal organizational review in the first quarter of 2026-27 to identify opportunities for further consolidation, elimination of redundant functions, and reduction of management layers. The organizational structures of many central office departments were designed for a larger and more complex organization than OUSD currently operates and can support. Division heads should present reorganization options to the Deputy Superintendent by October 1, 2026, with an analysis of the personnel cost savings, service delivery implications, and implementation timeline associated with each option. The Deputy Superintendent will review these proposals in consultation with the CFO and bring forward any reorganization actions requiring Board approval. **[Not Started]**
- The District establishes a central office headcount and cost dashboard that tracks, in real time, the number of filled and vacant positions by division, the total personnel cost of the central office as a percentage of the General Fund, and the savings achieved through reductions to date relative to the prior-year baseline. This dashboard should be reviewed monthly by Cabinet and shared with the Board as part of the District's fiscal stabilization compliance reporting. Transparency about central office cost trends is both a fiscal management tool and a credibility-building measure with external oversight bodies. **[Not Started]**
- Conduct a classification and compensation review of remaining central office positions to identify any cases where position titles, classifications, or salary placements are misaligned with actual duties, market comparators, or the District's current organizational needs. This review should not be used as a mechanism to increase compensation during the fiscal stabilization period; its purpose is to identify any overclassification or compensation anomalies that represent avoidable cost and to ensure that the District's position control accurately reflects the work being performed. **[In Progress]**
- Ensure that the reductions already made to the central office do not silently reverse through informal backfill the practice of using temporary employees, consultants, or contractors to perform work previously done by eliminated positions. Any engagement of a temporary employee, staffing agency worker, or independent contractor to perform functions previously assigned to an eliminated central office position must be reviewed and approved through the second-tier spending review process and must be reported as a partial offset to the savings attributed to the position elimination. This discipline is essential to ensuring that the fiscal benefit of central office reductions is real and durable rather than shifted to a different spending category. **[In Progress]**

SIMILAR STRATEGIES IN PREVIOUS PLANS

Fiscal Vitality (2018–20)

Institute adjustments to existing Central Office positions **[Completed]**

Research, engage and implement a Central Office reorganization **[Not Completed]**

Review, update and implement effective position control practices **[Completed]**

Establish and conduct zero-based budgeting sessions with all Central Office practices **[Not Completed]**

Fiscal Sustainability Plan (2021–23) [Not Completed]

Revisit Fiscal Vitality Plan items not completed

Attachment A (2022–23) [Completed]

- Position Eliminations: The Special Education Department (Central) - Eliminate Instructional Support Specialist: (12.0 FTE vacancies), Eliminate Teacher SDC Non Severe: vacancies and transfer employees from program collapse due to low enrollment from 6500 (8.0 FTE), Eliminate Paraeducator Vacancies from 6500 (29.0 FTE)

Funding Shifts Shift SpEd Directors from 6500 move to Resource 5 (3.0 FTE), Shift Sped Coordinators from 6500 to Resource 5 (2.0 FTE)

- Reorganization: Enrollment (Student Assignment) - Reorganize all the enrollment functions under the Enrollment Office. Currently ELLMA, Alternative Education, and Early Childhood all have staff that are specifically used for enrollment purposes. We will move the funding and staff within the enrollment office initially and downsize accordingly. This will reduce the number of employees needed while increasing the enrollment efficiency across the District. We believe this will increase the level of service for families by consolidating all the resources in the new Enrollment Office and will allow for the sharing of best practices and greater efficiency. Reorganization of Enrollment Functions will occur in two phases, Phase 1 23-24 School Year. All of these positions are conducting enrollment office duties in other departments: Eliminate Director, Student Assignment (1.0 FTE), Shift (6.0 FTE) Student Assignment Counselor and (1.0 FTE) of Director to Student Assignment funding to Resource 4. In addition the following moves will occur: (3.0 FTE) Specialist, Enrollment ECE will move from Early Childhood continue to be paid from Fund 12, (1.0) Program Assistant will move from Alternative Education change resource 5 to resource 4, (1.0 FTE) Program Manager, Newcomer and Refugee will move from the ELLMA office currently funded through grants. , (1.0 FTE) Specialist, Refugee will move from the ELLMA office continuing to be paid for from Title 1 23-24 school year will be used to continue the change management process. In 24-25 there will be (2-3 FTE) additional position elimination (these projected eliminations are not included in the cost savings).
- Position elimination: Additional Support from Central (998) - Eliminate (1.0 FTE) Principal, Elem School Small, (1.0 FTE) Restorative Justice Facilitator, Eliminate (.20 FTE) Teacher Education Enhancement, Eliminate (1.0 FTE) Teacher STIP
- Position elimination: Health Services - Eliminate (.40 FTE) Coordinator, Health Services, Eliminate (1.0 FTE) Program Manager, Nursing. These positions have been vacancies and are not needed as the Health Services Department has a newly hired Director, which has been a vacancy for the past 3 years. The Coordinator and Program Manager positions were in place to mitigate for not having a Director of Health Services.
- Position elimination: Middle School Network - Eliminate (.50 FTE) Program Manager MS Operations from resource 0. This position will not be in the 23-24 budget unless there is room in the middle school grant funds. This position will be noticed for elimination. Historically, there is a .5 Administrative Staff assigned to a Network Office.
- Position elimination: Community Schools Student Services - Elimination of (1.0 FTE) Receptionist position and (1.0 FTE) Coordinator, School Security Officer. The receptionist position was in place while at 1000 Broadway due to the flow of people coming to 1000 Broadway. There is a change in the safety work at school sites to increase prevention, therefore there is a decrease to school security supervision to shift towards prevention.
- Position elimination: Linked Learning - Eliminate (.4 FTE) from resource 0 and (.6 FTE) from resource 5 of the Specialist, Master Schedule position within Linked Learning. This position is a vacancy. There is currently another FTE for the Specialist, Master Schedule position that is filled. Historically there was one person working to support secondary schools with master scheduling. There was the hiring of a second person to help mitigate an upcoming retirement and allow for time to transfer knowledge to a new person.
- Position elimination: Talent Division - Position elimination (2.0 FTE) Teacher positions. These positions are in the Talent budget and can be removed.
- Position elimination: Chief of Staff - The Department will have delayed responsiveness and fewer interactions with external partnerships, philanthropic fundraising, political relationships and engagement, district strategy and board support. The Superintendent is projected to eliminate the entire Chief of Staff department at the end of the 24-25 school year. The positions in the Chief of Staff Office are funded by philanthropy. This will mean there will be no employee on staff that will manage both the external partnerships, including fundraising and working with philanthropy who are interested in partnering with the District. In addition, the Communications department will need to shift supervision to another leader within the organization.
- Position elimination: Custodial Services - Elimination of the Manager, Custodial Services as part of the custodial management reorganization to better align to the roles and responsibilities needed to provide supervision to schools. Should not impact the overall supervision and training at schools with a greater reliance on field supervisors to provide ongoing training.

Attachment B (2023–24) [Not Completed]

- Central - Business, Talent, Technology, Other Redesign - Interest in Reclassification of non-represented staff positions: we are partially doing this through the restructuring in the Legal Dept and CSI but assessing and evaluating all positions.
- Central - Legal Department Restructuring - Support for Legal Dept Restructuring: use of paralegals instead of attorneys and reducing consultant contracts.
- Central - Continuous School Improvement Redesign - Interest in CSI Redesign Implementation: mostly in adjustments to the curriculum dept and the office of equity.

Attachment C aligned to 3 R's Resolution (2024–25) [Completed]

- Elimination of management positions in SLT departments

RECOMMENDATION TO CONTINUE IN 2026-27

CONTINUE STRATEGY INTO FY 2026–27

Staff recommends that the Board affirm the central office reduction strategy as a continuing fiscal control for 2026-27 and direct staff to complete the position control reconciliation, enforce the vacancy freeze without exception, and present divisional reorganization options to the Deputy Superintendent no later than October 1, 2026. The reductions already effectuated through the March 15, 2026 process represent a meaningful and consequential commitment by the District's administrative leadership to apply fiscal discipline to its own operations. The work of 2026-27 is to make those reductions permanent, to identify additional consolidation opportunities through deliberate organizational review, and to ensure that the PARS program delivers its full projected savings through disciplined management of backfill decisions. Central office reductions are among the most visible and symbolically important elements of the District's stabilization plan — their credibility with the Board, the community, ACOE, and FCMAT depends not only on the actions taken in March 2026 but on the sustained discipline with which the District manages its administrative footprint through the full arc of fiscal recovery. Staff will report on central office headcount, vacancy freeze compliance, PARS participation and savings, and reorganization progress to the Board on a quarterly basis beginning in fall 2026.

Using Restricted Dollars First

- Shift Attendance Specialists & Noon Supervisors to S&C (Target \$3.8M)
- Shift Costs of small schools to S&C (Target \$8.5M)

TARGET REDUCTION \$12.3M	STATUS In Progress
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BACKGROUND

Expenditures that should have been charged to restricted fund sources have instead been absorbed by the unrestricted general fund. This pattern reflects insufficient program administrator knowledge of allowable expenditures, inadequate controls at the point of budget entry and purchase approval, and a historical practice of defaulting to the general fund when restricted fund coding.

The opportunity extends beyond expenditure coding. A significant and underutilized lever is the intentional realignment of position funding shifting eligible classified and certificated positions from the unrestricted general fund to restricted sources where the position's work is clearly allowable under the applicable program rules. Many positions currently funded by the general fund perform functions that are wholly or substantially aligned with restricted program purposes. Where that alignment exists and can be documented, the position should be funded from the restricted source, relieving the general fund of that ongoing personnel cost.

A retrospective review of prior-year expenditures and position funding has identified charges and positions that, had they been properly aligned to restricted sources, would have reduced general fund consumption. The District is now working systematically to correct this pattern going forward, in close coordination with the external auditor and legal counsel to ensure all realignments comply with applicable federal and state regulations, grant terms, and audit requirements.

SCOPE OF THIS STRATEGY

01 Expenditure Coding Correct charges that defaulted to the general fund where a restricted source was allowable, for both prior and current expenditures.	02 Position Funding Realignment Shift eligible classified and certificated positions where duties are allowable under a restricted source from unrestricted general fund to restricted funding.	03 Program Cost Shifting Assign defined program costs, such as small schools operational costs, to the restricted sources that fund the programmatic work those schools support.
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Specific examples include noon supervisors and attendance clerks, whose functions align with Supplemental and Concentration (S&C) grant purposes under LCFF, and small schools positions and operational costs that are attributable to restricted program investments. These are not accounting maneuvers; they are corrections that align the funding source with the actual work being performed, consistent with the intent of the funding and subject to full compliance review.

SLT OWNER(S)

Tara Gard, Deputy Superintendent Business & Operations
Ryan Nguyen, Chief Financial Officer

ACTIONS NEEDED

- Retrospective Expenditure and Position Review [\[In Progress\]](#)

Review prior-year general fund charges and position funding across all major restricted programs to identify expenditures and positions eligible for restricted fund sources. Quantify the cumulative general fund impact. Where allowable and within applicable time limitations, prepare correcting entries and position realignments in consultation with the auditor and legal counsel.

- **Noon Supervisor and Attendance Clerk Shift to S&C [Completed]**
Analyze noon supervisor and attendance clerk positions district-wide to determine the portion of duties that qualify under Supplemental and Concentration grant purposes. Document the programmatic alignment, obtain compliance confirmation from legal counsel, and realign eligible position funding from the general fund to S&C in the 2026-27 budget.
- **Small Schools Cost Shift to Restricted Resources [In Progress]**
Identify positions and operational costs at small schools that are attributable to restricted program investments. Map each cost to the applicable restricted fund source, confirm allowability with the auditor, and realign funding accordingly. Document the rationale for each shift to support audit review.
- **Program Lead Restricted Fund Training [Not Started]**
Require all program administrators and directors managing restricted funds to complete a fund-source allowability training before the start of 2026-27. Training must cover allowable expenditures and positions under each fund source, correct coding procedures, and the process for flagging ambiguous situations to Finance before a commitment is made.
- **Budget Development Controls [Not Started]**
Revise the annual budget development process to require program leads to demonstrate, at the time of budget submission, that restricted fund sources have been maximized — including for position funding — before general fund resources are requested. Finance staff will review and challenge any program budget where general fund usage appears to overlap with available restricted funding.
- **Point-of-Commitment Fund Source Review [Not Started]**
Implement a fund source review step at the point of purchase order, contract approval, and position action. Purchasing staff and budget technicians will flag any charge or position coded to the general fund where a restricted fund source may be applicable, and route for program lead confirmation before the commitment is finalized.
- **Restricted Fund Spending Rate Monitoring [Not Started]**
Establish monthly monitoring of restricted fund spending rates by program. Programs that are consistently underspending restricted allocations while drawing on the general fund for the same cost categories will be flagged for Finance review. Unspent restricted funds that lapse at year-end represent a direct and avoidable general fund burden.
- **Legal and Audit Compliance Review [In Progress]**
Work with external auditor and legal counsel to establish clear written guidance on allowable expenditures and position funding for each major restricted fund source. Guidance will be distributed to program leads and incorporated into budget development and purchasing workflows. Any fund source realignment with legal ambiguity will be reviewed and documented before implementation.

SIMILAR STRATEGIES IN PREVIOUS PLANS

Fiscal Vitality (2018–20)

Maximize the use of restricted revenue resources **[Completed]**

Fiscal Sustainability Plan (2021–23) **[Not Completed]**

Effective use and strategies of one-time funds

Attachment A (2022–23) **[Completed]**

- Funding Shifts Pending Reorganization: Mid-level positions in central office departments currently under external review for reorganization, and currently funded by general fund dollars (Resource 0000), shall be shifted to one-time funding available or the District's reserve in excess of the statutorily required 2% for the 2023-24 school year. The Superintendent will seek grant funding for positions which may continue beyond 2023-24.
- Funding Shift: Office of Equity - Move the following positions with corresponding FTE to Academic ESSER 3214: Translation: (1.0 FTE) Translator, Arabic, (.50 FTE) Translator, Cambodian, (1.0 FTE) Translator, Chinese, (1.0 FTE) Translator, Spanish, (1.0 FTE) Translator, Spanish. Targeted Strategies: (7.0 FTE) Spec Target Stud Grp

Intervent, (4.0 FTE) Teacher Structured English Immersion, (1.75 FTE) Facilitator, Manhood Development, (1.0 FTE) Research Associate, (1.0 FTE) African American Female Excellence, (1.0 FTE) Program Assistant 3, (1.0 FTE) Case Manager-12 month (1.0 FTE) SEL Coordinator, (1.0 FTE) Director, Student Achievement resource 4

- Funding shift: English Language Learner and Multilingual Achievement (ELLMA) - The following positions will move from Resource 0 into other available resource: (.40 FTE) Director, Newcomer ELL Program - Resource 4, (.20 FTE) Exec Director, ELL - Resource 4
- Funding shift: The Communications Department - The following positions will be partially shifted to Resource 5. Mgr Internal & Web Communications (.60 FTE to Resource 5 and .40 FTE remains in Resource 0), Mgr Publications (.40 FTE to Resource 5 and .60 FTE remains in Resource 0)
- Funding shift: Health Services - The following positions will move into other available resource: (1.20 FTE) Health Assistant from 0 to - Resource 4
(.60 FTE Health Assistant, Bilingual from 0 to - Resource 4, (2.0 FTE) Nurses from 0 to - Resource 4
- Funding shift: High School Network - The following positions will move into other available resources: (.80 FTE) Network Superintendent, HS will move from 0 to resource 5, (.40 FTE) Prog Mgr, Home and Hospital will move from 0 to resource 5, (1.0 FTE) Executive Director, Alternative Education will move from 0 to 3214. The year will be used to evaluate the structure.
- Funding shift: Middle School Network - The following positions will move into other available resources: (.80 FTE) Network Superintendent Middle will move from 0 to resource 5
- Funding shift: Elementary Network 3 - The following positions will move into other available resources: (1.00 FTE) Deputy Network Superintendent will move from 0 to resource 5
- Funding shift: Elementary Network 2 - The following positions will move into other available resources: (.80 FTE) Network Superintendent PreK-5 will move from 0 to resource 5, (.20 FTE) Partner Network will move from 0 to resource 5
- Funding shift: Elementary Network 4 - The following positions will move into other available resource: (1.0 FTE) Executive Assistant from 0 to - Resource 5
- (1.0 FTE) Network Superintendent move from 0 to - Resource 3214. The possible elimination of the Network Superintendent position is under review for 24-25. There are significant challenges to eliminating the supervision and support to Principals.
- Funding shift: Community Schools Student Services - The following positions will move into other available resource:
 - (3.0 FTE) Behavior Specialist from 5 to resource 4, (1.0 FTE) Administrative Assist III Bil - Resource 4
 - (1.0 FTE) Administrative Assistant III - Resource 3213. The Administrative Assistant III position will end with ESSER funds., (1.0 FTE) Coordinator School Secur Off - Resource 4, (1.0 FTE) Dir Behavior Health Initiatives (.10 FTE from 0 and .90 FTE from 5) moving to resource 4, (.20 FTE) Director, Stu Support & Safety - Resource 4, (.40 FTE) Exec Dir Community Schools - Resource 5, (1.0 FTE) Prog Mgr, Attendance and Discipline - (.20 FTE from 0 and .80 FTE from 5) moving to resource 4, (1.0 FTE) SARB Facilitator - (.20 FTE from 0 and .80 FTE from 5) moving to resource 4, (1.0 FTE) Security and Safety Dispatcher - resource 4, (1.0 FTE) Social Worker (from 5 to resource 4), (1.0 FTE) Program Manager, Behavioral Health (from 5 to 4). In addition, the entire Safety program will move out of resource 0 and 5 into Resource 4, (58.0 FTE) Culture Keepers, (6.0 FTE) Central Culture Keeper Ambassadors and (14.0 FTE) Culture Climate Ambassadors
- Funding shift: Facilities - With the passage of Measure Y, there will be an increased focus on the district's bond projects. The funding will be shifted into resource 9655 to reflect the appropriate expenditures. Increased focus on the capital project. Reduction by \$275,000 in unrestricted non-salary items.
- Position(s) (funding change): (.20 FTE) Deputy Chief of Facilities, (.20 FTE) Administrative Assistant III Bilingual and (.20 FTE) Program Manager Sustainable Energy
- Funding shift: Linked Learning - The following positions will move out of resource 5 into Measure N/H, CTE or other grant. Coordinator Work-Based Learning (1.0 FTE) to move to CTE Workforce or Measure N/H, Program Manager CTE (1.0 FTE) move to CTE or Measure N/H
- Funding shift: Academics and Instruction -, Move the following positions with corresponding FTE to Resource 5; Director, Instruction PreK-12 (0.20 FTE)
- Exec Director, Instruction (0.20 FTE) , Spec Instructional Materials (0.40 FTE) from 0 to 4 and (1.60 FTE) from 5 to 4. Move the following position with corresponding FTE to Resource 9334 (Measure G). This position has oversight over the visual arts programs and teachers. Director, Visual & Perf Arts (0.40 FTE)
- Funding shift: Business Office - The Business Services Division has reduced and eliminated positions beyond what evaluated and recommended staffing should be for the District to build and ensure sustainability over time. The District is therefore relying, as it is in many other departments, on the acquired development, knowledge, and talent of a number of employees. To support the District's financial needs, the business services department will not immediately impact what sustainability plans requested and required to gain fiscal sustainability, but is recommending the more immediate and deliberate phase out of the following positions to trigger the pending transitions.

- The District's Chief Business Officer and Trustee have been funded out of AB1840 since 2021-22 to firstly, identify positions that are part of the fiscal recovery and sustainability. The Chief Business Officer position as it exists today is currently set to sunset in 2023-24. The District will transfer funding for the (1.0 FTE) Sr Director of Strategic Planning and (1.0 FTE) Senior Executive Assistant Support from Resource 0000 to Resource 0040 (AB1840) with a reservation to retain the positions for 2023-24, 2024-25. This will allow the District to transition the work that will continue and phase out responsibilities as the District completes next steps to seek local control and execute the Fiscal Sustainability Plan and associated audits and reviews. This will also signal the collapse of the Operations and Business Departments under a new organizational structure accordingly.
- Funding shift: Labor & Alternative Dispute Resolution Office - Shift the cost of the Teacher Replacement positions (2.00 FTE) to ESSER 3213. These teacher replacement positions used for settlement agreements to allow sites to fill positions pending teacher resignations. Both will be vacant effective July 1, 2023. To the extent settlement agreements are reached beyond 2023-24, additional funding for teacher replacement positions will be requested.
- Funding shift: Talent Division - Shift of Fingerprint Technician (1.0 FTE) funding from 0 to 3213. There is only one position within Talent that handles the fingerprint process for new employees and the ongoing compliance for current staff. The Talent Division will no longer provide fingerprinting services for new employees. Providing fingerprint services in house has allowed for greater efficiency and a lower cost to applicants. The efficiency of the onboarding process may decline if there are longer wait times for applicants. Talent also manages the subsequent request process for internal staff. This process may be impacted by this elimination.
- Funding shift: Chief Academic Officer - Shift the cost of the Teacher Replacement (11.00 FTE) and Teacher Structured English Immersion (3.00 FTE) for a total of (13.00 FTE) positions to Academic ESSER 3214. These positions are currently coded to Resource 0000. The use of these positions is to assign to schools if enrollment numbers have increased. There will be an ongoing need for these positions however they have not been used significantly over the years.
- Funding shift: Technology Services - Shift the cost of the Specialist, School Technology position that is responsible for school site supports for device distribution, support and repair to resource 4. There are 11.0 FTE 4.6 FTE. Given the heightened cybersecurity threats to OUSD, other districts and municipalities and analysis of department size vs similar district, there are not position eliminations available in this department based on an analysis of business practices.

Attachment B (2023–24) [Not Completed]

- A Review on One Time Investments that are returning to the Base and Other Resources - A review of items placed in one time resources that may return/are requested to return to the Base due to funding, like COVID Relief dollars that are sunsetting. Some items were noted Attachment A and are projected to return to the General Fund as noted by the Trustee and or other analysis. All labor and on labor investments must be reviewed.
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Attachment C aligned to 3 R's Resolution (2024–25) [Not Completed]

- Shift 2025-26 Eligible and planned expenditures into Resource 0006 Supplemental and Concentration Carryover to spend down the historical and projected carryover first (First In First Out). The District has historically had carryover from Supplemental and Concentration and can use it as a one time source to support specific current year (2025-26) investments while it is restructuring and developing other alternatives as resources are declining and costs increasing. The District is unable to hold ongoing positions in this resource at the level that it has and must continue the one time strategy with an intention to use the resources earned its annual enrolled and eligible students. This amount is derived from a current projected \$15M in Resource 0006 and an additional \$15M that appears to be forming as potential carryover in current year allocations in Resources 2-5.
- Positions for review in S & C in 2024-25: These positions were retained for an additional year in Resource 0006:
 - Assistant Principals at High Need Schools (\$3.24.2M S&C - 22 FTE)
 - 11-Month Teachers at select high schools (\$1.3M S&C)
 - Electives Teachers for Students Required to Take ELD (\$3.9M S&C)
 - Teachers for Late-Arriving Newcomer Students (\$1.8M S&C)
 - Teachers for Late-Arriving Continuation Students (\$1.5M S&C)

Propose positions placed in 2024-25 in Resource 0006 for permanent elimination. As shared in 2024-25, as S & C carryover declines or other areas of investment are prioritized, we would eliminate the positions out of Resource 0006 and review if and how we prioritize these positions using other funding.
- Assistant Principals - Secondary Schools > 350 - 1 AP, Elementary Schools > 550 1 AP, Secondary Schools 200-350 1x AP from Carryover S& C Funding. Move all Base AP allocations (23 FTE) to Supplemental and 5 FTE's in S & C Carryover for smaller schools. Reduce Res 0002 FTE .96. 7.04 FTE Restricted Not Changed.

- Noon Supervision - Streamline Noon Supervision ES Ratio 1:60 Districtwide Increase in FTE by 5.6 and Move Allocation from Base to S & C. Current S & C Allocations 8.39 FTE Eliminate with Allocation Reduction Strategy. UNCHANGE VIA BBS: Noon Sup's Additional Allocation Strategy also funded via CCSSP (Res 6332) \$7.48 FTE \$360K and PTA \$.85 \$41K
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RECOMMENDATION TO CONTINUE IN 2026-27

CONTINUE STRATEGY INTO FY 2026–27

The behaviors driving general fund overuse in place of restricted resources in both expenditure coding and position funding developed over many years and will not be fully corrected in a single budget cycle. The controls, training, and monitoring infrastructure built in 2025-26 must be sustained and embedded into standard operating practice in 2026-27. Continuation of this strategy is necessary to realize the full general fund relief potential and to prevent regression to prior patterns. The District should treat fund source discipline as a permanent operational standard, not a one-year corrective action.
