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Board Cover Memorandum

To Board of Education

From Denise G. Saddler, EdD, Interim Superintendent
Tara Gard, Deputy Superintendent of Business and Operations
Ryan Nguyen, Chief Financial Officer

Meeting Date June 24, 2026

Subject Financial Stabilization Implementation Plan Progress Update and Path Forward

Action Requested Approval by the Board of Education of Resolution No. 2526-0026-Financial Stabilization Implementation Plan Progress Update and Path Forward. It is recommended that the Governing Board receive the Financial Stabilization Plan update and approve continuation of the plan, directing staff to continue the strategies underway, carry the in-progress strategies and their 2026-27 targets into the new fiscal year, and bring back the other previously approved and new actions with owners and targets assigned.

Background The District has worked a continuous, Board-adopted Financial stabilization strategy for years. The Fiscal Vitality Plan of 2018-20, Attachment A in 2022-23, Attachment B in 2023-24, and Attachment C and the 3 R's Resolution in 2024-25 each built on the plan before it. The 2025-26 Financial Stabilization Implementation Plan carried that work into action, and the Combined Financial Stabilization Plan now blends all of it into one record.

On April 16, 2026, the Alameda County Office of Education issued a precautionary Going Concern Notice under Education Code section 42127.6, citing a structural deficit of approximately \$20.6M and required outyear reductions of \$36M to \$57M. The 2026-27 budget is balanced and legally supportable. The Multi-Year Projection, however, shows continued net deficits of (\$36.7M) in 2026-27, (\$39.3M) in 2027-28, and (\$28.7M) in 2028-29, while the District meets the state reserve standard in all three years.

The Combined Financial Stabilization Plan is organized into three connected groups of action. The first group is the 2025-26 Financial Stabilization Implementation Plan strategies that are already underway. The second group is the measures approved in prior plans that were not fully completed, revived here with owners and 2026-27 targets. The third group is the new and cross-plan actions drawn from across all prior plans, including the Management Position Evaluation.

Across 2025-26, the District actioned \$92.3M in the General Fund and \$6.6M in restricted resources through the Implementation Plan strategies. For 2026-27, the plan projects savings targets of \$41.5M General Fund and \$13.0M restricted across all three groups, together with \$0.25M in anticipated revenue. A significant portion of the 2025-26 General Fund figure reflects one-time funding shifts that spend restricted balances first. These shifts relieve the General Fund in the near term and are not additive to ongoing structural reductions. The 2025-26 figures are estimates, because the District has not completed year-end close. At the first Board meeting in August 2026, the District will return with the plan updated to reflect the Unaudited Actuals and will present the Revisit of the Strategy and Action items presented on June 24, 2026.

Discussion

The structural deficit is ongoing. It is not a one-year event, and it will not resolve on its own. It is the District's responsibility to make the budget reductions and adjustments necessary to close the structural deficit and to meet the deficits projected in the outyears, and that responsibility continues year over year until the budget is structurally balanced. Balancing a single year does not discharge this duty. The Multi-Year Projection is clear that the District must identify and carry out further ongoing reductions of \$36M to \$57M. The District cannot rely on one-time measures to carry recurring costs. The funding shifts that supported 2025-26 are largely one-time, and they must be replaced with permanent, ongoing reductions.

Because the District carries a projected deficit into 2026-27, the plan must continue without interruption. If the work pauses at year end, the District loses the savings already in motion and falls further behind the reductions that county oversight requires. Staff therefore recommend that the Board take the following action now.

1. **Continue the current plan.** Keep implementing the 2025-26 Financial Stabilization Implementation Plan strategies that are underway and producing savings.
2. **Take action into 2026-27.** Carry the in-progress strategies and their 2026-27 targets into the new fiscal year so the work does not stall, and so the projected savings are realized as ongoing reductions.
3. **Bring back other approved actions.** Revive the carried-forward measures previously approved in prior plans, together with the new and cross-plan actions, with owners and targets assigned.

Implementation will be tracked and reported. The District will assign owners and targets to the carried-forward and new actions through the fall, finalize savings targets for measures still being scoped by October 1, 2026, and report progress and savings to the Budget and Finance Committee and to the Alameda County Office of Education on a quarterly basis. Each figure carries its source and its as-of date. This discipline is how the District will hold itself accountable for the ongoing reductions the deficit requires.

Fiscal Impact

Approval of the Financial Stabilization Plan does not by itself appropriate or reduce funds. The plan directs the savings and revenue strategies that are reflected in the 2026-27 Adopted Budget and that the District is responsible for continuing to identify in the outyears. The plan carries quantified targets of \$92.3M in General Fund savings actioned in 2025-26 and \$6.6M in restricted resources, and projected 2026-27 targets of \$41.5M General Fund and \$13.0M restricted, together with \$0.25M in anticipated revenue. Continued and ongoing implementation is necessary to resolve the approximately \$20.6M structural deficit and to meet the \$36M to \$57M in outyear reductions identified by county oversight. The 2025-26 figures are estimates pending year-end close and will be updated at the first Board meeting in August 2026. There is no incremental cost to the District from approving the plan.

Recommendation

Approval by the Board of Education of Resolution No. 2526-0026- It is recommended that the Governing Board receive the Financial Stabilization Plan update and approve its continuation by continuing the strategies underway, carrying the in-progress strategies and their 2026-27 targets into the new fiscal year, and bringing back the other previously approved and new actions with owners and targets assigned.

Attachments

- [Financial Stabilization Implementation Plan Update and Path Forward Presentation](#)
- [Financial Stabilization Implementation Plan Progress Update](#)

**BOARD OF EDUCATION OF THE
OAKLAND UNIFIED SCHOOL DISTRICT**

Resolution No. 2526-0026

**- Approving the Financial Stabilization Plan and Its Continuation into
Fiscal Year 2026-27 -**

WHEREAS, the Oakland Unified School District has maintained a continuous, Board-adopted fiscal stabilization strategy across successive plans, including the Fiscal Vitality Plan of 2018-20, Attachment A in 2022-23, Attachment B in 2023-24, Attachment C and the 3 R's Resolution in 2024-25, and the 2025-26 Fiscal Stabilization Implementation Plan, each building on the plan before it; and

WHEREAS, on April 16, 2026, the Alameda County Office of Education issued a precautionary Going Concern Notice under Education Code section 42127.6, citing a structural deficit of approximately \$20.6M and required outyear reductions of \$36M to \$57M, which is not a Lack of Going Concern designation and under which the District retains local control; and

WHEREAS, the 2026-27 Adopted Budget is balanced and meets the state and Board reserve standards, while the Multi-Year Projection reflects continued net deficits of (\$36.7M) in 2026-27, (\$39.3M) in 2027-28, and (\$28.7M) in 2028-29; and

WHEREAS, the District has consolidated its stabilization work into the Combined Financial Stabilization Plan, organized into three groups of action: the 2025-26 Fiscal Stabilization Implementation Plan strategies now underway, the measures approved in prior plans that were not fully completed, and the new and cross-plan actions recommended for this cycle; and

WHEREAS, the District actioned \$92.3M in General Fund savings and \$6.6M in restricted resources in 2025-26 through the Implementation Plan strategies, and projects savings targets of \$41.5M General Fund and \$13.0M restricted for 2026-27, together with anticipated revenue, with the understanding that the 2025-26 figures are estimates pending year-end close; and

WHEREAS, the Board and staff will continue working through the Financial Stabilization Implementation Plan to address the projected deficit, identifying and carrying out the ongoing structural reductions necessary to restore long-term fiscal stability, and will return at the first Board meeting in August 2026 with the plan updated to reflect the Unaudited Actuals; and

WHEREAS, because the District carries a projected deficit into 2026-27, the plan must continue without interruption, which requires the Board to continue the strategies underway, carry the in-progress strategies and their 2026-27 targets into the new fiscal year, and bring back the other previously approved and new actions with owners and targets assigned;

NOW, THEREFORE BE IT RESOLVED AND ORDERED that the Board of Education hereby approves the Combined Financial Stabilization Plan and its continuation into Fiscal Year 2026-27, and directs staff to continue the strategies underway, carry the in-progress strategies and their targets into the new fiscal year, bring back the other previously approved and new actions with owners and targets assigned, and report progress and savings to the Budget and Finance Committee and to the Alameda County Office of Education on a quarterly basis.

PASSED AND ADOPTED by the Board of Education of the Oakland Unified School District this 24th day of June, 2026, by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NOE: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE: None

AYES: Rachel Latta, VanCedric Williams, Patrice Berry, Vice President Valarie Bachelor,
President Jennifer Brouhard

NOES: Mike Hutchinson

ABSTAINED: None

RECUSED: None

ABSENT: Maximus Simmons (Student Director), Marianna Smith (Student Director),
Clifford Thompson

CERTIFICATION


We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District held on June 24, 2026.

Legislative File	
File ID Number:	26-0106D
Introduction Date:	6/24/2026
Enactment Number:	26-1085
Enactment Date:	6/24/2026
By:	OS

OAKLAND UNIFIED SCHOOL DISTRICT



Jennifer Brouhard
President, Board of Education



Denise G. Saddler
Superintendent

2025-26 Financial Stabilization Plan and Proposed Continuance into 2026-27

Combines the 2025-26 FSIP strategies with carried-forward actions from prior plans. Each action is tagged with its source plan.

These are estimates. We have not completed year-end close. At the first meeting in August we will come back with this spreadsheet updated with the year-end close actuals for the FSIP 2025-26 actions.

#	Source Plan	Strategy / Action	Description	Who Is Responsible (SLT lead in bold print)	What We Have Done	What We Will Do	2025-26 Savings		2026-27 Projected Savings		2026-27 Anticipated Revenue	
							General Fund	Restricted	General Fund	Restricted	General Fund	Restricted
SECTION A — 2025-26 FSIP Strategies												
1	2025-26 FSIP	Reduce the Special Education contribution by 10%	This strategy targets a reduction of approximately \$14.7M through cost management rather than service reductions. Levers include right-sizing staffing to caseload, reducing reliance on nonpublic placements and contracted services, strengthening Medi-Cal and SELPA revenue capture, and aligning service-delivery models to student need. The District will pursue savings that preserve full compliance with each student's IEP.	Tara Gard (Dep. Supt., Business & Operations) ; Sondra Aguilera (CAO); Jenine Lindsey (General Counsel)	Begun the nonpublic school contract review. Collected information from comparable districts and reviewed revenue maximization strategies, including billing and Administrative Claiming. We were unable to move this work forward during the 2025-26 school year.	Complete the cost and funding audit; analyze staffing ratios and vacancies; review cost allocation between restricted SpEd and the General Fund; validate structural savings; begin bringing positions in-house with a strong accountability matrix tied to the coinciding reduction of contracted services.	-	-	\$14,700,000	-	-	-
2	2025-26 FSIP	Feasibility study of Non-Public School placement on OUSD property	Nonpublic school (NPS) placements carry among the highest per-student costs in special education, because the District pays both tuition and, frequently, transportation to outside providers. This study will assess whether a portion of these students can be served in District-operated specialized programs located on OUSD property. The analysis will compare current NPS costs against the cost to staff and operate in-district classrooms and will evaluate space, credentialing, and compliance requirements. The objective is to reduce NPS tuition while improving proximity and continuity of services for students.	Jenine Lindsey (General Counsel) ; Sondra Aguilera (CAO); Preston Thomas (Chief Systems & Services Officer)	Issued RFP, received applications, made offer to two NPAs that are seeking to have their programs in Oakland at one of our sites.	Develop lease/license terms; begin one NPS in the 2026-27 school year and the second in the 2027-28 school year.	-	-	\$200,000	-	\$250,000	-
3	2025-26 FSIP	Second-tier contract and discretionary spending review (>= \$15,000)	The District will review all contracts and discretionary expenditures at or above \$15,000 that fall below the first-tier, highest-value review. Each agreement will be evaluated for necessity, return on investment, duplication, and whether the service can be delivered in-house or at lower cost. Renewals will require justification against District priorities. This establishes a recurring control that captures savings beneath the largest-contract threshold while protecting direct services to students.	Tara Gard (Dep. Supt., Business & Operations)	Implemented review at \$25K then lowered to \$15K. Begun contract audit, decision tree, training and consequence framework.	Publish policy; build intake form and workflow (contracts-online redesign); require central spending plans; complete audit and training in August 2026; report quarterly from fall 2026. 26-27 focus will be a freeze on non-essential travel, out of state professional development and food purchasing across schools and departments. A review of the purchasing of computers under 5k and a centralized approach to reduce the cost.	-	\$727,934	\$1,000,000	\$1,500,000	-	-
4	2025-26 FSIP	Centralized procurement of materials and services	Purchasing is currently fragmented across sites and departments, which limits the District's leverage and produces inconsistent pricing. This strategy consolidates the procurement of common materials and services through a central function. Centralization allows the District to standardize specifications, aggregate volume, negotiate improved pricing, and strengthen spending oversight. Savings are expected from better unit pricing and a reduction in off-contract purchasing.	Tara Gard (Dep. Supt., Business & Operations) ; Jenine Lindsey (General Counsel); Preston Thomas (Chief Systems & Services Officer)	Begun vendor inventory, approved vendor list, system configuration review, procurement staffing review, and site guidance. The new master contracts have come to board in June with "piggyback" contracts will help to move towards a better pricing structure.	Audit cooperative purchasing; route technology through Office of Technology; centralize PD and conference approval; complete inventory, vendor list, tech policy, and site guidance by August 1, 2026. We are anticipating savings related to streamlining software, centralizing technology purchases and reduction in vendor rates.	-	-	\$400,000	\$600,000	-	-
5	2025-26 FSIP	Fleet management system (future savings)	The District will implement a fleet management system to track vehicle inventory, fuel, maintenance, utilization, and replacement cycles. Improved data will allow the District to right-size the fleet, retire idle and underused vehicles, schedule preventive maintenance, and lower fuel and repair costs. Savings are projected in future years as the system is deployed and the data informs operational decisions.	Tara Gard (Dep. Supt., Business & Operations)	Begun consolidated vehicle inventory and platform evaluation, with preliminary work across maintenance, utilization, and replacement planning.	Complete inventory and initiate vendor selection by September 1, 2026; deploy system; present full fleet right-sizing recommendation by Third Interim.	-	-	\$500,000	-	-	-
6	2025-26 FSIP	Decrease RRMA expenditures	The Routine Restricted Maintenance Account (RRMA) is a restricted set-aside funded by an annual contribution from the unrestricted General Fund. This strategy reduces planned RRMA expenditures and the associated contribution toward the minimum required under Education Code section 17070.75. Lowering the contribution preserves unrestricted flexibility while the District continues to meet its statutory maintenance obligation. Discretionary projects will be prioritized for future years as resources allow.	Preston Thomas (Chief Systems & Services Officer)	Begun in-house maintenance workforce deployment analysis and equipment lifecycle policy work. Key shops are reviewing all major school systems and prioritize key work expanding the quality of the comprehensive maintenance plan.	Update the facilities workorder system that is outdated to create data informed systems. Establish work order authorization policy and prioritization framework; complete in-house vs contracted analysis; review vendor contracts; complete by December 30th, 2026; report quarterly from fall 2026.	-	-	\$2,600,000	-	-	-

2025-26 Financial Stabilization Plan and Proposed Continuance into 2026-27

Combines the 2025-26 FSIP strategies with carried-forward actions from prior plans. Each action is tagged with its source plan.

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#	Source Plan	Strategy / Action	Description	Who Is Responsible (SLT lead in bold print)	What We Have Done	What We Will Do	2025-26 Savings		2026-27 Projected Savings		2026-27 Anticipated Revenue	
							General Fund	Restricted	General Fund	Restricted	General Fund	Restricted
7	2025-26 FSIP	Reduce school site access to unutilized spaces	Declining enrollment has left underused classrooms and buildings that continue to carry custodial, utility, and maintenance costs. This strategy consolidates instructional and program space and limits site access to areas that are not in active use. Concentrating operations in fewer, fully used spaces lowers operating costs without closing schools. Space decisions will be made in coordination with site leaders and program requirements.	Preston Thomas (Chief Systems & Services Officer)	Completed custodial staffing redeployment. Begun site-by-site utilization assessment and reopen-authorization process.	Implement space restriction protocol and communication plan; track utility and custodial savings; complete assessment and initial protocols by August 15, 2026; report to Board quarterly from fall 2026.	\$1,600,000	-	\$1,000,000	-	-	-
8	2025-26 FSIP	Central office reductions	The District will reduce central office costs relative to enrollment through restructuring, position consolidation, and elimination of vacancies. Reductions are directed away from school sites in order to protect classroom services. This strategy continues the District's commitment to keep reductions as far from students as possible while right-sizing administrative overhead.	Jeff Dillon (Chief Talent Officer) ; Tara Gard (Dep. Supt., Business & Operations); Ryan Nguyen (CFO); Sondra Aguilera (CAO); Preston Thomas (CSSO); Jenine Lindsey (General Counsel)	Effectuated the March 15, 2026 reduction (~716 position actions); position control reconciliation completed; PARS early retirement administered.	Enforce vacancy freeze without exception; complete divisional reorganization options to Superintendent by October 1, 2026; stand up headcount and cost dashboard; Quarterly staffing report to Budget & Finance committee	\$25,000,000	-	\$6,000,000	-	-	-
9	2025-26 FSIP	Use restricted dollars first	The District will fund eligible expenditures with the most restricted resources available before drawing on unrestricted funds. Spending restricted and one-time dollars compliantly and first preserves unrestricted fund balance and reserve capacity. This discipline also ensures that restricted and grant and funds are fully expended within their periods of availability and reduces the risk of lapsing funds.	Tara Gard (Dep. Supt., Business & Operations) ; Ryan Nguyen (CFO)	Completed the following shifts from unrestricted to allowable restricted funding that supported the 2025-26 savings. We have worked closely with the internal auditor and external oversight for guidance and review prior to shifting: Temp shift of allowed operating expense to Resource 6762 (2m), Temp shift to Resource 6019 for allowed rising costs such as H&W (4.6m), ECE Program direct cost to Fund 12 (4.5m), Capital and operating cost shift to Fund 25 (8.8m), Custodial services shift to Resource 2600 (2.1m), Unallocated budget applied (4.3m) and all allowable direct costs shifted to parcel taxes (17m)	Require fund-source allowability training; add budget development controls and point-of-commitment review; monitor restricted spending rates monthly; embed as permanent practice. The following shifts are already accounted for in the 2026-27 academic year: STIP teachers to S&C (3.8m), Spend down of Professional block grant (25.7m)	\$43,300,000	-	-	-	-	-
10	2025-26 FSIP	School site budget reduction between 7.5-10%	The District will reduce school site discretionary budgets by 7.5 to 10 percent, applied to the spending sites control directly. Reductions of this scale are calibrated to preserve core instructional staffing and direct services while trimming discretionary site spending such as supplies, non-essential contracts, and supplemental programs.	Ryan Nguyen (CFO) ; Tara Gard (Dep. Supt., Business & Operations)	Modeled the 7.5 to 10 percent reduction against each site's discretionary control and identified the spending categories eligible for reduction. School site discretionary budgets were reduced accordingly.	25-26 reduction completed. 26-27 reduction recommended.	\$245,282	\$1,424,687	\$200,000	\$1,000,000	-	-
11	2025-26 FSIP	Central Office Reductions 10-20% reduction above 21M	The District will reduce central office costs by 10 to 20 percent of central office spending that exceeds a \$21M base.	Ryan Nguyen (CFO) ; Tara Gard (Dep. Supt., Business & Operations)	Modeled the 10 to 20 percent reduction against each central departments discretionary budget and identified the spending categories eligible for reduction. Departments discretionary budgets were reduced by 20%.	25-26 reduction completed. 26-27 reduction recommended.	\$1,964,199	\$4,456,531	\$1,500,000	\$3,600,000	-	-
12	2025-26 FSIP	Increased attendance by 2%	Because LCFF revenue is driven by average daily attendance, improving attendance generates additional ongoing revenue without new programs or rate changes. The District will target a two percent increase in ADA through coordinated attendance recovery, chronic absence intervention, and re-engagement strategies. This is a revenue-side strategy that complements expenditure reductions and supports the dual goal of fiscal stability and improved student outcomes.	Sondra Aguilera (CAO) ; D. Saddler (Interim Superintendent); Preston Thomas (Chief Systems & Services Officer)	Launched chronic-absence monitoring and began coordinating attendance recovery and re-engagement across sites. Nonprofits like Oakland Natives Give Back partnered with OUSD to award individual students up to \$5,000 for maintaining perfect attendance, encouraging students to stay engaged and finish high school.	Set site ADA targets; expand intervention and outreach; track ADA monthly against the 2 percent goal; reflect added revenue in interim reporting.	-	-	-	-	-	-
13	2025-26 FSIP	TK Hub Launch for 2-3 Hubs	The District will launch two to three Transitional Kindergarten hubs that consolidate TK enrollment into designated sites rather than operating dispersed, under-enrolled classrooms across many schools. Concentrating TK into hubs improves staffing efficiency, right-sizes classroom and aide assignments to actual enrollment, and strengthens program quality and compliance with TK ratio requirements. Because TK generates LCFF funding, hubs also support enrollment capture and retention as the grade span continues to expand. The two-to-three hub target allows the District to pilot the model, evaluate operational savings and family demand, and scale based on results.	Academic Programming and Supervision: Sondra Aguilera (CAO) ; Facilities Readiness and Operations: Preston Thomas (Chief Systems & Services Officer)	TK hub implementation at both Carl Munck and Fruitvale are well underway. Enrollment looks strong. Teacher hiring is progressing there are a large number of applicants. TK paraeducators are also close to completion for hire. The facilities upgrades including yard improvements are scheduled and planned. Furniture has been ordered. Early Childhood department is supporting both principals to ensure a high quality, developmentally appropriate learning environment.	Continue to provide support at the sites and monitor enrollment. OUSD will expand 8 additional TK classrooms that are located at hubs resulting in additional LCFF projected net revenue of \$1.1M after programmatic expenses are covered. It was estimated that Carl Munck alone would generate 1.2m in revenue and expend 824k in expenses with a remaining revenue balance of approx \$413k	-	-	-	-	\$800,000	-

2025-26 Financial Stabilization Plan and Proposed Continuance into 2026-27

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#	Source Plan	Strategy / Action	Description	Who Is Responsible (SLT lead in bold print)	What We Have Done	What We Will Do	2025-26 Savings		2026-27 Projected Savings		2026-27 Anticipated Revenue	
							General Fund	Restricted	General Fund	Restricted	General Fund	Restricted
14	2025-26 FSIP	Shift Attendance Specialist & Noon Supervisors to S&C	The District will fund Attendance Specialist and Noon Supervisor positions from LCFF Supplemental and Concentration (S&C) dollars where the services these staff provide directly support unduplicated students — English learners, low-income students, and foster youth — consistent with the District's LCAP. Attendance support and supervision that increase access and time on campus for high-need students are allowable S&C-funded activities when properly documented and reflected in the LCAP. Shifting these costs to S&C relieves the unrestricted General Fund of expenditures that can compliantly be borne by restricted LCFF funding, preserving unrestricted flexibility while maintaining the services. Each shift will be reviewed for allowability and LCAP alignment before implementation.	Ryan Nguyen (CFO) ; Tara Gard (Dep. Supt., Business & Operations)	Reviewed position duties for S&C allowability and confirmed LCAP alignment for attendance and supervision services to unduplicated students. Document allowability for each position; reflect the funding shift savings in the 2025-26 and 2026-27 budget; cleared with oversight and will continue to monitor.	Continue to monitor funding allocation of these positions to make sure they continued to be aligned to this decision. The 2026-27 savings is already included in the 2026-27 budget and is not listed as a projected savings option to avoid double counting savings. The 2026-27 savings from the general fund is \$5,081,433.	\$4,200,788	-	-	-	-	-
15	2025-26 FSIP	Shift costs of small schools into S&C	Where small schools serve high concentrations of unduplicated students and provide services that increase or improve programs for those students, the District will fund a portion of their costs from LCFF Supplemental and Concentration dollars in alignment with the LCAP. Smaller school sites carry higher per-student operating costs, and to the extent those costs deliver principally directed or schoolwide services for unduplicated students, they may be appropriately supported by S&C funding. Routing eligible small-school costs to S&C reduces the unrestricted General Fund's exposure while sustaining the programs. The District will confirm allowability, proportionality, and LCAP documentation for each cost shift so that the use of S&C funds withstands audit and oversight review.	Ryan Nguyen (CFO) ; Tara Gard (Dep. Supt., Business & Operations)	Identified small schools with high unduplicated concentrations and began the allowability and proportionality review for S&C support. Confirm allowability and LCAP documentation per site; applied the eligible cost shift; preserve programs; prepare for audit review. reflect the funding shift savings in the 2025-26 and 2026-27 budget; cleared with oversight and will continue to monitor.	Continue to monitor funding allocation of the identified small schools to make sure they continued to be aligned to this decision. The 2026-27 savings is already included in the 2026-27 budget and is not listed as a projected savings option to avoid double counting savings. The 2026-27 savings from the general fund is \$20,393,327.	\$15,999,907	-	-	-	-	-
SECTION B — Carried-Forward Actions from Prior Plans (not previously completed)												
1	Attachment A (2022-23)	Realize curriculum adoption savings and reduce related consumable spending	The previous strategy was to finish streamlining and adopting curriculum across the grade spans, which would have reduced curriculum expense once adoptions were complete, since OUSD would not expect another full adoption cycle for approximately ten years, the usual interval for California Department of Education content-standard updates. To realize those savings, the District needs to conduct a thorough analysis of what has actually been spent on curriculum following adoption, determine the appropriate ongoing spending level for consumables and minor updates, and address the practices that erode the value of the investment: requiring consistent district-wide use of the adopted curriculum as the program of record, routing site exceptions through a justification and approval process to limit off-adoption purchasing, and conducting a central inventory to redistribute existing materials and surplus stock before placing new orders so consumables are bought to actual enrollment rather than reordered by default.	Sondra Aguilera (CAO) ; Tara Gard (Dep. Supt., Business & Operations)	Began review of post-adoption curriculum and consumable spending and confirmed the adopted programs of record by grade span.	Analyze actual post-adoption spend; set ongoing consumable levels; route site exceptions through approval; inventory and redistribute surplus before new orders.	-	-	\$1,000,000	-	-	-
2	Attachment A (2022-23) Attachment B (2023-24)	Citywide Process to determine the District's future footprint	Building on interest expressed in 2026 by sitting principals and a union leader in pursuing school consolidations, the District recommends reviewing its co-located school sites and smaller alternative education programs for potential mergers and/or program consolidations. This work would proceed through a structured planning process that pairs robust engagement and community input with rigorous fiscal analysis of the savings each merger would generate. The planning process will define the candidate sites, the engagement timeline, and the projected fiscal impact so that any recommended mergers are brought forward with both community voice and a clear savings rationale.	TBD - Due to Central Office restructuring and position eliminations, responsibility will be determined by Superintendent in July.	Identified candidate co-located and alternative education sites and noted interest expressed by principals.	Define candidate sites and engagement timeline; pair community input with fiscal analysis; bring recommended mergers to the Board with a savings estimate and rationale. Note: Savings would not be realized until the 2027-28 academic year.	-	-	-	-	-	-

2025-26 Financial Stabilization Plan and Proposed Continuance into 2026-27

Combines the 2025-26 FSIP strategies with carried-forward actions from prior plans. Each action is tagged with its source plan.

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3	Attachment B (2023-24)	BP 3150 Adjustment - Review and revise BP 3150	The District will review and revise Board Policy 3150 to align district financial-management practice with current fiscal controls and oversight expectations. Updating the policy provides a clear, enforceable framework for the spending and budgeting disciplines in this plan. Savings are indirect and arise through stronger control rather than a direct reduction.	Tara Gard (Dep. Supt., Business & Operations); Ryan Nguyen (CFO)	Pulled the current BP 3150 language and identified provisions that require updating.	Draft revised policy; route through board review and adoption; align administrative regulations with the revised policy.	-	-	-	-	-	-
4	Attachment B (2023-24)	Reduction of consistently vacant positions - The District proposes to review all vacancies, but also make a specific effort for historically vacant and hard to fill positions. The District has begun the budget development process in the Fall with central sites and has begun the budget development with school sites, as the department and site recommendations come forth, the District will include the consideration of the positions in its analysis	As stated in prior plans, the District began the budget development process in the fall with central sites and school sites, and committed to reviewing all vacancies — with specific attention to historically vacant and hard-to-fill positions — incorporating department and site recommendations into its analysis as they come forward. Building on that work, the District will continue a hiring freeze and pursue potential elimination of central office positions district-wide, regardless of funding source. Reviewing every vacancy, and holding or eliminating positions that have gone consistently unfilled, captures salary and benefit savings that are already effectively absent from operations, so the reductions can be realized with minimal disruption to services. Applying the freeze across all funding sources ensures that positions supported by restricted or grant dollars are evaluated on the same basis, freeing those funds for direct student-serving priorities and reducing the unrestricted General Fund's exposure as one-time and categorical resources sunset. Directing these reductions to central office roles continues the District's commitment to keep cost reductions as far from school sites and classrooms as possible.	Jeff Dillon (Chief Talent Officer); Tara Gard (Dep. Supt., Business & Operations)	Began fall budget development with central and school sites and started reviewing historically vacant and hard-to-fill positions.	Continue the hiring freeze across all funding sources; evaluate every vacancy; hold or eliminate consistently unfilled positions; direct reductions to central office.	-	-	\$890,000	\$850,000	-	-
5	Attachment C / 3 R's Resolution (2024-25)	Reduce consultant contracts	The District will reduce consultant contracts that are not essential to core operations or compliance. Each consultant agreement will be evaluated for necessity, return on investment, and whether the work can be performed in-house. This carried-forward action is executed through the contract and procurement reviews in FSIP #3 and #4.	Tara Gard (Dep. Supt., Business & Operations); Ryan Nguyen (CFO), Jenine Lindsey (General Counsel)	Inventoried active consultant contracts and flagged agreements for justification under the contract review.	Evaluate each consultant contract for necessity and value; reduce or end low-value agreements; route renewals through the second-tier review.	-	-	\$3,000,000		-	-
6	Attachment C / 3 R's Resolution (2024-25)	Eliminate/Significantly Reduce extended contracts	The District will eliminate or significantly reduce extended contracts, which add days, hours, or extended-year time beyond base assignments. Each extended contract will be reviewed for justification and continued necessity. Reductions are directed where the additional time does not produce a corresponding benefit to students or essential operations.	Tara Gard (Dep. Supt., Business & Operations); Ryan Nguyen (CFO), Jenine Lindsey (General Counsel)	Compiled the list of extended contracts and began reviewing them against demonstrated need.	Complete a full analysis of extended contracts that had been paid in the 2025-26 fiscal year. Build process for workflow and approval. Require prior and clear justification for each extended contract; reduce or end those without clear benefit; report reductions to the Board.	-	-	\$400,000		-	-
7	Attachment C / 3 R's Resolution (2024-25)	Target to increase staff attendance	The District will set a target to increase staff attendance, which lowers substitute and coverage costs and improves continuity of service. The District will monitor absence patterns, address drivers, and support reliable attendance. Savings arise primarily through reduced substitute and overtime coverage expense.	Jeff Dillon (Chief Talent Officer); Tara Gard (Dep. Supt., Business & Operations)	Began tracking staff absence and substitute coverage costs and identified the highest-cost coverage areas.	Set an attendance target; address absence drivers; monitor substitute and coverage spend monthly; report progress.	-	-	\$800,000	\$1,000,000	-	-
8	Attachment C / 3 R's Resolution (2024-25)	Facilities and Real Property Asset Strategy	Real Property Asset Strategy. The District is in partnership with DCI and Brookwood Partners to support the development of a Facilities Asset Management Plan. As part of this work, DCI and Brookwood Partners will conduct a feasibility study of vacant properties and provide the Board with options for reuse, development, and potential sale of District property. This strategy positions the District to generate revenue and leverage OUSD properties to provide community good. By reducing carrying costs from underused and surplus real estate, while informing a current and Asset Management Plan. Options will be brought to the Board for decision.	Preston Thomas (Chief Systems & Services Officer); Tara Gard (Dep. Supt., Business & Operations); Jenine Lindsey (General Counsel)	Issued the RFP and selected DCI and Brookwood Partners to complete the feasibility study of Phase 1 properties and conceptual study of Phase 2 properties.	Complete the feasibility study of vacant properties; bring reuse, development, and sale options to the Board through study sessions and Board guidance; and finalize the Asset Management Plan.	-	-	-	-	-	-
9	Attachment C / 3 R's Resolution (2024-25)	Eliminate/Significantly Reduce Overtime	Eliminate overtime, except for emergency core services: B&G for repairs, Custodians to cover vacancies and Payroll. Establish business rules around when OT can be used/not be used; facility efficiency: reduce footprint of used space in underenrolled sites, to reduce custodial burden; labor implications: responsibilities for OT, not just open/close for custodial. .	Tara Gard (Dep. Supt., Business & Operations); Jeff Dillon (Chief Talent Officer)	Began defining business rules for overtime and analyzing custodial coverage at under-enrolled sites.	Adopt authorization rules; centralize overtime approval; reduce footprint at under-enrolled sites; project the budget adjustment.	-	-	\$1,000,000	-	-	-

2025-26 Financial Stabilization Plan and Proposed Continuance into 2026-27

Combines the 2025-26 FSIP strategies with carried-forward actions from prior plans. Each action is tagged with its source plan.

These are estimates. We have not completed year-end close. At the first meeting in August we will come back with this spreadsheet updated with the year-end close actuals for the FSIP 2025-26 actions.

#	Source Plan	Strategy / Action	Description	Who Is Responsible (SLT lead in bold print)	What We Have Done	What We Will Do	2025-26 Savings		2026-27 Projected Savings		2026-27 Anticipated Revenue	
							General Fund	Restricted	General Fund	Restricted	General Fund	Restricted
10	Attachment C / 3 R's Resolution (2024-25)	Master Schedules	Moving hs to 6/8 master schedules out of base should minimize other teacher fte purchases out of random resources. And get rid of the ELD/electives and a-g category of fte allocation. The Two TSA's for AP (Chabot and Montclair) will be eliminated in 2025-26. New Allocation - AP Allocation. The District has reviewed its Master Schedules and seeks to provide symmetry in the staffing allocations and master schedule expectations across the high school network first and subsequently the middle school networks. The District has reviewed its Master Schedules and seeks to provide symmetry in the staffing allocations and master schedule expectations across the high school network first and subsequently the middle school networks.	Preston Thomas (Chief Systems & Services Officer) ; Sondra Aguilera (CAO)	Reviewed high school master schedules for symmetry in staffing allocations and confirmed the AP allocation change.	Standardize high school master schedules first, then middle schools; minimize FTE purchases from one-time resources; eliminate the two AP TSAs.	-	-	\$500,000	-	-	-
11	Attachment C / 3 R's Resolution (2024-25)	Eliminate any Teachers on Special Assignment (TSAs) that may be funded by on-going dollars	Prioritize Teachers on Special Assignment (TSA) Allocation based on contractually required/MOU driven parameters and Literacy TSA strategy. This is a full elimination of some TSA positions in 0000 and a funding change for other TSAs currently funded in 0000. Some centrally-funded TSAs will also be eliminated, resulting in reduced services to schools, in order to prioritize Literacy TSA site-based work. This will result in a net decrease of TSA positions across the district, in order to achieve a standard that can be afforded and maintained with restricted resources. Schools will be impacted by reduced supports on site with fewer TSAs in all areas. Smaller schools will have fewer than 1.0FTE TSA allocation, resulting in reduced days of service at each site	Jeff Dillon (Chief Talent Officer)	Reviewed TSA allocations against contractual and MOU requirements and prioritized the Literacy TSA strategy.	Eliminate TSA positions funded by ongoing resource 0000; shift others to restricted funding; net-reduce TSA positions district-wide.	-	-	\$1,170,000	\$1,950,000	-	-
12	Attachment C / 3 R's Resolution (2024-25)	Identify 11 and 12 month positions that can be converted into 10 month positions	Reducing work days for certain positions will lower costs, while summer services will continue through the summer school budget, with staff paid separately for additional work. These positions were originally designed for an expanded school year, which is no longer in place.	Jeff Dillon (Chief Talent Officer) ; Tara Gard (Dep. Supt., Business & Operations)	Identified 11- and 12-month positions that can convert to 10 months, with summer work paid through the summer school budget.	Confirm convertible positions; process the work-year changes; fund summer services separately; capture the reduction.	-	-	\$400,000	-	-	-
13	Attachment C / 3 R's Resolution (2024-25)	Health Benefits	The District will Exit Health Benefits Governing Board (HBGB) to allow analysis and recommended changes to benefit packages that can be negotiated with Bargaining Unit groups.	Tara Gard (Dep. Supt., Business & Operations) ; Jeff Dillon (Chief Talent Officer); Jenine Lindsey (General Counsel)	Initiated review of the Health Benefits Governing Board structure and the benefit packages subject to negotiation.	Complete the governance and benefit analysis; develop recommended changes; negotiate with bargaining units.	-	-	\$1,000,000	-	-	-
14	Attachment C / 3 R's Resolution (2024-25)	Reduce additional staffing to school sites beyond strategic staffing positions	The District must build a sustainable budget and avoid spreading resources too thin. Schools will receive fewer staff positions (FTEs) in fewer categories, with allocations based on enrollment and Unduplicated Pupil Percentage (UPP) thresholds. Smaller schools will receive partial FTEs across multiple roles to align with these adjustments.	Jeff Dillon (Chief Talent Officer) ; Ryan Nguyen (Chief Financial Officer); Sondra Aguilera (CAO)	Began aligning site staffing to enrollment and Unduplicated Pupil Percentage thresholds beyond strategic staffing positions.	Allocate fewer FTEs in fewer categories by enrollment and UPP; apply partial FTEs at smaller schools; finalize in budget development.	-	-	\$1,000,000	-	-	-
15	All previous plans	Delay the start of new programs/initiatives.	The District will delay the start of new programs and initiatives that are not yet underway and are not required by law, grant, or board direction. Deferring new commitments preserves unrestricted flexibility while the structural deficit is addressed. Initiatives will be reconsidered as fiscal capacity allows.	Tara Gard (Dep. Supt., Business & Operations) ; Jeff Dillon (Chief Talent Officer); Sondra Aguilera (CAO); Preston Thomas (Chief Systems & Services Officer); Jenine Lindsey (General Counsel)	This work can coincide with the upcoming revision to the LCAP	Hold deferred initiatives during budget development; require business and fiscal justification before any new start; revisit as resources allow. Develop clear process for new programs and/or initiatives are reviewed by Superintendent and Board prior to implementation.	-	-	-	-	-	-
16	All previous plans	Management Position Evaluation (Central and Site Leadership)	Evaluate management positions across central offices and school sites; review management staffing levels in central departments and at schools, including community school managers, assistant principals, and other site leaders; assess spans of control and reporting structures against enrollment and need; identify positions to consolidate, redeploy, or eliminate.	Jeff Dillon (Chief Talent Officer) ; Sondra Aguilera (CAO); Preston Thomas (Chief Systems & Services Officer); Tara Gard (Dep. Supt., Business & Operations); Jenine Lindsey (General Counsel)	Began an inventory of management positions across central departments and school sites, including community school managers, assistant principals, and other site leaders, and started mapping current spans of control and reporting structures.	Evaluate management staffing levels against enrollment and need; assess spans of control and reporting structures; identify positions to consolidate, redeploy, or eliminate; and bring recommendations forward through budget development.	-	-	\$1,000,000	\$2,500,000	-	-
TOTAL (quantified targets)							\$92,310,176	\$6,609,152	\$40,260,000	\$13,000,000	\$1,050,000	-



Financial Stabilization Plan

Actions, Savings, and the Decision Before the Board

A continuous plan, the work done in 2025-26, and what the Board is asked to carry into 2026-27.

Board of Education · June 24, 2026

Tara Gard, Deputy Superintendent of Business and Operations
Ryan Nguyen, Chief Financial Officer
Ruben Frutos, Consultant HYA

Our responsibility is clear: we must stabilize the District's finances today while fundamentally resetting how we operate for the years ahead. The Financial Stabilization Implementation Plan outlines the actions required to meet state and Board reserve requirements in the current year and to eliminate the structural deficit that has challenged our long-term sustainability. These actions are necessary to protect the District's solvency, preserve local control, and ensure we can continue to serve students with stability and integrity.

— Dr. Denise Saddler, Superintendent

There has always been a plan

A Continuous, Board-Adopted Strategy

This is not a sudden or first response to fiscal pressure. The District has worked a continuous, Board-adopted plan for years. Each plan built on the one before it, and the current Combined Stabilization Plan carries that work forward.



WHY NOW

We Carry a Deficit into 2026-27

The 2026-27 budget is balanced and legally supportable, but the District is not fiscally complete. The Multi-Year Projection shows continued deficits, and the Going Concern Notice directs ongoing reductions. The plan must keep moving, and that requires Board action now.

⚠ On April 16, 2026 the Alameda County Office of Education issued a precautionary Going Concern Notice under Education Code section 42127.6. It is not a Lack of Going Concern designation, and the District retains local control.

Multi-Year Projection — Net Change

Fiscal Year	Net Change	Reserve %
2026-27	(\$36.7M)	3.38%
2027-28	(\$39.3M)	3.11%
2028-29	(\$28.7M)	3.11%

\$20.6M

Structural Deficit

Cited by ACOE as the core structural gap requiring resolution

\$36-57M

Outyear Reductions Required

Additional reductions needed across the multi-year projection window

One Continuous Plan

Three Groups of Action

The Combined Stabilization Plan is organized into three interconnected groups, each building on the work already done and carrying it forward into 2026-27.

① FSIP 2025-26

Continue

What we have already done. The Fiscal Stabilization Implementation Plan strategies, with **\$92.3M actioned** in 2025-26.

② Carried Forward

Bring Back

Measures approved in prior plans, not yet fully completed, revived with owners and 2026-27 targets.

③ New and Cross-Plan

Approve

Actions drawn from all prior plans, including the management position evaluation.

Quantified targets: \$92.3M actioned in 2025-26 (General Fund), plus \$41.5M General Fund and \$13.0M restricted projected for 2026-27.

What We Have Already Done

These numbers are estimates. We have not completed year-end close. At the first meeting in August we will come back with this spreadsheet updated with the year-end close.

The 2025-26 Fiscal Stabilization Implementation Plan strategies, with savings actioned this year and projected savings for 2026-27. Figures in \$ millions.

#	Strategy / Action	25-26 GF	25-26 Rest.	26-27 GF	26-27 Rest.
1	Reduce the special education contribution by 10%	—	—	14.7	—
2	Feasibility study of nonpublic school placement on OUSD property	—	—	0.2	—
3	Second-tier contract and discretionary spending review (≥ \$15,000)	—	0.7	1.0	1.5
4	Centralized procurement of materials and services	—	—	0.4	0.6
5	Fleet management system (future savings)	—	—	0.5	—
6	Decrease RRMA expenditures	—	—	2.6	—
7	Reduce school site access to unutilized spaces	1.6	—	1.0	—
8	Central office reductions	25.0	—	6.0	—
9	Use restricted dollars first	43.3	—	—	—
10	School site budget reduction (7.5-10%)	0.2	1.4	0.2	1.0
11	Central office reductions (10-20% above \$21M)	2.0	4.5	1.5	3.6
12	Increased attendance by 2%	—	—	—	—
13	TK Hub launch (2-3 hubs)	—	—	—	—
14	Shift Attendance Specialists and Noon Supervisors to S&C	4.2	—	—	—
15	Shift small-school costs to S&C	16.0	—	—	—
	Section A Subtotal	92.3	6.6	28.1	6.7

Section B — Prior Plans

Carried Forward from Prior Plans

Measures adopted in earlier plans that were not fully completed, revived for continued reductions, each now with a 2026-27 target. Figures in \$ millions.

Source Plan	Strategy / Action	26-27 GF	26-27 Rest.
Att. A 2022-23	Curriculum adoption savings and reduced consumables	1.0	—
Att. A / B	Citywide process to determine the District's future footprint	1.3	—
Att. B 2023-24	Review and revise Board Policy 3150 (site funding)	—	—
Att. B 2023-24	Reduce consistently vacant and hard-to-fill positions	0.9	0.9
Att. C / 3 R's 2024-25	Reduce consultant contracts	3.0	—
Att. C / 3 R's 2024-25	Eliminate or significantly reduce extended contracts	0.4	—
Att. C / 3 R's 2024-25	Target to increase staff attendance	0.8	1.0
Att. C / 3 R's 2024-25	Facilities and Real Property Asset Strategy	—	—
Att. C / 3 R's 2024-25	Eliminate or significantly reduce overtime	1.0	—
Att. C / 3 R's 2024-25	Master schedules	0.5	—
Att. C / 3 R's 2024-25	Eliminate ongoing-funded Teachers on Special Assignment	1.2	2.0
Att. C / 3 R's 2024-25	Convert eligible 11 and 12 month positions to 10 months	0.4	—
Att. C / 3 R's 2024-25	Health benefits cost strategy	1.0	—
Att. C / 3 R's 2024-25	Reduce additional site staffing beyond strategic positions	1.0	—
	Section B Carried-Forward Subtotal	12.4	3.8

Section C — New Actions

New and Cross-Plan Actions

Actions drawn from across all prior plans and recommended for this cycle. Figures in \$ millions.

Source	Strategy / Action	26-27 GF	26-27 Rest.
All prior plans	Management Position Evaluation (central offices and school sites)	1.0	2.5
All prior plans	Delay the start of new programs and initiatives	—	—
	New and Cross-Plan Subtotal	1.0	2.5

Management Position Evaluation

Evaluate management staffing across central departments and school sites, including community school managers, assistant principals, and other leaders. Assess spans of control and reporting structures against enrollment and need, and identify positions to consolidate, redeploy, or eliminate.

Delay New Programs and Initiatives

Defer new programs and initiatives that are not yet underway and are not required by law, grant, or Board direction, preserving flexibility while the structural deficit is addressed.

Savings and Targets Across the Plan

Group	2025-26 GF	2025-26 Rest.	2026-27 GF	2026-27 Rest.
FSIP 2025-26 (Section A)	92.3	6.6	28.1	6.7
Carried forward (Section B)	–	–	12.4	3.8
New and cross-plan	–	–	1.0	2.5
TOTAL quantified targets	92.3	6.6	41.5	13.0

\$92.3M

2025-26 General Fund

Actioned in the current fiscal year

\$41.5M

2026-27 General Fund

Projected savings target for next fiscal year

\$13.0M

2026-27 Restricted

Projected restricted fund savings for 2026-27

Read together: The District actioned \$92.3M in the General Fund in 2025-26 and projects \$41.5M General Fund and \$13.0M restricted for 2026-27, plus \$0.25M in anticipated revenue. Much of the 2025-26 General Fund figure reflects one-time funding shifts that spend restricted balances first and are not additive to ongoing reductions.

What the Board Needs to Do Now

Because the District carries a projected deficit into 2026-27, the plan must continue without interruption. Staff recommend that the Board take the following action.

Continue the Current Plan

- 1 Keep implementing the 2025-26 Fiscal Stabilization Implementation Plan strategies that are underway and producing savings.

Take Action into 2026-27

- 2 Carry the in-progress strategies and their 2026-27 targets into the new fiscal year so the work does not stall at year end.

Bring Back Other Approved Actions

- 3 Revive the carried-forward measures previously approved in prior plans, together with the new cross-plan actions, with owners and targets assigned.



The plan reduces overhead, captures available revenue, and protects direct services to students.

Implementation Timeline

From Adoption to Ongoing Reporting



✓ No number leaves the District without its source and its as-of date.