

ATTACHMENT B MEMO

Resolution No. 2324-0137 - Proposed Budget Adjustments for Fiscal Year 2024-25

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I. Executive Summary

This memo provides a detailed update and analysis of Attachment B, adopted by the Board. The memo is divided into two main sections: Background and Recommendations for Restructuring.

The Background Section articulates the current challenge and further outlines the history and context that preceded the adoption of Attachment B. It begins with the past efforts by the District, dating back to 2017, to achieve fiscal solvency.

The Recommendations for Restructuring Section outline the information District staff continue to provide to the Board. This includes the most recent update on Attachment B areas of budget adjustment that have been shared with the board multiple times since February 2023 in the following areas:

- A. Restructuring of Schools Aligned to AB1912 Process
- B. Restructuring of Staff Formula to Schools
- C. Restructuring of Continuous School Improvement (CSI) Division
- D. Restructuring of Business/Operations to Centralize Services & Asset Management
- E. Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies to Move from Results-Based Budgeting to a More Centralized Approach with Clear Criteria for Earned Autonomies

II. Background

A. Current Challenge

As we navigate the intricate landscape of the district's fiscal affairs, a significant challenge continues to loom on the horizon with the impending expiration of one-time state, federal, and private resources after the 2023-24 academic year. These resources have been instrumental in bolstering and sustaining our strategic priorities, infrastructure development, and our ability to address staff retention through increased compensation. The impending conclusion of these funds demands strategic foresight and meticulous planning to ensure a seamless transition without compromising the quality of programming, support services and operations provided to our students, educators and District. Achieving quality, through the coherence of increased efficiency, effectiveness, and sustained and predictable investments across our schools and central departments is the “North Star” for every student and employee of the District.

One-Time Resource	Total Resource Amount
ESSER III Res 3213- Expires 9/2024	\$71M
State Reserve ESSER III Res 3216 - Expires 9/2023	\$1.8M

Expanded Learning Opportunity Grant Res 2600 - Ongoing	\$1.6M
In Person Instruction Grant Res 7422 - Expires 9/2024	\$1.8M
Proposition 47 Learning Communities for School Success Program (LCSSP) Res 7085 - One time Resource	\$1.5M
Learning Recovery Emergency Block Grant Res 7435 - Expires 6/2028	\$46.3M
Arts Music Instructional Material Block Grant Res 6762 - Expires 6/2026	\$18.9
Early Literacy Block Grant Res 7812 - One time Resource	\$2.3M
Rainin Foundation Res 9237 - Annual Application	\$1.7M
Salesforce - Res 9283 - Annual Application	\$6.9M

B. History and Context

In 2017, the District was in significant financial distress. According to an analysis conducted at the time: “Of particular concern [was] deficit spending, substantial reductions in fund balance, inadequate reserve levels, approval of bargaining agreements beyond cost-of-living adjustments, large increases in contributions to restricted programs, especially in special education, lack of oversight for position control that allows positions to be added before verification of funding and board approval, breakdown in leadership with excessive turnover, and the inability of the governing board to hold accountable administrators who have been allowed to overspend budgets and override board policy.”¹

The District’s response to its fiscal reality involved both short- and long-term components. First, the Board approved midyear budget reductions later in the 2017-18 school year; these cuts were painful but necessary to stave off additional county intervention and a possible second state takeover. After that, the District conducted an in-depth analysis of the District’s challenges and their root causes. That analysis identified “severe budget challenges, central office operational effectiveness needs, and a disproportionate facilities footprint to the size of our student population.”²

In response, the Board adopted two multi-year plans: the *Fiscal Vitality Plan* (“FVP”), which listed 23 “recommendations for action” to improve the District’s fiscal health, and the *Citywide Plan* (“CWP”), which established (in concert with the FVP) the District’s approach to “simultaneously make improvements in financial stability and key central office systems and functions to support high-quality teaching and learning across the district.” One of the CWP’s key components was the Blueprint for

¹ Fiscal Crisis and Management Assistance Team, August 15, 2017, “Oakland Unified School District: Fiscal Health Analysis,” p. 44 (available as Attachment A).

² Oakland Unified School District, Community of Schools Citywide Plan (“CWP”), p. 6 (available as Attachment B).

Quality Schools (“Blueprint”), the purpose of which was to “identif[y] a fiscally sound number of schools given OUSD’s projected student population for 2023 [with] optimal locations for schools and where high-quality options are needed.” As described in the CWP, the rationale for the Blueprint was as follows:

While we address our structural deficit, we must also continue to transform our schools as more Oakland families actively seek innovative school programs. If [families] don’t find the school options they are looking for within OUSD, they will vote with their feet and look outside of our district.

We all want well-resourced, high quality schools with innovative programs in every neighborhood. And, to create the necessary conditions in all of our schools, the following must be true:

- 1. All schools must have high quality teachers and principals, which means we need to compensate employees competitively on an ongoing basis to retain our best talent.*
- 2. All schools must be adequately staffed, so we can support teachers and leaders in creating a quality learning environment for students.*
- 3. All schools must have sufficient academic and enrichment resources and programs.*

To invest more in our schools so they are properly resourced and staffed and to reimagine our school programing options requires us to engage in the tough and painful work of both right-sizing our school district-getting to fewer schools, of a sustainable size, with more resources—WHILE reimaging the type of school programs we offer.

In other words, the District did not have sufficient resources to fully support all of its existing schools at the level that the District sought to fund them and that the schools needed in order to offer a high quality education. Therefore, in addition to addressing its structural deficit, the District sought to reduce the number of schools it operated so that the remaining schools could be “properly resourced and staffed.”

The Alameda County Office of Education (“County” or “ACOE”) and the State also got involved, offering support to the District and applying pressure on the District to keep it on track—in general, towards ensuring fiscal solvency and offering a high quality education and, more specifically, towards school consolidations. In addition to the County’s oversight role under AB 1200 (that monitors the fiscal health of the District) and the existence of the County Trustee, the County created the Intensive Support and Technical Assistance (“ISTA”) team to push into the District to support key initiatives identified in the FVP and the CWP. The County provided regular reports to the Board on the District’s progress with respect to those initiatives.

At the state level, the Legislature approved and the Governor signed Assembly Bill No. 1840 (“AB 1840”) in Fall 2018. One of AB 1840’s many provisions was to offer one-time payments to the District (and to Inglewood USD) as an incentive to continue to make the difficult but necessary decisions to address the District’s long-term financial needs and to rightsize the District. Under AB 1840, the State would allocate three one-time appropriations to OUSD for 2019-20, 2020-21, and 2021-22 as long as OUSD met certain conditions established prior to each fiscal year. AB 1840 included a possible list of such conditions, including the “[a]doption and implementation of necessary budgetary solutions, including the consolidation of school sites,” which was later amended to read: “Affirmative board action to continue

planning for, and timely implementation of, a school and facility closure and consolidation plan that supports the sale or lease of surplus property.”³ AB 1840 also directed the Fiscal Crisis and Management Assistance Team (“FCMAT”) to analyze the District’s progress and provide the State with an update twice a year on how well OUSD was progressing in general and with respect to the specific AB 1840 conditions. Under AB 1840, the District received allocations of \$514K for 2019-20, \$16M for 2020-21, and \$10M for 2021-22.

In the fall of 2022, School Services of California Inc. (SSC) conducted an organizational structure and staffing review of the Finance Division, Talent Division, and Information Technology Services Department. The review was developed to provide an objective analysis of the District’s current organization structure and staffing as compared to similar school districts

County	District Name ⁴	20-21 Enrollment	# of Schools	2020-21 UPP ⁵
San Bernardino	Fontana Unified School District (USD)	35,461	45	87%
Fresno	Fresno USD	69,709	100	89%
Riverside	Moreno Valley USD	31,593	39	84%
Alameda	Oakland USD	35,489	81	76%
Riverside	Riverside USD	39,443	47	67%
Orange	Santa Ana USD	43,917	54	88%
San Joaquin	Stockton USD	33,943	56	82%

In September 2023, the Fiscal Crisis Management Assistance Team (FCMAT) assigned to support Oakland Unified School District (OUSD) provided an update to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance on the progress the district has made in addressing our financial challenges:

“Essential to the district’s success will be identifying and implementing a comprehensive budget reduction plan that resolves the district’s structural deficit spending pattern. The governing board has not agreed on how to achieve this and has been unable to provide unified, timely guidance to district leaders for implementation. The lack of a comprehensive stabilization plan has resulted in short-term spending adjustments, often made period by period, without regard to the larger context of the district’s status or a goal of stabilization. This has reduced or eliminated the positive compounding effect that timely adjustments would provide and has hindered the district’s ability to develop and provide timely, reliable financial information for major

³ This condition, which required the District to continue consolidating schools, was included for 2019-20 and 2021-22. This condition was initially included for 2020-21 but then taken out at the last minute.

⁴ 2020-21 list of schools from DataQuest—does not include district/central office or non-traditional school programs (e.g., charter schools, child development centers, nonpublic schools)

⁵ UPP: Unduplicated Pupil Percentage

decision-making. Complete implementation of a fiscal stabilization plan to greatly reduce or eliminate the district’s structural deficit is imperative.”

As stated in the AB1200 Letter:

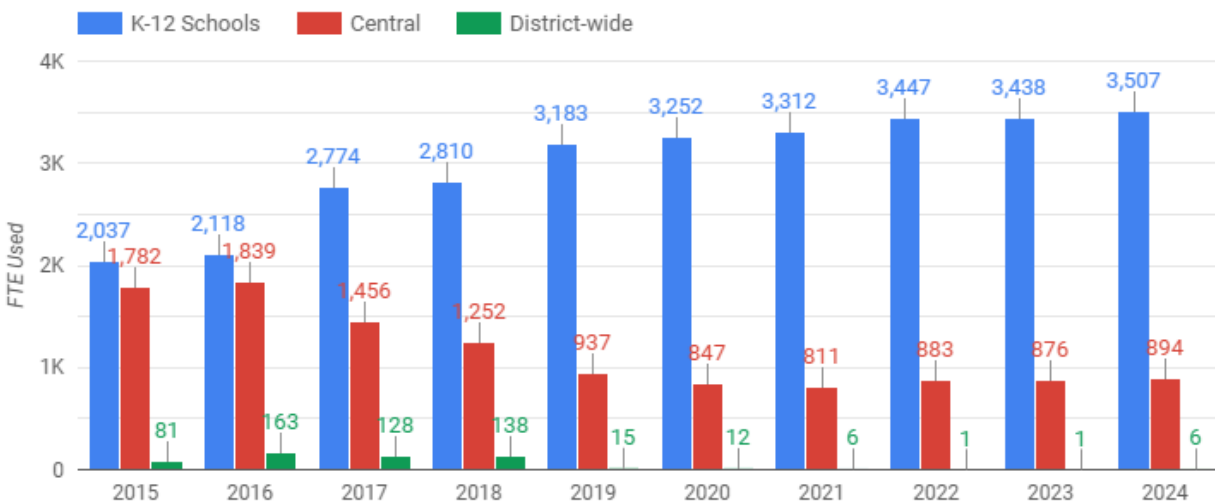
- F. “In order for ACOE to verify that Board and District staff are implementing the budget adjustments the Board approved within the Public Disclosure documents, OUSD will:
 1. Provide ACOE with a Board-approved detailed update on its list of Budget Adjustments by October 31, 2023;
 2. Share additional updates in ACOE’s bi-weekly call to monitor the staff and Board’s progress with strategic planning;
 3. Present a public update to be provided by First Interim, with further public disclosure and formal Board Action required no later than February 2024, to ensure the District meets its obligations in the subsequent fiscal year.”

As we are approaching the end of the budget development cycle for the SY24-25, February is the month when we must receive board decisions about next year’s budget and position changes, as well as any other adjustments that must be made to meet our future financial obligations.

C. Central Office Reductions (2015-2024)

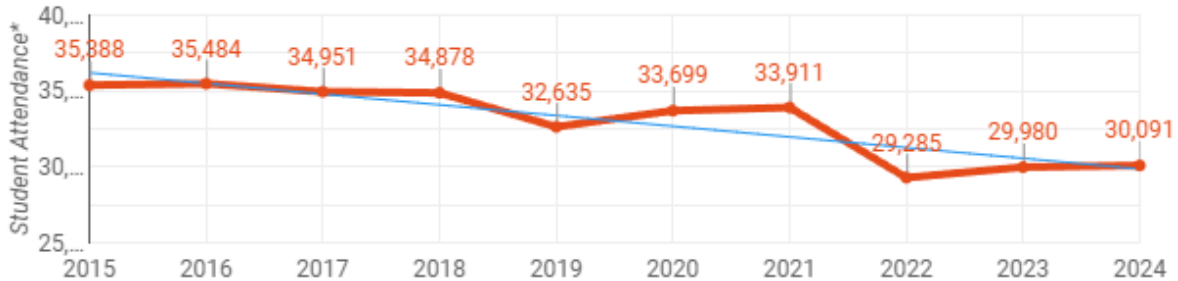
Since the period leading up to the fiscal distress which culminated in 2017, the District has repeatedly engaged in cost reduction efforts aimed largely at staffing reductions in its central operations while simultaneously increasing staffing across its K-12 Schools.

General Fund Staffing: 2014-15 to 2023-24



Staffing reductions in central operations continued until the changing responsibilities and increased resources associated with the COVID pandemic led to slight increases in staffing throughout the District. The timely addition of unprecedented one-time resources supported the increased staffing despite the ongoing trend of declining enrollment and attendance as illustrated below:

K-12 Average Daily Attendance (ADA): 2014-15 to 2023-24



D. Recommendations

Staff has continued to provide the Board with information and updates regarding the Budget development for 2024-25. Below is the most recent update on Attachment B which provides information about areas of budget adjustment that have been shared with the board multiple times since February 2023. These reductions are summarized below.

Item #	Adjustments (savings, cost avoidance, revenue shifts)	Total Resource Amount
1	School Site Allocations- Discretionary (Unrestricted)	(\$0.5M)
2	Adjustment to School Site Allocations- Local Control Funding Formula (LCFF)	(\$2.6M)
	Allocate additional resources only after May revise	_____
3	Merger of District Schools	_____
4	Board Policy 3150 Adjustment	_____
5	Central Office: Continuous School Improvement Redesign	_____
6	Central Office: Legal Department Restructuring	_____
7	Central Office: All other departments Restructuring	_____

8	Adjusted Support toward previous Board Resolutions	_____
9	Review Special Education Program costs	_____
10	Maintaining Small School Investments	_____
11	Revenue shifts from ongoing Supplemental and Concentration to Supplemental and Concentration Carryover and Arts Music Instructional Materials (AMIM)	(\$11.7M)
12	Reduction of consistently vacant positions	(\$1.6M)
Total		\$16.38M
Additions are summarized below		
	Ongoing Enrollment Office Investments (BP 5115)	\$1M
	One Time Investments returning to Base & Other Resource	_____
	Facilities and Deferred Maintenance (BR 19-2526)	\$0

III. Restructuring Recommendations

A. Restructuring of Schools Aligned to AB1912 Process

Analysis after analysis on our District financial dilemmas and low student achievement outcomes has identified a clear problem for Board Leadership to solve concerning the number of schools we operate. This dilemma is not easily solved. However, it is clear that OUSD operates twice as many schools as other similarly-sized Districts. There have been waves of reform efforts that have been implemented in OUSD under the many Superintendents that have led our District. Some have arguably been successful while others have flamed out only to leave behind disappointment and waning trust in the public education system. The recommendation to close and merge schools is action the Board should take to interrupt decades of inefficient spending and prioritizing politics and adults over the success of future generations of students.

While it is unlikely that we operate half the number of schools in our District, the analysis provides insight as to how District resources could be re-invested in fewer schools. **The District does not suggest school closures or mergers with the singular hope of saving money; yet instead, the driver is a deeper investment in student and family programs and services, better outcomes for students, and the ability to pay staff a competitive wage required to live and work in Oakland.**

The Board and school District are guided by our mission that seeks to inspire students and staff alike by “focusing on high academic achievement while serving the whole child, eliminating inequities, and providing each child with excellent teachers, every day.”

Unfortunately, the operational and programmatic infrastructure to fully realize our mission and deliver on our commitments to students, families and educators are not currently in place due to inefficient spending. Most importantly, the school-based programs and services that could be concentrated in fewer schools is a missed opportunity to implement the mission of our District. Students and families currently access a reduced menu of programs and services because funding is spread too thinly across multiple school sites instead of concentrating funding in fewer schools that would allow for a deeper investment in essential programs and services that support, inspire and retain students and educators throughout our District.

The School Board has the opportunity to implement the Assembly Bill (AB) 1912 process as outlined in legislation and subsequently provide our District with a renewed 5-year vision for a quality public education system in Oakland. **The window to take action and work towards a collective vision for operating fewer schools is diminishing and will likely result in extreme State intervention as experienced 20 years ago if the Board delays any immediate action.** Taking action requires the AB 1912 process be implemented, and a decision adopted by October 2024 to provide the necessary time for families to understand their enrollment options by the opening of the enrollment window in December 2024.

For too long, years of OUSD School Boards have avoided solving the dilemma of operating too many schools and have only intensified the added problems of declining student enrollment, the inability to pay staff a liveable wage, and poor academic outcomes for students.

Few understand the deep and complex financial dilemmas of the District like Board Directors. Therefore, it is important that they connect their commitment to social justice and equity to the difficult decision ahead to address the number of schools we operate through the outlined AB1912 process.

At this point, the Board has openly acknowledged the continued and persistent challenge of our finite resources being too thinly stretched when there remains an excessive number of schools compared to our current enrolled student population and statewide and national declining enrollment trends. Discussions have centered on the repercussions of this surplus, such as limited access to expanded programs and outdated facilities.

It is important to also acknowledge, however, that often overlooked is the dual challenge facing OUSD: the continued abundance of schools alongside a projected worsening teacher shortage.

As an urban school district, OUSD is disproportionately affected by this national teacher shortage, and compounded by the impacts of extreme living costs in Oakland and the greater Bay Area. Efforts in recruitment and retention have been intensified, with our programs serving as national models. **Despite strides made in these practices, the need for qualified teachers escalates with the number of schools. Consolidating schools would mitigate staffing demands and facilitate equitable resource allocation, ensuring every OUSD student receives the quality education they deserve.**

Maintaining surplus schools exacerbates staffing demands, resulting in students being taught by less qualified teachers or experiencing teacher vacancies throughout the year. Consolidating schools improves resource allocation, attracting experienced educators and enhancing the educational experience. Annually, the District contends with at least 30 classrooms without a teacher, impacting hundreds of students. Nearly 36% of our teachers have less than 5 years of teaching experience, and our reliance on emergency permit teachers has doubled in the last five years.

While consolidating schools won't entirely address staffing challenges, it offers a greater likelihood of students having experienced teachers and reduces instances of teacher vacancies. *This is our collective responsibility.* While consolidating schools may present some challenges, maintaining excess schools amidst a worsening teacher shortage neglects our students' right to quality education, which must be our foremost concern.

This item is recommended by staff in conjunction with the Items on Attachment B that this item, Restructuring of Schools Aligned to AB1912 Process, be implemented upon the Board's ratification of Resolution No. 2324-0137 - Proposed Budget Adjustments for Fiscal Year 2024-25 and Restructuring Recommendations for 2025-26.

B. Restructuring of Staff Formula to Schools

The Board is recommended to direct staff to take the remainder of this calendar year and adopt an Oakland base staffing formula that assigns key supplemental staff to every Oakland District school instead of the approach that is taken now to provide dollars to sites in the hope that schools will invest in key positions. This recommendation would need to be in place by December 2024 in order for the cascade of activities needed to successfully implement this supplemental staffing approach.

The outcomes for students have been flat and uneven for too many years for us not to take action on the supplemental staffing formulas at school sites. Additionally, the Central Office infrastructure needed to implement a fee for service model that has been left-over from the Results Based Budgeting (RBB) phase of our budgeting approach is not attainable given the overall financial dilemmas in our District. In the

early 2010's, the District shifted to some of the provisions under Board Policy 3150⁶, (most noticeably, a teacher to student ratio and the assignment of basic school staff) without addressing the areas of the District financial system that needed to be updated after the removal of RBB.

This resulted in an uneven approach to budget development that even now persists. Moreover, some schools do not always spend the entirety of their school-based funds. While certainly unintentional, this reality is often the result of the everyday demands and challenges placed on school leaders that often prohibit them from the detailed level of financial management required, leaving behind valuable resources to school communities.

The recommendation for a new staffing formula does not end school site decision-making, rather, it allows for the most strategic use of multiple funding sources to be braided together to maximize the services at school sites.

School sites would still receive site-based allocations; however, this would occur *after* the basic and agreed upon staffing for each school was in place. The impact of this approach to budgeting may seem insignificant. However, the ability for programmatic alignment and coherence to be in place to assist in the implementation of key District strategies would be groundbreaking. There are benefits to assigning the supplemental staffing at school sites from programmatic and financial services perspectives while not impacting the services at school sites. Taken together, the implementation of AB 1912 processes and defining the Oakland base staffing would lead to the maximization of services our students should access in alignment with our District vision, mission and Strategic Plan.

*This item is recommended by staff in conjunction with the Items on Attachment B that this item, Restructuring of Staff Formula to Schools, be implemented upon the Board's ratification of *Resolution No. 2324-0137 - Proposed Budget Adjustments for Fiscal Year 2024-25 and Restructuring Recommendations for 2025-26*.*

C. Restructuring of Continuous School Improvement (CSI) Division

Restructuring of the Continuous School Improvement (CSI) Division was presented to the Board in August 2023 and implementation of remedies to address the themes outlined in the Public Works Report is underway. The recommendations were the following:

⁶ The Board Policy on Results-Based Budgeting provides policy direction to the Superintendent regarding the Oakland Unified School District's continuous budget development process. The Board Policy on Results-Based Budgeting is directly aligned to and builds upon Board of Education policies on School Governance and Quality School Development.

Theme	Recommendation
1	CSI Restructuring: Realignment of 25 positions within CSI to be more productive, eliminate 29 positions and create 6 positions.
2	Strong need to improve small schools to improve CSI services.
3	Lack of Accountability: Use of data-driven decisions to achieve strategic goals.
4	Lack of collaboration among CSI Departments and with Network Superintendents.
5	Lack of Clear Communication District-wide.
6	Better Balance between site autonomy and central office non-negotiables.

Themes 1 (*CSI Restructuring*), 3 (*Lack of Accountability*), and 4 (*Lack of collaboration among CSI Departments and with Network Superintendents*) are being implemented together because they are deeply connected to the way CSI Departments and Network Superintendents collaborate. Theme 2 (*Strong need to improve small schools to improve CSI services*) was addressed in the section above recommending the Board implement the AB 1912 process. Themes 5 (*Lack of Clear Communication District-wide*) and 6 (*Better Balance between site autonomy and central office non-negotiables*) are district-wide dilemmas that have not been the focus of this redesign effort. However, an approach to begin addressing Theme 6 is discussed above in the supplemental staffing formula recommendation.

The CSI Division will be restructured so that services that support schools are supervised and directed by the Network Superintendents. This does not make the Executive Director of a Department obsolete because the programmatic guidance will still be developed by the appropriate Department. Yet, the decision to direct services to particular schools will be under the direction of the Network Superintendent because they are the most knowledgeable of site-level support needs.

Additionally, the recommendation to change the Academic Structure to situate underneath the Network Superintendent to address improved coherence, collaboration, and communication is being implemented. The Network Superintendents would supervise the academic program and the grade-span specific Executive Director. A picture of how this structure has changed over-time is below:

Academic Year	Structure Change
2022-2023	The Executive Director of Academics and Instructional Innovation reported to the Chief Academic Officer.
2023-2024 <i>[This Year]</i>	A temporary structure was created: Director of Elementary Instruction Reports to Elementary School Network Superintendents; Director of Literacy reports to Elementary School Network Superintendents; Director of Secondary Instruction reports to High School and Middle School Network Superintendents.

2024-2025 [New Structure]	Elementary Executive Director supervised by Elementary School Network Superintendents; Secondary Executive Director supervised by High School and Middle School Network Superintendents.
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Each year, school-based surveys are collected from school principals. Within the data collected, there were concerns that emerged from principals that there are Department Partners that are not accountable to being at school sites. In some cases, there was no predictable schedule for the school to know when a Department Partner would be on site to work with the school. This lack of clarity causes schools to feel like Department Partners are not worth the investment. To address this concern, Department Partners began providing schedules that specified a predictable schedule of support for schools to follow. **The Network Superintendent is responsible for setting a predictable schedule with the Department Partners and the Department Executive Director is responsible for ensuring that the Department Partner is supporting schools to implement District programmatic guidance. This is an example of how our Network Superintendents and Department Leaders are approaching dual supervision of the Department Partners.** Additionally, the Public Works Report proposed the creation of the following Directors to be part of the Network School Support Teams: Director of Equity, Director of Community Schools, Director of English Language Learner and Multilingual Achievement (ELLMA). These additions are not possible due to the need to significantly decrease investments district-wide.

Lastly, the recommendation for the Early Childhood Education (ECE) Department to be eliminated will not be implemented and the hiring for the Executive Director of Early Childhood Education is underway. This decision is based on the level of management needed to implement The Oakland Children's Initiative which is resulting in increased funding to expand early childhood programs and services. There are, however, structural changes that are necessary as we learn more about the expectations for expanding services in the preschool setting. The Chief Academic Officer and the new Executive Director of ECE will make changes to the structure in the near future.

Future restructuring changes may be needed as funding to central services is decreased in order to continue to mitigate funding small schools.

This item is recommended by staff in conjunction with the Items on Attachment B that this item, Restructuring of Continuous School Improvement (CSI) Division, be implemented upon the Board's ratification of Resolution No. 2324-0137 - Proposed Budget Adjustments for Fiscal Year 2024-25 and Restructuring Recommendations for 2025-26.

D. Restructuring of Business/Operations to Centralize Services

OUSD operations departments will conduct a feasibility study in the 2024-25 school year to identify cost savings in key operation areas for the District. This would involve a comprehensive examination of current spending, resource allocation, and operational efficiency across critical areas including

administration, procurement, facilities management, transportation, utilities, technology services, and safety investments with the support of the Chief Systems and Services Officer (CSSO) team. This study would identify potential areas for cost reduction without compromising the quality of education and services provided to students. By leveraging data analysis of school site spending in these areas, stakeholder feedback, and best practices in educational management, the study proposes actionable strategies that could include streamlining administrative processes, optimizing facility energy use, renegotiating vendor contracts, adopting cost-effective technology solutions, and reevaluating transportation routes. The ultimate goal is to enhance financial sustainability and allocate more resources directly to student learning and support services, thereby improving educational outcomes while ensuring fiscal responsibility. Again, achieving quality, through the coherence of increased efficiency, effectiveness, and sustained and predictable investments across our schools and central departments is the “North Star” for every student and employee of the District.

Below are the key areas the feasibility study will address:

Operational Area(s)	Summary
Copiers, Printers, Printing Costs, and Toner Costs	Centralizing copier and printer options can lead to substantial cost savings, particularly in printer and toner expenses and paper usage. By consolidating these devices into fewer, more efficient models, OUSD may be able to benefit from reduced energy consumption and lower maintenance costs due to the decreased need for servicing a wide variety of machines. Bulk purchasing of toner and paper for centralized printers can also significantly reduce costs.
Centralized Fleet Management	Currently OUSD’s vehicles are managed by each department individually, including the procurement of vehicles, gas, maintenance, and smog. This would be centralized. Centralizing Safety Systems: Centralizing key safety tools to key site investments such as Walkie Talkies and Visitor Management Systems, can support increased safety systems in schools. Likely not a cost savings, but will significantly enhance the level of service and safety provided to schools.
Safety Investments	By implementing a unified approach, schools can ensure a streamlined, consistent communication channel across the campus, enabling quick responses in emergencies and facilitating better staff coordination. The Visitor Management System enhances security by providing a robust method to

	track and manage all visitors, ensuring that only authorized individuals can enter school premises.
Centralizing Procurement	Centralizing the procurement of school supplies, furniture purchases, and managing utilities can lead to substantial efficiencies and savings for educational institutions. By adopting a unified procurement strategy, schools can leverage bulk purchasing to secure lower prices on supplies and furniture, ensuring both quality and consistency across classrooms while minimizing costs.
Mail Services	Streamlining mail services within the district post-pandemic represents a strategic approach to reduce operational costs, though it may introduce potential service delays.

The projected cost savings will take multiple years to develop the district's cost savings or cost avoidance. These projections are after 3 years of implementation.

Operational Area(s)	Operational Impact	Fiscal Impact
Copiers, Printers, Printing Costs, and Toner Costs	Centralized copier and print options typically offer better controls for managing print jobs, which can lead to further savings by reducing unnecessary printing, promoting double-sided printing to save paper, and allowing for more accurate monitoring and replenishment of consumables. This approach streamlines operations and encourages more responsible printing practices, reducing waste and operational expenses. Overall, the move towards centralizing copier and printer options can contribute to a more cost-effective, efficient, and environmentally friendly printing environment within an organization.	Up to \$500,000 annually after 3 years.
Centralized Fleet Management	Centralizing fleet management will allow us to save monthly, project life cycle costs, and better vehicle maintenance and gas prices.	Potentially 1-5% cost avoidance after 3

		years as we improve efficiency.
Safety Investments	By implementing a unified approach, schools can ensure a streamlined, consistent communication channel across the campus, enabling quick responses in emergencies and facilitating better staff coordination. The Visitor Management System enhances security by providing a robust method to track and manage all visitors, ensuring that only authorized individuals can enter school premises.	No savings.
Centralizing Procurement	This centralized approach simplifies procurement, reducing administrative overhead and allowing for better negotiation with suppliers. Additionally, managing utilities centrally can optimize energy consumption across buildings, leading to significant savings.	Up to \$500,000 annually or projected cost avoidance in 3 years
Mail Services	Consolidating mail operations, such as centralizing sorting facilities or reducing the frequency of deliveries, can significantly lower expenses related to transportation, labor, and maintenance of facilities.	Up to \$100,000

Below are the key quarterly milestones towards completion of the proposed 2024-25 feasibility study to identify cost savings in key operation areas for the District:

Operational Area(s)	Key Quarterly Milestones
Copiers, Printers, Printing Costs, and Toner Costs	Key quarterly milestones include a 3rd Party Assessment, selecting a vendor to support the centralization, and developing an implementation plan across the schools and departments over the 2025-26, and 2026-27 school years.
Centralized Fleet Management	Key milestones would be assessing current practices Tech Services, Nutrition Services, B and G, Facilities, Warehouse,

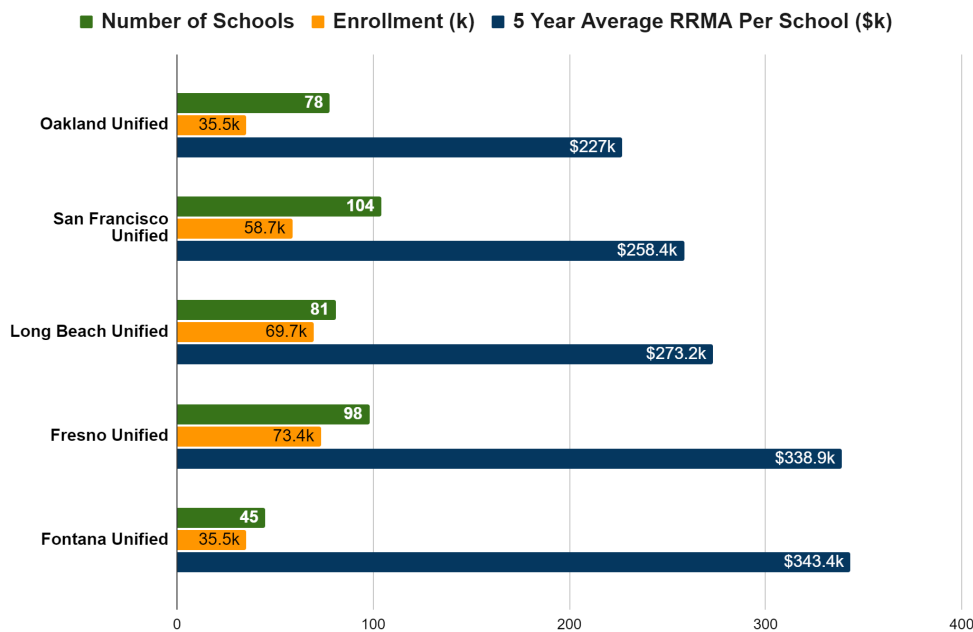
	Academics, Risk Management, and any other departments that currently manage a fleet of vehicles and identify opportunities for improvement and savings.
Safety Investments	Key implementation milestones for this initiative would include the selection of technology platforms that meet the specific needs of the school environment, training for staff on how to effectively use these tools, integrating these systems into the school's existing security infrastructure, and regular drills to ensure readiness.
Centralizing Procurement	Key implementation milestones in this strategy include conducting a comprehensive audit of current procurement practices and utility usage, identifying preferred vendors and products, negotiating contracts that leverage the institution's consolidated purchasing power, and implementing tracking systems for monitoring consumption and expenditures.
Mail Services	Implementation milestones for optimizing mail services include evaluating current mail flow and volumes, identifying areas for consolidation, upgrading to more efficient sorting technologies, and retraining staff for new protocols that align with other deliveries.

Furthermore, regarding the management of District assets, the Board must adopt a strategy that accounts for the enrollment and demographic shifts across the City of Oakland, while remaining attuned to the evolving needs of past, current, and future families.

As enrollment increases or declines, the District must continue to adjust how facilities are used to maximize student opportunities. OUSD manages a diverse portfolio of 108 sites, spanning 482 acres across the City of Oakland. Our presence in the community is significant with 73 sites exclusively supporting District-run K-12 schools and an additional 35 sites serving the needs of Early Childhood Education, charter schools, and critical school support services to OUSD. Yet, challenges persist, with twice as many schools as similar size districts and 8 vacant sites awaiting strategic development. This creates- in part, and in sum with the larger aforementioned context and challenge- an abnormal burden on the District's finances and capacity to ensure that all students experience the safe and joyful schools they deserve.

Based on the current age and condition of our buildings, all OUSD sites require significant ongoing maintenance to both sustain the condition of the properties *and* update them to the 21st century learning standards required to prepare our students for college, career and community success. For example, over the last 5 years, the 8 vacant properties mentioned above have cost OUSD over \$1M to manage their maintenance and safety. While two of these vacant sites have been leased for affordable and workforce housing, complexity in development has slowed progress and further exploration is underway to maximize the revenue and community impact potential of these assets. Another vacant site has been developed as a shared-space for community programs, services, and resources.

Underutilized sites, which students and staff do not use to their fullest capacity, also require substantial facilities maintenance each year given the median age of our buildings, which is 75 years old. Retaining the same portfolio of schools and buildings across the district necessitates annual maintenance tradeoffs that result in poorly maintained campuses where students are being served daily. As an example, Fontana Unified, which serves the same number of students as OUSD but has 33 fewer campuses, is able to invest \$120k more than Oakland in the routine maintenance of *each* of its school facilities.



To optimize our properties' use to support the district's vision, we must evaluate opportunities such as property sales, reimagining school configurations to enhance academic programming, and alignment of our long-term vision for school facilities with an eye toward fiscal solvency *and* quality programming.

To facilitate this process, our staff is adding to a comprehensive database of district properties, to integrate property valuations and reuse recommendations that will support the long term health of the district and create strategic advantages for the District. We aim to generate revenue, maintain strengthened community partnerships, support the needs of our staff and address urgent needs while sustaining our educational mission. We urge the Board to prioritize student and district needs now and into the foreseeable future and consider proactive measures to create flexible learning environments, ensuring the longevity of our educational infrastructure.

This item is recommended by staff in conjunction with the Items on Attachment B that this item, Restructuring of Business/Operations to Centralize Services, be implemented upon the Board's ratification of Resolution No. 2324-0137 - Proposed Budget Adjustments for Fiscal Year 2024-25 and Restructuring Recommendations for 2025-26.

- E. Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies to Move from Results-Based Budgeting to a More Centralized Approach with Clear Criteria for Earned Autonomies [details forthcoming]

The District currently has the following Board Policies which primarily impact budget, allocations, and prioritization and will need to be reviewed. It is the District's intent to provide recommended amendments to provide symmetry and updates based on the Board's Goals and District's requirements for sustainability. The policies listed below are the initial policies identified and may be expanded to include other policies and may include related resolutions to ensure a comprehensive review:

- BP 3150 - Results Based Budgeting
- BP 3625 - School Governance
- AR 3625 - School Governance & SSC Procedures Guide
- BP 5115- Enrollment Stabilization
- BP 6005 - Quality School Improvement
- BP 6006 - Quality School Development: Community of Schools

This process will take minimally one year to complete.

This item is recommended by staff in conjunction with the Items on Attachment B that this item, Restructuring of School Site Allocations to Centralize Key School Investments and Revising Accompanying Board Policies to Move from Results-Based Budgeting to a More Centralized Approach with Clear Criteria for Earned Autonomies, be implemented upon the Board's ratification of Resolution No. 2324-0137 - Proposed Budget Adjustments for Fiscal Year 2024-25 and Restructuring Recommendations for 2025-26.

IV. Conclusion

The Board is aware of the current dilemmas and difficult decisions required to address them. These recommendations have been diligently provided by staff through detailed analysis, continued feedback and documented engagement. The successful implementation of any restructuring will require decisive action by the Board. This memo also outlines the time necessary to effectively execute on the recommendations provided.

V. Appendices

- A. School Services Reorganization Recommendations: Talent Department
- B. School Services Reorganization Recommendations: Technology Department

APPENDIX A

To: Board of Education
From: Tara Gard, Chief Talent Officer
Date: January 18, 2024
Subject: Update: [School Services Reorganization Recommendations](#) [Talent Division]

Background: In October 2020, the District contacted School Services of California (SSC) and requested a staffing and department organizational structure analysis of Business Services and Talent Divisions in response to a 2018-19 requirement by the Fiscal Crisis Management and Assistance Team’s recommendation for the District’s Fiscal Vitality Plan and in conjunction with the tenants of Assembly Bill 1840.

Purpose: This memo details the status of each recommendation related to the Talent Division. School services provided three recommendations of which two are completed and one is pending completion.

School Services Recommendation #1:

Reorganization of the Talent Division to minimize the separation of duties and increase the integration of services for employee support for schools and the central office, human resources operations, and recruitment, residency, and retention services to assist in cross-training, increased staff capacity, and allow for flexibility to serve in high-need areas.

- **Status:** Completed
- Status Detail: Historically, there have been many reorganizations to the Talent Division. Specifically, reorganizations occurred in 2005, 2009, 2011, 2015, 2017 and 2022. Arguably the repeated reorganization in response to the District budget uncertainty has impacted the services and stability of the Division. Organizational charts can be viewed by clicking the links: [2013](#), [2016](#), [2017](#), [2023](#). Previous reorganization reports: [2012 BOE approval plan](#), [2013/14 plan](#), [2018 Executive Brief Study](#)

Although there have been many reorganizations of Talent we are in agreement that further alignment is needed to minimize the separation of duties and increased cross-training and collaboration within the teams. Following the school services report there has been a great deal of work completed as a Division to name our core functions, align to district goals and our division vision and mission.

*The following changes were made for the **2023-24** in response to the school services report:*

Position Title	Description of Change	FTE Impact
Director, HR Operations	Elimination of the Director, HR Operations position.	-1.00

	This position managed the system operations, compensation & classification and audits. The work of this position was integrated into the Director, Business Analytics that is responsible for data reporting. In addition, each Director within the Division is responsible to be responsive to district audits as related to their area of expertise within the Division. This allows for more collaboration and cross-training amongst the team as it relates to audits and operations. The positions direct reports moved under the oversight of the HR Services & Support team, including benefits.	
Manager, Substitute Services	Elimination of Manager, Substitute Services. This position elimination effectively ended the “substitute office” within the Talent Division. The work of substitutes was distributed throughout the team. The substitute office was responsible for recruiting, monitoring credentials, performance and the substitute system for classified and certificated substitutes district-wide. This work has moved and is embedded in the Recruitment & Retention teams and Employee Support teams. There is no longer a “specialized substitute office” in Talent.	-1.00

The following changes are proposed for the **2024-25** school year in response to the school services report:

Position Title	Description of Change	FTE Impact
Coordinator, Retirement	The Human Resources department does not have a retirement specialist or anyone on the team that supports exiting employees with retirement and those returning to work as a retiree. This position will be created to meet the need of this critical role.	+1.00
Employee Support Specialist	The Employee Support Specialist role primarily supports the onboarding and employee changes including layoffs, position changes and transfers. In an effort to cross change and eventually reduce the staff the Employee Support Specialists will begin completing the data entry into the HRIS system. Currently, there are positions within the Division that are responsible for data entry. This work will begin to shift in the 23-24 school year resulting in an elimination in the 25-26 school year of the position responsible solely for data	n/a

	entry.	
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The following changes are proposed for the **2025-26** school year in response to the school services report:

Position Title	Description of Change	FTE Impact
Employee Information Systems Analyst	This position is currently responsible for data entry. We will work through the 23-24 school year embedding the data entry function into the Employee Support specialist role and eliminate the position in 25-26	-1.00

Note: There are a number of grant funded positions within the Talent Division which will be evaluated for sustainability year to year.

We are the Talent Division

Learn more at: ousd.org/talent

We are driven by a shared purpose—to serve our district by supporting each other, connecting with community, and contributing to meaningful change in Oakland. We commit to facilitating this purpose by:

Supporting Our Employees
by providing employees with access to resources and systems of support.

For example:

- Feedback and surveys
- Conflict resolution
- Partnerships
- Wellness
- Employee recognition
- Employment verification
- Open enrollment
- Salary and compensation
- Personnel records

Facilitating Professional Growth
by creating opportunities for staff and educators to learn and grow.

For example:

- New and early career teacher support
- Compliance
- Mentorship
- Evaluations
- Performance management
- Culture and values

Growing Our Staff
by staffing schools and creating pathways into the district.


For example:

- Recruitment
- Credentialing
- Substitutes
- Teacher pipelines, residency, and retention

Managing Employee Transitions
by managing staff transitions in, out, and around OUSD.

For example:

- Onboarding
- Health benefits
- Position transitions
- Separations
- Transfer requests
- Leaves
- Return to duty dates
- Position and compensation reviews



School Services Recommendation #2:

Revision of job titles for Division positions, as well as modification of the Division name to align with industry standard - this will provide clarity in the position’s role and improve efficiency within the Division which is an important consideration related to adjustments in staffing levels.

- **Status:** Completed
- The Talent Division name will remain the same. School services may have not realized that

“Talent Division” is in reference to a Division. Within the Talent Division there are several departments/functional areas which include: Human Resources, Talent Development, New Teacher Support & Development and PAR. This does meet industry standards. In fact, other Districts often have more FTE within the subsequent departments, especially related to Talent Development and New Teacher Support & Development.

There has been work to revise a few job titles within the Division. Specifically, the staff working with credentials were in a job title called “Employee Support Specialist”. These positions were revised and are now in the industry aligned title “Credential Associate”.

School Services Recommendation #3:

Assessment of clerical and administrative support in Division to align with support needs, and also evaluate positions in the confidential classification to determine if they are appropriately classified.

- **Status:** [Pending](#)
- There are 174 classifications that are currently listed under “confidential”. 91 of the classifications are not currently in use however they are current classifications that need to also be evaluated. These positions have been evaluated for a move to union representation and/or unrepresented. The evaluation can be found [here](#). This process is underway as it requires negotiation with represented unions and engagement with impacted employees. Essentially these employees have not been paying union dues and will likely shift to paying towards union dues. Some will become eligible for annuity which they have not been eligible for previously that is an improved benefit. These changes also impact days work, sick leave allocation, evaluation timelines and other employee impacting compliance rules and regulations. Ultimately, after the union discussions and approval the changes will be brought to the Board of Education for final approval.

The assessment of the clerical and administrative support within the Talent Division indicates that there is a need for additional support. However, given the current budget and prioritization of needs we are not seeking additional FTE to meet this need at this time.

APPENDIX B

To: Board of Education
From: Susan Beltz, Chief Technology Officer
Preston Thomas, Chief Systems and Services Officer
Date: February 14th, 2024
Subject: Update: [School Services Reorganization Recommendations](#) [Tech Services]

Background: In October 2020, the District contacted School Services of California (SSC) and requested a staffing and department organizational structure analysis of Business Services and Talent Divisions in response to a 2018-19 requirement by the Fiscal Crisis Management and Assistance Team’s recommendation for the District’s Fiscal Vitality Plan and in conjunction with the tenants of Assembly Bill 1840.

After SSC completed the comprehensive review, it became evident that our district faces significant cyber threats, similar to the major attacks experienced by the City of Oakland and the Los Angeles Unified School District (LAUSD). This increased risk landscape has necessitated a critical review of our cybersecurity measures and staffing to support that infrastructure. In response, we have initiated a realignment of our IT staff to ensure our school district adheres to, and surpasses these standards. We are now focusing on enhancing our cybersecurity infrastructure by recruiting skilled professionals and implementing advanced security protocols and training to protect our students and staff effectively. In addition, the pandemic profoundly shifted the educational environment towards a more technology-integrated education system. Moving from traditional textbooks to digital platforms has expedited, necessitating an expansion in our technological infrastructure. As a result of this shift, OUSD has tripled the number of devices available to students, ensuring that each one has access to the necessary tools for their learning.

With the launch of generative Artificial Intelligence (AI), the Education sector is the most likely to benefit from advancements that revolutionize student tutoring and student support. We have a district task force investigating AI-driven programs in our classrooms to provide personalized learning experiences and additional support to meet the diverse needs of our student population. We do not anticipate that the staffing needs to support the Tech Services needs of students and staff will decline in the future.

The Technology Services department supports OUSD by providing reliable and secure networks and business applications, devices for students and staff, and districtwide technical support. Key areas of growth include VOIP telecommunications, cybersecurity initiatives, classroom A/V solutions, generative AI, and more. The team includes six network team positions, eight applications team positions, thirteen site technician positions, two HelpDesk support positions, four leadership positions, and one clerical position.

In prior years the Technology Services department was subject to reductions, most notably leading into the 2019-20 school year. These prior reductions had led to the loss of 1) a clerical support position, which has subsequently been restored, 2) a coordinator and a project manager, 3) a senior software developer, 4) a senior applications team specialist, 5) two Tier 1 support positions on the HelpDesk, 6) a senior network engineer position, which was subsequently offset by the addition of an additional senior network administrator, and 7) the loss of management positions to lead the applications and HelpDesk teams; we have subsequently added a management position for the HelpDesk and also added a mid-level management position to lead the growing number of site technicians, which has increased from a low of eight technician positions to our current level.

Purpose: This memo details the status of each recommendation related to the Technology Services Division. School Services provided three recommendations: one has been completed, the second has been supported by one-time funding, and the third is an ongoing area of focus for the department.

School Services Recommendation #1:

An evaluation of staffing of the Information Technology Services Department to address school support needs as well as additional management and clerical support required as a result of the findings—providing adequate staffing levels is crucial to support the current and future technology needs of the District

- **Status:** Completed

*The following changes were made for the **2023-24** school year in response to the school services report:*

Position Title	Description of Change	FTE Impact
Administrative Assistant III	Addition of the Administrative Assistant III position. This position provides clerical support to the Technology Services department, including assistance with purchasing, contracts and invoicing, along with general clerical duties.	+1.00

*The following changes were previously made for the **2022-23** school year in response to the school services report:*

Position Title	Description of Change	FTE Impact
Director, Technical Support and Customer Service	Addition of the Director, Technical Support and Customer Service position. This position's direct reports include those on the Technology Services HelpDesk	+1.00

	team, which provides Tier 1 technical support across all areas of technology, including the resolution or reassignment of all inbound support requests.	
Manager, Site Technology	Addition of the Manager, Site Technology position. This position's direct reports include those on the Technology Services Technicians team, who provide in-person support to schools and central departments, including support for student and staff devices.	+1.00

*No position changes are currently proposed for the **2024-25** school year in response to the school services report.*

The assessment of management and clerical support within the Technology Services Division indicates a need for additional support. Most notably, the Technology Services Applications team members still report directly to the Chief Technology Officer who leads the department. However, given the current budget and prioritization of needs, we are not seeking additional FTE to meet this need.

School Services Recommendation #2:

Reorganization of the Information Technology Services Department by functional area to align functions and oversight to allow for a more appropriate span of control for each supervisory or management position, and enhance the standardization of support, communications, and improve service levels

- **Status:** In Progress

*The following changes were previously made since the **2021-22** school year in response to the school services report:*

Position Title	Description of Change	FTE Impact
School Site Technology Specialist	Addition of five School Technology Specialist positions to bring the total number of staff in this position from five to eleven. These staffing increases reflect the increased need for device support at schools associated with upgrading computers from Chromebooks to Windows laptops for teachers and other school staff, and attaining a 1:1 ratio for student classroom Chromebooks, not currently funded in ongoing funding.	+5.00

- The department had initially planned to add six School Technology Specialist positions. However, this would have significantly increased the number of positions reporting directly to the Executive Director of Technology, who also leads the Technology Services Network team. Hence

the number of positions was reduced by one to support the addition of the Manager, Site Technology position.

- The report notes that: *Now that California schools have resumed in-person learning, technology demands have not waned as the need to support devices deployed during the pandemic continues.* The addition of technician, management and clerical support without eliminating any positions in other areas has assisted the department in providing a high level of service to schools, with school and central leaders expressing a very high degree of satisfaction with the Technology Services Division in a Spring 2023 survey.

The assessment of technical staffing within the Technology Services Division indicates a need for additional support. Most notably, the report recommends that *roving technicians are assigned no more than five schools to allow for at least a weekly visit, also providing time to address emergencies.* However, given the current budget and prioritization of needs, along with our continued partnership with Site Data and Technology Lead (SDTL) teachers at schools, we are not seeking additional FTE to meet this need at this time.

School Services Recommendation #3:

Evaluation of the District's technology procedures and standards to ensure the selection of technology that is supportable by the department and aligns with the District's technology needs and plan, and establishment of the expectation that all District staff and schools will follow the established selection process and standards

- **Status:** Ongoing
- OUSD has implemented a 1:1 standard for classroom Chromebooks, along with the centralized procurement and management of staff devices. This ensures that schools are able to integrate technology into instruction on a much more equitable basis. In addition, while the variance in device types eligible for purchase was previously controlled, centralized management further reduces support overhead by ensuring that staff and students receive replacements for obsolete and damaged devices.
- The Technology Services Division continues to procure and maintain software that is reliable, secure, and well-utilized throughout OUSD. While business applications may change over time, the department seeks to procure cost-effective, industry leading software with a strong track record in K-12 education.
- The Technology Services Division continues to engage in long-term technology planning and standards for OUSD, including the aforementioned standards for student and staff devices, along with business applications, network infrastructure, telecommunications and cybersecurity protections.