



April 15, 2019

Aimee Eng, President
Board of Education
Oakland Unified School District
1000 Broadway, Suite 680
Oakland, CA 94607

RE: OUSD-OEA Public Disclosure of Collective Bargaining Agreement

Dear President Eng:

The Alameda County Office of Education (ACOE) received the Public Disclosure of Collective Bargaining Agreement between the Oakland Unified School District (OUSD) and Oakland Education Association (OEA) on April 4, 2019. The Public Disclosure includes increased compensation and other costs for the period 2017-18 through 2021-22. The purpose of ACOE's review, as required by Government Code Sections 3540.2 and 3547.5, is to review and comment on the tentative agreement.

Per our review, given the factors outlined below, the Agreement between OUSD and OEA does not "endanger the well-being of the school district."

The OUSD-OEA tentative agreement represents a one-time increase in salary for the 2017-18 school year, paid in 2019-20. Additionally, ongoing increases in salary include 3.00% on January 1, 2019 (retroactive); 2.00% on January 1, 2020; 3.50% on January 1, 2021; and 2.50% on June 30, 2021 (effective Fiscal Year 2021-22).

The OUSD Board of Education approved Resolution No. 1819-0144 – Budget Reduction Recommendation to Achieve Fiscal Year 2019-2020 3% Reserve for Economic Uncertainty (3/4/2019), Resolution No. 1819-0098 – Layoffs/Additions/Net of Classified Positions for Fiscal Year 2019-2020 (3/13/2019), and Resolution No. 1819-0098A – Amendment of Layoffs/Additions/Net of Classified Positions for Fiscal Year 2019-2020 (4/10/2019), resulting in \$21,750,000 of expenditure reductions and revenue enhancements.

Based on a Multi-Year Projection that incorporates the costs of only the OUSD-OEA tentative agreement (and does not include increased compensation for all employee groups) and the \$21,750,000 of expenditure reductions and revenue enhancements approved by the OUSD Board of Education, OUSD may be able to maintain the state's 2.00% minimum reserve requirement through Fiscal Year 2021-22.

However, ACOE's review of the OUSD Second Interim Report, that included projected costs of increases in compensation for all employees, indicates that OUSD will not meet the OUSD Board of Education minimum reserve requirement of 3.00% and will not meet the state's minimum reserve requirement of 2.00% in fiscal year 2018-19.

If the OUSD Board of Education approves the OUSD-OEA Collective Bargaining Agreement, additional expenditure reductions and/or revenue enhancements may be required for additional employee compensation and other costs.

My office continues to support OUSD's progress toward fiscal stability. If you have any questions or concerns regarding our review process, please feel free to call me at (510) 670-4140.

Sincerely,



L. Karen Monroe
Alameda County Superintendent of Schools

cc: Board of Education, Oakland USD
Kyla Johnson-Trammell, Superintendent, Oakland USD
Ofelia Roxas, Chief Financial Officer, Oakland USD
Tony Thurmond, Superintendent of Public Instruction
Christopher Learned, Fiscal Oversight Trustee
Raul A. Parungao, Associate Superintendent of Business Services, ACOE
Teresa Santamaria, Chief of District Business & Advisory Services, ACOE