



April 22, 2019

Via Email and U.S. Mail

Tony Thurmond
State Superintendent of Public Instruction
California Department of Education
1430 N Street
Sacramento, CA 95814-5901

RE: Oakland Unified School District Second Interim Report Appeal

Dear State Superintendent Thurmond:

Pursuant to Education Code section 42131, the District appeals the Qualified rating of its Second Interim Report for the period July 1, 2018 through January 1, 2019. Under section 42131, the District shall base its certification on the financial and budgetary reports required under Education Code section 42130, and a positive certification shall be assigned to any school district that, based upon current projections, will meet its financial obligations for the current fiscal year and subsequent two fiscal years. As reflected in the District's Second Interim Report and discussed here, the District meets the statutory criteria for a positive certification.

The County Office of Education applied a "Qualified" rating to the District's Second Interim Report. The County Superintendent seems to base this rating on a potential decline in 2018-2019 average daily attendance (ADA) anticipated in the P-2 certification based on the Oakland Education Association (OEA) labor action during February 21 to March 1, 2019. This subsequent information is not part of the the Second Interim Report reporting period, which ended January 31, 2019. Education Code section 42131 permits, but does not require, the consideration of subsequent information prior to the certification of the interim report. However, if the District elected to include the potential decrease in LCFF revenues due to the labor action into its Second Interim, the corresponding decrease in expenditures from salary savings from the labor action also should be included. Due to the lead times needed for submission of materials to the Governing Board and the time needed to report student and staff attendance, this information was not available to the District at the time of the submission deadline for Second Interim. Instead, this data is being analyzed for inclusion in a Third Interim Report or Estimated Actuals or Unaudited Actuals.

Similarly, the County noted that the potential vacation liability associated with classified layoffs approved March 13 (Resolution 1819-0098) and April 10, 2019 (Resolution 1819-0098A) should be included in the Second Interim Report. Importantly, following the Board's adoption of Resolutions 1819-0098 and 1819-0098A, the District's Talent department began analyzing the impacted employees' bumping rights to ensure that the classified layoff pertained to the least senior employees in the District. That bumping analysis was completed on April 19 which is the earliest date to determine which employees are impacted and their accrued vacation. However, because most of the District's labor agreements have provisions relating to the use and annual payout of accrued vacation, the classified layoff is not anticipated to have significant vacation pay liability. Also, vacation liability is offset in whole or in part by salary savings that are obtained from vacancies and early separations. This information was not required to be included in the Second Interim Report ending January 31. Instead, this data is being analyzed for inclusion in a Third Interim Report or Estimated Actuals or Unaudited Actuals.



The District recognizes that considerable work remains to reach its goals of Fiscal Vitality and is appreciative of the County Superintendent's support. Numerous improvements have been realized already. Regarding the County's Qualified certification, the calculations for the County's restated projections of \$5,313,510 and \$1,285,221 are unclear. To ensure its due diligence, preservation of appeal rights, and application of the statutory requirements, the District seeks further review by the State Superintendent through this appeal. The District believes its Second Interim Report meets the statutory standards for a positive rating.

Sincerely,

Kyla Johnson-Trammell
Superintendent

Cc: Karen Monroe, Alameda County Superintendent of Schools
Marion McWilliams, General Counsel

Encl. Second Interim Report
County Office of Education's April 15th Certification Letter