



**OAKLAND UNIFIED
SCHOOL DISTRICT**

Community Schools, Thriving Students

Presentation to CDE Charter Task Force



Presented 4/18/19

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Background - Who We Are

Oakland is a city with a lot of pride and soul. It is a city which launches movements. Immigrants from around the world live next door to families who have lived in Oakland for generations.

A booming technology sector is bringing new growth and innovation to the city and some of the smartest, most innovative, dedicated and diverse students and staff are among the community.

Nonetheless, OUSD faces the same challenges as any high-need urban district in the country. Nearly 75% of our students are low income and most would be the first-generation high school and college graduate in their families.

Charter and District Schools in Oakland

- 87 District schools and 45 charter schools in Oakland
 - 34 charter schools authorized locally
 - 9 charter schools authorized by Alameda County
 - 1 charter school authorized by Alameda Unified
 - 1 charter school authorized by the State
- As of 2017-18, **27%** of Oakland students attend charter schools.
 - This is the highest percentage of any district in California
 - By comparison, LA is at 26% and San Diego is at 17%

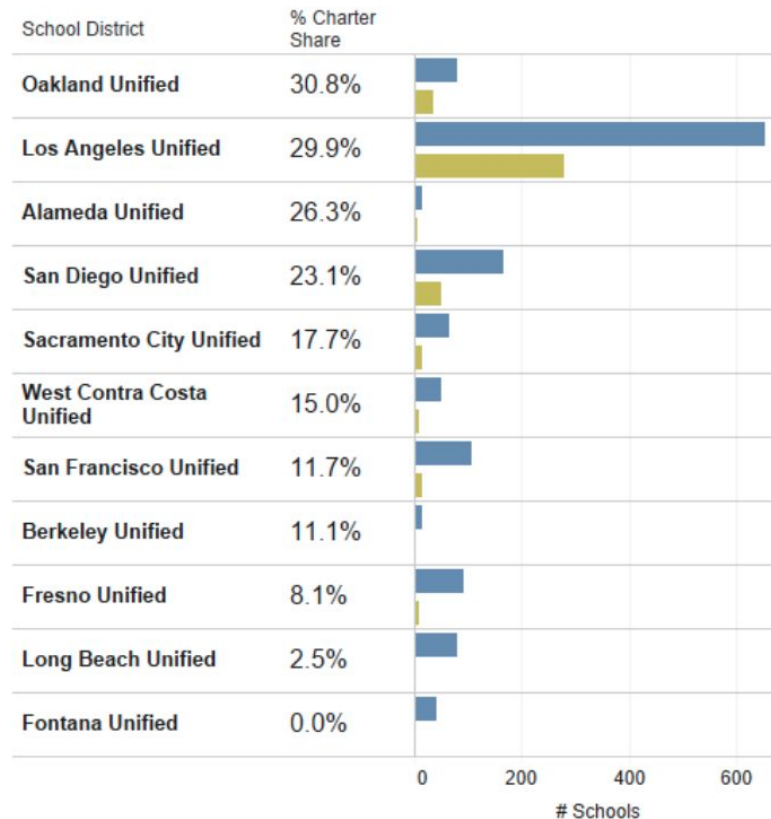
OUSD Compared to Other Districts

The proportion of students in charter schools in Oakland is much higher than the state average. In Oakland, in terms of enrollment, about $\frac{2}{3}$ of students attend District-run schools and $\frac{1}{3}$ of students attend charters.

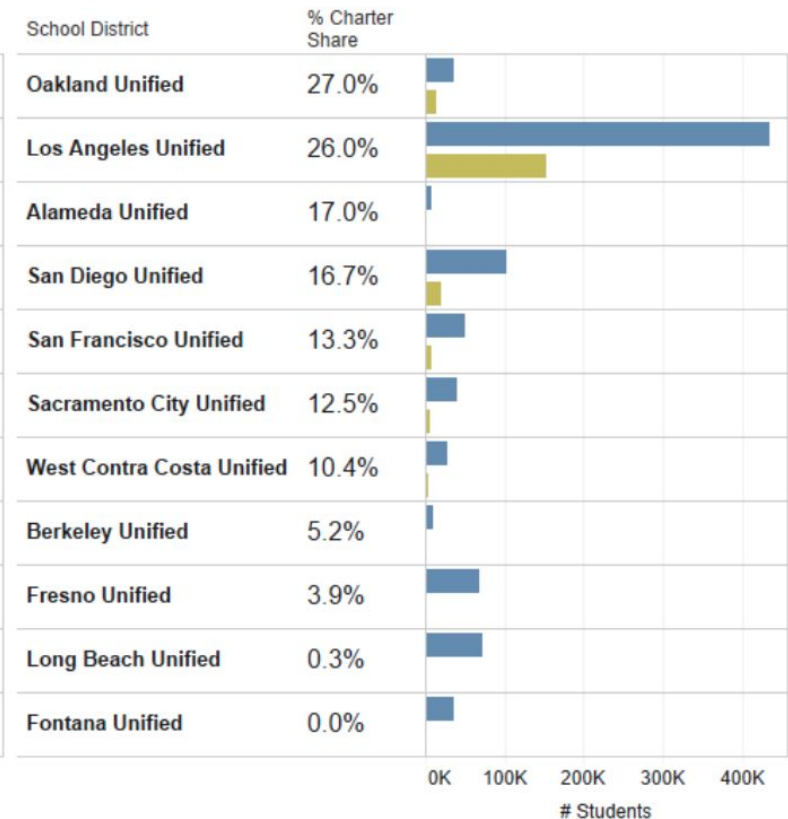
Fig. Student and School counts by District. Official CDE enrollment data for 2017-18

■ District-Run Traditional Schools
■ District-Authorized Traditional Charter Schools

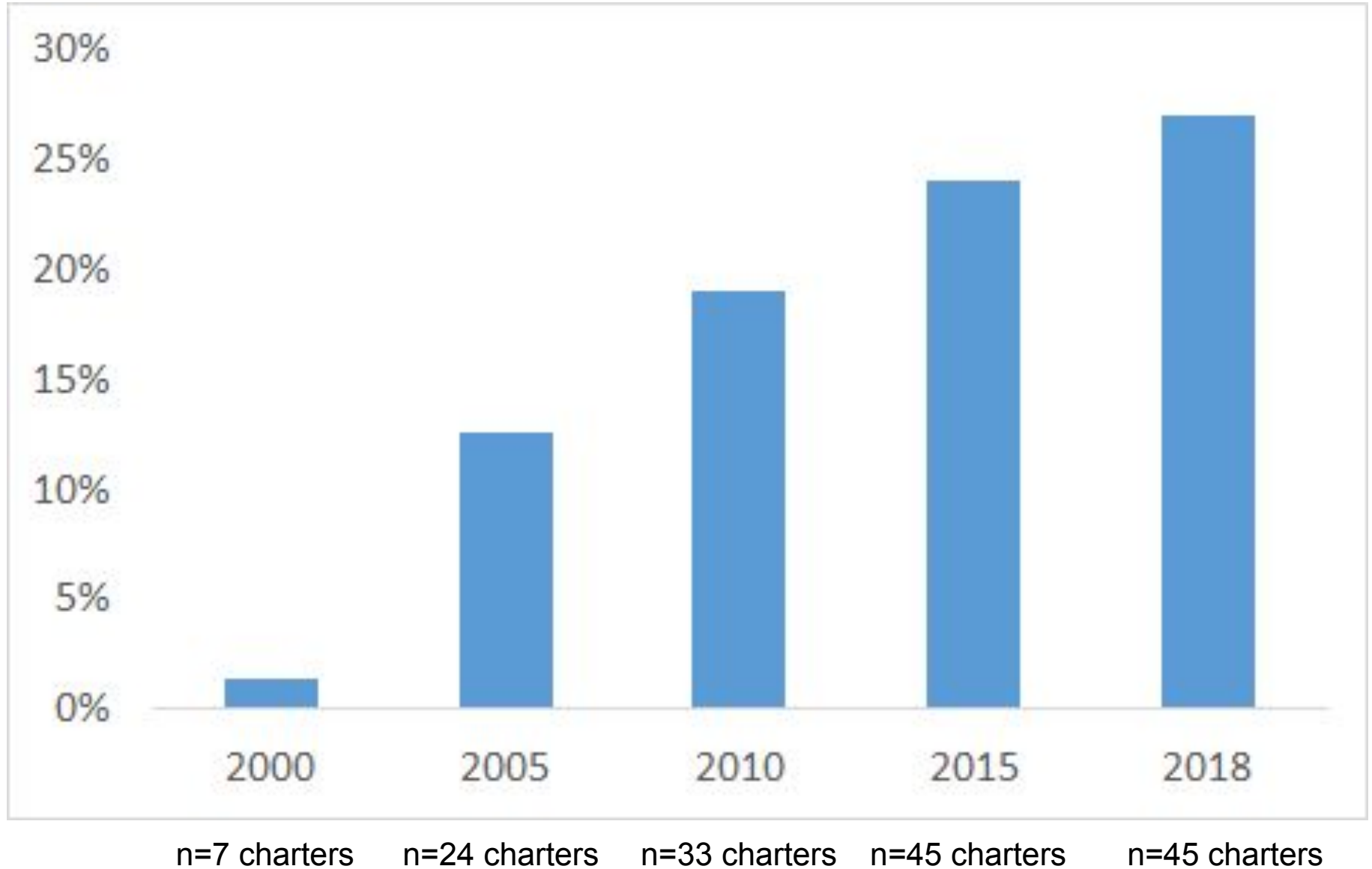
Count of Schools by District



Count of Students by District



Charter Share of Oakland Enrollment 2000-2018



Oakland Charter School Clusters

37 charter school sites are located in four identified cluster areas:

Cluster #1

4 sq miles, with 5 charter sites (39% of all schools in cluster; 2 in OUSD facilities) and 8 district-run sites

Cluster #2

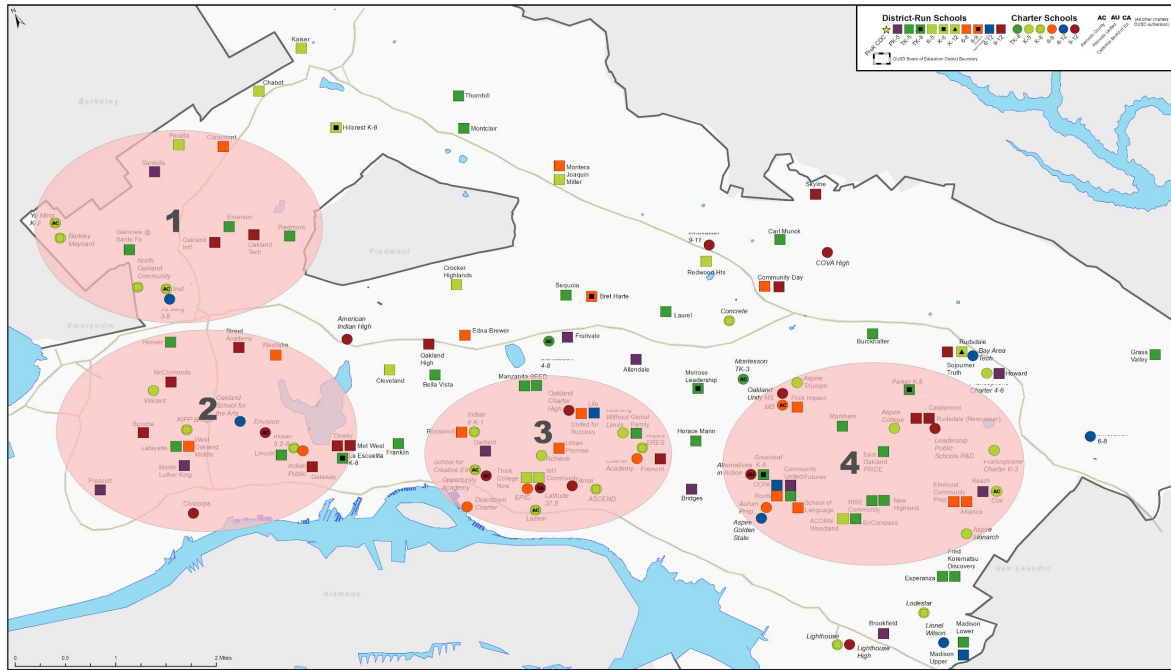
5 sq mile area, with 7 charter sites (33% of all schools in cluster; 1 in OUSD facility) and 14 district-run sites

Cluster #3

3 sq mile area, with 14 charter sites (56% of all schools in cluster; 6 in OUSD facilities) and 11 district-run sites. *This cluster has more charter sites than district sites.*

Cluster #4

5 sq mile area with 11 charter sites (38% of all schools in cluster; 4 in OUSD facilities) and 18 district-run sites



Charter Clusters - Central & East Regions

CENTRAL and EAST regions have the greatest concentration of charter schools in the city, across all gradespans. More than half of all charter schools in Oakland are located in these 8 square miles in Clusters 3 and 4.

Cluster #3

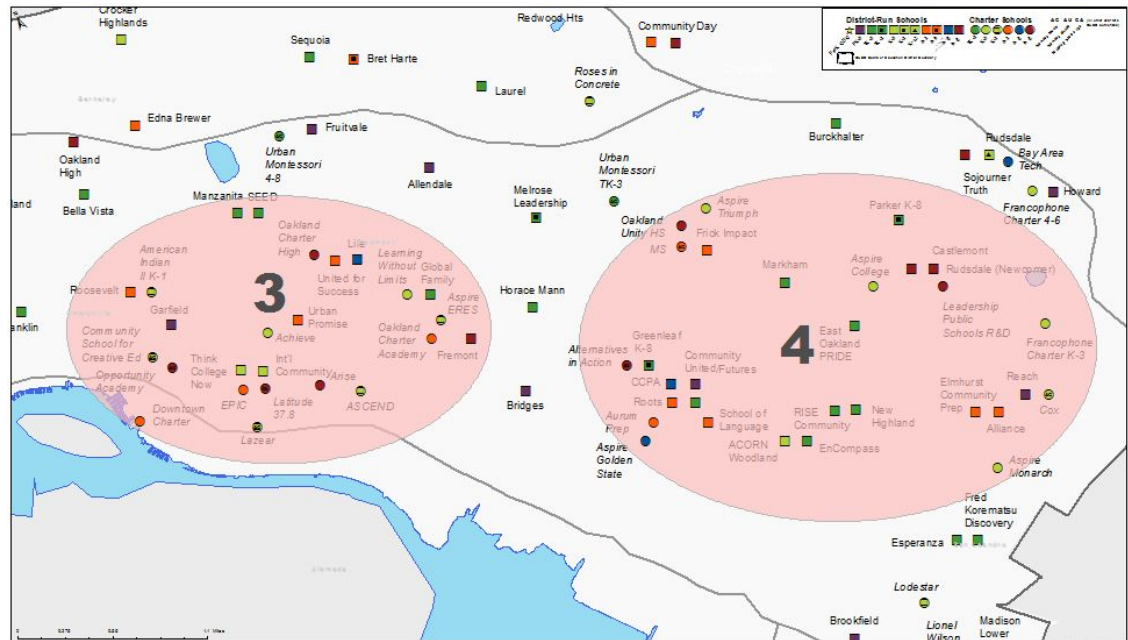
3 sq mile area with 14 charter sites, including:

- 2 elementary schools
- 5 K-8 schools
- 3 middle schools
- 4 high schools

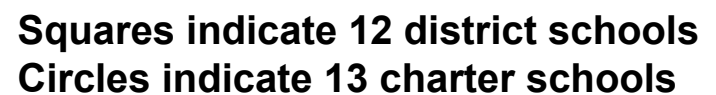
Cluster #4

5 sq mile area with 11 charter sites, including:

- 5 elementary schools
- 2 middle schools
- 1 6-12 school
- 3 high schools



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Student Population Comparison

- Oakland charters serve slightly lower proportions of English Learners and Students with Disabilities
- Charter schools tend to serve far fewer higher-needs students within these categories, e.g., Newcomers, students with mod/severe needs
- District schools serve more high-needs students in non-LCFF funded categories, e.g., late entrants, low-proficiency students (ERS Report, 2017)

	District Schools	Charter Schools
% English Learners	30%	27%
% FRL-Eligible	75%	77%
% Students with Disabilities	12%	9%
% Latino	42%	57%
% African American	25%	21%

New Charter Petitions/Renewals

In the past 5 years, all appealed OUSD Board denials have been approved at the County or State level

	New/Renewal Charter Decisions			
School Year	Total	# Denied	# of Appeals	% of Appeals Approved (by County or State)
2018-19	7	1	1	100%
2017-18	5	1	1	100%
2016-17	12	2	1	100%
2015-16	6	0	0	n/a
2014-15	9	0	0	n/a
5-Year Total	39	4	3	100%

Charter Closures and Revocations

- Five closures in 5 years; 4 closures due to voluntary withdrawals or mid-term closures from lack of viability.
- One attempted revocation for severe financial mismanagement, improper use of public funds, and conflict of interest violations. This was overturned due to the school's high academic performance.

School Year	# of Closures
2018-19	0
2017-18	1
2016-17	2
2015-16	1
2014-15	1
<i>5-Year Total</i>	5

Impact on Community

- As noted above, Oakland has experienced 5 charter school closures over the last 5 years; 3 of which were midyear closures.
- Midyear closures are particularly disruptive and taxing on the community as parents and staff are forced to scramble to find alternative placements - often during critical points of the year (i.e. during testing).
- The District is impacted by shifts in enrollment mid-year as recruiting and hiring staff mid-year is particularly challenging for school districts.

Impact on Fiscal Vitality

Multiyear ADA Revenue Loss to Charter

- Over the past 5 years, the general fund revenue loss to Charter schools has increased significantly, and in fact has almost doubled

Year	OUSD ADA	General Fund Revenue Per ADA	Total General Fund Revenue
2017/18	34841	\$ 16,154	\$ 562,821,514
2016/17	34942	\$ 15,337	\$ 535,905,454
2015/16	35436	\$ 14,708	\$ 521,192,688
2014/15	35257	\$ 12,636	\$ 445,507,452
2013/14	34978	\$ 11,767	\$ 411,586,126

OUSD Authorized Charter ADA	General Fund Revenue Per ADA	Total General Fund Revenue Loss to Charter
12504	\$ 16,154	\$ 201,983,639
12293	\$ 15,337	\$ 188,542,956
10450	\$ 14,708	\$ 153,693,305
9318	\$ 12,636	\$ 117,739,215
9859	\$ 11,767	\$ 116,007,558

Impact on Fiscal Vitality

Annual LCFF Enrollment Adjustment Impact

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Number of OUSD Authorized Charters	38	32	37	37	35	34
District Enrollment	37,040	37,147	37,075	36,668	36,900	36,286
OUSD-Authorized Charter Enrollment	10,287	11,034	11,977	12,932	13,219	13,791
Lost LCFF Funding Based on Charter Enrollment	\$2.3 million	N/A	\$10.9 million	\$2.5 million	\$6.3 million	\$7.5 million

Over the past 5 years, the loss of LCFF revenue to OUSD due to enrollment adjustments is approximately \$29.2 million. Based on current trends, over the next 5 years, this loss in revenue is projected to increase to \$61.5 million over a 10 year period.

Impact on Balanced Budget

- The District has made significant cuts to balance the budget.
- Cuts have included the following:
 - Layoffs, reductions in positions, reductions in non-personnel budgets.
 - Reductions in programs, including interventions and mental health supports.
 - Furlough for staff, significant cuts to central office staff and supports, hiring freezes.

Impact on Parcel Tax Administration

The District has several active parcel taxes.

While charter schools collect a share of the revenue generated by parcel taxes, the District bears 100% of election cost (ballot measures) as well as the cost of administering and managing the parcel tax.

Measure G1 Example

In 2016, knowing that state and federal revenue would be slowing down in future years, the Board of Education took steps to run a ballot measure. The cost associated with placing the item on the ballot was **\$692,980.31** paid to the County Register of Vote.

While charter schools received 32% of the funds collected from the parcel tax, the District funded 100% of the ballot measure. The District continues to supplement the ongoing annual administrative expenses associated with managing the resource.

Impact on Labor Relations

85% of the District's employees are represented across seven (7) collective bargaining agreements with seven (7) unions.

Charter school employees are unrepresented which further creates an unlevel playing field.

The District's need to make significant layoffs to support a balanced budget has a negative impact on its labor relations and the ability to partner with its unions to improve student outcomes.

Additionally, the fiscal impact of charter schools to the District is an ongoing point of contention as several union groups see an increase in charter schools as a direct correlation to the District's inability to offer competitive salaries.

Several union groups have insisted on negotiating the impacts of charter schools in Oakland and increased "charter accountability."

NET by Bargaining Union (FTE)

	2014-15	2015-16	2016-17	2017-18
AFSCME	2.00	-1.70	-0.53	-17.43
BCTC	0	-1.00	-2.00	-3
CONFID	1.00	7.00	-0.51	-25.50
OEA	0	0	0	-4.00
SEIU	16.36	10.80	7.08	-67.03
TEAMSTERS	0	1.00	0	0
UAOS	1.8	1.40	-6.20	-24.00

Eliminations by Bargaining Union (FTE)

	2014-15	2015-16	2016-17	2017-18
AFSCME	0	4.81	2.20	24.33
BCTC	0	2.00	2.00	3.00
CONFID	0	29.00	10.51	25.50
OEA	0	0	0	4.00
SEIU	39.90	42.25	50.57	111.09
TEAMSTERS	0	0	0	0
UAOS	5.5	10.60	19.80	32.50

Our Landscape - Facilities

17 charter schools are housed in district facilities. Six (6) of these involve co-locating with district schools or offices.

Facility Related Impact:

- Prop 39 rental rate is considerably lower than rates the District might charge if it leased the building to another entity.
- Co-locating is harmful to students - less space for intervention staggered lunch schedules, costs of consolidating rooms, etc.
- Year to year anxiety and unpredictability over whether schools will need to share space.
- The current mix of charter schools and District-run schools, combined with the requirements of Prop 39, impacts the District's ability to make strategic long-term plans for its facilities.

Our Landscape - Facilities Repair Costs

The District is responsible for the cost of facility repairs at the 17 charter schools housed in District facilities but is unable to establish and enforce policies to help prevent or mitigate the cost.

Fiscal Year	Charter Facility Repairs
2018-19	\$ 390,038.00
2017-18	\$ 202,907.00
2016-17	\$ 244,169.00
2015-16	\$ 572,547.00
2014-15	\$ 340,984.00

Our Landscape - Legal Limitations

- **Education Code §47605 & 47607**

Limited basis for denial and non-renewal: (1) unsound educational program; (2) demonstrably unlikely to successfully implement; (3) insufficient number of signatures; (4) lack of affirmation of each of the required conditions; or (5) does not contain reasonably comprehensive descriptions of all 15 areas.

Limited basis for revocation: A charter may be revoked if the chartering authority finds, through a showing of substantial evidence, that the charter school did any of the following: (A) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter. (B) Failed to meet or pursue any of the pupil outcomes identified in the charter. (C) Failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement. (D) Violated any provision of law.

*The authority that granted the charter shall consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter. (EC 47607(c); 5 CCR § 11968.5.2)

- **AIMS v. OUSD (2014)**



Our Landscape - Liability

Matter	Outside Counsel Cost
American Indian Model Schools - Revocation	\$ 107,716
American Indian Model Schools v. OUSD - Appeal	\$ 131,560
California Charter Schools Association v. OUSD	\$ 164,631
Education for Change v. OUSD - Appeal	\$ 21,820
Charter Schools General Advice and Facilities Support	\$ 250,094
15/16	\$ 33,819
16/17	\$ 79,385
17/18	\$ 91,581
18/19	\$ 45,309
Total	\$ 675,820



Our Landscape - Special Education

	2013-14	2018-19	% Increase
# District Students in Special Education	5,085	6,470 (+896 pending)	+21.4%
General Fund Contribution to Special Ed	\$34.2 Million	\$50.8 Million (Projected)	+32.7%

- ~25% of students with IEPs spend more than half their day outside of general education.
- Another ~15% are in inclusion-based programs.
- 175 students (3% of students with IEPs) are in nonpublic placements.

Our Landscape - Impact on Students

- Charter school growth and expansion impacts declining District enrollment.
- Low enrollment results in need for consolidation and closures of community schools.
- Charter school closures result in the District having to make space available and disrupt continuity for the most vulnerable student populations.
- Increase in the number of combined grade classes.
- Reduced enrollment does not proportionally decrease operational expenses to school site.
- Students with special needs are not being offered a continuum of placement options.



Conclusion: Impact of Charters on District and System in Oakland

Impacts to District and System

- Loss of ADA Funding
- Locations of charter schools (over-saturation)
- Oversight challenges
- Facilities challenges
- Increased liability and litigation
- Loss of staff
- Loss of State, Local, and Other Funds
- Loss of control of district footprint
- Community costs
- Duplicative costs
- Special education costs



Conclusion: Impact of Charters on District and System in Oakland

- Significant fiscal impact on district, that leads to cuts affecting many of our most vulnerable students who tend to be “non-choosers”
- Unclear whether many charter schools in Oakland are bringing innovative programs to our students
- Have seen modest gains on average academic achievement from charter schools
 - Unclear if these gains are significant given the differences in student population served
 - Large variation in quality in Oakland charter sector
- Need more tools to reward high-quality charter schools, close low-quality charter schools, and incentivize schools in the middle to become higher quality

Conclusion: Options for Managing Impact

- STATE
 - Legislative Action
 - AB 1508
 - AB 1507
 - AB 1506
 - AB 1505
 - SB 126
- COUNTY
 - Uphold denials, non-renewals, & revocations
- DISTRICT
 - Blueprint for Quality Schools
 - Facilities Use Agreements

EVERY STUDENT THRIVES!



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Appendix - Oakland Charter Clusters

Many Oakland charter schools in Clusters 3 and 4 serve a disproportionately low number of African American students and disproportionately high number of Latino students.

- In Cluster 3, 11% of district and charter students who live in this 3 square mile cluster are African American. However, 7 of the 14 charter schools serve between 3% and 8% African American students.
- In Cluster 3, 58% of district and charter students who live in this 3 square mile cluster are Latino. However, 8 of the 14 charter schools serve between 70% and 94% Latino students.
- In Cluster 4, 26% of district and charter students who live in this 5 square mile cluster are African American. However, 6 of the 10* charter schools serve between 3% and 17% African American students.
- In Cluster 4, 63% of district and charter students who live in this 5 square mile cluster are Latino. However, 7 of the 10* charter schools serve between 70% and 95% Latino students.