



Budget Prioritization Frequently Asked Questions

What is the budget prioritization process?

Budget prioritization is a process OUSD goes through every year to:

- Analyze input and feedback from internal and external stakeholders around District investments through our Local Control and Accountability Plan;
- Hold ourselves accountable to our academic social emotional learning goals; and
- Ensure we are good stewards of public funds.

Our budget prioritization process culminates in a set of recommendations that will go before the Board of Education (BOE) for final review and decision making.

I am hearing a lot of talk about the OUSD budget. What's the truth?

The truth is that the District expects to have more revenue next year than this year; however, the projected increase is less than the past three years. This means we are faced with hard decisions around our priority investments. Each year, we must identify ways to increase academic spending while also reducing operational and administrative costs to pay for new investments. In the past, we have been able to make adjustments that impact **only central budgets**. This year, in order to move forward, we must begin to look beyond the central budget as most of the dollars we receive are allocated to schools. In addition, we are also focused on increasing the District reserves which is currently is at 2% the required by state law. The BOE recommends 3% and our District goal is 4%.

How is OUSD District-run school enrollment impacting the FY 2017/18 budget?

The expected reduction in expenditures due to declining enrollment is \$5.5 M for FY 2017/18.

How is central office infrastructure impacting the budget?

We have steadily reduced the central office infrastructure budget and redirected money to schools. Since FY13/14 we have reduced the central office allocation of general fund revenue from 10% to 7% in FY 2016/17 (1st interim).

What is the bottom line?

The bottom line for our District is that our recommended **new or increased** investments are exceeding projected incoming revenue. As such, we are working to develop a budget that will reduce administrative and operational costs and reallocate investments to match our District priorities and projected revenues. At the end of this process we want to do what is right for kids and have a balanced budget.

What are the budget priorities that will be recommended to the BOE?

Investing in our students, teachers and schools has always been and will continue to be our prime concern. This year, we remain focused on priorities aligned to our strategic plan, [Pathway to Excellence](#).

What are the recommendations for saving money and realigning funds?

The following are some of the recommendations that will be presented to the BOE:

- Continuing to reduce central office spending by nearly \$10M
- Administrative cost reduction and/or program reorganization at select schools with shared campuses
- Implementing a District wide spending protocol to limit hiring and spending through the end of this school year.



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Will principals, assistant principals and/or teachers be laid off?

Layoffs are not anticipated due to natural attrition rate.

How is the District being held accountable, exercising more fiscal discipline and balancing the budget all at the same time?

We continue to work with several partners to ensure a transparent and accurate budgeting process that reflects our commitment to students, teachers and schools.

- Over the last two years an independent auditor has signed off on our books.
- Over the past three years, the District has completed fiscal audits and earned a top tier credit rating.
- [Education Resources Strategies](#) (ERS), a third party nonprofit organization, is currently helping the District best align resources (people, time and money) to our [Pathway to Excellence Strategic Plan](#). ERS has shared analysis of OUSD spending patterns and compared them to other like size districts across the country.
- OUSD has also made a commitment to share all OUSD budget information online at www.ousd.org/fiscaltransparency this webpage is public and open to all.

How can families and the community get involved in budget prioritization?

- At the school level, families can participate in their School Site Council. Community members may participate in our Local Control and Accountability Plan (LCAP) Advisory Committee. Please contact Cintya Molina (cintya.molina@ousd.org) for more information on how to get involved. We invite everyone to learn more about our budget by visiting www.ousd.org/fiscaltransparency or attending Board of Education (BOE) Meetings. BOE meetings are held on the 2nd and 4th Wednesdays of every month at city hall. For more information, visit www.ousd.org/boe.