

Fact Sheet on AB 45 (Swanson)

Education: Oakland Unified School District

Issue

The Oakland Unified School District (OUSD) has been in State receivership since 2003, having at that time been authorized a \$100 million line of credit from the State upon the discovery of severe financial disarray. A State Administrator was appointed by Superintendent Jack O'Connell and empowered to assume total control of all aspects of the OUSD. As a result of being in receivership, the governing board of OUSD had all of its rights, duties and powers removed. The OUSD was found to be absent any intentional financial mismanagement or fraud.

Summary

In August 2002, OUSD discovered a negative balance for the 2001-2002 school year and potential deficits for the following year. The district projected that it would run out of cash by March 2003 and would be unable to pay school employees. This situation predicated the 2003 line of credit and current receivership.

OUSD has made demonstrable improvement in pupil achievement last year. OUSD made the largest improvement in the Academic Performance Index (API) test scores among the 33 largest unified school districts in California.

The most recent report from the Fiscal Crisis and Management Assistance Team (FCMAT), issued on September 30th, 2006, recommended that the State Administrator return to the School Board local governing control of community relations and governance. To date, FCMAT's recommendation to give the Oakland School Board authority over community relations and governance has not been granted by Superintendent O'Connell as recommended in this report.

AB 45 returns governance and accountability to the Oakland Unified School District. AB 45 will provide a quantitative way to measure improvement of the district, automating the process of transition to local authority, and creating a system that is clear to all and has credibility.

Existing Law

SB39, introduced by Senator Don Perata (D-Oakland) and co-authored by former Assemblywoman Wilma Chan (D – Oakland) in 2003, provides for the current State Receivership to last until the State Superintendent of

Public Instruction, the State Administrator, and FCMAT agree that the District's compliance with the "improvement plan" required by SB39 is "probable." SB39 relaxes legal requirements for the sale of District property.

Why AB 45 Is Needed

It has been 3 1/2 years since SB39 triggered the total disempowerment of Oakland's elected School Board. SB39 does not provide clearly defined objectives that, through successful achievement, shall gauge the progress deemed necessary for return of local control. By not establishing a clear methodology by which the District is able to resume authority, state receivership has been an open-ended, ambiguous process. Long-term state receivership with no clear mechanism for return of governing authority is a tremendous disservice to the parents and students of the district, who have no governing body to hold accountable. Our schools should always be our greatest example of democracy and must support parental participation. Oakland has now elected a new School Board majority that was not on the Board during the State's takeover of the District. The new Board deserves an opportunity to form a meaningful partnership with the State Department of Education, FCMAT, parents and local elected officials, which is critical to achieve success in creating a strong and focused learning environment.

What AB 45 Does

- Require annual audits by FCMAT. Any operational area that reaches FCMAT's threshold for administrative sustainability will return to board authority by the start of the next fiscal year.
- Under this Bill Governance and Community relations would have already been returned and clearly defined for the Oakland Unified School District.
- Require a memorandum of understanding between the board and the superintendent of schools detailing how governing authority for the operational area is carried out and what the division of responsibility will look like. In the case of a disagreement, the board's MOU will take precedence, unless the Superintendent's office can present just cause otherwise to the Office of Administrative Hearings
- Allows but does not require that the Superintendent may revert control to the state any area that falls below the evaluative threshold in the annual FCMAT report.

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- This process continues until all areas are returned to the board.
- This bill is another step in the evolution of state receivership that began with AB1200 and continued with SB39.

Support

16th AD Democrats
Alameda County Democratic Party
American Federation of State, County, and
Municipal Employees
Boardmember Alice Spearman, Oakland Board of
Education
Boardmember Christopher Dobbins, Oakland
School Board
Boardmember Gay Clair Cobb, Alameda County
Board of Education
Boardmember Greg Hodge, Oakland Board of
Education
Boardmember Kerry Hamill, Oakland Board of
Education
Boardmember Noel Gallo, Oakland Board of
Education
California ACORN
California School Boards Association
California Teachers Association
Congresswoman Barbara Lee
Councilmember Jean Quan, City of Oakland
Councilmember Larry Reid, City of Oakland
Councilmember Nancy Nadel, City of Oakland
Councilmember Patricia Kernighan, City of
Oakland
Crocker Highlands Elementary School Parent
Teacher Association
Mayor Ronald V. Dellums, City of Oakland
Metropolitan Greater Oakland Democratic Club
Oakland Education Association
President David Kakishiba, Oakland Board of
Education
Supervisor Alice Lai-Bitker, Alameda County
Supervisor Keith Carson, Alameda County
Supervisor Nate Miley, Alameda County
Trustee Linda Handy, Peralta Community College
District
Vice Mayor Henry Chang, City of Oakland
Wellstone Democratic Renewal Club
More than three hundred individuals

Opposition

State Superintendent of Public Instruction Jack O'Connell.