

Oakland Unified School District

Assessment and Recovery Plan Update

September 30, 2003

Submitted by

Fiscal Crisis & Management Assistance Team

Executive Summary

Introduction

On May 30, 2003 the Governor signed Senate Bill 39 (Perata) into law. The bill required the Superintendent of Public Instruction to assume all the rights, duties and powers of the Governing Board of the Oakland Unified School District and to appoint an administrator to act on his behalf in the school district. The bill appropriated \$100,000,000 as an emergency loan to the Oakland Unified School District to be repaid over a 20-year period.

The bill also required that by July 1, 2003 the Fiscal Crisis and Management Assistance Team (FCMAT) prepare an improvement plan for the school district by updating the comprehensive Oakland Unified School District Assessment and Recovery Plan developed by FCMAT for the district in January 2000. FCMAT is required to report on the implementation of the improvement plan beginning in September 2003 and continuing with six-month progress reports in March 2004 and September 2004.

By July 1, 2003 FCMAT prepared a report for the Superintendent of Public Instruction (SPI) indicating that the January 2000 Assessment and Recovery Plan developed for Oakland Unified remained a viable plan of improvement, but that the professional and legal standards first assessed in January 2000 needed to be “re-benched” in order to provide the new baseline data needed to determine progress made by the district over time. FCMAT’s general review of the Assessment and Recovery Plan indicated that the findings and recommendations identified in January 2000 were still applicable to the district’s recovery. However, new standards, not developed or included in January 2000, were now applicable to the district’s recovery and needed to be included and assessed. Scaled scores assigned to standards in January 2000 were not indicative of progress that may have occurred in the intervening years and were in need of revision.

FCMAT’s July 1, 2003 report to the SPI described the process FCMAT would employ to update the January 2000 Assessment and Recovery Plan in the two months remaining before the September 2003 deadline in the legislation. FCMAT successfully reconvened the study team members who participated in the initial Assessment and Recovery Plan to assist with the ongoing assessment of the district’s progress since that time. FCMAT study teams conducted their work during August and September 2003.

This September 30, 2003 report provides the Oakland Unified School District with the results of FCMAT’s systemic, comprehensive assessment in the following five areas of district operations:

1. Community Relations and Governance
2. Personnel Management
3. Pupil Achievement
4. Financial Management
5. Facilities Management

The report reviewed all of the original standards assessed in the January 2000 report, added new standards that are now applicable, and provided current rating scores for each of the standards. Several selected standards were reviewed in-depth and findings and recommendations developed to provide guidance to the district for implementing the standards.

In collaboration with the California Department of Education and the State Administrator, FCMAT identified a sub-set of the professional and legal standards to address in follow-up six-month progress reviews. These standards were identified to assist the district to focus on a fewer number of standards with the most probability that, if addressed successfully, would lead to the district's recovery.

This report provides data to the district, community and Legislature to assist the district in achieving fiscal solvency, to build the necessary capacity within the district to promote student learning, and to assist the district to work toward the return of local governance. The report provides critical information related to site and facility issues that interfere with effective teaching and learning.

This updated assessment report, and the initial Oakland Unified School District Assessment and Recovery Plan completed in January 2000, have been based upon legal and professional standards applicable to all California school districts. The standards provide a clear path to improvement and endeavor to affect functions directly at the school site and classroom level. When the designated standards are implemented and sustained, improved pupil achievement, financial practices, personnel procedures, community relations, and facilities management are more likely to be achieved.

The findings presented in this report represent a snapshot of the district, and the recommendations are designed to improve student learning. In the time since the data-gathering portion of the assessment, the district has begun to address certain areas of concern, making progress that is not reflected in this report.

Background

The information presented here summarizes FCMAT's work with the Oakland Unified School District beginning in spring 1999.

Oakland USD Assessment and Recovery Plan, January 31, 2000

On April 14, 1999 the Oakland Unified School District Board of Directors voted unanimously to ask for a comprehensive audit from the Fiscal Crisis and Management Assistance Team. The vote was contingent upon Senator Don Perata acquiring funds from the state legislature to conduct the study. In Assembly Bill 1115, the Governor allocated \$750,000 to FCMAT to conduct the comprehensive assessment for the district in five major operational areas.

FCMAT utilized a Request for Applications (RFA) process to identify competent agencies in California to assist with the comprehensive assessment. The agencies selected to assist in the process were:

- California School Boards Association (CSBA) – Community Relations and Governance
- Schromm and Associates – Personnel Management
- California Curriculum Management Audit Center (CCMAC), an affiliate of the Association of California School Administrators (ACSA) – Pupil Achievement (CCMAC is now Curriculum Management Systems, Inc.)
- School Services of California – Financial Management
- MGT of America – Facilities Management

After months of field work in the district, the FCMAT comprehensive assessment was presented to the district on January 31, 2000 under title Oakland Unified School District Assessment and Recovery Plans. The report provided an assessment of 379 professional and legal standards in five operational areas, and rated each standard on a scale of 1 (not implemented) to 10 (fully implemented, sustained) as to their relative status of completeness.

Neither the Oakland Board of Directors nor Assembly Bill 1115 requested or required any subsequent monitoring of the district's work to implement the recommendations contained in the Assessment and Recovery Plan. However, in the report FCMAT identified several key standards in each operational area that the district should focus on during the first six months following the presentation of the report. These selected standards from the January 2000 report were among the standards that FCMAT examined in-depth in its follow-up review of the district's progress for this September 2003 report.

Follow-Up Report for Oakland Unified School District, March 9, 2000

On March 9, 2000 FCMAT provided the Oakland Unified Superintendent with a follow-up report on several areas of district operations at the Superintendent's request. This follow-up report addressed several fiscal and operational issues and made several recommendations for improvement, including the following: the need for the district to decrease staff when enrollment decreases; reconcile payroll records to position control records; begin to address the 2000-01 budget shortfall that would occur if reductions were not made; prepare multi-year financial projections relative to any district negotiated bargaining agreements; adopt a consistent method of reporting charter school enrollment; monitor student attendance systems; monitor the budget to actual expenditures on a regular basis.

Oakland Unified SELPA Review, September 13, 2000

In March 2000 FCMAT was invited by the Oakland Unified School District Superintendent to conduct a review and analysis of the district's special education programs, services and administrative support structure. The review included the areas of the budget, staffing levels, programs offered, student population, student performance and achievement, program compliance, student discipline, and facilities. The district further requested that FCMAT focus on the additional areas of the management information systems, transportation, non-public school placement (NPS), student assessment and student study teams, teacher recruitment and support, certificated staff credential status, class size and caseload, 504 accommodation, revenue maximization, service delivery structure, and administrative support structure.

The Management Assistance SELPA Review for the Oakland USD was provided to the district on September 13, 2000. The report noted that the district had numerous unresolved compliance issues and that 30 percent of students had overdue IEPs or triennial assessments. The special education program encroached significantly on the district's general operating fund, far exceeding the statewide average, and strategies to contain costs had not been implemented. The district was making significant expenditures in the area of nonpublic school placements.

FCMAT was not requested to provide additional assistance or to conduct any follow-up reviews of the district's efforts to implement the recommendations in the special education SELPA review.

Fiscal Concerns

In October 2002, the Alameda County Superintendent of Schools requested FCMAT to provide management assistance to the Oakland Unified School District. On October 11, 2002, the county office had disapproved the district's 2002-03 budget, declared a "lack of going concern" and appointed FCMAT as the county office's fiscal advisor to the district.

The County Superintendent also requested the FCMAT Board of Directors to declare that a fiscal emergency existed in the district under Education Code Section 42127.8(e). On October 20, 2002, the FCMAT Board, after hearing testimony on the district's fiscal condition took action declaring that a fiscal emergency existed at the Oakland Unified School District. This action by the FCMAT board allowed FCMAT to direct its resources to assist the district and enabled FCMAT to assign fiscal and technology staff to provide hands-on assistance to district personnel in the business office and with the district's data-management systems. The district was unable to close its books for the 2001-02 fiscal year. Working daily in the district, FCMAT ultimately assisted the district in closing the 2001-02 fiscal books and developing the budget for fiscal year 2002-03. FCMAT also assisted the district in developing the 2003-04 budget.

The district's ending fund balance for 2001-02 was a negative \$31 million. FCMAT initially projected a negative ending fund balance for 2002-03 of more than \$70 million including all of the components of fund balance. The 2 percent reserve requirement for 2002-03 of approximately \$8 million was not budgeted. FCMAT concluded that the district would require an emergency loan to address the budget issues accumulated in the 2001-02 and 2002-03 fiscal years and expected to continue into the 2003-04 fiscal year.

At a special board meeting on January 22, 2003, the Oakland Unified Board of Directors considered Board Resolution No. 0203-0143 requesting a state emergency loan. The resolution was not passed by the board. On February 20, 2003 Senator Don Perata requested the Oakland Unified Board of Directors submit a formal request for a specific loan amount by April 2, 2003 for inclusion in a bill that he would carry to the legislature. On March 27, 2003 the Oakland Unified Board of Directors approved Board Resolution No. 0203-0226 requesting a state emergency loan in the amount of \$100 million.

On May 30, 2003 the Governor signed Senate Bill 39 (Perata) into law. The bill appropriated \$100,000,000 as an emergency loan to the Oakland Unified School District. The bill required the Superintendent of Public Instruction to assume all the rights, duties and powers of the Governing Board of the Oakland Unified School District and to appoint an administrator to act on his behalf in the school district.

Assessment Update and Progress Review, September 2003

Senate Bill 39 required that FCMAT prepare an improvement plan for the school district by updating the comprehensive Oakland Unified School District Assessment and Recovery Plan developed in January 2000. FCMAT is required to report on the implementation of the improvement plan beginning in September 2003 and continuing with six-month progress reports in March 2004 and September 2004.

FCMAT's updated assessment of the Oakland Unified School District indicates that the district continues to have difficulty meeting many of the basic legal and professional standards. This report lists numerous findings and recommendations in five school district operational areas. The prioritization and redirecting of resources to address these recommendations must be the first order of business for the district.

Some of the issues identified in this report cannot be remedied in a short period of time, and many of them will require collaboration with community and employee groups. However, the district must continue efforts to resolve these issues to strengthen district operations and return to fiscal solvency.

Returning the District to Local Governance

As it relates to the return of legal rights, duties and powers to the Governing Board, nothing is more important than the definition of what constitutes recovery. Senate Bill 39, Perata, Statutes of 2003, provides clarity, conditions and intent regarding the return of the designated legal rights, duties and powers to the Governing Board. The authority of the Superintendent of Public Instruction (SPI) and his administrator designee pursuant to the act shall continue until certain conditions occur. The Superintendent of Public Instruction has sole authority to decide when the return of legal rights, duties and powers to the Governing Board occurs. This happens when the SPI determines that the conditions of subdivision (e) of SB 39 are satisfied.

SB 39 provides specific and direct responsibilities to FCMAT in assisting the Superintendent of Public Instruction and the Oakland Unified School District with recovery. These duties include:

1. FCMAT shall prepare an improvement plan for the Oakland Unified School District by updating the January 2000 comprehensive assessments and recovery plans of the district.
2. Based upon the progress reports, FCMAT shall recommend to the Superintendent of Public Instruction those designated functional areas of school district operation that it determines are appropriate for the Governing Board of the school district to assume.
3. FCMAT shall file written status reports that reflect the progress the district is making in meeting the recommendations of the improvement plans.
4. FCMAT, after consultation with the state administrator, determines that for at least the immediately previous six months the district made substantial and sustained progress in the following functional areas:
 1. Community Relations and Governance
 2. Pupil Achievement
 3. Financial Management
 4. Personnel Procedures
 5. Facilities Management

As required by SB 39, FCMAT has updated the ratings of all of the standards assessed in the Oakland Unified School District Assessment and Recovery Plan developed for the district in January 2000. In consultation with the California Department of Education (CDE) and the appointed State Administrator, FCMAT has selected a sub-set of certain standards that will be targeted for ongoing progress reports. These standards have been selected as having the most probability to assist the district with recovery. These selected standards have been identified in the Table of Standards in Section Two of this report. Over the next six months, as the district begins implementation, FCMAT, CDE and the FCMAT providers will provide clarity and build consensus in a process that will return the school district to local governance.

The results of this report and the relative scaled score applied to the standards will provide an accurate measure of the district's current status regarding recovery. Within the five major functional areas, 138 standards were assessed in-depth and recommendations were made to assist the district in successfully meeting these standards. Each standard was measured for completeness and a relative scaled score from zero (not met) to a 10 (fully met) was applied. The average rating of assessment standards for all study areas for the Oakland Unified School District was 4.1 out of a possible score of 10.

The Oakland Unified School District is not required to reach a scaled score of 10 in every standard, but the district is expected to make steady progress that can be sustained, as sustainability is a requirement of SB 39. It is reasonable to expect that the district can reach an average rating of at least a six. As the average score of the sub-set of standards in a functional area reaches a level of six and it is considered to be sustainable, and no individual standard in the sub-set is below a four, FCMAT will recommend to the Superintendent of Public Instruction that this particular condition of SB 39 has been met and that this operational area could be returned to the Governing Board. The final authority to return governance authority to the district board lies with the Superintendent of Public Instruction.

Senate Bill 39 suggests an incremental return of powers to the district. Subject to progress, recommendations every six months will address the functional areas of school district operations that could be returned to the Governing Board of the school district by the SPI. The ultimate return of legal rights, duties and powers is based upon the SPI's concurrence with the assessment of his administrator designee and FCMAT that the future compliance by the district with the improvement plans and the multiyear financial recovery plan is probable.

Study Guidelines

FCMAT's approach to implementing the statutory requirements of SB 39 is based upon a commitment to a standards-based, independent and external review of the Oakland Unified School District's operations. FCMAT performed the initial assessment of the district in fall 1999 and developed the improvement plan in collaboration with five other external providers selected through a competitive process. Professionals from throughout California contributed their knowledge and applied the identified legal and professional standards to the specific local conditions found in the Oakland Unified School District. The initial assessment was reported to the district in a document entitled Oakland Unified School District Assessment and Recovery Plan, January 31, 2000.

The five provider agencies again contributed their expertise in assisting FCMAT to conduct the follow-up reviews. FCMAT and the five provider agencies conducted field work in the district and updated the initial ratings reported in the January 2000 report. Twenty-five to 30 standards in each of the five operational areas were selected for an in-depth review to gauge the district's level of progress in specific, targeted functions since the January 2000 report. The findings and recommendations for these selected standards appear in Section Two of this report.

Prior to beginning work in the district in 1999, FCMAT adopted five basic tenets to be incorporated in the assessment and improvement plans. These tenets were based on previous assessments conducted by FCMAT in school districts throughout California and a review of data from other states implementing external reviews of troubled school districts. These tenets formed the basis of FCMAT's continued work in the district. The five basic tenets are:

1. Use of Professional and Legal Standards

FCMAT's experience indicates that for schools and school districts to be successful in program improvement, the evaluation, design and implementation of improvement plans must be standards-driven. FCMAT has noted positive differences between an objective standards-based approach versus a nonstandards-based approach. When standards are clearly defined, reachable, and communicated, there is a greater likelihood they will be measured and met.

In order to participate in the process of the Oakland Unified School District review, potential providers responded to a Request for Applications (RFA) that identified these standards as the basis of assessment and improvement. Moreover, the providers were required to demonstrate how the FCMAT-identified standards would be incorporated into their work. It is these standards on which the improvement plans for the Oakland district were based. The standards, while identified specifically for the Oakland Unified School District, are benchmarks that could be readily utilized as an indication of success for any school district in California.

Every standard was measured on a consistent rating format, and each standard was given a scaled score from zero to 10 as to its relative status of completeness. The following represents a definition of terms and scaled scores. The single purpose of the scaled score is to establish a baseline of information by which the district's future gains and achievements in each of the standard areas can be measured.

Not Implemented (Scaled Score of 0)

There is no significant evidence that the standard is implemented.

Partially Implemented (Scaled Score of 1 through 7)

A partially implemented standard lacks completeness, and it is met in a limited degree. The degree of completeness varies as defined:

1. Some design or research regarding the standard is in place that supports preliminary development. (Scaled Score of 1)
2. Implementation of the standard is well into the development stage. Appropriate staff is engaged and there is a plan for implementation. (Scaled Score of 2)
3. A plan to address the standard is fully developed, and the standard is in the beginning phase of implementation. (Scaled Score of 3)
4. Staff is engaged in the implementation of most elements of the standard. (Scaled Score of 4)
5. Staff is engaged in the implementation of the standard. All standard elements are developed and are in the implementation phase. (Scaled Score of 5)
6. Elements of the standard are implemented, monitored and becoming systematic. (Scaled Score of 6)
7. All elements of the standard are fully implemented, are being monitored, and appropriate adjustments are taking place. (Scaled Score of 7)

Fully Implemented (Scaled Score of 8-10)

A fully implemented standard is complete relative to the following criteria.

8. All elements of the standard are fully and substantially implemented and are sustainable. (Scaled Score of 8)
9. All elements of the standard are fully and substantially implemented and have been sustained for a full school year. (Scaled Score of 9)
10. All elements of the standard are fully implemented, are being sustained with high quality, are being refined, and have a process for ongoing evaluation. (Scaled Score of 10)

2. Conduct an External and Independent Assessment

FCMAT employed an external and independent assessment process in the development of the Oakland Unified School District assessment and improvement plans. FCMAT's reports represent findings and improvement plans based on the external and independent assessments from various professional agencies. The following five agencies assisted in the initial January 31, 2000 report and this subsequent September 30, 2003 report:

- California School Boards Association (CSBA) – Community Relations and Governance
- Schromm and Associates – Personnel Management
- Curriculum Management Systems, Inc. (formerly CA Curriculum Management Audit Center) – Pupil Achievement
- MGT of America – Facilities Management
- School Services of California – Financial Management

Collectively, the five professional agencies that assisted FCMAT constitute FCMAT's providers in the assessment process. Their external and independent assessments serve as the primary basis for the reliability, integrity and credibility of the review.

3. Utilize Multiple Measures of Assessment

For a finding to be considered legitimate, multiple sources need to be utilized to provide the same or consistent information. The assessments and improvement plans were based on multiple measures. Testing, personal interviews, group meetings, public hearings, observations, review and analysis of data all provided added value to the assessment process. The providers were required to utilize multiple measurements as they assessed the standard. This process allowed for a variety of ways of determining whether the standards were met. All school district operations with an impact on student achievement, including governance, fiscal, personnel, and facilities were reviewed and included in the improvement plan.

4. Empower Staff and Community

The development of a strong professional development plan for the board and staff is a critical component of an effective school district. This report includes the importance of a comprehensive professional development plan. The success of the improvement plans and their implementation are dependent upon an effective professional and community development process. For this reason, the empowerment of staff and community is one of the highest priorities, and emphasizing this priority with each of the five partners was critical. As a result, a strong training component for board, staff and administration is called for consistently throughout the report.

Of paramount importance is the community's role of local governance. The absence of parental involvement in education is a growing concern nationally. A key to success in the Oakland Unified School District is the re-engagement of parents, teachers, and support staff. Oakland parents care deeply about their children's future and want to participate in improving the school district and enhancing student learning. The community relations section of this report provides necessary recommendations for the community to have a more active and meaningful role in the education of its children.

5. Engage Local, State and National Agencies

It is critical to involve various local, state and national agencies in the recovery of the district. This was emphasized through the Request for Applications (RFA) process, whereby state-recognized agencies were selected as partners to assist with the assessment and improvement process. The California Department of Education, city and county interests, professional organizations, and community-based organizations all have expressed and shown a desire to assist and participate in the improvement of the Oakland Unified School District.

Study Team

The study team was composed of the following members:

For FCMAT

Roberta Mayor
Leonel Martinez

For the California School Boards Association – Governance/Community Relations

Scott Plotkin	Paul Richman
Elizabeth Wells	Ben Bartos
Davis Campbell	Stephanie Farland
Diane Green	Martin Gonzalez
James Morante	Samantha Dobbins Tran
Donald Dixon	

For the Curriculum Management Systems, Inc. – Pupil Achievement

William Streshly	Eve Proffitt
Olive McArdle	Susan Burleson
Penny Gray	James Scott

For Schromm Associates – Personnel Management

Richard A. Schromm
Charles Diggs
Michael J. Keebler
Jack M. Weinstein

For MGT of America – Facilities Management

Fred Forrer	Janelle Kubinec
Rachel Ehlers	Ed Humble
Dave Teater	

For School Services of California – Financial Management:

Jerry Twomey
John Gray

Summary of Principal Findings and Recommendations

Section Two of this report includes an in-depth review of a selected sub-set of standards, including findings and recommendations for district improvement. The review of these standards assessed the district's progress in implementing the recommendations made in the January 2000 Oakland Unified School District Assessment and Recovery Plan. The following is a summary of the general findings and recommendations that are presented in greater detail by study area in Section Two of this report.

The assessment represents data collection and analysis at a specific point in time. SB 39 was signed into law at the end of May 2003. The assessment team was organized in June 2003 and began work in the district during a limited time span beginning in late July 2003 and concluding in September 2003, in order to meet the legislative deadline of an updated progress report in September 2003. This report was presented to the Oakland Unified School District and Superintendent of Public Instruction on September 30, 2003 and formally presented to the advisory board in mid-October 2003. The district has been addressing some preliminary findings reported during the course of the assessment and is benefiting by ongoing feedback from the assessment team.

Community Relations and Governance

Ratings for all community relations and governance standards were updated during this review. Twenty-five priority standards were selected, in consultation with the state administrator and senior district staff, for more in-depth reporting of the district's progress. These standards were selected because of their perceived ability to have the greatest impact on district effectiveness. Prior ratings on all the standards were also considered; standards that received very high ratings in 2000 were excluded from the current study since they require only maintenance of effort.

The district has made modest progress in its external and internal communications since the Oakland Unified School District Assessment and Recovery Plan was issued in January 2000, but improvement is still needed, primarily in the areas of adopting and implementing the comprehensive communications plan, adhering to district protocols regarding spokespersons, and facilitating two-way internal communications.

Individual communications activities have improved in quality. Both parents and teachers surveyed expressed general satisfaction with the clarity of materials and information received from the district and/or schools. However, coordination of communications activities appears to be lacking. Teachers and the classified staff generally feel welcome to provide input to their principal, but do not feel as welcome to provide input to district administration.

The district continues to offer a hotline for complaints, as well as a compliance officer and ombudsperson on staff that have independent authority to investigate complaints. When board members receive complaints, they usually refer these complaints to the Superintendent or to the Ombudsperson, although some board members still attempt to directly resolve complaints themselves on occasion.

Since the 2000 recovery plan, the district has expanded its collaborative efforts with community agencies and organizations to provide services to students and their families. Relations between

the board and mayor's office have been strained, but some significant partnership programs exist between the district and city. The district also maintains partnerships with a number of local businesses. These efforts should be maintained, linked to a coordinated district strategy, and evaluated to ensure their effectiveness.

The current policy manual is largely unchanged since 2000. It continues to be outdated and does not reflect current law in many instances, including many policies that are mandated by law. A draft policy manual is being developed and represents a tremendous amount of work by district staff. Improvement also needs to be made in the district's policy review and development process, which has involved both the staff and the public.

Avenues for making policies available to the staff and public do not appear to have changed significantly.

Over the past three years, the district has experienced dramatic turnover among the board and administration. Only three board members who served during the time of the FCMAT recovery plan in January 2000 remain on the board. Four new members have since been elected. As a result of a local ballot initiative, three new positions were created and appointed by the mayor, making this the largest board (10 members) in the state. Since the initial recovery plan, the district also employed a new Superintendent, whose tenure ended when the district began to be administered by a state administrator in the summer of 2003.

The significant change in board composition resulted in divided votes between elected and appointed members, as well as split votes among perceived proponents and critics of the former Superintendent, and legitimate differences in perspectives about the best course for the district to take on behalf of students. These dynamics, coupled with fairly common urban school district pressures and political and policy circumstances unique to the Oakland community provided difficult challenges for the board and administration. In general, while individual board members demonstrated an impressive level of knowledge and dedication, the board as a whole was fragmented and unable to provide a consistent, unified direction.

Interviewees frequently cited a general lack of decorum at board meetings, both among members of the board and members of the public who provided testimony. Procedures for the public testimony portion of meetings, such as time limits for speakers, were not consistently enforced. The structure of agendas and the flow of meetings also resulted in important policy and student achievement issues being discussed late in the evening.

The review of Community Relations and Governance included the assessment of 53 professional and legal standards of performance, 25 of which were reviewed in-depth and for which findings and recommendations are provided in Section Two of this report. One new standard was added to the 52 standards reviewed initially in January 2000. Of the 53 standards:

- 5 were fully implemented-sustained
- 5 were fully implemented-substantial
- 42 were partially implemented
- 1 was not implemented.

The average rating of the 53 assessment standards for this operational area was 5.26 on a scale of 1 to 10 with 10 the highest score possible.

A sub-set of 26 standards has been identified for this operational area that will be the focus of review in subsequent six-month intervals. The average rating for this identified sub-set of standards was 3.92 on a scale of 1 to 10 with 10 the highest score possible.

Personnel Management

A FCMAT study team visited the district during August 2003 to review the 104 personnel standards that were evaluated and rated for the January 2000 Oakland Unified School District Assessment and Recovery Plan. All 104 standards were briefly discussed with staff to determine the current status of completion of the recommendations. Thirty-one of the 104 standards were reviewed in greater depth and are reported in Section Two of this report.

Top-level district administrators have changed several times since the Assessment and Recovery Plan was developed in January 2000. Four individuals have occupied the Superintendent/State Administrator position. Four individuals also have provided leadership to Human Resources, and the Assistant Superintendent for Human Relations position is again vacant. Frequent changes in the areas of personnel practices, personnel assignments, and reorganization have all contributed to inconsistent practices being implemented and a lack of continuity of service over time.

The Human Resources Division is composed of seven separate, but interrelated units:

1. Recruitment
2. Employment
3. New Teacher Support
4. Service Teams
5. Operations
6. Labor Relations
7. Training and Organizational Development

Communication within each unit appears to be effective, but communication across the seven units within the division is lacking.

The Human Resources Division has made some gains in implementing the January 31, 2000 Assessment and Recovery Plan, however, the FCMAT team has identified several concerns aside from the lack of staff stability.

Communication between the district office Human Resources staff and the school sites needs to be improved. Poor communication between the district office and school sites manifests itself in a lack of staffing coordination, i.e., being unaware of appropriate staffing assignments and funding sources. Monitoring the process of employee evaluations for classified and certificated staff at all levels continues to be inadequate.

The Human Resources Division does not provide user friendly services. Information that is provided by staff is sometimes inconsistent, and personnel processes for employees seem overly complex. Many procedural changes made by the various division leaders have made it difficult to develop effective working relationships with the district's clients and school sites.

The Human Resources Division does not participate in the process of projecting staffing needs. The division appears to have given away significant personnel tasks to other divisions who do not communicate back with the Human Resources Division. As a result, the division does not provide input in long-range planning and decision-making such as projecting student enrollment and projecting staffing needs for the next school year. This also results in a perceived lack of accountability of staff in the Human Resources Division.

The district needs to focus on more effectively using technology to support personnel operations, especially in implementing a position control system that is integrated with budget and payroll. The BiTech software implementation should be aggressively pursued to achieve a fully integrated position control package. A training plan and budgeted funds need to be provided to train the staff in the use of the new technology software programs.

The district's budget, payroll, and Human Resources components need to interact more readily to solve the concerns of the users of these services. There is currently little coordination between payroll and personnel. Regularly scheduled meetings of Human Resources and Payroll staffs should be held to discuss and resolve issues affecting both departments.

The Human Resources Division lacks written operational procedures and guidelines. A staff team needs to be identified to complete a written compendium of the division's operational procedures to provide consistent direction to division employees. A systematic review of job descriptions needs to be undertaken, including the updating of job descriptions. No one in the division appears responsible for this necessary task.

Cross-training of division staff in the duties of other division staff is needed to ensure that personnel functions are not held up by the absences of specific staff members.

Written procedures are needed for completing reference checks for potential new hires. The procedures should identify the person responsible to conduct the reference check, specify when it is to be completed, and provide documentation of its completion.

The review of Personnel Management included the assessment of 104 professional and legal standards, 31 of which were reviewed in-depth and for which findings and recommendations are provided in Section Two of this report. Of the 104 standards:

- 8 were fully implemented-sustained
- 12 were fully implemented-substantial
- 76 were partially implemented
- 8 were not implemented.

The average rating of the 104 assessment standards for this operational area was 5.36 on a scale of 10 with 10 the highest score possible.

A sub-set of 25 standards has been identified for this operational area that will be the focus of review in subsequent six-month intervals. The average rating for this identified sub-set of standards was 2.64 on a scale of 1 to 10 with 10 the highest score possible.

Pupil Achievement

In August 2003, a FCMAT review team of six members conducted an on-site assessment of the progress the Oakland Unified School District made in implementing the recommendations of the Assessment and Recovery Plan of January 31, 2000 in the area of Pupil Achievement.

Since school was not in session at the time of the team's visit, the review team focused on the design characteristics of the recommendations in the 2000 Assessment and Recovery Plan. Examination of the classroom implementation aspects of the recommendations will occur when the review team returns to observe instruction in January 2004.

Overall, the Oakland Unified School District has made meaningful progress toward implementing the pupil achievement recommendations of the Assessment and Recovery Plan of January 31, 2000. However, much remains to be accomplished. Student achievement gains have been documented, but scores remain low. Gains have been made toward establishing instructional program management based on the systematic use of data, but budgeting of district resources is not curriculum driven.

The district has no comprehensive curriculum management plan. A curriculum review cycle has not been established, and the board has not yet adopted policies directing such action. Some functional, user-friendly curriculum guides have been developed; however, no uniform, district-wide format has been established. State content standards provide instructional objectives for teachers, but they lack the specificity needed by teachers to plan teaching effectively. There has been some progress on the scope of the written curriculum.

Adoption and subsequent districtwide implementation of the Open Court, High Point, and Harcourt Math instructional programs, along with the comprehensive benchmark assessment systems, have at the elementary level addressed the lack of cohesion, feedback, and staff development described in the 2000 Recovery Plan. The study team heard in interviews that these systems were in place, but were not yet institutionalized in district curriculum design documents.

Progress has been made in enforcing the provisions of the Voluntary Resolution Plan; however, personnel are not being held accountable through timely evaluations. Deficiencies were noted concerning the implementation of the Voluntary Resolution Plan and Comité Monitoring Plan. The review team found no written comprehensive master plan for bilingual education to provide feedback for English Language Learner (ELL) achievement.

FCMAT found numerous potential compliance issues within the special education programs. Of special concern were the high numbers of past-due yearly Individualized Education Program (IEP) reviews and triennial IEP reviews. Review team members also noted the high numbers of non-public school (NPS) special education placements.

There is no written guidance for developing a program-driven budget. The current budget was developed during the recent fiscal crisis with minimal input from curriculum managers. The district based its budget formulas on attendance and categorical funds distribution rules. Fiscal recovery is a much higher priority among the district's business officials than is developing a highly refined, curriculum-driven budget development process.

The review of Pupil Achievement included the assessment of 48 professional and legal standards, 29 of which were reviewed in-depth and for which findings and recommendations are provided in Section Two of this report. Ten new standards were added to the 38 standards initially assessed for the January 2000 report to reflect changes in legislation and/or new educational requirements. Of the 48 standards:

- 3 were fully implemented-sustained
- 3 were fully implemented-substantial
- 40 were partially implemented
- 2 were not implemented.

The average rating of the 48 assessment standards for this operational area was 3.52 on a scale of 10 with 10 the highest score possible.

A sub-set of 30 standards has been identified for this operational area that will be the focus of review in subsequent six-month intervals. The average rating for this identified sub-set of standards was 2.47 on a scale of 1 to 10 with 10 the highest score possible.

Financial Management

During 1999, the Oakland Unified School District underwent a comprehensive review of its financial management, the results of which were reported in the Oakland Unified School District Assessment and Recovery Plan, January 31, 2000. At that time, significant deficiencies in the district's financial management policies, procedures, and/or practices were noted.

Since the January 2000 report, the district has made no significant progress in addressing the deficiencies noted or implementing the proposed recommendations. In several areas, the district's condition has worsened.

The district has taken steps to begin strengthening internal controls and procedures used to manage district assets. The primary challenge the district faces is reducing its expenditures to within the level that revenues will support. In order to meet that challenge, accurate and timely financial information will be necessary. Therefore, it is imperative that the district:

- Complete the implementation of the new personnel system, which will integrate personnel and position control to allow for better identification and monitoring of personnel positions (full-time equivalents or FTEs) and costs.
- Improve the budget development process to accurately project revenues and expenditures.
- Improve budget controls and monitoring to prevent budget overruns.
- Improve the accuracy and timeliness of recording and reporting accounting transactions and information.
- Reduce special education encroachment, which is a significant drain on the unrestricted general fund.
- Implement internal control procedures that will prevent or detect financial irregularities.

In general, the district's policies and procedures in the area of budget development and monitoring are minimal and do not meet the applicable professional standards. Therefore, the district will need to take extensive action to bring its policies, procedures, and systems up to standards.

The district's budget department did not actively control budget development or critically evaluate the accuracy and reasonableness of information compiled. To a large extent, the budget office functioned primarily to compile the budget data provided by other departments in order to assemble the actual budget document. The categorical programs office and special education office essentially developed their own budget assumptions and numbers with virtually no assistance or oversight from the budget staff. Further, enrollment projections were completed by an instructional administrator, not by the business or facilities departments, which typically make these projections.

One of the primary causes of the district's budget inaccuracies is that the current-year budget is built on the prior year's budget instead of the prior year's actual revenues and expenditures. The second primary cause of the budget inaccuracy was the fact that, although salaries and benefits were projected and loaded into the budget, the budget office, up to 2002-03, created a central office budget account with a negative balance to offset the deficit spending that was occurring.

Essentially, the budget office during a three-year period did not function as a control on expenditures, and the lack of budgetary control and monitoring contributed to the gravity of the district's budget problems.

In the areas of accounting policies, procedures, and controls, transactions were not processed timely or accurately or in accordance with Generally Accepted Accounting Principals. Specifically,

- Accounts payable were not processed timely,
- Transactions were not posted to the correct accounts,
- Monthly cash reconciliations were not performed,
- Cash-flow projections were not consistently made,
- Year-end closing was not completed timely,
- Audited financial statements were not prepared timely,
- Journal vouchers were used inappropriately for categorical expenditures.

As a result, periodic financial information used for management purposes was unreliable.

Although the district has converted to a new financial management system, the staff is not using all the available system capabilities, and controls are still overridden. Also, the district still has not implemented the personnel module, which would provide integrated information with the budget/financial system. As a result, budget control over personnel expenditures are still a weak area for the district. Further, the district's student information system is outdated and essentially no longer supported by the vendor.

The district has historically run a significant deficit in its special education program. This fact was noted in the original assessment and recovery plan. Over the past four years, this trend has continued, and the special education deficit has continued to grow, and in fact, essentially doubled during that period. Some factors contributing/potentially contributing to the large growth in special education encroachment include:

- A higher-than-average percentage of students identified for special education,
- Significant numbers of students served through NPS/NPA providers,
- Low staffing ratios and lack of control over personnel costs,
- Poor budget practices,
- Failure to recoup costs for LCI students or charter school students.

In essence, there was no effective cost control exercised for the special education program, and it contributed significantly to the district's financial problems.

The review of financial management included the assessment of 102 professional and legal standards, 25 of which were reviewed in-depth and for which findings and recommendations are provided in Section Two of this report. Twelve standards were added to the 90 standards initially assessed for the January 2000 report to reflect changes in legislation and/or new requirements. Of the 102 standards:

0 were fully implemented-sustained
2 were fully implemented-substantial
50 were partially implemented
50 were not implemented.

The average rating of the 102 assessment standards for this operational area was 1.91 on a scale of 10 with 10 the highest score possible.

A sub-set of 30 standards has been identified for this operational area that will be the focus of review in subsequent six-month intervals. The average rating for this identified sub-set of standards was 0.73 on a scale of 1 to 10 with 10 the highest score possible.

Facilities Management

In 2000, voters in the Oakland Unified School District area passed Measure A, which provided the district with \$303 million in bond funds to modernize, renovate, and build new facilities. In addition to these funds, the district has also leveraged state construction funds. The funding has allowed the district to make major improvements to many of its facilities.

However, the district has no long-range facility plan and is unable to demonstrate that improvements made meet the district's highest priority needs. There is also no process for gathering input from the community and other stakeholders to ensure broad-based participation in the decision making process. The district is therefore subject to undue influence of individual board members in determining priorities for how its bond funds are used to improve the district's facilities. The district should clearly identify its standards and facilities needs priorities and implement an accountability process based on strong community involvement.

In spite of some facilities improvements, the overall quality and condition of many of the district's facilities and surrounding grounds is poor. Of notable concern are unsafe conditions such as missing fire hoses, inoperable fire alarms, and missing light fixtures in outside areas. Although there has been some improvement in the standards in this area, ratings on facilities standards scores generally remained unchanged and in a few cases, they declined.

Based on interviews with the district and school site staff, review of existing documentation, and site visits to a representative sample of district school sites, the study team has identified several major areas in need of improvement.

The district has limited documentation to re-enforce its current activities and guide its improvement. The district is updating its facility master plan, which is an important first step. It should also update or create an educational design specifications document, deferred maintenance plan, preventative maintenance plan, and graffiti abatement plan.

The district's facilities are constantly defaced by graffiti and vandalism. The district lacks a plan for prevention of graffiti, and it does not have adequate monitoring to deter incidents. The district should immediately develop a plan for graffiti prevention and abatement that specifies strategies for community engagement, monitoring, design specification updates to prevent incidents, training, and responses to incidents.

The district practices a highly reactive approach to addressing its maintenance needs. In most areas, there is no systematic strategy or plan for preventative maintenance. This has directly contributed to the district's deferred maintenance needs. The district should develop a process for assessing the conditions of its sites on a routine basis (at least quarterly) to identify unsafe conditions and to perform preventative maintenance.

The district has offered some training sessions to the staff related to the safe handling and usage of chemicals and equipment, but the training has not been systematic or comprehensive. The district should develop a training curriculum and plan that involves the participation of all custodial and buildings and grounds staff members.

While the district has made significant improvements in the overall condition of its buildings, it has neglected to make improvements to the grounds surrounding its school sites. As a result, the grounds are unsightly. It is not uncommon to find the surrounding areas covered with weeds, weathered and cracked asphalt, empty planter boxes, and other debris.

The review of facilities management included the assessment of 109 professional and legal standards, 28 of which were reviewed in-depth and for which findings and recommendations are provided in Section Two of this report. Eight new standards were added to the standards initially assessed for the January 2000 report. Of the 109 standards:

- 14 were fully implemented-sustained
- 7 were fully implemented-substantial
- 83 were partially implemented
- 5 were not implemented.

The average rating of the 109 assessment standards for this operational area was 4.46 on a scale of 10 with 10 the highest score possible.

A sub-set of 24 standards has been identified for this operational area that will be the focus of review in subsequent six-month intervals. The average rating for this identified sub-set of standards was 1.46 on a scale of 1 to 10 with 10 the highest score possible.

Implementation Plan

FCMAT updated and assessed 416 professional and legal standards for this September 30, 2003 report, providing an in-depth review of 138 of these standards in five operational areas. Based on this work, FCMAT has identified a sub-set of standards in each operational area that will provide the most probability for the district to successfully achieve recovery and return of local governance. This sub-set of standards will become the focus of the ongoing six-month progress reviews conducted in the district. Although all professional and legal standards utilized in the comprehensive assessment process are important to any district's success, focusing on this identified sub-set of standards will enable the Oakland Unified School District to more quickly achieve a return to local governance.

FCMAT, with the collaboration of the California Department of Education and the State Administrator, has identified the following sub-set of 135 standards in the five operational areas that will be reviewed during each six-month progress review.

- 26 standards in Community Relations and Governance
- 25 standards in Personnel Management
- 30 standards in Pupil Achievement
- 30 standards in Financial Management
- 24 standards in Facilities Management

These standards are identified in the Table of Standards following each of the five operational areas in Section Two of this report. They are identified as the standards designated for review for the March 2004 progress report.

As the average score of the sub-set of standards in an operational area reaches a level of six and it is considered to be sustainable, and no individual standard in the sub-set is below a four, FCMAT will recommend to the Superintendent of Public Instruction (SPI) that this particular condition of SB 39 has been met and that this operational area could be returned to the Governing Board. Subject to progress, recommendations every six months will address the functional areas of school district operations that could be returned to the Governing Board of the school district on an incremental basis. The ultimate return of legal rights, duties and powers will be based upon the SPI's concurrence with the assessment of his administrator designee and FCMAT that the future compliance by the district with the improvement plans and the multiyear financial recovery plan is probable.

The average of the sub-set of standards in each operational area as of this September 30, 2003 report is indicated below. This provides a base line of data against which the district's progress can be measured over each six-month period of review.

Community Relations and Governance: average rating **3.92**, with **6** standards under a 4.

Personnel Management: average rating **2.64**, with **15** standards under a 4.

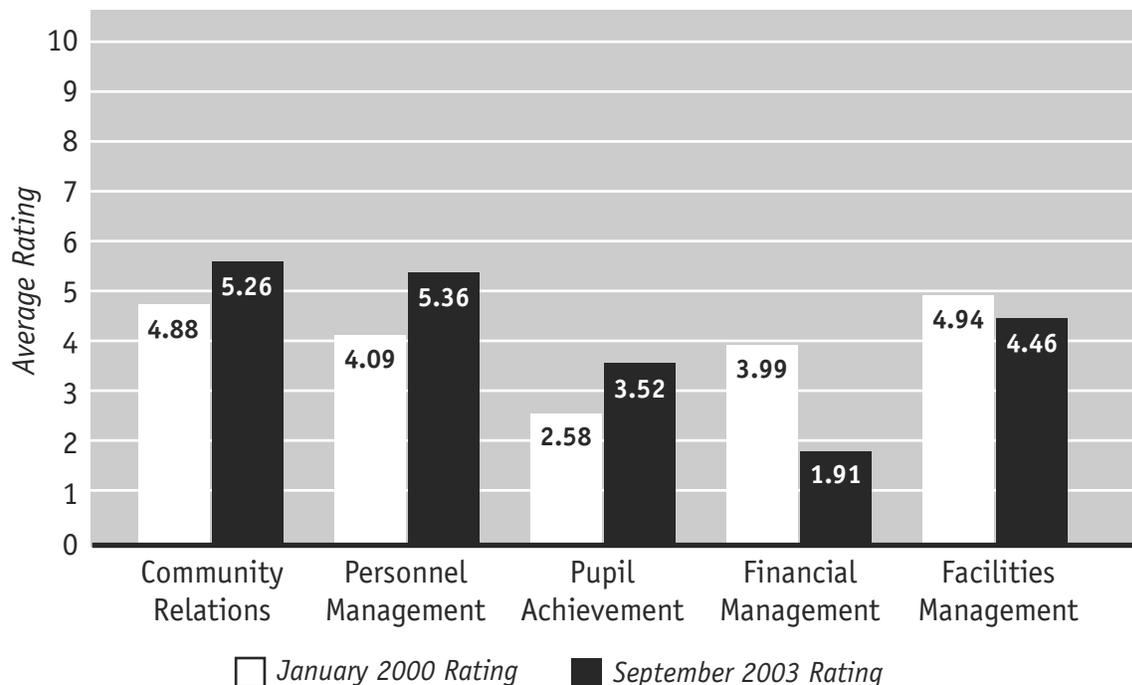
Pupil Achievement: average rating **2.47**, with **25** standards under a 4.

Financial Management: average rating **0.73**, with **29** standards under a 4.

Facilities Management: average rating **1.46**, with **23** standards under a 4.

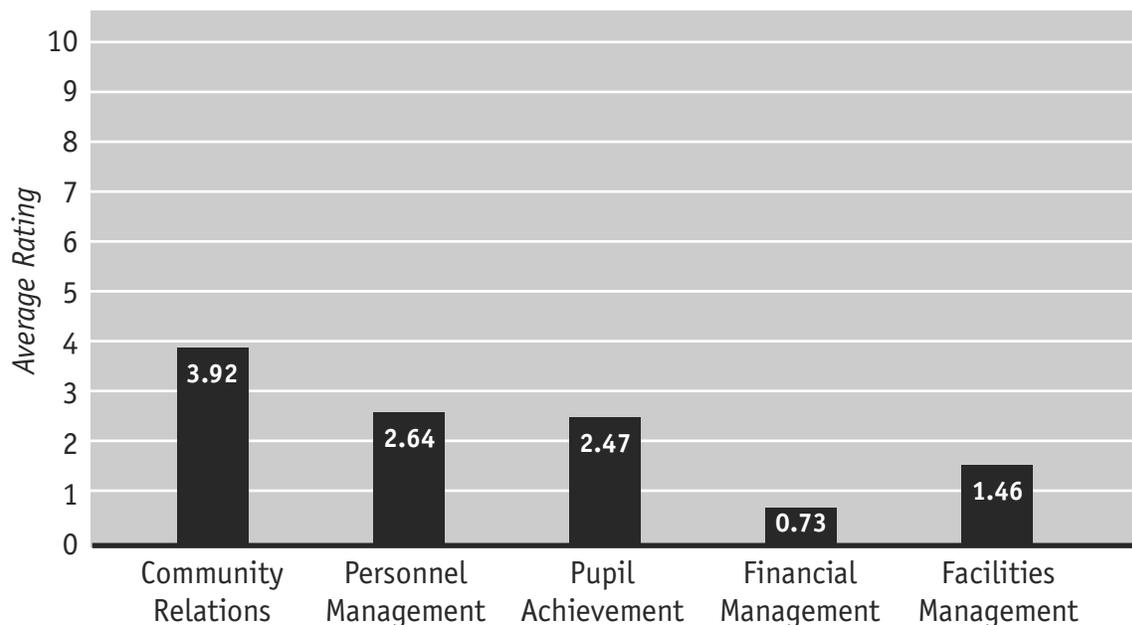
FCMAT will conduct on-site field work in the district in January and February 2004. A six-month progress report is expected to be published March 30, 2004.

Comparison of Averages of All Standards



Note: 416 standards were assessed in September 2003, including new standards that were not assessed in January 2000.

Averages of Sub-sets of Standards, September 2003



Note: 135 standards have been identified for review in six-month intervals. These include ten new standards in Pupil Achievement, four in Financial Management, four in Facilities Management, and one in Community Relations and Governance. This graph provides baseline data against which future progress on these standards may be compared.

Section Two

*Assessment and
Recovery Plan
Update*