



OAKLAND UNIFIED SCHOOL DISTRICT
1025 SECOND AVENUE, OAKLAND, CALIFORNIA 94606

January 24, 2003

Dear Parents, Staff and Community Members:

We want to update you on the latest steps that we are taking to achieve financial stability in the Oakland Unified School District for the sake of the educational programs that serve our nearly 50,000 students and our more than 7,000 dedicated employees.

Last Wednesday night, January 22, the Board of Education voted unanimously to seek a loan from the state to cover our budget shortfall for last year and this year. The resolution asks for a loan "in an amount approved by the District's Fiscal Advisor (outside auditors)." The amount that the district needs to borrow from the state will be known at the end of January, when the outside auditors complete this year's budget, which will specify the size of the deficit for the current year.

Along with the loan, the resolution requests the appointment of a state trustee, who will have wide financial authority but who shall "maintain the core educational reforms that have led to district-wide improvement of academic achievement." These words are in line with the sentiments of many residents of Oakland, including parent and community organizations, who are saying that financial stability must not come at the cost of eliminating local voters' rights and the hard-won educational gains of the past three years.

The next step is to work with our representatives in the California State Assembly and the State Senate regarding the timing and submission of legislation that would authorize the loan. While we are aware of the difficulties of requesting a loan in the midst of a statewide budget crisis, we were told in Sacramento that Governor Gray Davis has set aside money for Oakland, and many state leaders are supporting the loan.

Though we will be facing many challenges in the coming months, we firmly believe that we can preserve our educational gains. The road ahead requires for us all – the parents, students, staff and community of Oakland – to commit to open and honest communication and to work together with a common sense of responsibility for all of our children.

In implementing this common sense of responsibility, our next order of business must be to dampen the wild rumors that flare throughout the community. These rumors divert us from real problems, undermine unity and sow hostility.

The first rumor that we want to put to rest is the allegation that employees will not be paid if the loan does not come through by the end of May. We have been told in unequivocal terms by our outside auditors that we have sufficient funds to meet payroll until the end of the school year. **All employees will be paid.**

The next rumor is that the district has a secret list of schools that it is planning to close. There is no such list. **Neither the board nor the superintendent have recommended the closing of any school.**

Let us explain the situation about budget cuts. Even with the loan, there will be cuts, and they will not be easy. These cuts will be done in an open manner – they will be discussed in public meetings and with our unions. Everyone will have an opportunity for input. The priority of our board and superintendent has been and continues to be the advances that we are making in the classrooms and schools throughout our city.

You will continue to receive informational letters from us in the coming weeks. You can find more information on the budget on our website, www.ousd.k12.ca.us, under the heading "District Budget Info."

Thank you for your continuing support and commitment to Oakland children.

Sincerely,



Dennis K. Chaconas
Superintendent of Schools



Gregory E. Hodge
President, Board of Education