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CITY OF OAKLAND



CITY HALL • 19 APR 18 PM 3:51
FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

REBECCA KAPLAN
Council President
atlarge@oaklandnet.com

(510) 238-7008
FAX: (510) 238-6910
TDD: (510) 839-6451

Date: April 18, 2019
To: Members of City Council and Members of the Public
From: Council President Kaplan and Councilmember Fortunato Bas
Re: A Resolution Requesting The State To Waive Oakland Unified School District's California State Emergency Loan

Dear Colleagues on the City Council and Members of the Public,

In 2003, the State of California authorized an emergency loan of \$100 million to the Oakland Unified School District ("OUSD"). Since that time, OUSD has been repaying this debt and still owes an estimated \$33,950,687 which is expected to be re-paid by 2026.¹

OUSD's fiscal uncertainty is due to declining enrollment (impacted by the growth of charter schools in Oakland), budgetary cuts, systemic defunding of public education across our country, debt, and previous mismanagement. OUSD experienced a state takeover from 2003 to 2009, and is currently under the oversight of the Fiscal Crisis and Management Assistance Team and the County. On March 4th, 2019, the OUSD governing board made over \$21.75 million in budgetary cuts as to meet state monitoring requirements around fiscal solvency. The OUSD school board and the administration are making concerted strides to address fiscal sustainability, but some of these cuts are painful and have consequences.

To help counter cuts and further stabilize OUSD, community members, teachers, parents, board members, school administrators and many others have asked for state relief from this debt, in particular in a year where the state has a \$21.4 billion surplus. As of April 18, 2019, 1,786 Oakland residents and others have also taken to change.org to ask for state relief.² Articles have also appeared requesting this waiver including from the Oakland Post³.

This Resolution has the Oakland City Council respectfully requesting that the current balance of the state loans be forgiven in full.

Sincerely,

A handwritten signature in black ink, appearing to read "Rebecca Kaplan".

Rebecca Kaplan
Oakland City Councilmember At Large

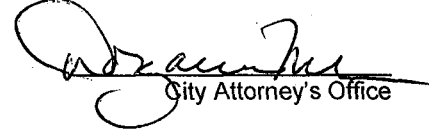
¹ California Department of Education. (2019, April 9) *California State Emergency Loan Recipients*. Retrieved from <https://www.cde.ca.gov/fg/fi/ir/loanlist.asp>

² Medonza, Aram. (2019, April 18) *Abolish OUSD's Debt to the State of California!* Retrieved from <https://www.change.org/p/tony-thurmond-abolish-ousd-s-debt-to-the-state-of-california-fund-oea-s-full-contract-demands>

³ Epstein, Ken. (2019, March 7th) *Legislature Should Cancel the School District's \$40 Million Debt, Says Senator Skinner*. Retrieved from <https://postnewsgroup.com/2019/03/07/legislature-should-cancel-the-school-districts-40-million-debt-says-senator-skinner/>

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Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCIL PRESIDENT KAPLAN AND COUNCILMEMBER
FORTUNATO BAS

A RESOLUTION REQUESTING THE STATE TO WAIVE OAKLAND UNIFIED SCHOOL DISTRICT'S CALIFORNIA STATE EMERGENCY LOAN

WHEREAS, in 2003, the State of California authorized an emergency loan of \$100 million to the Oakland Unified School District ("OUSD") and in addition the Superintendent of Public Instruction assumed "all the rights, duties, and powers of the governing board of the District"; and

WHEREAS, OUSD still owes an estimated \$33,950,687 as of 07/01/18 of its state emergency loan; and

WHEREAS, the divestment from education has been a decades long process, exacerbated by Proposition 13, passed by the voters in 1978 and saw a 60% drop in tax revenue the following year, decimating local funding for schools; and

WHEREAS, OUSD's fiscal uncertainty is also due to declining enrollment, impacted by the growth of charter schools in Oakland, budget cuts, debt, and previous mismanagement; and

WHEREAS, the OUSD school board and the administration are making concerted strides to address fiscal sustainability, and offering loan relief would benefit Oakland's 36,900 students, 73% of whom qualify for free or reduced lunch; and

WHEREAS, the state had an estimated \$21.4 billion surplus, and an opportunity presents itself to waive this debt and truly afford OUSD the opportunity to create a culture of long-term solvency; now, therefore, be it

RESOLVED: That the Oakland City Council respectfully requests that the current balance of the state loans be forgiven in full; and be it

FURTHER RESOLVED: That the City Council requests that the Clerk of the Board transmit a copy of this Resolution to the following: Governor Gavin Newsom; State Superintendent of Public Instruction, Tony Thurmond; President Pro Tem of the California Senate Toni Atkins; Assembly Speaker Anthony Rendon; Senator Nancy Skinner; Assemblymember Rob Bonta; and Assemblymember Buffy Wicks.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND
PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California

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