

OAKLAND UNIFIED SCHOOL DISTRICT
Office of the Board of Education

August 27, 2008

To: OAKLAND BOARD OF EDUCATION

From: DAVID KAKISHIBA
Board President

Re: **REQUEST FOR CALIFORNIA STATE LEGISLATION –
FINANCIAL RELIEF FOR SCHOOL DISTRICTS IN STATE RECEIVERSHIP**

Action Requested

The Board of Education authorizes its President and Superintendent to pursue California State legislation to secure financial relief from certain California State Controller's Office audit findings for California school districts in state receivership.

Rationale

Pursuant to AB 1200, California school districts in state receivership are required to be audited each year by the California State Controller.

Pursuant to SB 39, the California State Controller has completed financial audits of the Oakland Unified School District for fiscal years 2002-2003, 2003-2004, 2004-2005, and 2005-2006.

For FY 2002-2003, OUSD successfully resolved \$32,608,147.00 of State Controller audit findings, but was ultimately ordered to pay the State \$954,125.00 in penalties and other findings. Final disposition for the subsequent fiscal years is pending.

Vallejo Unified School District and West Fresno Elementary School District share the OUSD experience with respect to outstanding audit findings and liabilities.

On July 16, 2008, school board representatives from the Oakland Unified School District, Vallejo Unified School District, and the West Fresno Elementary School District testified before the California Assembly Select Committee on State School Financial Takeovers recommending that school districts in state receivership be allowed to enact corrective actions in response to audit findings of the State Controller, and upon demonstrating to the State Controller that corrective actions have been made, the State Controller waive financial penalties.

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