



OAKLAND UNIFIED  
SCHOOL DISTRICT

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# **2008-2009 Adoption Budget Final Reading**

**Wednesday, June 25, 2008**

# Financial Team

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- Vince Matthews – State Administrator
- Roberta Mayor – Superintendent
- Leon Glaster – Chief Financial Officer
- Roberta Sadler – Controller
- Jason Willis – Budget Director

# Financial Team

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- Sandra Anderson-Knox – Financial Services Manager
- Roxanne Dunn, Financial Services Associate II
- Linda Wu, Financial Services Associate II
- Katema Slocum, Financial Services Associate II
- Diane O’Hara, Financial Services Associate I
- Keisha Smith, Financial Services Associate I
- Marla Williams, Financial Services Associate I
- Ruth Dubose, Financial Services Associate I

# Financial Team

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- Waly Ndiaye – Financial Accountant II
- Quyen Nyo – Financial Accountant II
- Azeb Legesse – Financial Accountant I
- Minh Co – Financial Accountant I
- Michael Ezeh – Financial Accountant I
- David Lewis – Financial Accountant I
- Adan Hernandez – Account Technician/Receivables Billing

# Agenda

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- Adoption Budget Overview
- Response to First Reading Requests
- 2008-09 General Fund Adoption budget
- Multi-Year Budget Projection
- Components of Ending Fund Balance
- 2008-09 Adoption Budget Other funds
- Board Questions & Discussion

# Adoption Budget Overview

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- The District has been able to achieve a balanced budget in 2008-09; however, we continue to be in fiscal recovery.
- State budget proposal for 2008-09 has devastated the District's budget resulting in an estimated total revenue loss of \$20 million.
- Governor's May revise budget has provided some relief and flexibility, but the District's budget for 2008-09 and beyond is still bleak.

# Response to First Reading Requests

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- Amortization Schedule for Emergency Loan funds
- Amortization Schedule for COPS
- 1% Raise for employees by Union classification
- Discussion on school site “one page” budget reports
- Redevelopment Fees
- Requests to provide additional information to board of Education members based on Board member Gallo’s matrix

# Oakland USD Original Outstanding State Loan

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- Original State Loan for \$65 Million converted to “Lease Revenue Bonds” by the State. Annual repayment of \$3,890,532 is automatically deducted.
- Interest Rate 1.778%
- Terms 20 years
- Please refer to next slide for loan repayment schedule



# Oakland USD Original Outstanding State Loan

Payment #	Date	Principal balance	Scheduled Payment	Principal Portion	Interest Portion
1	June-2004	65,000,000	3,890,534	2,734,834	1,165,700
2	2005	62,265,166	3,890,534	2,783,459	1,107,075
3	2006	59,481,707	3,890,534	2,832,949	1,057,585
4	2007	56,648,758	3,890,534	2,883,319	1,007,215
5	2008	53,765,439	3,890,534	2,934,585	955,949
6	2009	50,830,854	3,890,534	2,986,761	903,773
7	2010	47,844,093	3,890,534	3,039,866	850,688
8	2011	44,804,227	3,890,534	3,093,915	796,619
9	2012	41,710,312	3,890,534	3,148,925	741,609
10	2013	38,561,387	3,890,534	3,204,913	685,621
11	2014	35,356,474	3,890,534	3,261,896	628,638
12	2015	32,094,578	3,890,534	3,319,892	570,642
13	2016	28,774,686	3,890,534	3,378,920	511,614
14	2017	25,395,766	3,890,534	3,438,997	451,537
15	2018	21,956,769	3,890,534	3,500,143	390,391
16	2019	18,456,626	3,890,534	3,562,375	328,159
17	2020	14,894,251	3,890,534	3,625,714	264,820
18	2021	11,268,537	3,890,534	3,690,179	200,355
19	2022	7,578,358	3,890,534	3,755,791	134,743
20	2023	3,822,567	3,890,532	3,822,57	67,965
<b>Total</b>		0	77,810,678	65,000,000	12,810,678

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# \$35 Million State Loan and Special Reserve Fund 17

- Draw-down of remaining \$35 million of State Loan in June/July 2006.
- State has approved expenditures for IFAS/Technology Upgrades of \$7,000,000.
- State has also approved expenditures for audit findings for 2002-03 and 2003-04 totaling \$1,798,885.
- State has approved \$873,636 for 2000 Mandated Cost audit. (Not included in analysis on next slide).
- BOE must decide where to pay for potential audit findings for 2004-05, 2005-06, 2006-07. Currently \$3 million reserved in Unrestricted fund balance. (Not included in analysis on next slide).
- Remaining balance is to be applied to repayment.
- Funds only sufficient to make payments through 2019. District will still need to repay approximately \$10.5 million of principal.

# \$35 Million State Loan and Special Reserve Fund 17

Fund 17 Balance					
Year Ending	Beg Balance	Interest Earnings	Approved Exp	Loan Payment	Ending Balance
		2%			
30-Jun-07	\$ 35,064,590	\$ 434,279	\$ 739,067	\$ 2,094,903	\$ 32,664,899
30-Jun-08	32,664,899	653,298	1,726,774	2,094,903	29,496,520
30-Jun-09	29,496,520	589,930	1,798,885	2,094,903	26,192,663
30-Jun-10	26,192,663	523,853	4,534,159	2,094,903	20,087,454
30-Jun-11	20,087,454	401,749		2,094,903	18,394,300
30-Jun-12	18,394,300	367,886		2,094,903	16,667,283
30-Jun-13	16,667,283	333,346		2,094,903	14,905,726
30-Jun-14	14,905,726	298,115		2,094,903	13,108,937
30-Jun-15	13,108,937	262,179		2,094,903	11,276,213
30-Jun-16	11,276,213	225,524		2,094,903	9,406,834
30-Jun-17	9,406,834	188,137		2,094,903	7,500,068
30-Jun-18	7,500,068	150,001		2,094,903	5,555,166
30-Jun-19	5,555,166	111,103		2,094,903	3,571,367
30-Jun-20	3,571,367	71,427		2,094,903	1,547,891
<b>30-Jun-21</b>	<b>1,547,891</b>	<b>30,958</b>		<b>1,578,849</b>	<b>-</b>
30-Jun-22	-	-		-	-
30-Jun-23	-	-		-	-
30-Jun-24	-	-		-	-
30-Jun-25	-	-		-	-
30-Jun-26	-	-		-	-
30-Jun-27	-	-		-	-
	\$	4,641,786	\$ 8,798,885	\$ 30,907,491	

Loan Balance				
Year Ending	Principal Balance	Scheduled Payment	Principal Portion	Interest Portion
30-Jun-06	\$ 35,000,000			
30-Jun-07	35,000,000	\$ 2,094,903	\$ 1,472,603	\$ 622,300
30-Jun-08	33,527,397	2,094,903	1,498,786	596,117
30-Jun-09	32,028,611	2,094,903	1,525,434	569,469
30-Jun-10	30,503,177	2,094,903	1,552,557	542,346
30-Jun-11	28,950,620	2,094,903	1,580,161	514,742
30-Jun-12	27,370,459	2,094,903	1,608,256	486,647
30-Jun-13	25,762,203	2,094,903	1,636,851	458,052
30-Jun-14	24,125,352	2,094,903	1,665,954	428,949
30-Jun-15	22,459,398	2,094,903	1,695,575	399,328
30-Jun-16	20,763,823	2,094,903	1,725,722	369,181
30-Jun-17	19,038,101	2,094,903	1,756,406	338,497
30-Jun-18	17,281,695	2,094,903	1,787,634	307,269
30-Jun-19	15,494,061	2,094,903	1,819,419	275,484
30-Jun-20	13,674,642	2,094,903	1,851,768	243,135
<b>30-Jun-21</b>	<b>11,822,874</b>	<b>2,094,903</b>	<b>1,884,692</b>	<b>210,211</b>
30-Jun-22	9,938,182	2,094,903	1,918,202	176,701
30-Jun-23	8,019,980	2,094,903	1,952,308	142,595
30-Jun-24	6,067,672	2,094,903	1,987,020	107,883
30-Jun-25	4,080,652	2,094,903	2,022,349	72,554
30-Jun-26	2,058,303	2,094,900	2,058,303	36,597
30-Jun-27	(0)			
	\$	41,898,057	\$ 35,000,000	\$ 6,898,057

# Oakland USD Outstanding Bonds

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- General Obligation Bonds are approved by voters and repaid by taxpayers.
- District still has \$305 million of bonds authorized but not yet issued.
- Taxpayer currently paying **\$80.10 per \$100,000** of assessed value each year for bond repayment.

# Oakland USD Outstanding Bonds

Name	Dated Date	MEASURE C Original Par	MEASURE A Original Par	MEASURE B Original Par	Total Principal Outstanding	Interest Rate	Final Maturity	Comments
Series A	5/23/1995	\$ 12,200,000			\$ -		8/1/2019	REFUNDED
Series A	5/23/1995	18,315,640			-		8/1/2019	REFUNDED
Series B	7/30/1997	9,999,977			-	5.18%	8/1/2022	REFUNDED
Series C	5/20/1998	27,045,000			-	5.08%	8/1/2019	REFUNDED
Series C	5/20/1998	8,916,738			-	5.34%	8/1/2012	REFUNDED
Series D	5/20/1998	5,999,277			-	5.40%	8/1/2022	REFUNDED
Series E	5/1/1999	10,000,000			-	5.09%	8/1/2023	REFUNDED
<b>Series F</b>	<b>4/1/2000</b>	<b>75,000,000</b>			<b>3,735,000</b>	<b>5.85%</b>	<b>8/1/2024</b>	<b>PARTIALLY REFUNDED</b>
Series 2001	6/1/2001	38,215,107			400,398	5.10%	8/1/2025	} Issued as one series; PARTIALLY REFUNDED
Series 2001	6/1/2001		61,999,893		649,602	5.10%	8/1/2025	
Series 2002	8/1/2002		100,000,000		97,030,000	4.92%	8/1/2026	
Series 2005	8/31/2005		141,000,000		140,200,000	4.38%	8/1/2030	
Series 2006	11/28/2006			130,000,000	122,735,000	4.45%	8/1/2031	
Series 2008	8/1/2008			150,000,000		5.25%	8/1/2033	Estimate
Series 2010	8/1/2010			155,000,000		5.50%	8/1/2035	Estimate
Issued		<u>\$ 205,691,738</u>	<u>\$ 302,999,893</u>	<u>\$ 130,000,000</u>				
To be Issued				<u>\$ 305,000,000</u>				
2007 Refunding	8/1/2007				199,240,000	4.48%	8/1/2025	
<b>TOTAL OUTSTANDING</b>					<u><b>\$ 563,990,000</b></u>			

# Oakland USD Outstanding Lease (COP's) Obligations

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- School Districts can only enter into long term DEBT if voter approved.
- However, districts can enter into long term LEASES. Certificates of Participation, or “Cop’s” are based on lease agreements.
- Cop's are repaid by the District (General Fund).

# Oakland USD Outstanding Lease Obligations

Series	Issue Date	Final Maturity	Original Principal	Principal Outstanding 3/1/2008	Annual Payments	Comments
<b>CERTIFICATES OF PARTICIPATION</b>						
* Series G - Refund Series A & Series D; Chabot Observatory loan; HVAC	6/17/1999	8/1/2024	\$ 37,325,000	\$ 10,510,000	Approx. \$1,500,000	Refinance prior COPS; \$10 million loan to Chabot; \$200,000 for HVAC project
** Series H - Refund Honeywell Phase II and Phase III	7/15/1999	11/1/2014	12,565,000	6,810,000	Approx. \$1,100,000	Replaces Capital Leases for Honeywell Phase II and Phase III
* Series J - Bi-Tech System	1/8/2002	8/1/2010	<u>4,690,000</u>	<u>1,960,000</u>	Approx. \$680,000	Purchase & installation of BiTech management information & accounting system.
<b>TOTAL COPS OUTSTANDING:</b>			<u>54,580,000</u>	<u>19,280,000</u>	<u>Approx. \$3,200,000</u>	

# Oakland USD Outstanding Lease Obligations

Series	Issue Date	Final Maturity	Interest rate	Outstanding	Purpose
Series G – District portion	6/17/99	8/01/2024	Assume 4.5%	8,460,000	Loan to Chabot Observatory during construction
Series G – Chabot Observatory portion	6/17/99	8/01/2024	Assume 4.5%	2,050,000	Refinanced prior Cop's for CSR and energy efficient projects
Series H	7/15/99	11/01/2014	Assume 4.5%	6,810,000	Refinanced prior Cop's for energy efficiency projects
Series J	1/08/2002	8/01/2010	Assume 4.5%	1,960,000	Purchase & installation of BiTech computer system
<b>Total</b>				<b>19,280,000</b>	

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# 1% Raise for employees by Union Classification

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- Information will be provided at the 6/25/2008 Board meeting during the Adoption budget presentation.
- Information will also be updated on the OUSD website on 6/25/2008

# Discussion on School Site “One Page” Results Based Budgeting Reports

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- School Site Regular Teacher Salaries
    - Actual salaries (current allocation)
    - Average salaries
    - Central allocation (formula based)
    - Other suggestions
  - School site categorical fund carryover policy
  - School site budget preparation timelines
- (Staff anticipates that in-depth RBB discussions will be a part of the Multi-year fiscal/academic sustainability plan)

# Redevelopment Agency Contributions

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- The Redevelopment Agency fees listed below are still subject to review. A portion of the funds may have to be used to supplement revenue limit apportionment based on Government code.
- \$1.1 million used to pay Series H COP's in 2007-08. Series H originally paid for out of Unrestricted General Fund.
- See Redevelopment Fees collection schedule on next slide

# Redevelopment Agency Contributions

Category	Redevelopment Fees Amount	Check Date
2004/05 Fiscal Year	2,065,097	07/14/2005
2005/06 Fiscal year	3,728,305	08/31/2006
2006/07 Fiscal Year	5,056,126	09/14/2007

# 2008-09 Adoption Budget

## Unrestricted General Fund Expenditures

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### Assumptions

- Increase in certificated and classified salaries, on average, by 1.5% due to step and column changes
- Increase in employee benefits due primarily to increased health & welfare costs estimated at 9% for 2008-09.
- Utility costs expected to rise approximately 6% for 2008-09.

# 2008-09 Adoption Budget

## Unrestricted General Fund

	2007-08 Estimated Actuals	2008-09 Adoption Budget	Change
<b>Beginning Fund Balance</b>	<b>18,371,093</b>	<b>21,069,600</b>	<b>2,698,517</b>
Revenue Limit	208,303,667	205,380,725	(2,922,942)
Federal Revenue	18,818	18,818	0
State Revenue	25,924,918	24,647,243	(1,277,675)
Local Revenue	27,089,887	26,236,568	(853,319)
<b>Total Revenue</b>	<b>261,337,291</b>	<b>256,283,353</b>	<b>(5,167,733)</b>
Salary & Benefits	190,283,296	193,872,089	3,588,793
Books & Supplies	11,085,387	13,498,178	2,412,791
Services & Operating, Capital Outlay	32,901,883	19,935,044	(12,966,839)
Outgo, and Transfers Out & In	24,368,208	27,786,252	3,418,044
<b>Total Expenditures</b>	<b>258,638,774</b>	<b>255,091,563</b>	<b>(3,547,211)</b>
Net Increase/(Decrease)	2,698,517	1,191,790	
<b>Ending Fund Balance</b>	<b>21,069,600</b>	<b>22,261,390</b>	<b>1,191,790</b>

# 2008-09 Adoption Budget

## Categorical (Restricted) General Fund

	2007-08 Estimated Actuals	2008-09 Adoption Budget	Change
<b>Beginning Fund Balance</b>	<b>26,119,025</b>	<b>3,965,857</b>	<b>(22,153,168)</b>
Revenue Limit	10,745,568	10,022,951	(722,617)
Federal Revenue	68,367,375	52,357,032	(16,010,343)
State Revenue	106,539,114	96,016,135	(10,522,979)
Local Revenue	16,171,893	8,114,191	(8,057,702)
<b>Total Revenue</b>	<b>201,823,950</b>	<b>166,510,309</b>	<b>(35,313,641)</b>
Salary & Benefits	126,643,145	116,155,434	(10,487,711)
Books & Supplies	41,001,229	27,234,718	(13,766,511)
Services & Operating, Capital Outlay	72,657,022	41,305,329	(31,351,693)
Outgo, and Transfers Out & In	(16,324,278)	(20,450,788)	(4,126,510)
<b>Total Expenditures</b>	<b>223,977,118</b>	<b>164,244,693</b>	<b>(59,732,425)</b>
Net Increase/(Decrease)	(22,153,168)	2,265,616	
<b>Ending Fund Balance</b>	<b>3,965,857</b>	<b>6,231,473</b>	<b>2,265,616</b>

# 2008-09 Adoption Budget Combined General Fund

	2007-08 Estimated Actuals	2008-09 Adoption Budget	Change
<b>Beginning Fund Balance</b>	<b>44,490,108</b>	<b>25,035,457</b>	<b>(19,454,651)</b>
Revenue Limit	219,049,235	215,403,677	(3,645,558)
Federal Revenue	68,386,192	52,375,849	(16,010,343)
State Revenue	132,464,032	120,663,378	(11,800,654)
Local Revenue	43,261,781	34,350,758	(8,911,023)
<b>Total Revenue</b>	<b>463,161,241</b>	<b>422,793,662</b>	<b>(40,367,579)</b>
Salary & Benefits	316,926,441	310,027,523	(6,898,918)
Books & Supplies	52,086,616	40,732,896	(11,353,720)
Services & Operating, Capital Outlay	105,558,905	61,240,373	(44,318,532)
Outgo, and Transfers Out & In	8,043,930	7,335,464	(708,466)
<b>Total Expenditures</b>	<b>482,615,892</b>	<b>419,336,256</b>	<b>(63,279,636)</b>
Net Increase/(Decrease)	(19,454,651)	3,457,406	
<b>Ending Fund Balance</b>	<b>25,035,457</b>	<b>28,492,863</b>	<b>3,457,406</b>



# Multi-Year Unrestricted General Fund Budget Projections

	2008-09	2009-10	2010-11
<b>Beginning Fund Balance</b>	<b>21,069,600</b>	<b>22,261,390</b>	<b>29,778,426</b>
Revenue Limit	205,380,725	212,897,913	212,729,357
Federal Revenue	18,818	0	0
State Revenue	24,647,243	24,508,157	24,230,183
Local Revenue	26,236,568	26,236,568	26,236,568
<b>Total Revenue</b>	<b>256,283,354</b>	<b>263,642,638</b>	<b>263,196,108</b>
Salary & Benefits	193,872,090	197,828,874	201,744,546
Books & Supplies	13,498,178	12,838,373	10,898,437
Services & Operating, Capital Outlay	19,935,044	19,694,723	19,189,541
Outgo, and Transfers Out & In			
<b>Total Expenditures</b>			
Net Increase/(Decrease)	1,191,790	7,517,035	5,529,127
<b>Ending Fund Balance</b>	<b>22,261,390</b>	<b>29,778,426</b>	<b>35,307,553</b>

# Multi-Year Categorical (Restricted) General Fund Budget Projections

	2008-09	2009-10	2010-11
<b>Beginning Fund Balance</b>	<b>3,965,857</b>	<b>6,231,473</b>	<b>6,391,069</b>
Revenue Limit	10,022,951	10,180,436	10,098,685
Federal Revenue	52,357,032	51,309,891	50,283,693
State Revenue	96,016,135	95,055,974	93,154,854
Local Revenue	8,114,191	3,914,191	3,914,191
<b>Total Revenue</b>	<b>166,510,309</b>	<b>160,460,492</b>	<b>157,451,423</b>
Salary & Benefits	116,155,434	118,363,330	118,642,104
Books & Supplies	27,234,718	24,234,718	22,734,718
Services & Operating, Capital Outlay	41,305,329	38,105,329	36,405,329
Outgo, and Transfers Out & In	(20,450,788)	(20,402,481)	(20,353,689)
<b>Total Expenditures</b>	<b>164,244,693</b>	<b>160,300,896</b>	<b>157,428,462</b>
Net Increase/(Decrease)	2,265,616	159,596	22,961
<b>Ending Fund Balance</b>	<b>6,231,473</b>	<b>6,391,069</b>	<b>6,414,030</b>

# Components of Ending Fund Balance

## Unrestricted General Fund

Category	2007-08 Estimated	2008-09 Adopted	2009-10 Projected	2010-11 Projected
Ending Fund Balance	<b>21,069,600</b>	<b>22,261,390</b>	<b>29,778,426</b>	<b>35,307,553</b>
Reserve for Economic Uncertainty	9,712,081	8,521,359	8,462,945	8,463,324
Revolving Cash	150,000	150,000	150,000	150,000
Audit Findings	3,000,000	3,000,000	3,000,000	3,000,000
Declining Enrollment	2,500,000	2,500,000	2,500,000	2,500,000
Unappropriated Fund Balance	5,707,519	8,090,032	15,665,481	21,194,229

# 2008-09 Adoption Budget

## Other Funds

	<b>Adult School</b>	<b>Child Development</b>	<b>Nutrition Services</b>
<b>Beginning Fund Balance</b>	<b>4,373,566</b>	<b>1,972,169</b>	<b>1,299,112</b>
Revenue Limit	0	0	0
Federal Revenue	1,556,915	8,496,673	12,309,893
State Revenue	12,685,945	13,517,600	776,264
Local Revenue	131,483	140,000	1,028,368
<b>Total Revenue</b>	<b>14,374,342</b>	<b>22,154,273</b>	<b>14,114,525</b>
Salary & Benefits	12,171,389	16,126,705	7,059,140
Books & Supplies	546,525	1,685,624	6,168,200
Services & Operating, Capital Outlay	5,089,599	2,667,116	541,609
Outgo, and Transfers	566,828	1,674,828	345,576
<b>Total Expenditures</b>	<b>18,374,342</b>	<b>22,154,273</b>	<b>14,114,525</b>
Net Increase/(Decrease)	(4,000,000)	0	0
<b>Ending Fund Balance</b>	<b>373,566</b>	<b>1,972,169</b>	<b>1,299,112</b>

# 2008-09 Adoption Budget

## Other Funds

	Special Reserves (Emergency Loan funds) Fund 17	General Obligation Bond Fund 21	Deferred Maintenance Fund 14
<b>Beginning Fund Balance</b>	<b>29,125,980</b>	<b>36,875,295</b>	<b>1,998</b>
Revenue Limit	0	0	0
Federal Revenue	0	0	0
State Revenue	0	0	2,000,000
Local Revenue	1,208,101	1,500,000	50,000
<b>Total Revenue</b>	<b>1,208,101</b>	<b>1,500,000</b>	<b>2,050,000</b>
Salary & Benefits	0	2,068,864	0
Books & Supplies	0	0	0
Services & Operating, Capital Outlay	0	0	4,050,000
Outgo, and Transfers	3,302,903	47,906,218	(2,093,782)
<b>Total Expenditures</b>	<b>3,302,903</b>	<b>(45,837,353)</b>	<b>1,956,218</b>
Net Increase/(Decrease)	(2,094,802)	47,337,353	93,782
<b>Ending Fund Balance</b>	<b>27,031,178</b>	<b>84,212,648</b>	<b>95,780</b>

# 2008-09 Adoption Budget

## Other Funds

	<b>Capital Facilities Fund 25</b>	<b>State Facilities – Fund 30</b>	<b>State Facilities- Fund 35</b>
<b>Beginning Fund Balance</b>	<b>8,166,566</b>	<b>4,109,985</b>	<b>13,269,807</b>
Revenue Limit	0	0	0
Federal Revenue	0	0	0
State Revenue	0	0	0
Local Revenue	2,500,000	50,000	750,000
<b>Total Revenue</b>	<b>2,500,000</b>	<b>50,000</b>	<b>750,000</b>
Salary & Benefits	0	0	0
Books & Supplies	0	0	0
Services & Operating, Capital Outlay	4,200,000	4,106,484	5,000,000
Outgo, and Transfers	2,335,114	0	0
<b>Total Expenditures</b>	<b>6,535,114</b>	<b>4,106,484</b>	<b>5,000,000</b>
Net Increase/(Decrease)	(4,035,114)	(4,056,484)	(4,250,000)
<b>Ending Fund Balance</b>	<b>4,131,452</b>	<b>53,501</b>	<b>9,019,807</b>

# Thank You.

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## QUESTIONS?