



Date: June 24, 2015

To: Board of Trustees

From: Antwan Wilson, Superintendent
Vernon Hal, Senior Business Officer
Ruth Alahyoian, Chief Financial Officer

Re: **2015-16 Budget Adoption**

The Oakland Unified School District's 2015-16 Budget will be presented for adoption by the Board on June 24, 2015. The 2015-16 Budget is presented in the State Accounting Codes (SACs) format, which is the required format for formal documentation to the Alameda County Office of Education (ACOE) (our oversight agency) and the California Department of Education. A PowerPoint presentation is also provided to summarize the Budget for the Board and the public.

2015-16 Total Budget (All Funds):

The 2015-16 Budget as presented for adoption is substantially the same as presented for the first reading on June 10, 2014. Total Revenues for all funds are expected to be \$793 million. Total Expenses for all funds are expected to be \$ 647 million.

Measure N (Parcel Tax)

Oakland voters approved Measure N, which will generate approximately \$13 million for college and career programs in the City's high schools (OUSD and charters) each year, starting in 2015-16.

Measure J (General Obligation Bond)

The next issue of Measure J bond funds will infuse at least \$160 million into OUSD's facilities program.

General Fund - Unrestricted:

The Unrestricted General Fund reflects the anticipated revenue as projected by the Governor's May Revised Budget Proposal. The additional revenues to our General Fund are projected to be as follows:

Funding Source	2015-16 May Revise Budget	2015-16 January Proposed Budget	Difference
LCFF (On-going)	\$335.3 Million	\$320.4 Million	\$14.9 Million
State Revenues (One-Time)	21.3 Million	6.4 Million	14.9 Million
Total	\$356.6 Million	\$326.8 Million	\$29.8 Million

The expenditures are still based on the January Budget Proposal. The salary settlements with the District's labor partners have not yet been incorporated into the expenditures. The table below summarizes budgeted unrestricted general fund revenues and expenditures for 2015-16, and provides a comparison to the most recent budget snapshot for the current year, 2014-15:

Unrestricted General Fund		2015-16 BGT DEV	2014-15 THIRD INTERIM	Diff
Local Control Funding Formula (LCFF) Revenues		\$ 334,329,669	\$ 295,316,598	\$ 39,013,072
Other State & Federal Revenue		28,820,310	8,913,443	19,906,867
Local Revenue		29,171,165	25,642,832	3,528,333
Transfer-In & Sources		564,067	734,067	(170,000)
Total Revenues & Sources	a	392,885,211	330,606,940	62,278,272
Salaries,Supplies,Services & Equipment		285,615,909	272,153,587	13,462,322
Other Outgo (Pass Throughs / Debt Service)		6,242,046	6,398,953	(156,907)
Indirect Cost (Expense Offset)		(4,571,567)	(5,933,561)	1,361,994
Contributions & Transfers Out		58,532,567	50,952,006	7,580,561
Total Expenses & Uses	b	345,818,956	323,570,986	22,247,970
Change in Fund Balance	a-b=c	\$ 47,066,256	\$ 7,035,954	\$ 40,030,302
Beginning Fund Balance	d	21,073,794	14,037,840	7,035,954
Ending Fund Balance	c+d=e	\$ 68,140,049	\$ 21,073,794	\$ 47,066,256

The table below explains how the fund balance is available to be applied to on-going and one-time employee compensation, as well as other obligations.

Unrestricted General Fund	2015-16 BGT DEV	2014-15 THIRD INTERIM	Diff
Ending Fund Balance	\$ 68,140,049	\$ 21,073,794	\$ 47,066,256
Components of the Ending Fund Balance:			
Reserve for Economic Uncertainty	\$ 8,855,726	\$ 8,916,332	(60,606)
Designated for the Following:			
Audit & Audit Findings (ONE-TIME)	4,112,204	4,812,204	(700,000)
Set Aside for Additional One-time funds (ONE-TIME)	14,860,267	-	14,860,267
Set Aside for Retro Salary Increases for 2014-15 (ONE-TIME)	6,300,000	6,300,000	-
Set Aside for Ongoing Items (ON-GOING)	32,966,595	-	32,966,595
Early Retirement Pgm Approved 2011-12 (ONE-TIME)	895,258	895,258	-
Revolving Cash (ONE-TIME)	150,000	150,000	-
Total Ending Fund Balance	\$ 68,140,049	\$ 21,073,794	\$ 47,066,256
Reserve for Economic Uncertainty is the 2% minimum required for OUSD per State Dept. of Ed, however the Board policy requires 3%. Staff has been directed by the board to lower this reserve to the 2% required by the State and designate the difference to Audit and Audit Findings.			