



OAKLAND UNIFIED
SCHOOL DISTRICT

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2008-2009 Adoption Budget First Reading

Wednesday, June 18, 2008

Financial Team

Vince Matthews – State Administrator

Roberta Mayor – Superintendent

Leon Glaster – Chief Financial Officer

Roberta Sadler – Controller

Jason Willis – Budget Director

Financial Team

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

Waly Ndiaye – Financial Accountant II

Quyên 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

Adoption Budget Overview

Adoption Budget Calendar

Key Budget Indicators

May Revise Impact

Adoption Budget General Fund

Adoption Budget Other Funds

Cash Flow Analysis

Adoption Budget Overview

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.

Creation of a 2008-09 Budget Development calendar helped guide District through difficult budgeting process.

Adoption Budget Calendar

December 2007 – Detailed budget calendar developed with process and deliverable timelines for school and District leadership.

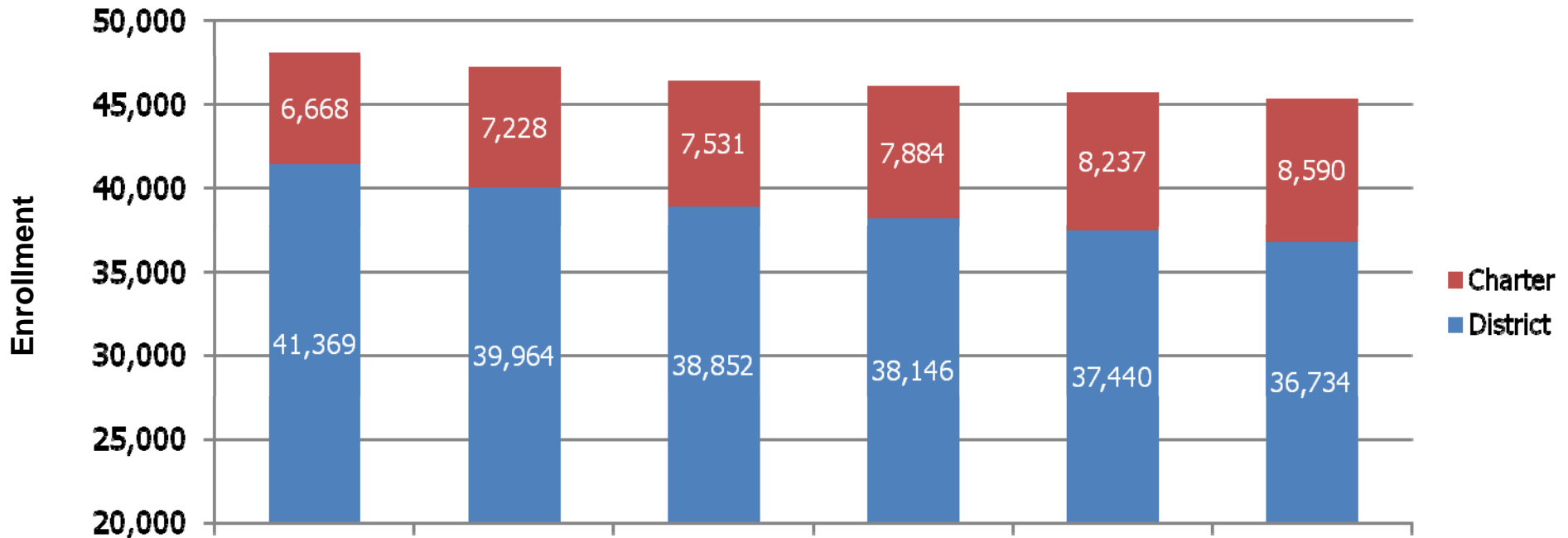
January 2008 - Strategy Team established budget priorities that aligned with District goals and strategic activities.

February 2008 - School and Central Office administrators received training on Results-Based Budgeting (RBB)

March & April 2008 – Schools & Central Office staff receive support from Financial Services to complete their budgets for the 2008-09 school year.

Enrollment & ADA Over Time

Key Budget Indicators



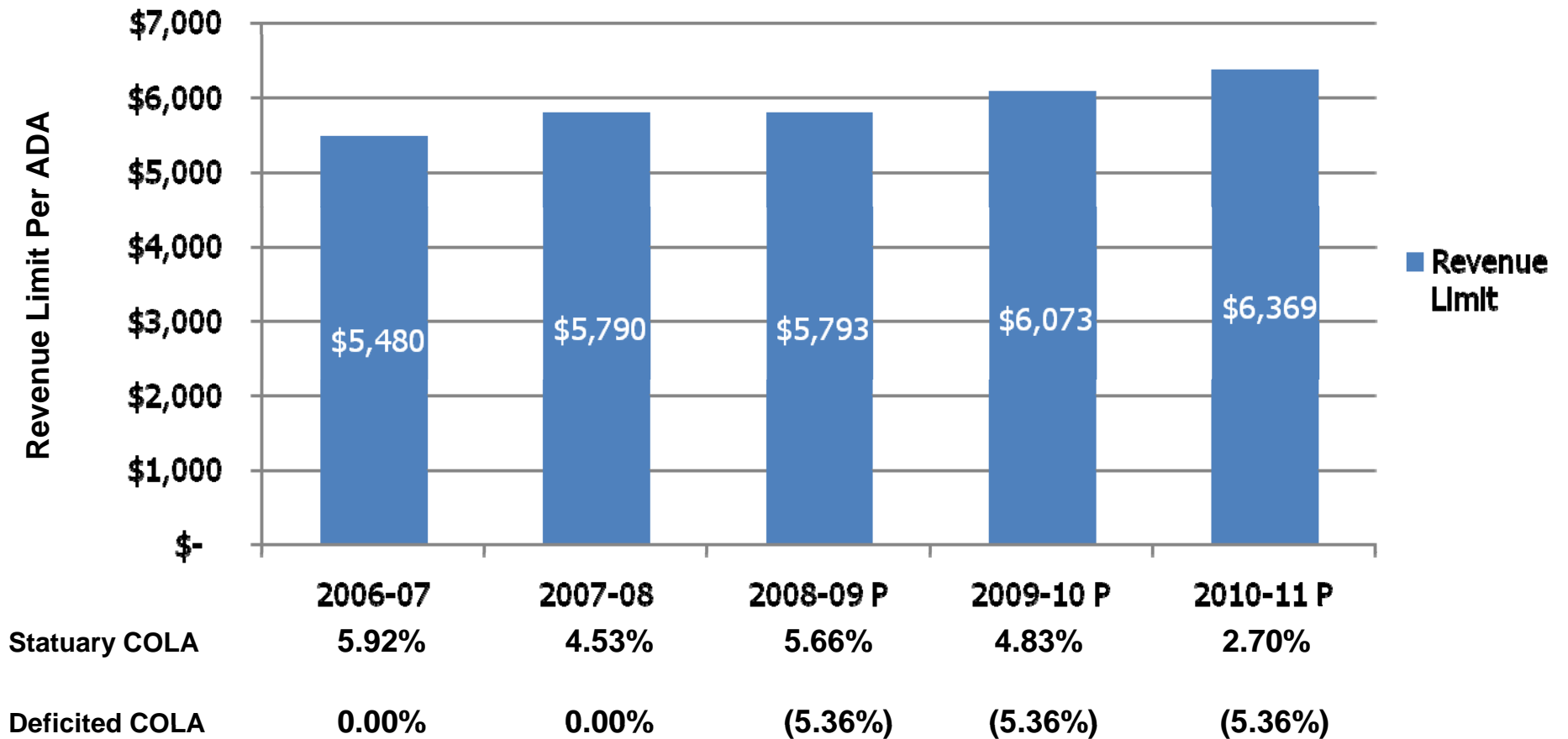
	2005-06	2006-07	2007-08	2008-09 P	2009-10 P	2010-11 P
Change in Charter enroll	2,543	560	303	353	353	353
Change in District enroll	(3,720)	(1,675)	(1,112)	(706)	(706)	(706)
Anticipated District ADA %	93.5%	94.3%	94.5%	94.5%	94.7%	94.7%

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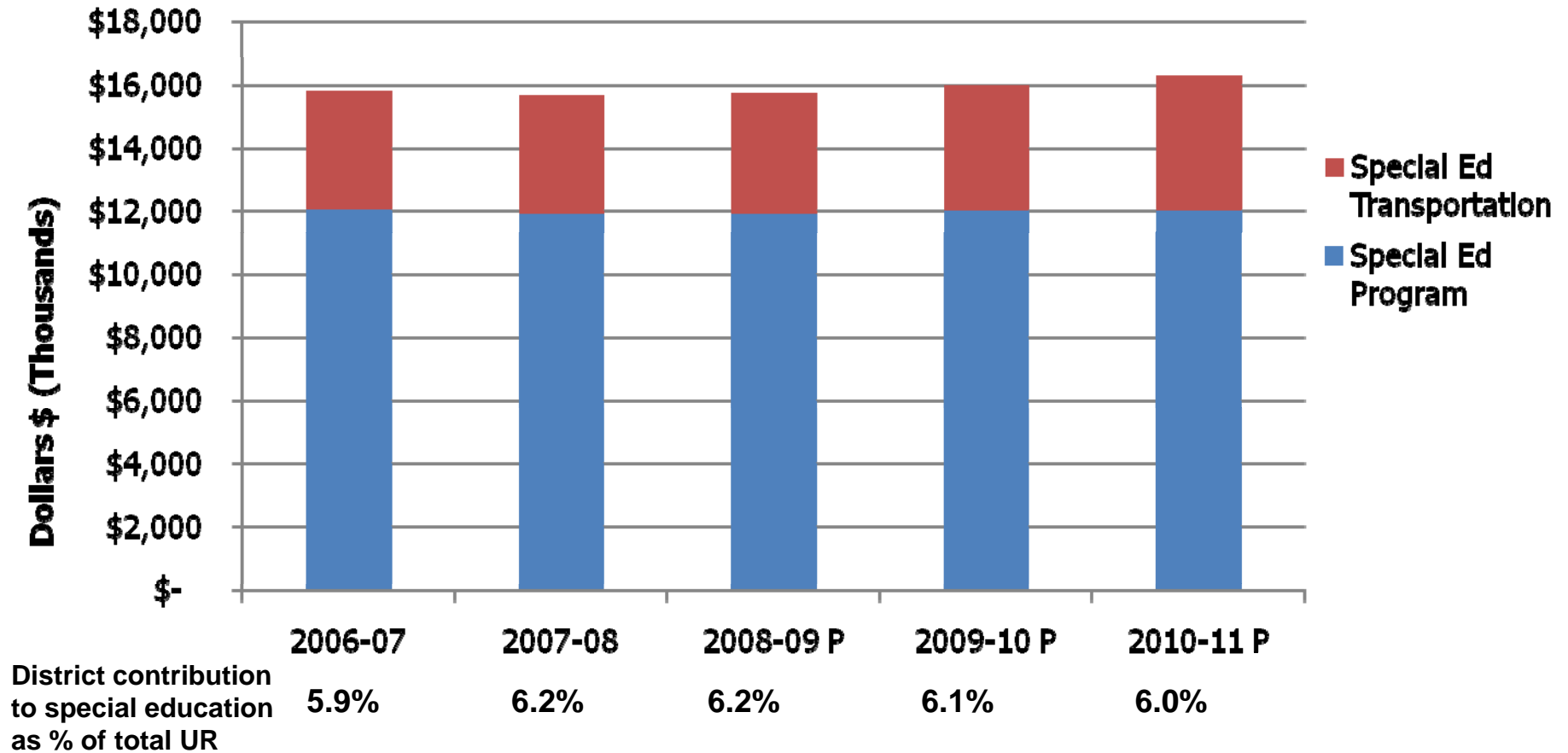
Revenue Limit & COLA Over Time

Key Budget Indicators



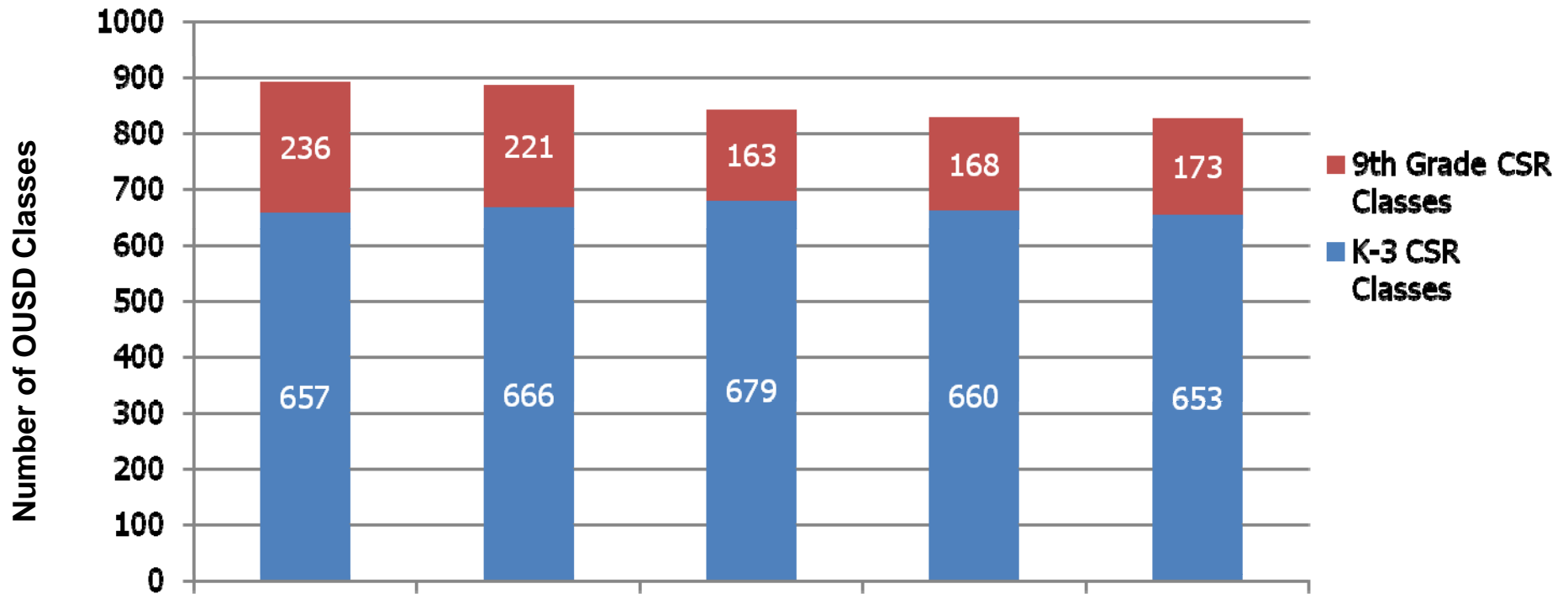
Special Education Encroachment

Key Budget Indicators



Class Size Reduction

Key Budget Indicators



Reimburse	2006-07	2007-08	2008-09 P	2009-10 P	2010-11 P
K-3 (per stud.)	\$1,024	\$1,071	\$1,002	\$1,050	\$1,078
9 th (per hour)	\$204	\$213	\$201	\$210	\$216

Other Key Budget Indicators

Key Indicators	2006-07	2007-08	2008-09 Projected	2009-10 Projected	2010-11 Projected
Indirect Cost Rate	6.28%	6.04%	6.00%	6.00%	6.00%
Earned Interest	\$2,070,665	\$3,795,478	\$2,000,000	\$2,000,000	\$2,000,000
Lottery – Unrestricted (per student)	\$120.80	\$114.75	\$115.50	\$115.50	\$115.50
Lottery – Restricted (per student)	\$21.45	\$16.10	\$16.75	\$16.75	\$16.75
Emergency State Loan Repayment	\$3,784,512	\$3,784,512	\$3,784,512	\$3,784,512	\$3,784,512
Bond Fund Repayment	\$0.00	\$304,000	\$0.00	\$304,000	\$304,000

2008-09 State Budget Proposals

The District's Adoption Budget incorporates assumptions presented in the Governor's May Revision for the 2008-09 State Budget.

Budget Item	Governor's May Revision	Assembly Budget Subcommittee	Senate Budget Subcommittee
Funded COLA	0.3%	1.60%	3.7%
Categorical COLA	(2.4%)	1.60%	3.7%
Mandated Funding	\$0.00	\$340 million	\$0.00
FCMAT Audits	\$0.00	\$295,000	\$295,000
Special Education	\$0.00	1.6%	3.7%
Adult Education COLA	(2.0%)	1.6%	3.7%
Child Development COLA	(2.0%)	1.6%	3.7%

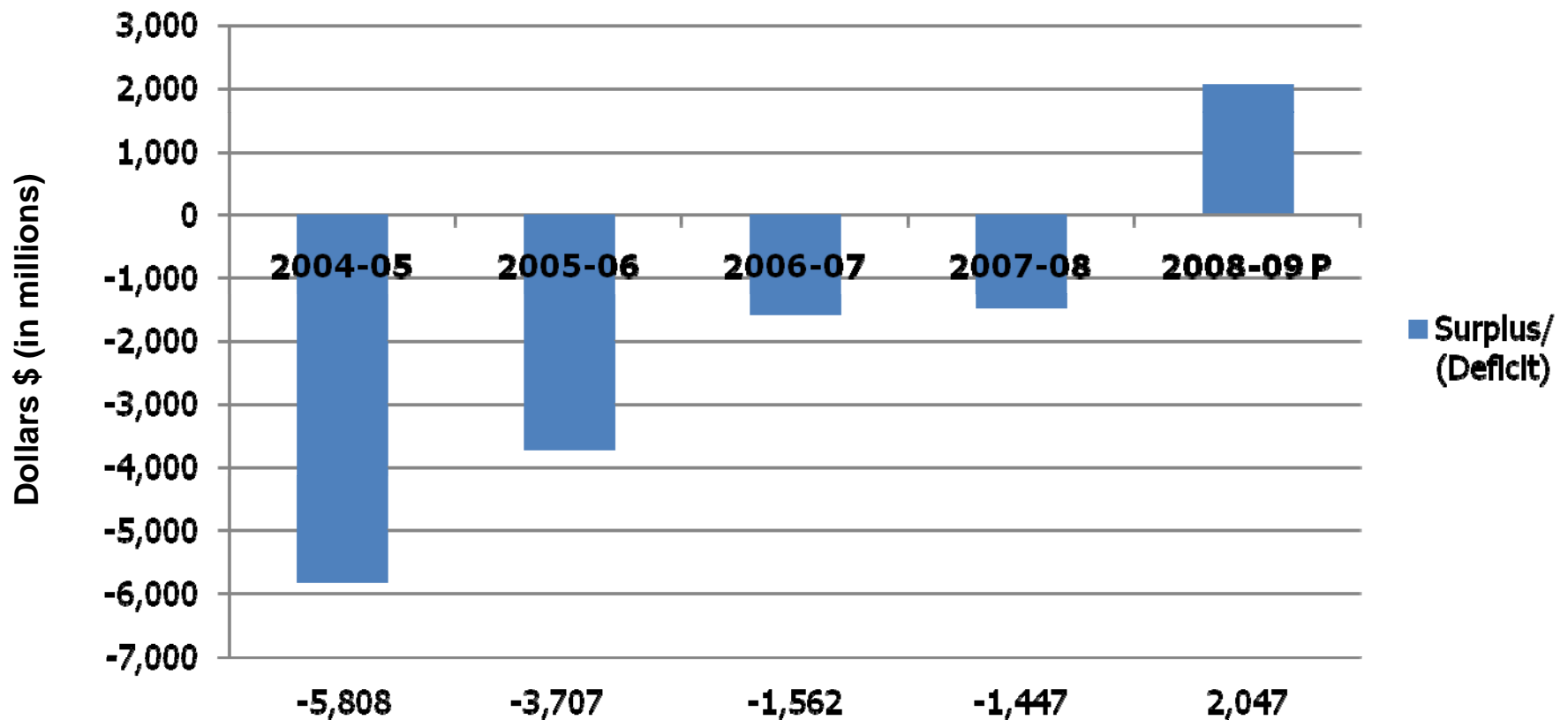
Governor's May Revise

Impact on OUSD's 2008-09 Adoption Budget

May Revision	District Impact
State eliminates \$2.3 million match to District for deferred maintenance	District will back-fill Deferred Maintenance Match elimination using Fund 25 (Capital Facility) & Fund 35 (State Facility funds).
Routine Restricted Maintenance Account (RRMA) match requirement reduced from 3% to 2%	District will not take advantage of the RRMA reduction because Custodians and Building & Grounds staff would have to be reduced.
Conversion of selected state category carryover funds	District will take advantage of conversion of funds for greater spending flexibility and target funds back to programs that are most in need.
Reserve for Economic Uncertainty requirement reduced from 2% to 1% for two-year period	District will not take advantage of Economic Uncertainty reduction because of the District's goal of reaching fiscal stability through balanced budget.
State deferral of July Apportionment until September	District will borrow from other District funds as allowed by Ed. Code. Funds will immediately be replaced when July Apportionment is received.

Historical Summary: Adopted Budget Unrestricted General Fund

The District's Adoption Budget (June of each year) for the first time in five years projects a surplus. Below shows the surplus/(deficit) since 2004-05.



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2008-09 Adoption Budget

Unrestricted General Fund Revenues

	2007-08 Estimated Actuals	2008-09 Adoption Budget	Change
Beginning Fund Balance	18,371,084	20,498,199	2,127,115
Revenue Limit	207,741,248	205,035,333	(2,705,915)
Federal Revenue	18,818	0	18,818
State Revenue	25,924,918	24,647,243	(1,277,675)
Local Revenue	27,089,888	26,236,568	(853,320)
Total Revenue	260,774,872	255,937,961	(4,836,911)

Notes

Per Ed Code, the District used the 2007-08 P2 ADA to calculate the base revenue limit for the coming fiscal year.

Revenue Limit includes change in rates based upon Governor's May Revise.

2008-09 Adoption Budget

Unrestricted General Fund Expenditures

	2007-08 Estimated Actuals	2008-09 Adoption Budget	Change
Beginning Fund Balance	18,371,084	20,498,199	2,127,115
Total Revenue	260,774,872	255,937,961	(4,836,911)
Salary & Benefits	190,261,743	192,762,645	2,500,902
Books & Supplies	11,088,472	13,500,677	2,412,205
Services, Operating, & Outlay	32,929,333	19,841,044	(13,088,289)
Outgo, and Transfers Out & In	24,368,210	27,786,251	3,418,041
Total Expenditures	258,647,758	253,890,617	(4,757,141)
Surplus / (Deficit)	2,127,116	2,047,344	
Ending Fund Balance	20,498,199	22,545,543	2,047,344

2008-09 Adoption Budget

Unrestricted General Fund Expenditures

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.

Consultants and contracted services expected to decrease by \$9 million from 2007-08 to 2008-09.

Components of Ending Fund Balance

Unrestricted General Fund

	2008-09 Adoption Budget
Ending Fund Balance	22,545,543

2008-09 Ending Fund Balance (projected): \$22,545,543

Reserve for Economic Uncertainty (2%)	\$8.8 million
Revolving Cash	\$150,000
Audit Findings	\$3.0 million
Declining Enrollment	\$2.5 million
Unappropriated Fund Balance	\$8.1 million

NOTE: The unrestricted, ending fund balance represent one-time monies that are available to the District to account for unforeseen circumstances and contingencies.

Budgetary Concerns

California economic and fiscal status

Governor's May Revise proposes providing education with additional dollars in 2008-09 on proposals that may not be approved.

Projected increases for education in 2009-10 and 2010-11 may not be realistic based on latest trends in statewide economic and fiscal indicators.

Continued declining enrollment – The District continues to experience a loss of students each year which puts pressure on the system to reduce expenditures.

2008-09 Adoption Budget

Unrestricted General Fund Expenditures – By Function

	2007-08 EA	2008-09 AB	Change
Beginning Fund Balance	18,371,084	20,498,199	2,127,115
Total Revenue	260,774,872	255,937,961	(4,836,911)
Instruction	125,570,958	125,150,791	(420,167)
Instruction-Related Services	48,506,599	46,286,787	(2,219,812)
Pupil Services	3,978,198	3,688,337	(298,861)
Ancillary Services	1,080,292	952,685	(127,607)
Community Services	162,302	0	(162,302)
General Administration	16,716,078	16,595,224	(120,854)
Plant Services	27,727,246	26,277,558	(1,449,688)
Other Outgo, Financing Sources/Uses	34,906,079	34,940,232	34,153
Total Expenditures	258,647,758	253,890,617	(4,757,141)
Surplus / (Deficit)	2,127,116	2,047,344	
Ending Fund Balance	20,498,199	22,545,543	2,047,344

2008-09 Adoption Budget

Categorical General Fund Revenues

	2007-08 Estimated Actuals	2008-09 Adoption Budget	Change
Beginning Fund Balance	26,003,222	3,854,131	(22,149,091)
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	95,880,910	(10,658,204)
Local Revenue	16,441,893	8,114,191	(8,327,702)
Total Revenue	202,093,950	166,375,084	(35,718,866)

Notes

Special Ed transfer (revenue limit revenue line) decreased due to lower projected ADA.

Federal revenue decreases attributable to NCLB Title I and Title II. Carryover will be booked during 2007-08 unaudited actuals (September).

2008-09 Adoption Budget

Categorical General Fund Expenditures

	2007-08 Estimated Actuals	2008-09 Adoption Budget	Change
Beginning Fund Balance	26,003,222	3,854,131	(22,149,091)
Total Revenue	202,093,950	166,375,084	(35,718,866)
Salary & Benefits	126,913,145	116,155,434	(10,757,711)
Books & Supplies	40,993,151	27,234,718	(13,758,433)
Services, Operating, Capital	72,661,022	41,305,329	(31,355,693)
Outgo, and Transfers	(16,324,278)	(20,586,013)	(4,261,735)
Total Expenditures	224,243,040	164,109,468	(60,133,572)
Net Increase/(Decrease)	(22,149,090)	2,265,616	
Ending Fund Balance	3,854,131	6,119,748	2,265,617

2008-09 Adoption Budget

Other Funds

	Adult School	Child Development	Nutrition Services
Beginning Fund Balance	4,373,566	1,972,169	1,299,112
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
Total Revenue	14,374,342	22,154,273	14,114,525
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
Total Expenditures	14,374,342	22,154,273	14,114,525
Net Increase/(Decrease)	0	0	0
Ending Fund Balance	373,566	1,972,169	1,299,112

2008-09 Adoption Budget

Other Funds

	Special Reserves (Emergency Loan funds) Fund 17	General Obligation Bond Fund 21	Deferred Maintenance Fund 14
Beginning Fund Balance	29,125,980	36,875,295	1,998
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
Total Revenue	1,208,101	1,500,000	2,050,000
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)
Total Expenditures	3,302,903	(45,837,353)	1,956,218
Net Increase/(Decrease)	(2,094,802)	47,337,353	93,782
Ending Fund Balance	27,031,178	84,212,648	95,780

2008-09 Adoption Budget

Other Funds

	Capital Facilities Fund 25	State Facilities – Fund 30	State Facilities- Fund 35
Beginning Fund Balance	8,166,566	4,109,985	13,269,807
Revenue Limit	0	0	0
Federal Revenue	0	0	0
State Revenue	0	0	0
Local Revenue	2,500,000	50,000	750,000
Total Revenue	2,500,000	50,000	750,000
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
Total Expenditures	6,535,114	4,106,484	5,000,000
Net Increase/(Decrease)	(4,035,114)	(4,056,484)	(4,250,000)
Ending Fund Balance	4,131,452	53,501	9,019,807

Cash Flow Analysis: 2007-08

ACTUAL CASH BALANCE	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
Beginning Cash	54,050,827	31,231,404	31,732,961	21,886,559	62,797,907	32,134,296
Total Receipts	131,965	12,002,807	19,636,455	77,684,756	5,055,811	61,845,753
Total Disbursement	(10,591,998)	(13,367,625)	(34,689,625)	(39,044,886)	(36,940,530)	(36,784,362)
A/R & A/P Net	(12,359,390)	1,866,375	5,206,768	2,271,478	(1,221,707)	1,044,911
Ending Cash	31,231,404	31,732,961	21,886,559	62,797,907	32,134,295	58,240,597

Cash Flow Analysis: 2007-08

ACTUAL CASH BALANCE	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008
Beginning Cash	58,240,597	70,015,577	51,778,089	62,178,004	77,468,259	78,153,871
Total Receipts	50,283,596	19,389,129	52,343,788	56,491,438	56,293,743	56,293,743
Total Disbursements	(37,744,123)	(41,794,622)	(39,458,279)	(41,048,115)	(78,153,741)	(78,153,741)
A/R & A/P Net	(764,493)	4,168,005	(2,485,594)	(153,068)	1,610	1,125,191
Ending Cash	70,015,577	51,778,089	62,178,004	77,468,259	55,609,871	34,875,064

Thank You.

QUESTIONS?