

**Oakland Unified School District
Office of the State Administrator
October 29, 2008**

LEGISLATIVE FILE

**To: Vincent Matthews, State Administrator
Board of Education**

File ID No. 08-2480

Introduction Date 10-29-08

Enactment No. _____

Enactment Date _____

By _____

**From: Roberta Mayor, Interim Superintendent
Leon Glaster, Chief Financial Officer Consultant**

**Subject: Impact of the Governor's State Budget on Oakland Unified School District's
Adoption and Multi- Year Budget Projections**

Action Requested:

Approval to submit an information item which provides the State Administrator, Board of Education (BOE), staff and the education community with timely financial information which may provide valuable insight to decisions that may impact the financial health of the District in the time period before the 1st Interim financial report is submitted to the board in December of 2008.

Background:

On June 25th District staff presented the 2008-09 Adoption budget to the Board of Education. The Adoption budget included fiscal assumptions and revenue and expenditure projections. In September the Governor signed the "latest" state budget in the modern history of California. In addition, District staff presented the 2007-08 Unaudited Actuals financial report which provided the actual 2008-09 Beginning fund balances for all district funds.

Discussion:

District staff will be presenting a short budget analysis to the BOE which folds in all of the new state budget developments and actual District closing of the books information as it impacts the 2008-09 Adoption budget. The official adjusted budget will be presented at the 1st Interim financial report scheduled for mid-December. The Education Code requires a district to present updated financial information to the BOE within 45 days of the signing of the state budget if the district's budget is significantly impacted.

Fiscal Impact:

The official state budget increases the general purpose revenue limit by .68 Of 1% and eliminates the 6.5% categorical fund deficit. The District also provides information regarding the impact of the closing of the books which includes an increase in Special Education encroachment and a greater categorical fund carryover.

Recommendation:

Approval to submit an information item which provides the State Administrator, Board of Education (BOE), staff and the education community with timely financial information which may provide valuable insight to decisions that may impact the financial health of the District in the time period before the 1st Interim financial report is submitted to the board in December of 2008. Specific requests for additional information will be accepted from the State Administrator and Board of Education.