



OAKLAND UNIFIED  
SCHOOL DISTRICT

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

**Wednesday, June 18, 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
- Adoption Budget Calendar
- Key Budget Indicators
- May Revise Impact
- Adoption Budget General Fund
- Adoption Budget Other Funds
- Cash Flow Analysis

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

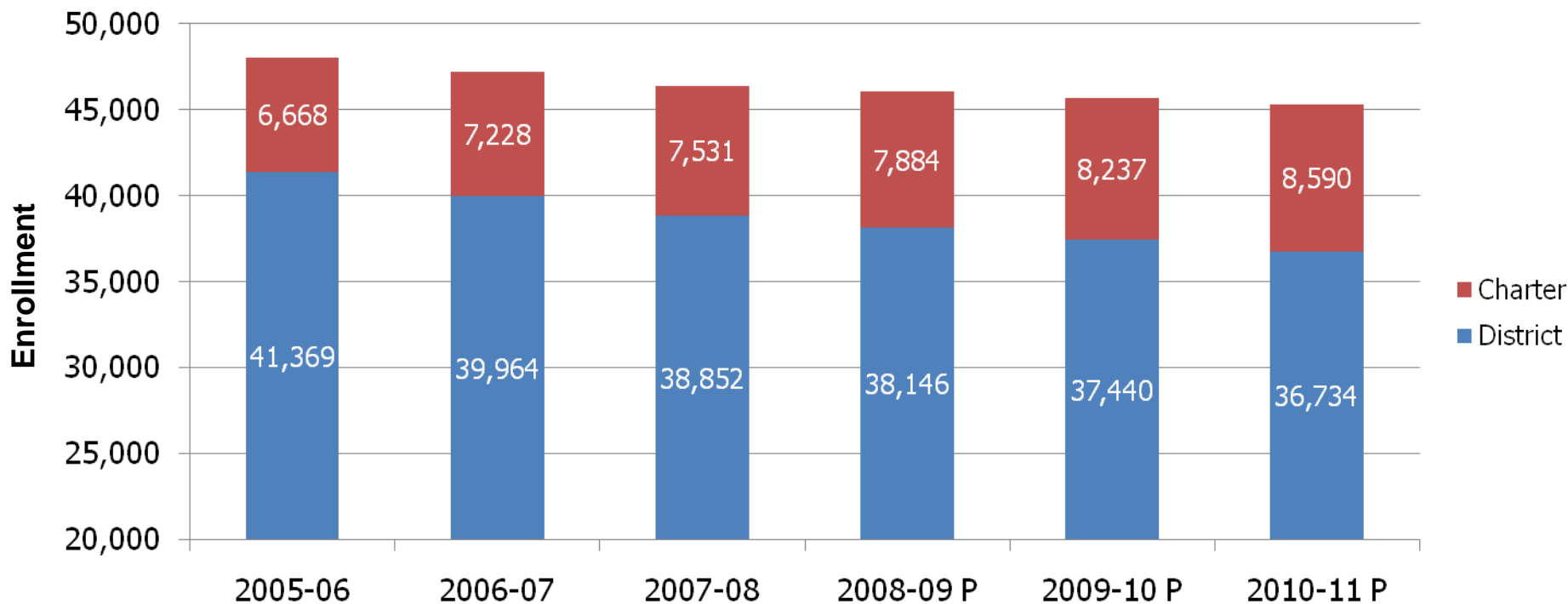
# Adoption Budget Calendar

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- **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



Change in Charter enroll	<b>2,543</b>	<b>560</b>	<b>303</b>	<b>353</b>	<b>353</b>	<b>353</b>
Change in District enroll	<b>(3,720)</b>	<b>(1,675)</b>	<b>(1,112)</b>	<b>(706)</b>	<b>(706)</b>	<b>(706)</b>
Anticipated District ADA %	<b>93.5%</b>	<b>94.3%</b>	<b>94.5%</b>	<b>94.5%</b>	<b>94.7%</b>	<b>94.7%</b>

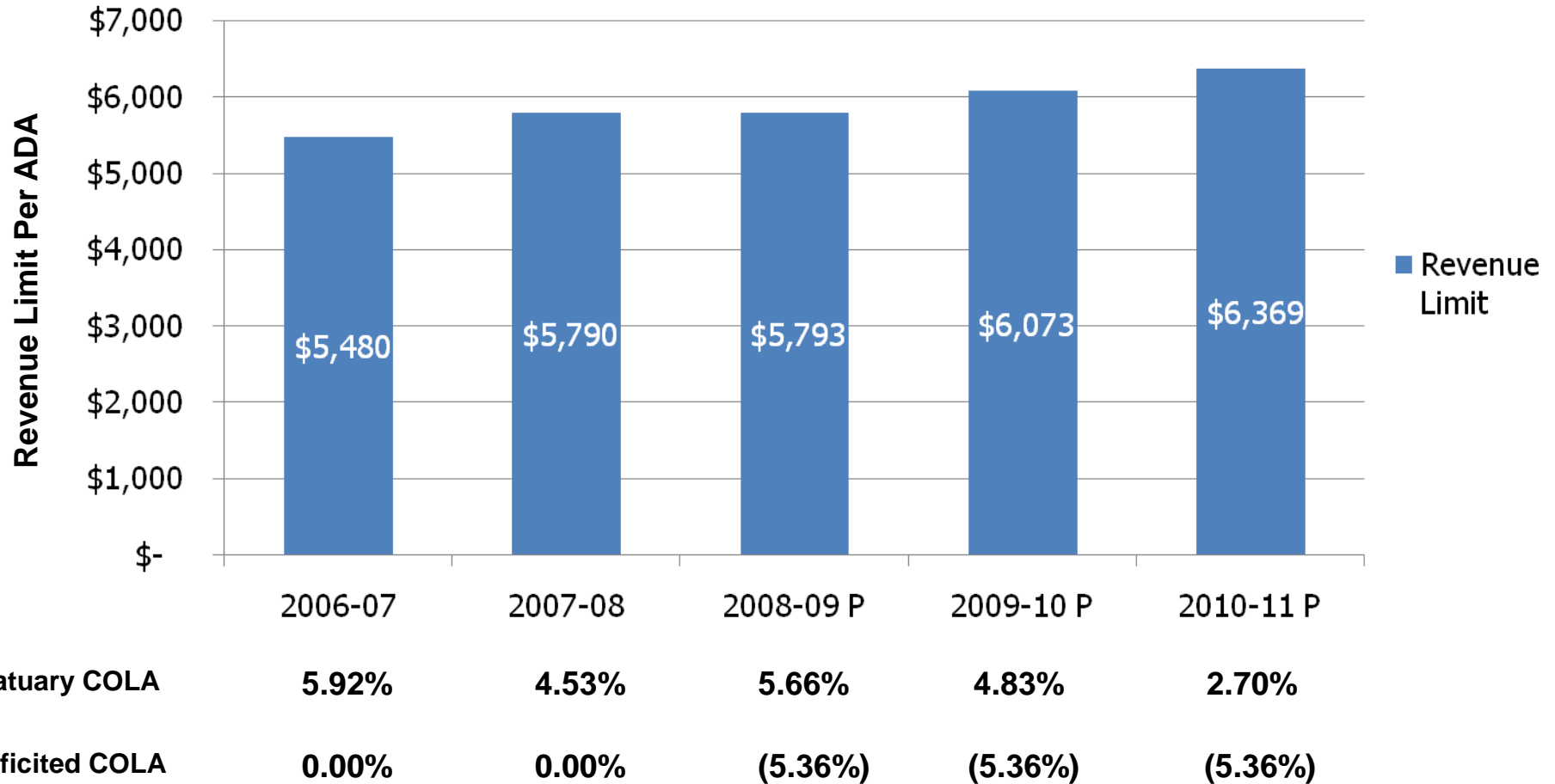
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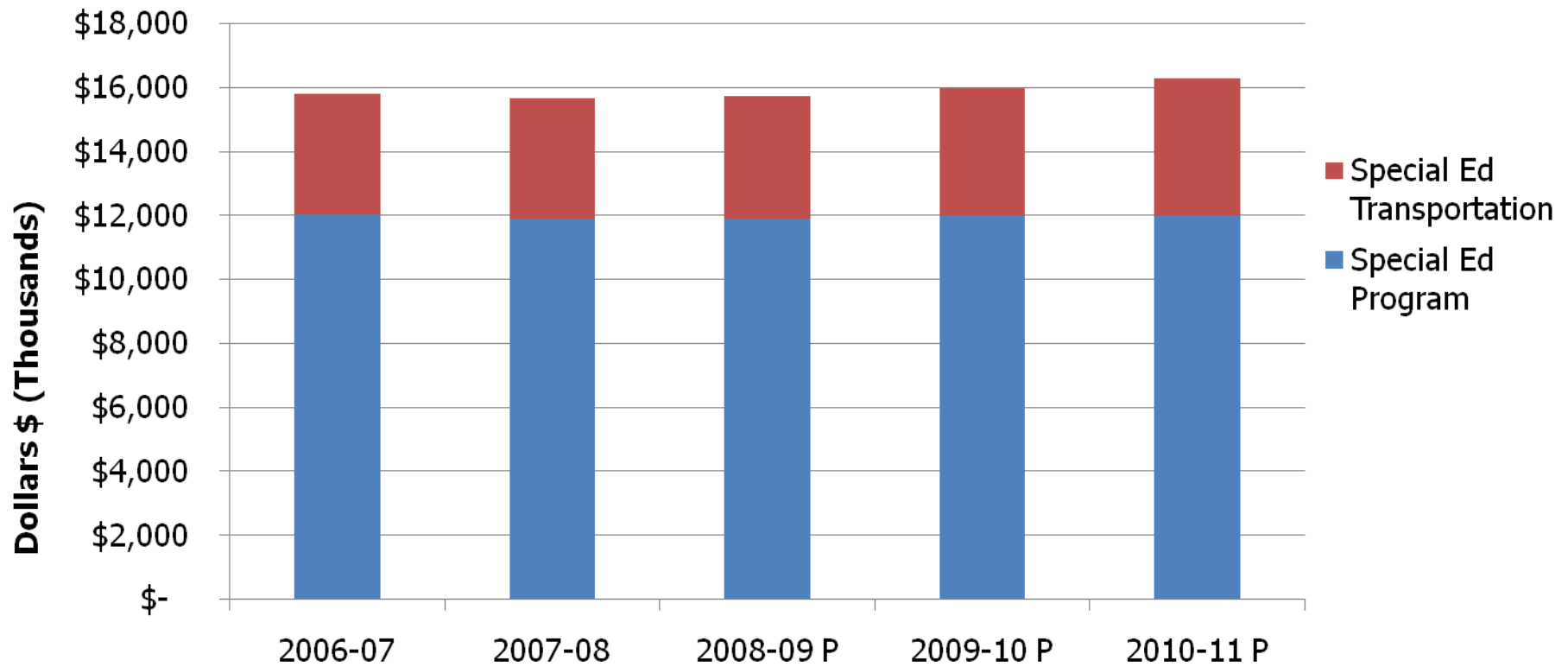
# Revenue Limit & COLA Over Time

## Key Budget Indicators



# Special Education Encroachment

## Key Budget Indicators

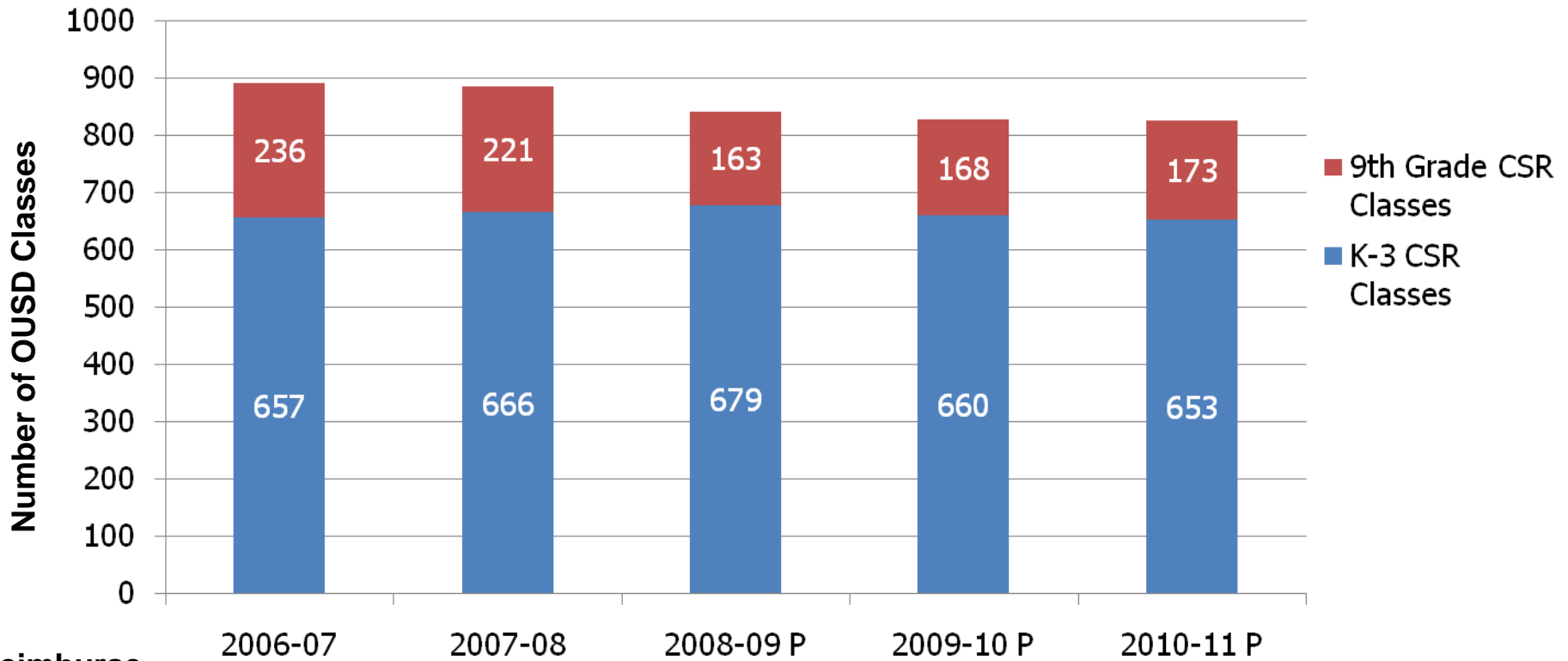


District contribution to special education as % of total UR

5.9%      6.2%      6.2%      6.1%      6.0%

# 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 <sup>th</sup> (per hour)	\$204	\$213	\$201	\$210	\$216

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# Other Key Budget Indicators

<b>Key Indicators</b>	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.

<b>Budget Item</b>	<b>Governor's May Revision</b>	<b>Assembly Budget Subcommittee</b>	<b>Senate Budget Subcommittee</b>
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%

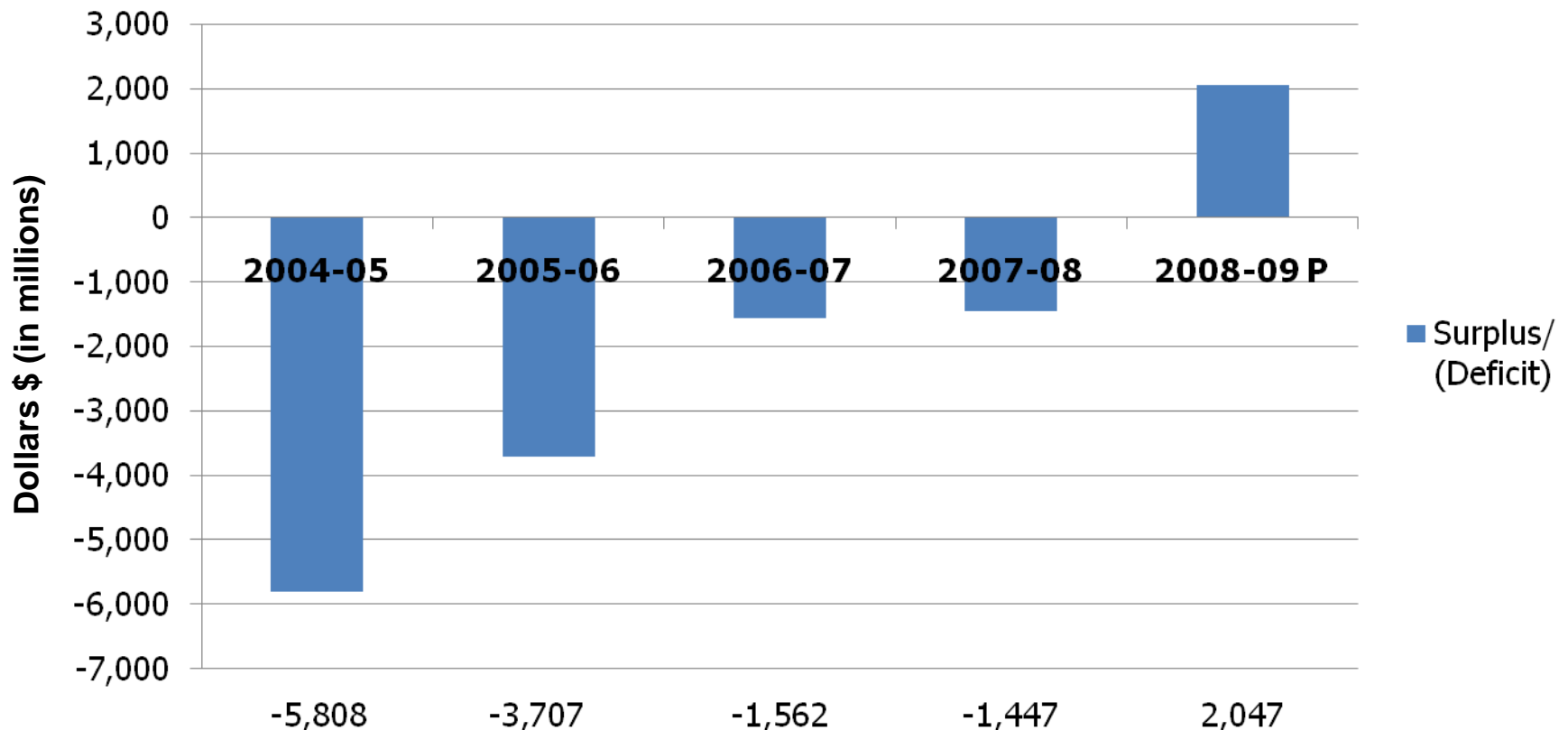
# Governor's May Revise

## Impact on OUSD's 2008-09 Adoption Budget

May Revision	District Impact
State eliminates \$2.3 million match to District for deferred maintenance	District <b>will</b> 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 <b>will not</b> 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 <b>will</b> 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 <b>will not</b> 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 <b>will</b> 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.



# 2008-09 Adoption Budget

## Unrestricted General Fund Revenues

	<b>2007-08 Estimated Actuals</b>	<b>2008-09 Adoption Budget</b>	<b>Change</b>
<b>Beginning Fund Balance</b>	<b>18,371,084</b>	<b>20,498,199</b>	<b>2,127,115</b>
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)
<b>Total Revenue</b>	<b>260,774,872</b>	<b>255,937,961</b>	<b>(4,836,911)</b>

### 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

	<b>2007-08 Estimated Actuals</b>	<b>2008-09 Adoption Budget</b>	<b>Change</b>
<b>Beginning Fund Balance</b>	<b>18,371,084</b>	<b>20,498,199</b>	<b>2,127,115</b>
<b>Total Revenue</b>	<b>260,774,872</b>	<b>255,937,961</b>	<b>(4,836,911)</b>
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
<b>Total Expenditures</b>	<b>258,647,758</b>	<b>253,890,617</b>	<b>(4,757,141)</b>
Surplus / (Deficit)	2,127,116	2,047,344	
<b>Ending Fund Balance</b>	<b>20,498,199</b>	<b>22,545,543</b>	<b>2,047,344</b>

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

# Components of Ending Fund Balance

## Unrestricted General Fund

	<b>2008-09 Adoption Budget</b>
<b>Ending Fund Balance</b>	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

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- **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
<b>Beginning Fund Balance</b>	<b>18,371,084</b>	<b>20,498,199</b>	<b>2,127,115</b>
<b>Total Revenue</b>	<b>260,774,872</b>	<b>255,937,961</b>	<b>(4,836,911)</b>
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
<b>Total Expenditures</b>	<b>258,647,758</b>	<b>253,890,617</b>	<b>(4,757,141)</b>
Surplus / (Deficit)	2,127,116	2,047,344	
<b>Ending Fund Balance</b>	<b>20,498,199</b>	<b>22,545,543</b>	<b>2,047,344</b>

# 2008-09 Adoption Budget

## Categorical General Fund Revenues

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

### 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

	<b>2007-08 Estimated Actuals</b>	<b>2008-09 Adoption Budget</b>	<b>Change</b>
<b>Beginning Fund Balance</b>	<b>26,003,222</b>	<b>3,854,131</b>	<b>(22,149,091)</b>
<b>Total Revenue</b>	<b>202,093,950</b>	<b>166,375,084</b>	<b>(35,718,866)</b>
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)
<b>Total Expenditures</b>	<b>224,243,040</b>	<b>164,109,468</b>	<b>(60,133,572)</b>
Net Increase/(Decrease)	(22,149,090)	2,265,616	
<b>Ending Fund Balance</b>	<b>3,854,131</b>	<b>6,119,748</b>	<b>2,265,617</b>

# 2008-09 Adoption Budget

## Other Funds

	Adult School	Child Development	Nutrition Services
<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>14,374,342</b>	<b>22,154,273</b>	<b>14,114,525</b>
Net Increase/(Decrease)	0	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>

# Cash Flow Analysis: 2007-08

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

# Cash Flow Analysis: 2007-08

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

# Thank You.

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## QUESTIONS?