

DRAFT



OAKLAND UNIFIED
SCHOOL DISTRICT

OPERATIONAL EXPECTATIONS 7

Financial Planning

I certify that the information in this report is true.

Signed: _____ Date: _____
Tony Smith, Superintendent

Disposition of the Board
 Compliance
 Not in compliance

Signed: _____ Date: _____
Noel Gallo, Board President

File ID Number: 04-1840
Introduction Date: 10-19-04
Enactment Number: _____
Enactment Date: _____
By: _____

OE 7: Financial Planning	CEO			Board		
	Compliance	Not in compliance	To Be Completed	Compliance	Not in compliance	To Be Completed
7.1 – The Superintendent will establish an annual budget that is developed in accordance with a publicly noticed Budget Development Process and Calendar.			X			
<p>Superintendent Interpretation: The Superintendent and staff interpret this to mean that the development of a budget development process approved by the Board which may include town hall meetings, special board meetings, budget work sessions, and other opportunities for community involvement. As a result, a budget development calendar will be created and made available to the public.</p>						
<p>Superintendent Indicators and Evidence of Compliance: Evidence of compliance will be the Board approved district wide Budget Development Calendar.</p>						

Appendices:

7.1.1 – 2010-2011 Budget Development Calendar

2010-2011 OUSD BUDGET DEVELOPMENT CALENDAR FOR ACADEMIC AND FISCAL SOLVENCY

		Stakeholder Codes: S--Sites; P--Principals; ET--Executive Team; C--Cabinet; BC--Board Committee; B--Board; FS--Finance; S&F--State & Federal Compliance; HR--Human Resources; Co--Community; TS--Tech Services; SPM--School Portfolio Management							
Month	Task	S	P	ET	C	BC	B	FS	S&F
Aug.	Create Budget Development Calendar				X			X	
	Strategic framework for budget alignment and decision making developed				X			X	
Sept.	Strategic Alignment: Phase I Analysis and Scenario Reviews								
	Budget Development Calendar and Strategic Framework submitted for approval					X	X		
	School Portfolio Management: Refine and clarify criteria and present plan for Focus Schools				X	X	X	X	
	Exec Team/ Cabinet: Build budget knowledge, strategic priority recommendations			X	X				
	Strategic Communications: Develop programmatic and budget documents				X			X	
Sept-Nov	Board Budget Engagement Sessions: Host at least one session for each "Board District"								
Oct	Strategic Alignment: Phase I Analysis and Scenario Reviews								
	5-Oct Executive Team Budget Retreat			X	X				
	City Wide Forum for Superintendent and broad cross section of stakeholders				X				
Sept-Nov	Board Budget Engagement Sessions: Host at least one session for each "Board District"						X		
	Superintendent Ad-Hoc Budget Advisory Session (e.g. key stakeholders including unions)				X				
	Asset Management Plan update				X				
	Strategic Communications: Develop budget communications plan and tools				X				
	School Portfolio Management: Engagement with identified Focus Schools								
	Budget Principal Advisory Group launched: 2 meetings		X		X			X	
27-Oct	All Site Administrators Meeting: Budget development overview		X		X			X	
29-Oct	School Portfolio Management: Draft enrollment projections and recap to Cabinet				X				
Nov	Strategic Alignment: Phase I Analysis and Scenario Review								
	City Wide Forum for Superintendent and broad cross section of stakeholders				X				
Sept-Nov	Board Budget Engagement Sessions: Host at least one session for each "Board District"						X		
	Strategic Budget Sessions with key stakeholders at schools (e.g. SSC's) and Central Office teams	X		X	X				
	Budget Study Session with Superintendent and Executive Team			X	X				
	Superintendent Ad-Hoc Budget Advisory Session (e.g. key stakeholders including unions)				X				
	School Portfolio Management: Recommendations for focus schools to Cabinet, Board				X			X	
12-Nov	SPM, Cabinet and FS review implications of enrollment projections				X			X	

POLICY				
--Executive Team;				
S--Financial Services;				
Resources				
Pool Portfolio Mgmt				
F	HR	Co	TS	SPM
				X
				X
				X
				X
		X		
		X		
		X		
		X		
		X		X
				X
		X		
		X		
				X
				X

2010-2011 OUSD BUDGET DEVELOPMENT CALENDAR FOR ACADEMIC AND FISCAL SOLVE

		Stakeholder Codes: S--Sites; P--Principals; E--Executives; C--Cabinet; BC--Board Committee; B--Board; HR--Human Resources; S&F--State & Federal Compliance; Co--Community; TS--Tech Services; SPM--School Performance									
Month	Task	S	P	ET	C	BC	B	FS	S		
Dec	Strategic Alignment: Phase II/ Decisions, Funding reductions/ re-alignment			X	X						
	Budget Study Session with Superintendent and Executive Team			X	X						
	Strategic Budget Superintendent Ad-Hoc Advisory Session (e.g. key stakeholders including unions)				X						
9-Dec	School closure recommendations to Board				X		X				
16-Dec	Board: School closure decisions						X				
12/7-12/12	Site-based enrollment projections developed, appeals process begins (2nd week)	X							X		
	Draft of 2010-11 Budget Handbook published for review by Cabinet				X				X		
	Implementation of approved modifications to RBS policy and process								X		
12/7-12/12	BOE retreat: Discuss 2010-11 budget development calendar and Board study sessions (2nd week)				X	X	X	X			
12/21-12/25	Accounting begins revenue forecast for 2010-11 fiscal year (3rd week)								X		
12/28-12/31	RBB tool prepared with initial snapshot of current year labor and non-labor (4th week)								X		
12/14-12/18	SPSA - 2010-2011 Draft Action Plan	X		X							
Sept-Dec	SPSA - Fall Cycle of Inquiry and Planning: Evaluating Implementation of Key strategies with 09 CST, Fall Benchmark, Fall School Climate, and Fall PD data	X		X							
Dec-Feb	SPSA - Conduct SPSA/ RBB training	X		X					X		
Dec-Feb	SPSA - Conduct SPSA parent trainings	X		X							
Jan	Strategic Alignment: Phase II/ Decisions, Funding Reductions/ Re-alignment			X	X						
15-Jan	Options Window closes	X									
01/11-01/15	Accounting completes revenue forecast for 2010-11 fiscal year (2nd week)								X		
01/11-01/15	Governor releases state budget proposal (2nd week)								X		
01/18-01/22	1st Board study session held on 2010-11 budget (3rd week)					X	X	X			
01/18-01/22	Cabinet reviews Governor's budget proposal and prioritizes Central Office allocations (3rd week)				X				X		
01/18-01/22	Enrollment appeals process completed, enrollment finalized (Targets Set 3rd week)	X							X		
01/25-01/29	RBB allocations (Central and school) determined and loaded (Targets Set 4th week)								X		
01/25-01/29	Final draft of 2010-11 Budget Handbook published (4th week)								X		
	Central Office managers engage in program inquiry process; Principals/NExOs in results-based inquiry	X								X	
Jan-June	Student Assignment: Support transfers of students from closing schools									X	
	Finalize Enrollment Projections									X	
	Determine use for closing schools' facilities (School Closures)				X					X	
Jan-Feb	SPSA - Mid-year Cycle of Inquiry with 2010-11 draft SPSA and RBB/ cost implications	X		X							
Dec-Feb	SPSA - Conduct SPSA/ RBB training	X		X							
Dec-Feb	SPSA - Conduct SPSA parent trainings	X		X							
Feb	Strategic Alignment: Phase II/ Implementation Planning									X	
	Staffing model completed based on Governor's January budget									X	
02/01-02/05	RBB opened for schools and central office (1st week)	X								X	
02/08-02/26	RBB sessions held for schools complete by 3/1 (2nd to 4th week)	X								X	
Jan-June	Student Assignment: Support transfers of students from closing schools									X	
	RBB/SPSA trainings for schools; NExOs meet with schools to develop prelim SPSA/align budget	X								X	
	Generate school budgets based on finalized enrollment projections									X	
Dec-Feb	SPSA - Conduct SPSA/RBB training	X		X							
Dec-Feb	SPSA - Conduct SPSA parent trainings	X		X							
Feb-Mar	SPSA - Final Plan and budget with RBB tool	X		X					X		
Feb-Mar	SPSA - Provide technical assistance to Red schools/PI Y4 & Y5	X		X							

2010-2011 OUSD BUDGET DEVELOPMENT CALENDAR FOR ACADEMIC AND FISCAL SOLVER

Stakeholder Codes: S--Sites; P--Principals; E--
 C--Cabinet; BC--Board Committee; B--Board; F--
 S&F--State & Federal Compliance; HR--Human Resources
 Co--Community; TS--Tech Services; SPM--School Performance

Month	Task	S	P	ET	C	BC	B	FS	S&F
Mar									
	Strategic Alignment: Phase IV/ Implementation								
15-Mar	3/15 letters to certificated staff and consolidations submitted to HR			X	X			X	
03/08-03/26	RBB sessions held for central office complete by (2nd to 4th week)	X						X	
03/15-03/19	1st draft of District budget available (K-12 3rd week)							X	
	Budget completes matching of org keys in RBB (K-12)							X	
	Budget moves fiscal and personnel data from RBB to IFAS (K-12)							X	
Jan-June	Student Assignment: Support transfers of students from closing schools							X	
	Generate School Budgets Based on finalized enrollment projections							X	
Feb-Mar	SPSA - Final SPSA plan and budget with RBB tool	X		X				X	
Feb-Mar	SPSA - Provide technical assistance to Red schools/ PI Y4 & Y5	X		X					X
Apr									
	Strategic Alignment: Phase IV/ Implementation								
04/05-04/09	Fiscal Services validates budget data in IFAS, begins tech review for SACS (K-12 1st week)							X	
04/05-04/09	Targets are re-deliberated (1st week)				X			X	
04/12-04/16	Adjustments made as a result of deliberated targets (2nd week)							X	
04/18-04/23	Budget completes matching of org keys (3rd week)							X	
04/19-04/23	2nd Board study session held on 2010-11 budget (3rd week)					X	X	X	
04/26-04/30	Budget moves fiscal and personnel data from RBB to IFAS (Central Office 4th Week)							X	
	Generate school budgets based on finalized enrollment projections							X	
	Staff Reassignment (School Closures and Consolidations)							X	
04/26	Schedule of 2010-2011 budget inspection & hearing dates to ACOE							X	
Apr-Jun	SPSA - Collect SPSAs, review, and prepare for Board	X		X		X	X		X
May									
	Strategic Alignment: Phase IV/ Implementation								
05/10-05/14	Governor's May Revise budget released (2nd week)							X	
	Adjustment to allocations (as necessary)							X	
	Documents prepared for adoption budget submission to ACOE							X	
	Public inspection of drafty 2010-11 budget					X	X	X	
	Budget prepared for 1st reading							X	
Apr-Jun	SPSA - Collect SPSAs, review, and prepare for Board	X		X		X	X		X
June									
06/02	Budget adoption submitted to Board for review in 3rd week (Jun. 2nd)					X	X	X	
06/07-06/11	1st reading of 2010-11 adoption budget (2nd week)					X	X		
06/08	2010-2011 Budget publication					X	X		
06/11	2010-2011 Budget public inspection					X	X		
06/16	Final budget delivered for adoption						X	X	
08/16	Public Hearing for adoption						X		
	Documents finalized for adoption budget submission to ACOE							X	
Apr-Jun	SPSA - Collect SPSAs, review, and prepare for Board	X		X		X	X		X

OE 7: Financial Planning	CEO			Board		
	Compliance	Not in compliance	To Be Completed	Compliance	Not in compliance	To Be Completed
7.2 – Discloses fundamental budget-planning assumptions			X			
<p>Superintendent Interpretation: The Superintendent and staff interpret this to mean that all significant assumptions are disclosed to the Board in the County's required assumption worksheet for the Adopted Budget. The assumptions will include:</p> <ul style="list-style-type: none"> A. The Governor's May Revise which includes education-related proposals, Cost of Living Allowance (COLA) and any federal and state categorical funding B. Negotiated salary agreements C. Anticipated cost increases including but not limited to insurance and utilities (OPEN) D. Incorporation of recommendations from the District's most recent Multi-year Fiscal Sustainability Plan (MYFSP) (OPEN) E. Anticipated restricted local revenues including private donations F. Other significant revenue and expenditure assumptions 						
<p>Superintendent Indicators and Evidence of Compliance: The major budget assumptions noted above will be presented to the board and the public as part of the budget development process.</p>						

Appendices:

- 7.2A – Sample of Financial Projection Dashboard
- 7.2B – Status of Labor Agreements
- 7.2E – Sample of Local Resource Expenses
- 7.2F – 09-10 Multi-Year Projection Assumption Worksheet

Financial Projection Dashboard Per SSC
Updated 9-20-2008

<u>Factor</u>	<u>2009-10</u>
Statutory COLA (use for K-12 and COE Revenue Limits)	5.60%
Revenue Limit Deficits	4.71%
K-12	
COE	4.40%
Net Revenue Limit Change	5.60%
K-12	
COE	5.60%
SSC's Recommended Planning COLA	0.00%
Special Education COLA (on state and local share only) ¹	5.60%
State Categorical COLA (including adult education and ROC/P) ¹	5.60%
California CPI	2.80%
California Lottery ²	\$118.00
Base	
Prop 20	\$19.00
Interest Rate for Ten-Year Treasuries	4.00%

¹Based on Prior State Budgets, when the revenue limit receives a deficated COLA, the COLA's on special education and other categorical programs are no higher than the deficated COLA and are often lower.

²The forecast for Lottery funding per ADA includes both base (unrestricted) funding and the amount restricted by Proposition 20 (2000) for instructional materials.

SB. Status of Labor Agreements

Analyze the status of employee labor agreements. Identify new labor agreements, as well as new commitments provided as part of previously ratified multiyear agreements; and include all contracts, including all administrator contracts (and including all compensation). For new agreements, indicate the date of the required board meeting. Compare the increase in new commitments to the projected increase in ongoing revenues, and explain how these commitments will be funded in future fiscal years.

If salary and benefit negotiations are not finalized at budget adoption, upon settlement with certificated or classified staff:

The school district must determine the cost of the settlement, including salaries, benefits, and any other agreements that change costs, and provide the county office of education (COE) with an analysis of the cost of the settlement and its impact on the operating budget.

The county superintendent shall review the analysis relative to the criteria and standards, and may provide written comments to the president of the district governing board and superintendent.

S6A. Cost Analysis of District's Labor Agreements - Certificated (Non-management) Employees

DATA ENTRY: Enter all applicable data items; there are no extractions in this section.

	Prior Year (2nd Interim) (2008-09)	Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
Number of certificated (non-management) full-time-equivalent (FTE) positions	2,454.6	2,518.5	2,293.2	2,224.0

Certificated (Non-management) Salary and Benefit Negotiations

1. Are salary and benefit negotiations settled for the budget year?

No

If Yes, and the corresponding public disclosure documents have been filed with the COE, complete questions 2 and 3.

If Yes, and the corresponding public disclosure documents have not been filed with the COE, complete questions 2-5.

If No, complete questions 6 and 7.

Negotiations Settled

2a. Per Government Code Section 3547.5(a), date of public disclosure board meeting:

[]

2b. Per Government Code Section 3547.5(b), was the agreement certified by the district superintendent and chief business official?

[]

If Yes, date of Superintendent and CBO certification:

[]

3. Per Government Code Section 3547.5(c), was a budget revision adopted to meet the costs of the agreement?

[]

If Yes, date of budget revision board adoption:

[]

4. Period covered by the agreement:

Begin Date: []

End Date: []

5. Salary settlement:

Budget Year
(2009-10)

1st Subsequent Year
(2010-11)

2nd Subsequent Year
(2011-12)

Is the cost of salary settlement included in the budget and multiyear projections (MYPs)?

--	--	--

One Year Agreement
Total cost of salary settlement

--	--	--

% change in salary schedule from prior year:
or

[]

Multiyear Agreement
Total cost of salary settlement

--	--	--

% change in salary schedule from prior year
(may enter text, such as "Reopener")

--	--	--

Identify the source of funding that will be used to support multiyear salary commitments:

[]

Negotiations Not Settled

6. Cost of a one percent increase in salary and statutory benefits

1,540,081

7. Amount included for any tentative salary increases

Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
0	0	0

Certificated (Non-management) Health and Welfare (H&W) Benefits

- Are costs of H&W benefit changes included in the budget and MYPs?
- Total cost of H&W benefits
- Percent of H&W cost paid by employer
- Percent projected change in H&W cost over prior year

	Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
1. Are costs of H&W benefit changes included in the budget and MYPs?	Yes	Yes	Yes
2. Total cost of H&W benefits	26,965,488	29,182,123	31,545,874
3. Percent of H&W cost paid by employer	98%	99%	99%
4. Percent projected change in H&W cost over prior year	8.1%	8.1%	8.1%

Certificated (Non-management) Prior Year Settlements

Are any new costs from prior year settlements included in the budget?
If Yes, amount of new costs included in the budget and MYPs
If Yes, explain the nature of the new costs:

No		
----	--	--

Certificated (Non-management) Step and Column Adjustments

- Are step & column adjustments included in the budget and MYPs?
- Cost of step & column adjustments
- Percent change in step & column over prior year

	Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
1. Are step & column adjustments included in the budget and MYPs?	Yes	Yes	Yes
2. Cost of step & column adjustments	1,800,761	1,827,772	2,000,000
3. Percent change in step & column over prior year	1.5%	1.5%	1.5%

Certificated (Non-management) Attrition (layoffs and retirements)

- Are savings from attrition included in the budget and MYPs?
- Are additional H&W benefits for those laid-off or retired employees included in the budget and MYPs?

	Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
1. Are savings from attrition included in the budget and MYPs?	Yes	Yes	Yes
2. Are additional H&W benefits for those laid-off or retired employees included in the budget and MYPs?	No	No	No

Certificated (Non-management) - Other

List other significant contract changes and the cost impact of each change (i.e., class size, hours of employment, leave of absence, bonuses, etc.):

58B. Cost Analysis of District's Labor Agreements - Classified (Non-management) Employees

DATA ENTRY: Enter all applicable data items; there are no extractions in this section.

	Prior Year (2nd Interim) (2008-09)	Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
Number of classified (non-management) FTE positions	1,890.1	1,848.3	1,848.3	1,848.3

Classified (Non-management) Salary and Benefit Negotiations

1. Are salary and benefit negotiations settled for the budget year?
If Yes, and the corresponding public disclosure documents have been filed with the COE, complete questions 2 and 3.

No

If Yes, and the corresponding public disclosure documents have not been filed with the COE, complete questions 2-5.

If No, complete questions 6 and 7.

Negotiations Settled

2a. Per Government Code Section 3547.5(a), date of public disclosure board meeting:

2b. Per Government Code Section 3547.5(b), was the agreement certified by the district superintendent and chief business official?
If Yes, date of Superintendent and CBO certification:

3. Per Government Code Section 3547.5(c), was a budget revision adopted to meet the costs of the agreement?
If Yes, date of budget revision board adoption:

4. Period covered by the agreement: Begin Date: End Date:

5. Salary settlement:

	Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
Is the cost of salary settlement included in the budget and multiyear projections (MYPs)?			

One Year Agreement

	Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
Total cost of salary settlement			
% change in salary schedule from prior year			

Multiyear Agreement

	Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
Total cost of salary settlement			
% change in salary schedule from prior year (may enter text, such as "Reopener")			

Identify the source of funding that will be used to support multiyear salary commitments:

Negotiations Not Settled

6. Cost of a one percent increase in salary and statutory benefits

849,280

7. Amount included for any tentative salary increases

	Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
	0	0	0

Classified (Non-management) Health and Welfare (H&W) Benefits

1. Are costs of H&W benefit changes included in the budget and MYPs?
2. Total cost of H&W benefits
3. Percent of H&W cost paid by employer
4. Percent projected change in H&W cost over prior year

Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
Yes	Yes	Yes
9,184,631	9,928,588	10,732,602
99%	89%	88%
8.1%	8.1%	8.1%

Classified (Non-management) Prior Year Settlements

- Are any new costs from prior year settlements included in the budget?
If Yes, amount of new costs included in the budget and MYPs
If Yes, explain the nature of the new costs:

No		
----	--	--

Classified (Non-management) Step and Column Adjustments

1. Are step & column adjustments included in the budget and MYPs?
2. Cost of step & column adjustments
3. Percent change in step & column over prior year

Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
Yes	Yes	Yes
424,285	479,023	463,818
1.0%	1.0%	1.0%

Classified (Non-management) Attrition (layoffs and retirements)

1. Are savings from attrition included in the budget and MYPs?
2. Are additional H&W benefits for those laid-off or retired employees included in the budget and MYPs?

Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
Yes	Yes	Yes
No	No	No

Classified (Non-management) - Other

List other significant contract changes and the cost impact of each change (i.e., hours of employment, leave of absence, bonuses, etc.):

S8C. Cost Analysis of District's Labor Agreements - Management/Supervisor/Confidential Employees

DATA ENTRY: Enter all applicable data items; there are no extractions in this section.

	Prior Year (2nd Interim) (2008-09)	Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
Number of management, supervisor, and confidential FTE positions	546.6	720.5	720.6	720.5

Management/Supervisor/Confidential Salary and Benefit Negotiations

1. Are salary and benefit negotiations settled for the budget year?

No

If Yes, complete question 2.

If No, complete questions 3 and 4.

If n/a, skip the remainder of Section S8C.

Negotiations Settled

2. Salary settlement:

Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
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Is the cost of salary settlement included in the budget and multiyear projections (MYPs)?

Total cost of salary settlement

% change in salary schedule from prior year (may enter text, such as "Reopener")

Negotiations Not Settled

3. Cost of a one percent increase in salary and statutory benefits

666,053

4. Amount included for any tentative salary increases

Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)

Management/Supervisor/Confidential Health and Welfare (H&W) Benefits

- Are costs of H&W benefit changes included in the budget and MYPs?
- Total cost of H&W benefits
- Percent of H&W cost paid by employer
- Percent projected change in H&W cost over prior year

Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
--------------------------	----------------------------------	----------------------------------

Yes	Yes	Yes
9,244,971	9,993,814	10,803,313
99%	99%	99%
8.1%	8.1%	8.1%

Management/Supervisor/Confidential Step and Column Adjustments

- Are step & column adjustments included in the budget and MYPs?
- Cost of step and column adjustments
- Percent change in step & column over prior year

Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
--------------------------	----------------------------------	----------------------------------

Yes	Yes	Yes
321,811	325,130	328,381
1.0%	1.0%	1.0%

Management/Supervisor/Confidential Other Benefits (mileage, bonuses, etc.)

- Are costs of other benefits included in the budget and MYPs?
- Total cost of other benefits
- Percent change in cost of other benefits over prior year

Budget Year (2009-10)	1st Subsequent Year (2010-11)	2nd Subsequent Year (2011-12)
--------------------------	----------------------------------	----------------------------------

Yes	Yes	Yes
n/a	n/a	n/a
n/a	n/a	n/a

Resource/Budget/Revenue and Expense

As of Date: 10/16/2009

Site: *

Resource: 9* (Local Resources)

Fund: 01

Fd	Res	Resource Desc	Curr Entitl	Carry Over	Def Rev	Total Rev
				OBJ 8001,8005	OBJ 8291,8591,8698	D + E + F
01	9007	MINI GRANTS	-	8,500	-	8,500
01	9011	DONATIONS	411,817	70,916	-	482,733
01	9012	VIDEO TAPE ROYALTIES	-	3,257	-	3,257
01	9014	CA EDUCATION INITIATIVE FD	-	11,267	-	11,267
01	9017	BECHTEL	-	63,893	-	63,893
01	9022	MARCUS FOSTER	-	(1,020)	-	(1,020)
01	9026	SAN FRANCISCO FNDN	-	8,587	-	8,587
01	9027	Truancy & Attendance	-	23,971	-	23,971
01	9028	NATL COMMUNITY DEVELOP INSTITU	-	8,472	-	8,472
01	9041	ROTC	533,563	-	-	533,563
01	9047	Bldg Project Contributions	-	3,057	-	3,057
01	9057	EAST BAY COMMUNITY FOUNDATION	-	6,541	-	6,541
01	9058	STAFF DEVELOPMENT FEES	420	140,933	-	141,353
01	9059	PHILANTHROPIC VENTURES FNDN	-	3,311	-	3,311
01	9060	Broad Foundation	-	91,715	-	91,715
01	9083	SIERRA CLUB FNDN	-	4,058	-	4,058
01	9084	UNIVERSITY OF CALIF, L A	-	31,817	-	31,817
01	9092	SEMP MENTAL HEALTH /ACOE	946,397	-	-	946,397
01	9096	Music - Instruments	-	34,665	-	34,665
01	9115	MPR FINANCIAL CORPORATION	-	1,383	-	1,383
01	9116	ADV PLC FEE LOCAL PAYMENT	64,837	33,795	-	98,632
01	9122	BAYAREA COALITION FOR SCHOOLS	-	45,898	-	45,898
01	9123	REBATE PROGRAMS	-	139,023	-	139,023
01	9125	STUDENT ATTENDANCE REVIEW BOAR	-	5,185	-	5,185
01	9132	STATE STREET FOUNDATION	-	4,390	-	4,390
01	9150	MICHAEL & SUSAN DELL FNDN	700,000	-	-	700,000
01	9169	ERATE AT&T FED FUNDING	-	63,765	-	63,765
01	9171	READING IS FUNDAMENTAL	-	8,933	-	8,933
01	9172	THE CALIFORNIA ENDOWMENT	160,734	205,379	-	366,113
01	9173	DONOR ADVISED FUND/EBCF	670,500	-	-	670,500
01	9178	THE NEW TEACHER PROJECT	112,058	37,247	-	149,305
01	9179	DREYER'S GRAND ICE-CREAM	-	2,910	-	2,910
01	9180	MEASURE Y CITY OF OAKLAND	309,317	41,030	-	350,347
01	9181	REBATES, VARIOUS OTHER	-	-	-	-
01	9189	MR. OCTOBER FOUNDAT'N FOR KIDS	-	24,375	-	24,375
01	9196	Atlantic Philanthropies	777,125	280,373	-	1,057,498
01	9201	Kaiser Grants	75,000	70,867	-	145,866
01	9203	Nutrition/Garden Ed Prog. Coor	85,000	17,580	-	102,580
01	9206	Alam. Cty. Pub. Health-Health&Wel	80,000	-	-	80,000
01	9207	COLLEGE BOARD AFRICAN AMERICAN	-	46,924	-	46,924
01	9208	I.S. TECH SUMMER P.D.	140	-	-	140
01	9210	Middle School Mini Grant	-	6,000	-	6,000
01	9215	STEWARDSHIP COUNCIL	20,000	-	-	20,000
01	9220	Microsoft Settle Reimburse	900,000	-	56,687	956,687
			5,846,908	1,548,994	56,687	7,452,589

as of 6/15/09
at 9:45 pm

Oakland Unified School District
Multi-year Projection Assumption Worksheet – General Fund Only
2009/10 Adopted Budget

Under significant change, please identify program and describe the type of change, along with dollar amount. Do not just list the total dollar amt. of the change. Please list significant changes from the 08/09 2nd (or 3rd) Interim.

Due to the extraordinary circumstances of the budget, it is crucial that you fully explain all significant budget adjustments made to accommodate the anticipated reductions in revenue.

Revenue Limit	2010/11	2011/12
Estimated Enrollment	38,405	38,294
Estimated P-2 Actual ADA	36,373.38	36,268.25
Estimated Revenue Limit ADA	36,476.94	36,373.38
COLA	0.90%	2.40%
Deficit	17.967%	17.967%
Other Significant Chg: n/a	n/a	n/a
Federal Revenue	2010/11	2011/12
Reduction due to prior one-time monies:	(\$12.42 million)	\$0
<u>Unrestricted General Fund</u>		
<ul style="list-style-type: none"> American Recovery & Reinvestment Act (ARRA) – State Fiscal Stabilization Funds (SFSF): reduction of \$2.12 million used to help offset already budgeted expenses in 2009-10. ARRA – Individuals with Disabilities Education Act (IDEA) Funds: reduction of \$5.15 million used to help reduce contribution in 2009-10. 		
<u>Restricted General Fund</u>		
<ul style="list-style-type: none"> ARRA – IDEA Funds: reduction to available special education funds of \$5.15 million to help supplement program activities. 		
COLA	0.00%	0.00%
Significant Chg: n/a	n/a	n/a
State Revenue	2010/11	2011/12
Reduction due to prior one-time monies		
<u>Unrestricted General Fund</u>		
<ul style="list-style-type: none"> Tier III Categorical Programs: reduction of anticipated, unspent funds from 2008-09 used in 2009-10 fiscal year of \$3.87 million. 		
<u>Restricted General Fund</u>		
<ul style="list-style-type: none"> Teacher Recruitment & Student Support Program (TRSSP): end of grant cycle for 		

Oakland Unified School District
Multi-year Projection Assumption Worksheet – General Fund Only
2009/10 Adopted Budget

OUSD of \$116,000.		
COLA	%	%
Deficit	%	%
Significant Chg:		
Assumes continued flexibility of state's deferred maintenance match to supplement unrestricted, General Fund budgeted expenses in amount of \$1,426,072.		
Assumes continued flexibility of contribution to routine, restricted maintenance (RRMA) to be below 3% in amount of \$9,468,912.		
Local Revenue	2010/11	2011/12
Reduction due to prior one-time monies		
<u>Unrestricted General Fund</u>		
<ul style="list-style-type: none"> Measure G: use of one-time, carryover monies from 2008-09 to be used in 2009-10 fiscal year in amount of \$804,776. 		
<u>Restricted General Fund</u>		
<ul style="list-style-type: none"> Expect Success and Dell Foundation: use of one-time, carryover monies from 2008-09 to be used in 2009-10 fiscal year in the amount of \$2,299,333. 		
COLA	0.00%	0.00%
Significant Chg:		

Districts with Charter Schools	2010/11	2011/12
Projected P-2 Charter ADA	7,627.57	7,868.68
If declining enrollment, net shift in Charter ADA: <i>(district resident ADA newly transferred to charter in current year, less district resident ADA previously enrolled in charter returning to district in current year)</i>	0.00	0.00

Certificated Salaries	2010/11	2011/12
Step & Column %	1.80%	1.80%
Step & Column \$	\$2,007,495	\$1,953,392
NOTE: does not include certificated management positions		
Change in FTE: Increase/(Decrease)		
Salary COLA included: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	n/a	n/a
Salary COLA \$	\$0.00	\$0.00
Average Teacher Salary	\$44,241	\$42,375
Attrition saving included? Yes How much?	\$3,573,707	\$3,618,970

Oakland Unified School District
Multi-year Projection Assumption Worksheet – General Fund Only
2009/10 Adopted Budget

Any Other Significant Change?	\$	\$
Include assumption regarding raising class size and elimination of teacher FTE for 10-11 and 11-12.	\$	\$
Classified Salaries	2010/11	2011/12
Step & Column %	1.09%	1.09%
Step & Column \$	\$433,679	\$438,407
Change in FTE: Increase/(Decrease)		
Salary COLA included: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	n/a	n/a
Salary COLA \$	\$0.00	\$0.00
Attrition/Retirement savings included? No. How much?	\$0.00	\$0.00
Any Other Significant Change?	\$	\$
	\$	\$
Benefits	2010/11	2011/12
Certificated Total Statutory Benefit %	34%	34%
Classified Total Statutory Benefit %	55%	55%
Change in Health Benefits % Budgeted	8.07%	8.07%
Significant Chg: n/a	n/a	n/a
	\$	\$
Books & Supplies	2010/11	2011/12
Reduction due to prior one-time monies	\$	\$
COLA	1.70%	2.10%
Significant Chg:	\$	\$
Reductions as a result of one-time revenues.	\$	\$
	\$	\$
Services & Other Operating Expenses	2010/11	2011/12
Reductions as a result of one-time revenues.	\$	\$
	\$	\$
Capital Outlay	2010/11	2011/12
n/a	n/a	n/a
	\$	\$
Use of Prior Designated Reserves	2010/11	2011/12
	\$	\$
	\$	\$

OE 7: Financial Planning	CEO			Board		
	Compliance	Not in compliance	To Be Completed	Compliance	Not in compliance	To Be Completed
7.3 – Provides all schools with guided budget development authority.			X			
<p>Superintendent Interpretation: The Superintendent and staff interpret this to mean that the Results Based Budgeting (RBB) development process will allow the autonomy at all sites.</p>						
<p>Superintendent Indicators and Evidence of Compliance: Administration and distribution of an annual RBB handbook is utilized as a tool that enables the sites to make fiscally responsible decisions.</p>						

Appendices:

7.3.1 – OUSD School Handbook Cover and Table of Contents



OUSD School Budget Handbook

2009-10

February 9, 2009

2009-10 OUSD School Budget Handbook

7.3.1
Page 2 of 2

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OE 7: Financial Planning	CEO			Board		
	Compliance	Not in compliance	To Be Completed	Compliance	Not in compliance	To Be Completed
7.4 – Is presented in a design and format that allows the Board of Education and the general public to easily recognize the relationship between the budget and the strategic work priorities established to achieve the District’s Results and Operational Expectations policies.			X			
<p>Superintendent Interpretation: The Superintendent and staff interpret this to mean that the key components of the Annual Budget will be summarized and presented to the Board. The Annual Budget, as adopted, is required to be in the California State Accounting Code Structure (SACS), and is very detailed and voluminous (over 150 pages). Accordingly, the Chief Financial Officer will summarize the budget by explaining total General Fund revenues and expenditures, and its assumptions, as well as a general summary of the other main funds of the District. The relationship between the budget and the <i>Results</i> priorities and the <i>Operational Expectations</i> goals for the year will be presented to the Board by showing the following:</p> <ul style="list-style-type: none"> A. Percentage of funds allocated to the instructional program as compared to other operating expenditures (OPEN) B. Attendance statistics over time C. Allocation of additional revenue (OPEN) D. Dedicated resources to major district strategies E. Other related information (OPEN) 						
<p>Superintendent Indicators and Evidence of Compliance: The Superintendent and staff presented the Adoption budget at a board meeting in June in accordance with ACOE and CDE deadlines.</p>						

Appendices:

7.4B – Sample of Attend and Achieve Goals Attendance Summary

7.4D – SiSwun Budget

OAKLAND UNIFIED SCHOOL DISTRICT
Financial Services Division

Issued By: Financial Services Division: Attendance Accounting
Report Title: Attend and Achieve Goals
Purpose: To summarize attendance statistics for the last three years.
Methodology: Total number of actual days of attendance divided by maximum possible days
Report Period: 2006-2007 through 2008-2009

Attend and Achieve Goals

Level	2006-2007	2007-2008	2008-2009
	Attendance	Attendance	Attendance
Elementary	95.15%	95.08%	95.34%
Middle	94.55%	94.35%	94.28%
High School	91.87%	93.67%	92.95%
Alternative Education	88.96%	89.48%	90.01%
District	94.15%	94.50%	94.52%

Source: Monthly Attendance Summary Totals Report

SiSwun Budget		Title I	Prog. Imp.	Title 2
		Res 3010	Res 3185	Res 4035
1900	Other Cert - Coaches w/ benefits	\$ 1,000,753		
1120	Teacher Stipendw/ benefits	294,826		
1150	Substitute Cost w/ benefits	168,480		
4xxx	Supplies & Surplus			
5825	Consultants - Swun Contract	325,695	1,137,289	295,000
Total SiSwun Budget		\$ 1,789,754	\$ 1,137,289	\$ 295,000
5715	School Site Contribution	(1,223,500)		
Net Central Office Cost		\$ 566,254	\$ 1,137,289	\$ 295,000

7.4D

		Total
		\$ 1,000,753
		294,826
		168,480
		-
		-
00		1,757,984
00		\$ 3,222,043
		(1,223,500)
00		\$ 1,998,543

OE 7: Financial Planning	CEO			Board		
	Compliance	Not in compliance	To Be Completed	Compliance	Not in compliance	To Be Completed
<p>7.5 – Is presented in a design and format that allows the Board of Education and the general public to easily recognize changes in revenues, expenditures, student enrollment, student average daily attendance, and number of employee positions between the most recently completed fiscal year, the current fiscal year, and the next fiscal year.</p>			X			
<p>Superintendent Interpretation: The Superintendent and staff interpret this to mean that there will be an easy to read comparative report in the following budget categories:</p> <ul style="list-style-type: none"> A. Revenues (OPEN) B. Expenditures (OPEN) C. Student Enrollment (OPEN) D. Student Average Daily Attendance (OPEN) E. Employee Positions (OPEN) 						
<p>Superintendent Indicators and Evidence of Compliance: District staff will provide the Board and the public with financial reports by the SACS major object codes that detailed projected expenditures and budgets for the most recently completed fiscal year, the current fiscal year, the budget year and the difference between the current year and budget year. Staff will developed a budget format which will provide the same information by Function categories as listed in the "Interpretation" above. Staff will focus on "Key Budget Indicators" for the Board to monitor to ensure that District financial sustainability is maintained. Explanation of significant fluctuations will be indicated.</p>						

Appendices:

OE 7: Financial Planning	CEO			Board		
	Compliance	Not in compliance	To Be Completed	Compliance	Not in compliance	To Be Completed
7.6 – Is presented in a design and format that allows the Board of Education and the general public to easily understand budget details for each individual school and District department.			X			
<p>Superintendent Interpretation: The Superintendent and staff interpret this to mean budget information for each site and department will be presented to include applicable revenues by resource, expenditures by major object code, FTE's by object code, student profile and enrollment data for current and budget year and other relevant data.</p>						
<p>Superintendent Indicators and Evidence of Compliance: The production of a one page per site budget summary included in the district-wide booklet, produced and distributed in the fall of the budget year.</p>						

Appendices:

7.6.1 – Sample of Site Budget Summary



ALLENDALE

Site #: 101

Site Type: Elementary

KEY INDICATORS

2008-09 Non-SDC Students:	477	2008-09 Total Unrestricted Allocation:	\$2,309,703
2008-09 SDC Students:	10	2008-09 Total Categorical Allocation:	\$519,120
2007-08 Average Daily Attendance	94.6%	2008-09 Total Prelim Allocation Per Student:	\$5,930

REVENUE SOURCES

#	Resource	2007-08 Budget	2008-09 Budget	Change (%)	Change (\$)	Narrative	
	Unrestricted (0000-1999)	\$2,246,881.22	\$2,309,703.33	2.8%	\$ 62,822.11	There are two major "buckets" of revenue. There are unrestricted and restricted resources. Also known as categorical programs, each of the restricted resources has specific guidelines that must be followed in order to expend the money.	
	Total - All Resources	\$3,296,322.14	\$2,828,823.34				
0000	General Purpose	\$3,816.66	\$3,842.34	0.7%	\$ 25.67	The major restricted resources such as Title I, SEA, and the SLIBG there appears to be large reductions from 2007-08 to 2008-09. This appears to be the case because carryover funds are reflected in the 2007-08 totals.	
1300	Class Size Reduction	\$573.47	\$671.53	17.1%	\$ 98.06		
4124	Title IV: 21st CCLC	\$210.46	\$0.00	-100.0%	\$ (210.46)		
7090	Economic Impact Aid (SCE)	\$250.93	\$168.69	-32.8%	\$ (82.24)		
7394	Targeted Instr Improve Grant	\$0.00	\$0.00	0.0%	\$ -		
7400	QEIA	\$0.00	\$0.00	0.0%	\$ -		
	Per Student - All Resources	\$7,325.16	\$5,930.45	-23.5%	\$ (1,394.71)		
							Carryover will not be loaded for 2008-09 until September 2008.

EXPENDITURES

#	Major Object Code	2007-08 Budget	2008-09 Budget	Change (%)	Change (\$)	Narrative
1000	Certificated Salaries	\$3,588	\$3,439	-4.1%	\$ (148.53)	There are six major expenditure categories. The first three - certificated salaries, classified salaries, and employee benefits - represent planned expenses for staff. The last three categories are non-staff expenses for items such as books and supplies.
3000	Employee Benefits	\$1,237	\$1,383	11.8%	\$ 145.66	
5000	Services, Other Operating	\$1,418	\$702	-50.5%	\$ (715.79)	
	Total - All Object Codes	\$7,317.49	\$5,930.45	-23.4%	\$ (1,387.04)	

2008-09 PROJECTED PERSONNEL (FTEs)

#	Personnel Description	Unrestricted Funded FTE		Categorical Funded FTE		Total Funded FTE	
		2007-08	2008-09	2007-08	2008-09	2008-09	Change (#)
1105	Teachers	23.8	24.3	0.0	0.3	24.6	0.8
1305	Supervisor & Administrative	1.0	1.0	0.0	0.0	1.0	0.0
2105	Instructional Aides	0.0	0.0	1.0	0.0	0.0	-1.0
2305	Clerical Staff	0.0	0.0	0.0	0.0	0.0	0.0
	Total - All Object Codes (2)	28.2	28.5	5.2	3.7	32.1	-1.3

Narrative

Human resources represent a large portion of a school district's budget. Full-time equivalents or FTEs is the typical manner that California accounts for school district staff. It is important to understand that there may be a larger number of personnel working at a school site throughout the day than the number of FTE reported for that school. The reason is because some personnel do not work the entire day or week at a school site. Therefore, they represent a fraction, for example 0.89 FTE.

STUDENT PROFILE

Student Type (%)	2006-07	2007-08
Free- / Reduced-Price Lunch (FRPL)	79.8%	72.0%
English-Language Learner (ELL)	46.8%	47.8%

ENROLLMENT

Year	Enrollment	ADA %
2006-07	396	94.8%
2007-08	477	94.6%
2008-09	477	N/A

Notes: (1) Other resources refers to school-based resources that are a small portion of the total site revenue or will be loaded as carryover dollars in September 2008. Examples include the ELAP, PD Block Grant, Discretionary Block Grant, Arts Music PE Supp BG, and the Instructional Materials and Education Technology Grant.

(2) Sum of FTEs at the school site are as of May 2008 and do not reflect any changes as a result of the Governor's May revised budget.

OE 7: Financial Planning	CEO			Board		
	Compliance	Not in compliance	To Be Completed	Compliance	Not in compliance	To Be Completed
7.7 – Is balanced and maintains a cash reserve for Economic Uncertainties in an amount equal to 3% of the District’s combined unrestricted and restricted General Fund revenues.			X			
<p>Superintendent Interpretation: The Superintendent and staff interpret this to mean the District will calculate the reserve for economic uncertainty based on the total general fund for unrestricted and restricted expenditures plus transfers out. Currently the required reserve is 2% but the District will seek to increase the reserve to 3% as financial conditions improve.</p>						
<p>Superintendent Indicators and Evidence of Compliance: Evidence is the percentage of balance designated for economic uncertainty noted for all reporting periods as specified in the Interims, Adopted Budget, and Unaudited Actuals.</p>						

Appendices:

7.7.1 – Sample of Reserve for uncertainty Review

OE-7.7		First Interim	Adopted	Unaudited
Reserve for Uncertainty Review		2009-10	2009-10	2008-09
Reserve For Economic Uncertainty	A		\$ 8,391,976	\$ 13,138
Total Fd 1 Exps, Trans Out & Uses	B		\$ 419,598,798	\$ 437,955
	A/B=C		2%	
Needed for 3%	3%xB=D		\$ 12,587,964	\$ 13,138
Difference (Short)	A-D=E		\$ (4,195,988)	\$

7.7.1

Act	Unaudited Act
	2008-10
,671	\$ 8,913,455
,694	\$ 457,598,716
3%	2%
,671	\$ 13,727,961
0	\$ (4,814,506)

OE 7: Financial Planning	CEO			Board		
	Compliance	Not in compliance	To Be Completed	Compliance	Not in compliance	To Be Completed
7.8 – Discloses the status of the District’s Self-Insurance Fund, and all short-term and long-term debt, and unfunded liabilities.			X			
<p>Superintendent Interpretation: The Superintendent and staff interpret this to mean that the District will receive periodic reports on all self insured activities and will receive full disclosure for all District indebtedness both actual and anticipated.</p>						
<p>Superintendent Indicators and Evidence of Compliance: All of the District’s self insured activities will be disclosed by providing reports at public Board meetings. The district will provide an Actuarial Report to identify the estimated unfunded liability for Worker’s Compensation and the Post Employment Benefits other than pensions (OPEB). Evidence of this is reported in the criteria and standards review at the interim reporting periods.</p>						

Appendices:

7.8.1 – Sample of Long Term Commitments

7.8.2 – Sample of Worker’s Compensation Program Review

96. Long-term Commitments

Identify all existing and new multiyear commitments* and their annual required payment for the current fiscal year and two subsequent fiscal years.

Explain how any increase in annual payments will be funded. Also, explain how any decrease in funding sources used to pay long-term commitments will be replaced.

* Include multiyear commitments, multiyear debt agreements, and new programs or contracts that result in long-term obligations.

96A. Identification of the District's Long-term Commitments

DATA ENTRY: If First Interim data exist (Form 01CSI, Item 96A), long-term commitment data will be extracted and it will only be necessary to click the appropriate button for item 1b. Extracted data may be overwritten to update long-term commitment data in item 2, as applicable. If no First Interim data exist, click the appropriate buttons for items 1a and 1b, and enter all other data, as applicable.

1. a. Does your district have long-term (multiyear) commitments?
(If No, skip Items 1b and 2 and sections 96B and 96C)
- b. If Yes to item 1a, have new long-term (multiyear) commitments been incurred since first interim projections?
2. If Yes to item 1a, list (or update) all new and existing multiyear commitments and required annual debt service amounts. Do not include long-term commitments for postemployment benefits other than pensions (OPEB); OPEB is disclosed in item 97A.

Type of Commitment	# of Years Remaining	SACS Fund and Object Codes Used For:		Principal Balance as of July 1, 2008
		Funding Sources (Revenues)	Debt Service (Expenditures)	
Capital Leases	17			59,630,000
Certificates of Participation	15			21,815,000
General Obligation Bonds	23			563,860,000
Supp Early Retirement Program	N/A			
State School Building Loans	2			31,331
Compensated Absences	7			4,596,022

Other Long-term Commitments (do not include OPEB):

Emergency Apportionment	18			32,028,611
Charter School Loan	1			50,000
Self Insurance Obligation				40,904,807

Type of Commitment (continued)	Prior Year (2007-08) Annual Payment (P & I)	Current Year (2008-09) Annual Payment (P & I)	1st Subsequent Year (2009-10) Annual Payment (P & I)	2nd Subsequent Year (2010-11) Annual Payment (P & I)
Capital Leases	2,150,000	5,137,621	514,010	536,339
Certificates of Participation	2,835,000	11,856,259	450,000	500,000
General Obligation Bonds	13,403,805	25,968,905	13,151,105	23,416,105
Supp Early Retirement Program				
State School Building Loans	15,525	16,525	15,525	0
Compensated Absences				

Other Long-term Commitments (continued):

Emergency Apportionment	2,094,903	2,094,903	2,094,903	2,094,903
Charter School Loan	50,000	50,000	0	0
Self Insurance Obligation				
Total Annual Payments:	20,349,033	45,122,913	16,225,543	26,546,347
Has total annual payment increased over prior year (2007-08)?		Yes	No	Yes

From: Pauline Williams
Sent: Wednesday, October 14, 2009 11:55 AM
To: Tina Regueiferos
Cc: Reginald L Crowell
Subject: RE: OE-7

Hi Tina,

Per your request, Risk Management is forwarding a copy of the following information to your office:

ACTUARIAL - December 26, 2007 (the next report is not due before
December, 2009)
Post Employment Benefits Other than Pensions (OPEB)
Status of Workers' Compensation Program

Feel free to contact me should you have further questions.

Pauline

Pauline Williams
Administrative Assistant
OUSD Risk Management Department
1025 2nd Avenue, Room 115A
Oakland, CA 94606
510.879.8417 Fax 510.879.1837

Espere éxito; Cada aula, cada alumno, cada día

This message (including any attachments) contains business proprietary/confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message. Any disclosure, copying, or distribution of this message, or the taking of any action based on it, without the express permission of the originator is strictly prohibited.

Oakland Unified School District

An Actuarial Review of the Workers' Compensation Program

BAY ACTUARIAL CONSULTANTS
Moraga, California
December 26, 2007

Bay Actuarial Consultants

December 26, 2007

Mr. Reginald L. Crowell
Risk Manager
Oakland Unified School District
1025 Second Avenue, Suite 112
Oakland, CA 94606

Dear Mr. Crowell:

We are pleased to present Bay Actuarial's Review of the Oakland USD's workers' compensation program. We appreciate the opportunity to serve Oakland.

If you have any questions, please call me at (925) 377-5269.

Respectfully,

BAY ACTUARIAL CONSULTANTS



Jack Joyce, FCAS, MAAA
Principal

Oakland Unified School District

An Actuarial Review of the Workers' Compensation Program

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Liability for Unpaid Losses

We estimate that Oakland's liability for unpaid losses was **\$35,641,000** on June 30, 2007, undiscounted, or **\$29,122,000** if discounted at 3% interest. This estimate does not include the liability for unpaid claims handling fees (unallocated loss adjustment expense, or "ULAE"). We estimate the ULAE liability at \$2,143,000 undiscounted, or \$1,751,000 discounted at 3% interest. In Figure 4 we have broken out the net losses for 1997-98 through 2006-07 into their components of losses paid to date, case reserves, and the estimated IBNR liability as of Jun 30, 2007. Figure 4 does not show ULAE.

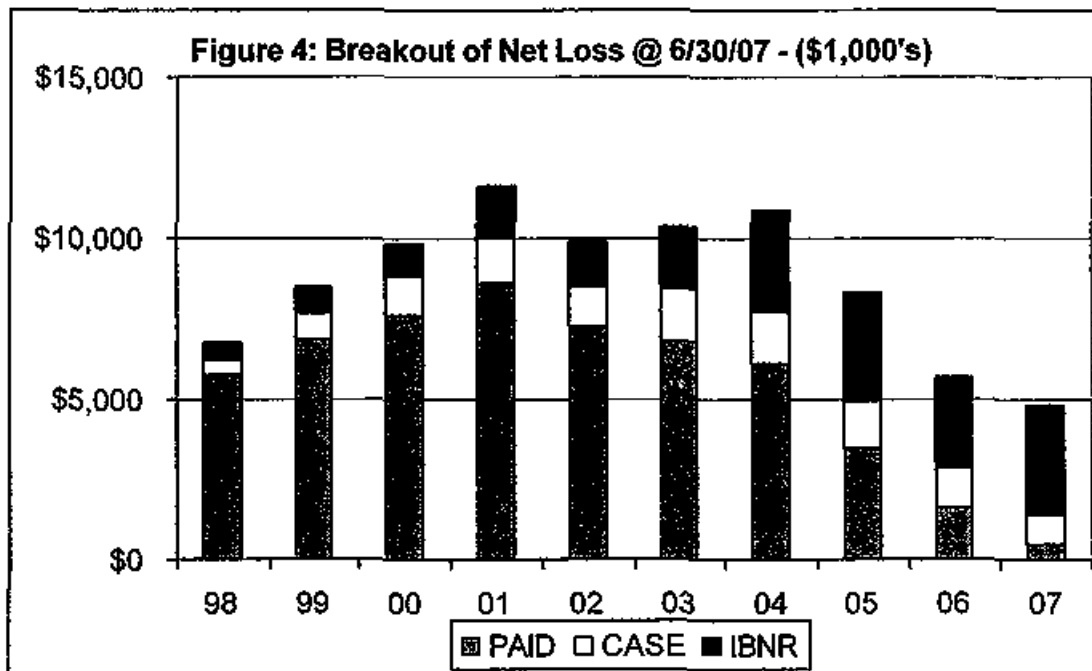


Table IV shows various confidence levels for the estimated June 30, 2007 liability, excluding ULAE.

Table IV: Estimated Liability for Unpaid Losses as of June 30, 2007		
Confidence Level	Undiscounted Losses	Discounted at 3% Interest
Expected	\$35,641,036	\$29,122,248
70%	38,492,319	31,452,028
80%	41,343,602	33,781,808
90%	45,620,525	37,276,477

Short-Term Liability

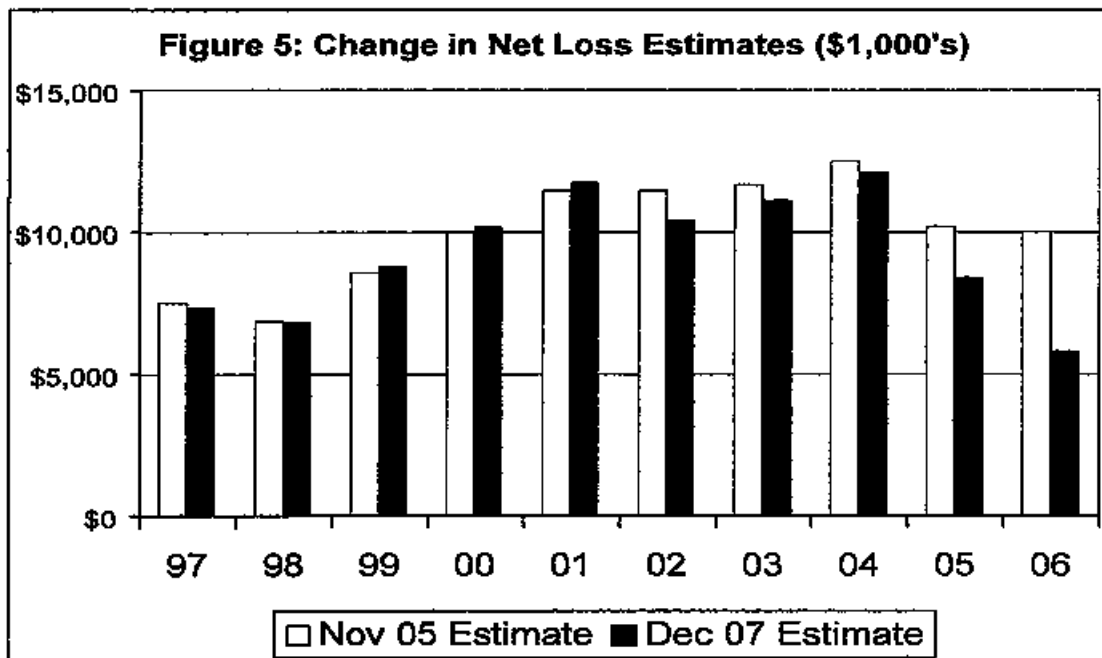
Short-term liabilities are those expected to be discharged within twelve months. The total 6/30/07 liability of \$25,641,000 comprises \$6,259,000 short-term and \$29,382,000 long-term. The discounted amounts are \$6,167,000 and \$22,955,000.

Comparison with Other K-12's

The OUSD's projected unlimited 2007-08 loss rate is \$2.83 per \$100 of payroll. This is 70% higher than the \$1.66 we project as the average 2007-08 rate for California K-12's. This is caused by OUSD's high claim frequency. The OUSD's frequency is much higher than the California K-12 average.

Comparison with November 2005 Actuarial Report

Our prior actuarial report was based on claims data evaluated as of June 30, 2005. The current report is based upon claims data evaluated as of November 30, 2007, so twenty-nine months have elapsed. Figure 5 shows the changes in the net loss estimates by program year.



The changes were minor up to the 2004-05 program year, where the estimate fell by \$1.8 million. In the 2005-06 program year the change was huge as the estimated losses fell from \$10.1 million to \$5.8 million.

Workers' Compensation Reform Legislation

The State enacted several pieces of legislation in 2003 and 2004 that turned out to have been very effective in reducing workers' compensation costs. There is no doubt that some of the improvement that OUSD has enjoyed is due to the effects of reform. We have seen continuous improvement in the loss rates of almost every California client for at three years in a row. However the latest statewide data (June 30, 2007) that we have been able to analyze suggests that the benefits of reform may have finally run their course, and that costs may be starting to increase once again.

