



OAKLAND UNIFIED  
SCHOOL DISTRICT

*Community Schools, Thriving Students*

# Summarizing OUSD's Financial Challenge

## Background for Constituent Engagement



Presented January 31, 2026

# Challenge: More Commitments than revenue

## Summary

- ◆ We are spending more “Unrestricted” Resources than we bring in (deficit spending).
- ◆ The deficit spending is caused by a structural deficit in our Unrestricted “Base” Resources
- ◆ As pandemic-era resources expired, we have “covered” deficits primarily by depleting savings, threatening our required emergency fund reserves.
- ◆ Without change, we risk a return to State Receivership due to failing to meet State requirements and ultimately requiring a loan to meet financial commitments (e.g. employee compensation over \$40M per month).

# Deficit-Spending in Unrestricted Resources

Multi-Year Projection - Unrestricted General Fund (\$Millions)\*

## Budget

	2025-26	2026-27	2027-28
Revenues	\$ 522.6	\$ 535.7	\$ 553.0
Expenditures & Uses	\$ 559.4	\$ 628.7	\$ 643.4
Deficit or Surplus	<b>\$ (36.8)</b>	<b>\$ (93.0)</b>	<b>\$ (90.4)</b>

## Savings

Starting Balance	\$ 55.8	\$ 19.0	\$ (74.0)
Deficit or Surplus	\$ (36.8)	\$ (93.0)	\$ (90.4)
Ending Balance	<b>\$ 19.0</b>	<b>\$ (74.0)</b>	<b>\$ (164.4)</b>

\* Multi-Year Projections based on First [Interim Financial Report](#) presented December 10, 2025.

# Structural deficit in \$362.2M of “Base” Unrestricted\*

Category	Description	Cost (\$M)	Balance (\$M)
School Budgets	Teachers, Principals, Attendance workers, Books & Supplies and Services	\$213.2	\$149.0
Contributions	Contributions to Transportation, Special Education Services, Ongoing Major Maintenance, Contributions into Base	\$135.1	<b>\$13.9</b>
Central Services	Custodians, Software, Utilities, Human Resources, Security, Payroll, Maintenance	\$96.5	<b>-\$82.6</b>

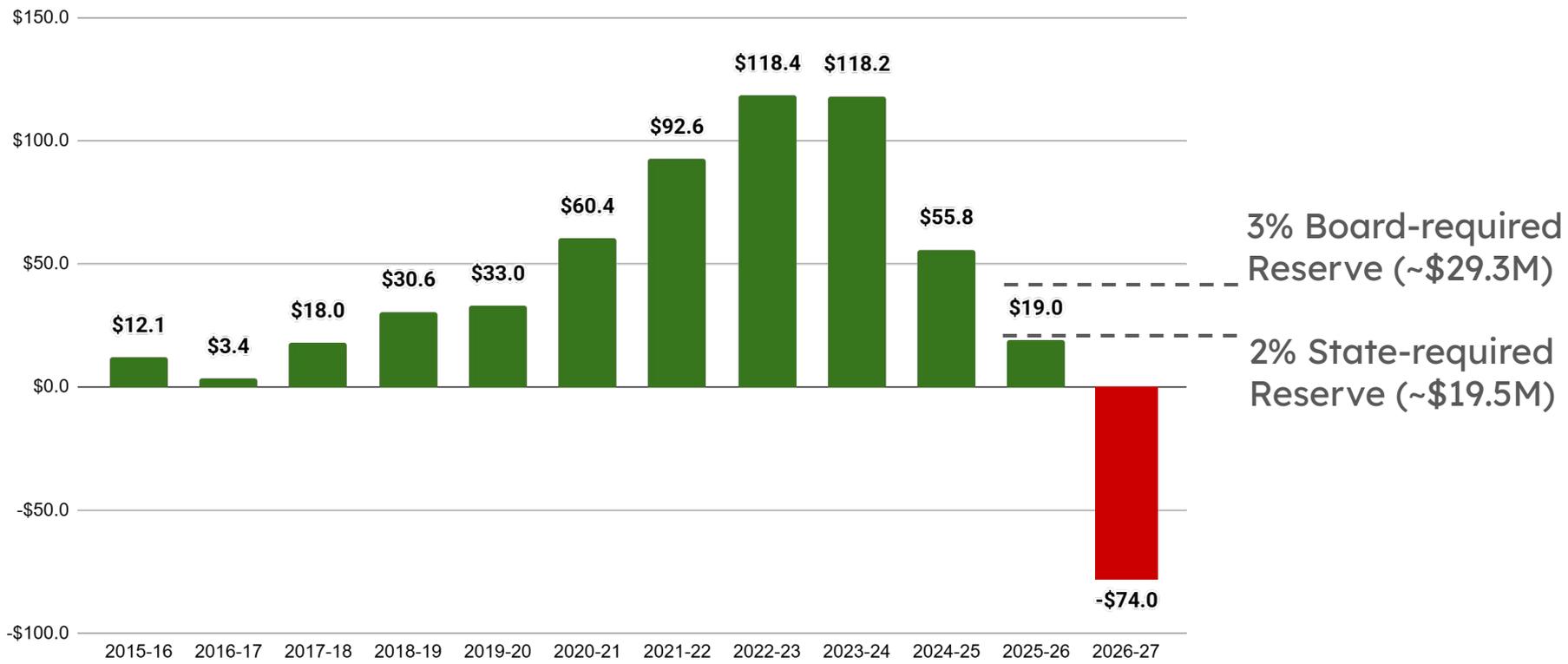
## Takeaway

After funding most of school operations, there is only **\$13.9M** of Base left and an **\$82M structural deficit** after adding Central Services like Utilities, HR, Payroll, Custodial Services, Legal and the rest of Central Services.

\* 2025-26 Budget. Home-to-school transportation component removed from initial \$362.2M in revenue, but added in Transportation contribution.

# Depleting Savings Threatens Reserves

Unrestricted Ending Fund Balance 2015-16 to 2026-27 (Millions)\*



\* 2015-16 through 2024-25 based on unaudited actuals for the year. 2025-26 and 2026-27 amounts based on Multi-Year Projection (MYP) in 2025-26 [First Interim Financial Report](#) (Dec 2025).

# Appendix

# Financial Shortfalls - Simple Framework

## Why do they happen?

Spending is increasing faster than the money needed to support it.

## What can you do about it?

**Increase Revenue**

(money coming in)

**Borrow Money**

(pay later)

**Decrease Spending**

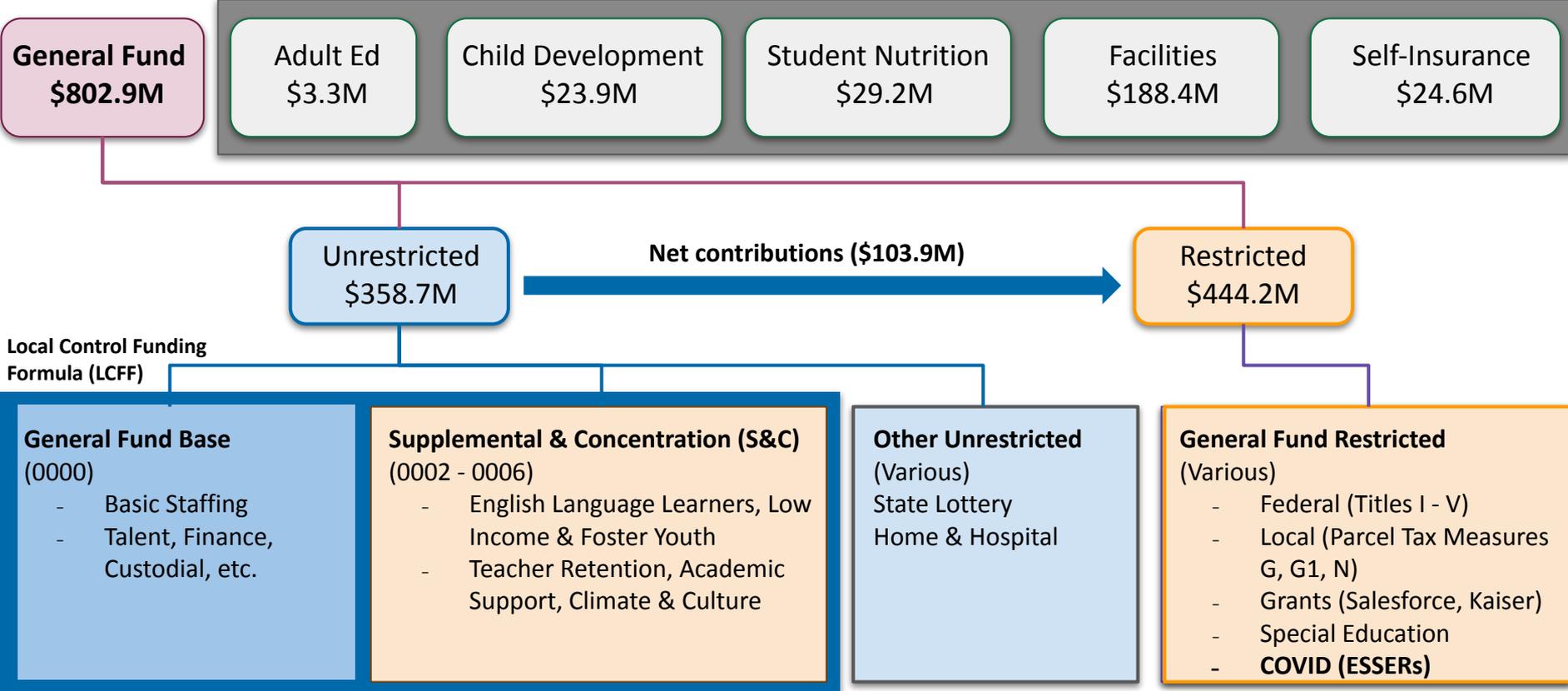
(money going out)

**Deplete Savings**

(reduce savings)

# OUSD's Annual Budget (\$1B+) consists of several "Funds"

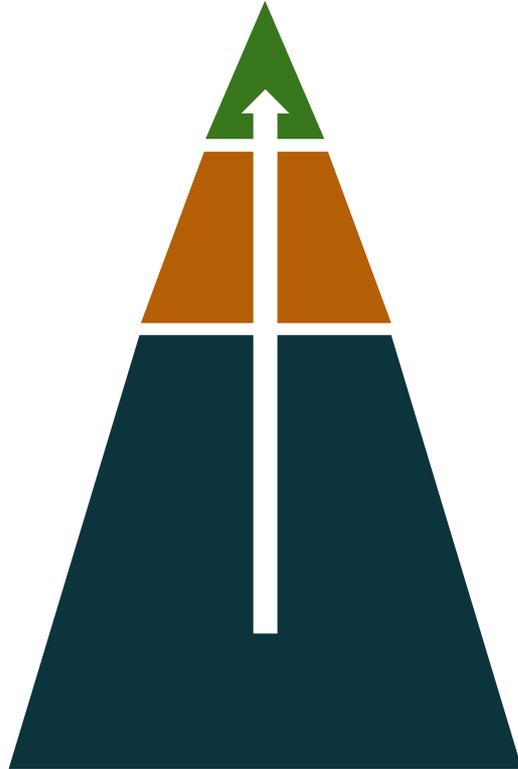
Restricted Funds



\* Projected 2023-24 Expenditures as of Adopted Budget (June 28, 2023)

# Wait! Unrestricted is not all the same

Structure of the Local Control Funding Formula (LCFF)\* - 97% of Unrestricted Revenue



**Concentration Grant:** Add-on to the Base Grant for districts with more than 55% of all students in a high need group to increase or improve services to those students.

**Supplemental Grant:** Add-on to Base Grant to increase or improve services for each high need student (low-income, foster youth, or an English learner)

**Base Grant:** Base grant to support all students and basic operations of school districts

\* Beyond the “formula” there are other designated monies for services like student transportation and home & hospital services.

# Wait! Unrestricted is not all the same

The Unrestricted General Fund is made up of several resources that fall within an object Range of 0000-1999. Each resource has a purpose and is essentially restricted, yet more flexible. This is why we say the entire Fund Balance is NOT eligible to spend on every expense.

**Fiscal27a Fund / Resource Transaction Summary**

As of 06/30/2025		Fiscal Year 2024/25 Actuals			
Resource	Beginning Balance	Revenue Activity	Expense Activity	Net Activity	Resulting Balance
<b>Fund 010 - General Fund</b>					
0000 General Purpose-unrestricted	63,219,452.29	189,728,203.54	249,531,526.52	59,803,322.98-	3,416,129.31
0002 Unrestricted Supplemental	.00	17,573,524.37	17,573,524.37	.00	.00
0004 Central Concentration	.00	37,165,005.85	37,165,005.85	.00	.00
0005 Central Supplemental	.00	35,341,806.13	35,341,806.13	.00	.00
0006 S&C Carryover	30,657,672.17	24,294,175.65	19,734,339.38	4,559,836.27	35,217,508.44
0007 One-time Addtl Budget	6,455,967.26	16,209.95	2,715,982.63	2,699,772.68-	3,756,194.58
0020 Home & Hospital	.00	635,267.31	635,267.31	.00	.00
0039 Charter Leases & Repairs	.00	303,352.57	303,352.57	.00	.00
0040 AB1840 Unrestricted	4,831,198.51	10,008,000.00	3,179,547.97	6,828,452.03	11,659,650.54
0041 AB1840 School Consolidation	10,008,000.00	10,008,000.00-	.00	10,008,000.00-	.00
0050 Employees On Loan	.00	490,261.50	490,261.50	.00	.00
0071 Facility Rent	.00	611,889.64	611,889.64	.00	.00
0095 Charter School Admin Office	.00	1,429,642.16	1,429,642.16	.00	.00
0100 Release Time Subs	.00	104,989.79	104,989.79	.00	.00
0120 BlackThrivingCommunity	1,622,513.34	.00	541,029.47	541,029.47-	1,081,483.87
0710 LCFF TK Funding	.00	3,085,062.00	2,382,465.22	702,596.78	702,596.78
0720 Unrestricted Transportation	.00	17,023,131.65	17,023,131.65	.00	.00
0940 BOE Initiatives	.00	11,669.70	.00	11,669.70	11,669.70
1100 State Lottery	278,959.79	6,520,477.34	6,798,437.13	278,959.79-	.00
1400 Prop 30 Education Protect Act	.00	44,292,821.00	44,292,821.00	.00	.00
<b>Total for Org</b>	<b>117,973,763.36</b>	<b>378,627,490.15</b>	<b>439,856,020.29</b>	<b>61,228,530.14-</b>	<b>55,845,233.22</b>

Total 2024-25 Unrestricted  
Ending Fund Balance  
**\$55,845,233**

One Year ago:  
**\$118,160,823.36**

\* The District's [Unaudited Actuals for 2024-25](#) showed the District's Unrestricted Fund Balance was down over 50% and the composition was mostly one-time monies with limitations on how it should be spent and only \$3.4M of Base Unrestricted resources.