

Board Office Use: Legislative File Info.	
File ID Number	26-0215
Introduction Date	03-11-2026
Enactment Number	
Enactment Date	



Board Cover Memorandum

To Board of Education

From Dr. Denise Saddler, Interim Superintendent
Preston Thomas, Chief Systems and Services Officer
Ryannhon Nguyen, Chief Financial Officer
Sele Nadel-Hayes, Executive Director of Construction
Pranita Ranbhise, Executive Director of Planning

Meeting Date March 11, 2026

Subject Approval of Resolution 2526-0193 - Ratifying the Issuance of Not to Exceed \$185,000,000 of General Obligation Bonds and Not to Exceed \$200,000,000 of General Obligation Refunding Bonds of the Oakland Unified School District; Authorizing the Approval of Certain Outstanding Bonds of the District to Be Refunded by Such Refunding Bonds; Prescribing the Terms of Such Refunding Bonds; Approving the Form of and Authorizing the Execution and Delivery of an Official Statement for Such General Obligation Bonds and General Obligation Refunding Bonds; and Authorizing the Execution of Necessary Documents Relating to Said Bonds.

Ask of the Board It is recommended that the Governing Board approve Resolution No. 2526-0193 Ratifying the Issuance of not to exceed \$185,000,000 of General Obligation Bonds and not to exceed \$200,000,000 of General Obligation Refunding Bonds of the Oakland Unified School District; authorizing the approval of certain outstanding bonds of the District to be refunded by such Refunding Bonds; prescribing the terms of such Refunding Bonds; approving the form of and authorizing the execution and delivery of an Official Statement for such General Obligation Bonds and General Obligation Refunding Bonds; and authorizing the execution of necessary documents relating to said bonds.

Background In November 2020, voters within the Oakland Unified School District approved Measure Y, authorizing the issuance of up to \$735 million in general obligation bonds to improve and modernize school facilities throughout the District. The measure received approximately 77.7% voter approval, demonstrating strong community support for investments in safe, modern learning environments.

Measure Y funds are intended to address aging infrastructure, improve educational adequacy, and modernize facilities across the District. Bond proceeds

may be used for capital improvements, including construction, modernization, equipment, and technology necessary to support instructional programs.

The proposed 2026 bond issuance represents the next phase of the District's implementation of the 2020 Facilities Master Plan and Measure Y spending plan. The financing structure includes:

- Series 2026A – Tax-Exempt Bonds
- Series 2026B – Federally Taxable Bonds
- 2026 General Obligation Refunding Bonds

Proceeds from the Series 2026 bonds will fund voter-approved capital improvements, while the Refunding Bonds will refinance certain prior bonds to reduce borrowing costs and improve long-term debt service efficiency.

Bond debt service will continue to be repaid through ad valorem property taxes levied within the District, as authorized under California law.

Discussion

The proposed bond issuance represents the third draw of Measure Y financing and will provide funding to advance several major school construction and modernization projects that are entering construction or late-stage design. These projects include comprehensive modernization at McClymonds High School and Roosevelt Middle School, Garfield Elementary School campus redevelopment, and major facility improvements at Coliseum College Prep Academy and Melrose Leadership Academy. Together, these projects represent the core implementation phase of the District's 2020 Facilities Master Plan and will significantly improve the quality, safety, and functionality of learning environments across the district.

In addition to major capital projects, the third draw supports districtwide facility modernization investments that improve health, safety, sustainability, and instructional infrastructure across multiple campuses. These investments include lead remediation and water safety improvements, deferred maintenance projects, classroom heat mitigation upgrades, technology infrastructure improvements, LED lighting conversions, elementary school safety enhancements, and sustainability initiatives through the Living School program. These systemwide investments ensure the bond program advances not only individual school projects but also critical infrastructure improvements that support safe and effective learning environments for students districtwide.

Fiscal Impact

The proposed bond issuance will generate approximately \$185 million in proceeds to support voter-approved capital construction and modernization projects under Measure Y (2020), with funds deposited into the District's Building Fund (Fund 21) for eligible facilities improvements. Debt service on the bonds will be repaid through ad valorem property taxes levied within the District and therefore, will not impact the District's General Fund (Fund 01) operating budget. **The transaction also includes refunding of certain outstanding bonds, which is**

expected to generate approximately \$9 million in taxpayer savings, subject to final market conditions at the time of pricing.

Attachment(s)

- Resolution 2526-0193
- Preliminary Official Statement – Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2026A and 2026B and Refunding Bonds
- Presentation

**BOARD OF EDUCATION OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
COUNTY OF ALAMEDA, STATE OF CALIFORNIA**

RESOLUTION NO. 2526-0193

RATIFYING THE ISSUANCE OF NOT TO EXCEED \$185,000,000 OF GENERAL OBLIGATION BONDS AND NOT TO EXCEED \$200,000,000 OF GENERAL OBLIGATION REFUNDING BONDS OF THE OAKLAND UNIFIED SCHOOL DISTRICT; AUTHORIZING THE APPROVAL OF CERTAIN OUTSTANDING BONDS OF THE DISTRICT TO BE REFUNDED BY SUCH REFUNDING BONDS; PRESCRIBING THE TERMS OF SUCH REFUNDING BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT FOR SUCH GENERAL OBLIGATION BONDS AND GENERAL OBLIGATION REFUNDING BONDS; AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS RELATING TO SAID BONDS

WHEREAS, an election was duly called and regularly held in the Oakland Unified School District (the “District”), County of Alameda (the “County”), State of California (the “State”), on November 3, 2020 (the “Election of 2020”), pursuant to Section 15100 et seq. of the Education Code of the State (the “Education Code”), at which the following bond measure (“Measure Y”) was submitted to the electors of the District:

“Shall Oakland Unified School District’s measure to issue \$735 million in bonds for classroom repair and school safety improvements including upgrading classrooms, science labs and technology; improving student safety and security; repairing bathrooms, electrical systems, and plumbing/sewers; and improving energy efficiency/earthquake safety; at legal rates, levying about \$60 per \$100,000 of assessed value, raising an average of \$48.5 million annually for approximately 30 years, with citizens’ oversight, audits, and no money for administrator salaries be adopted?”; and

WHEREAS, passage of Measure Y required a 55% affirmative vote of the votes cast therein, and at least 55% of the votes cast on the proposition were in favor of issuing said bonds; and

WHEREAS, the Board of Education (the “Board of Education”) adopted a resolution on September 24, 2025 (the “Series 2026 Bond Authorizing Resolution”) deeming it necessary and desirable that a portion of said Measure Y bonds in one or more series designated the “Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2025” with such additional or other series or subseries designations as may be approved therein, in an aggregate principal amount not exceeding \$185,000,000, be issued according to the terms and in the manner set forth therein (the “Series 2026 Bonds”); and

WHEREAS, the Board of Education has heretofore issued or caused to be issued the following bonds under Measure A, approved by the voters on March 7, 2000 (“Measure A”), Measure B, approved by the voters on June 6, 2006 (“Measure B”), and Measure J, approved by the voters on November 6, 2012 (“Measure J”), which bonds are currently outstanding as follows:

Issue Name	Date of Issuance	Original Issuance Amount	Outstanding Amount	First Optional Redemption Date
Oakland Unified School District General Obligation Bonds (Election of 2012), Series 2015A (the “2015A Bonds”)	August 20, 2015	\$173,500,000	\$26,930,000	August 1, 2025
Oakland Unified School District 2015 General Obligation Refunding Bonds (the “2015 Refunding Bonds”)	August 20, 2015	\$168,705,000	\$51,195,000	August 1, 2025
Oakland Unified School District General Obligation Bonds (Election of 2006), Series 2016A (the “2016A Bonds”)	August 17, 2016	\$65,000,000	\$49,425,000	August 1, 2026
Oakland Unified School District 2016 General Obligation Refunding Bonds (the “2016 Refunding Bonds” and, together with the 2015A Bonds, the 2015 Refunding Bonds and the 2016A Bonds, the “Prior Bonds”)	August 17, 2016	\$155,780,000	\$83,005,000	August 1, 2026

WHEREAS, Board of Education adopted a resolution on September 24, 2025 (the “Refunding Bond Authorizing Resolution” and, together with the Series 2026 Bond Authorizing Resolution, the “Bond Authorizing Resolutions”) deeming it necessary and desirable to refund certain outstanding 2015A Bonds and 2015 Refunding Bonds of the District in one or more series designated the “Oakland Unified School District 2025 General Obligation Refunding Bonds” with such additional or other series or subseries designations as may be approved therein (the “Refunding Bonds” and, together with the Series 2026 Bonds, the “Bonds”); and

WHEREAS, the District now has the opportunity to refund certain outstanding 2016A Bonds and 2016 Refunding Bonds of the District to achieve additional savings for District taxpayers; and

WHEREAS, the Board of Education has determined, and does hereby declare, that it is necessary and desirable and that the prudent management of the fiscal affairs of the District requires that all or a portion of the Prior Bonds now be refunded, and pursuant hereto the District is authorizing the issuance of its Refunding Bonds according to the terms and in the manner set forth herein (such Prior Bonds to be refunded being collectively referred to herein as the “Refunded Bonds”); and

WHEREAS, the Board of Education adopted a resolution on October 22, 2025, approving a form of an Official Statement with respect to the proposed issuance of the Bonds (the “Resolution Approving Form of Preliminary Official Statement”); and

WHEREAS, the form of Preliminary Official Statement adopted by the Board of Education has been revised to reflect the updated financial information of the District approved by the Board of Education since the adoption of the Resolution Approving Form of Preliminary Official Statement; and

WHEREAS, Section 5852.1 of the Government Code requires that the Board of Education obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with said Section, the Board of Education has obtained from the Municipal Advisor (defined herein) the required good faith estimates for the Refunding Bonds and such estimates are disclosed and set forth in Appendix A attached hereto; and

WHEREAS, there has been submitted and is on file with the Secretary of the Board of Education a proposed and updated form of an Official Statement (the “Official Statement”), with respect to the proposed issuance of (a) not to exceed \$185,000,000 aggregate principal amount of the Series 2026 Bonds and (b) not to exceed \$200,000,000 aggregate principal amount of the Refunding Bonds;

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE OAKLAND UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Terms of Refunding Bonds. The maximum annual interest rate on the Refunding Bonds shall not be in excess of the maximum prescribed by the Education Code of the State of California (8.0%), payable as described in the Paying Agent Agreement referred to in the Refunding Bond Authorizing Resolution. The Refunding Bonds shall mature on a date or dates, in such of the years, beginning no earlier than August 1, 2026, and concluding no later than the final maturity of the Refunded Bonds, as shall be specified in the Bond Purchase Agreement described in the Refunding Bond Authorizing Resolution (the “Bond Purchase Agreement”). No Refunding Bonds shall have principal maturing on more than one principal maturity date; however, it shall not be necessary that a portion of the aggregate principal amount mature in each year.

The Refunding Bonds may be issued as current interest bonds. The aggregate principal amount of the Refunding Bonds shall not exceed \$200,000,000.

The aggregate principal amount of the current interest bonds, the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, shall be as specified in the Bond Purchase Agreement.

The President of the Board of Education, the Secretary of the Board of Education, the Superintendent, the Chief Business Officer, the Chief Financial Officer, the General Counsel, the Chief of Staff, or the Chief Systems & Services Officer, or such other officer of the District designated for the purpose (each, an “Authorized District Representative”) is hereby authorized and directed to execute and deliver one or more Bond Purchase Agreements in substantially the form approved pursuant to the Refunding Bond Authorizing Resolution, completed with terms as shall be agreed to by the Authorized District Representative in accordance with this Resolution, and with such other changes therein as the Authorized District Representative may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that: (i) the total net interest cost to maturity on the Refunding Bonds plus the aggregate principal amount of the Refunding Bonds shall be less than the total net interest cost to maturity on the Refunded Bonds plus the aggregate principal amount of the Refunded Bonds; (ii) the net present value savings of the debt service savings with respect to the Refunded Bonds shall be at least 3.0% of the aggregate principal amount of the Refunded Bonds; (iii) the Underwriter’s discount shall not exceed 0.35% of the aggregate principal amount of the Refunding Bonds; and (iv) the Refunding Bonds shall otherwise conform to the limitations specified in the Refunding Bond Authorizing Resolution to the extent not provided herein and to the limitations imposed by the general laws of the State.

All references to “Refunded Bonds” in the Refunding Bond Authorizing Resolution shall have the meaning ascribed to such term in this Resolution.

Section 3. Approval of Official Statement. The Official Statement, substantially in the form submitted to this Board of Education is hereby approved with such changes, additions and corrections as the Authorized District Representative may hereby approve, and the underwriters of the Bonds are hereby authorized to distribute copies of such Official Statement in preliminary form to persons who may be interested in purchasing the Bonds. The Authorized District Representative is hereby authorized and directed to execute and deliver said Official Statement in its final form, with such other changes thereto, including final pricing information, as the Authorized District Representative may require or approve, and the District’s approval of the Official Statement shall be conclusively evidenced by the execution and delivery thereof.

Section 4. Ratification of Actions. All actions heretofore taken by the officers and agents of the District with respect to the sale, execution and delivery of the Bonds, including the Board of Education’s action to authorize the issuance of the Bonds pursuant to the Bond Authorizing Resolutions, and the other transactions authorized and contemplated therein, are hereby approved, confirmed and ratified.

Section 5. Effective Date. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this day, March 11, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

President of the Board of Education
Oakland Unified School District

Attest:

Secretary of the Board of Education
Oakland Unified School District

APPENDIX A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Refunding Bonds in compliance with Section 5852.1 of the Government Code of the State of California. Such good faith estimates have been provided to the District by Siebert Williams Shank & Co., LLC, as underwriter to the District (the “Municipal Advisor”).

Principal Amount. The Municipal Advisor has informed the District that, based on the District’s financing plan and current market conditions, the good faith estimate of the aggregate principal amount of the Refunding Bonds to be sold is \$181,315,000 (the “Estimated Principal Amount”).

True Interest Cost of the Refunding Bonds. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Refunding Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, the good faith estimate of the true interest cost of the Refunding Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Refunding Bonds, is 2.870%.

Finance Charge of the Refunding Bonds. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Refunding Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, the good faith estimate of the finance charge for the Refunding Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds), is \$1,139,309.64.

Amount of Proceeds to be Received. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Refunding Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, the good faith estimate of the amount of proceeds expected to be received by the District for sale of the Refunding Bonds, less the finance charge of the Refunding Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, is \$194,635,324.72.

Total Payment Amount. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the Refunding Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, the good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Refunding Bonds, plus the finance charge for the Refunding Bonds, as described above, not paid with the proceeds of the Refunding Bonds, calculated to the final maturity of the Refunding Bonds, is \$212,875,706.94.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Refunding Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ

from such good faith estimates due to (a) the actual date of the sale of the Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Refunding Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Refunding Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District's financing plan, or a combination of such factors. The actual interest rates borne by the Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Refunding Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.

SECRETARY’S CERTIFICATE

I, Denise Saddler, Secretary of the Board of Education of the Oakland Unified School District, County of Alameda, California, do hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on March 11, 2026, and entered in the minutes thereof, at which meeting all of the members of said Board of Education had due notice and at which a quorum was present, and said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 1011 Union Street, Oakland, California, a location freely accessible to members of the public, and posted on the District’s website in accordance with all applicable laws, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this _____ day of _____, 2026.

Secretary of the Board of Education
Oakland Unified School District

PRELIMINARY OFFICIAL STATEMENT DATED [MARCH __], 2026

NEW ISSUES – BOOK-ENTRY ONLY

RATING: See “MISCELLANEOUS – Ratings.”

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Tax-Exempt Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “TAX MATTERS.”

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)

§[Series A Par]*
General Obligation Bonds
(Election of 2020), Series 2026A

§[Series B Par]*
General Obligation Bonds
(Election of 2020), Series 2026B (Federally
Taxable)

§[Refunding Par]*
2026 General Obligation Refunding Bonds

Dated: Date of Delivery

Due: As shown on the inside front cover herein.

This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2026A (the “**Series 2026A Bonds**”), and the Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2026B (Federally Taxable) (the “**Series 2026B Bonds**”) and, together with the Series 2026A Bonds, the “**Series 2026 Bonds**”) are being issued by the Oakland Unified School District (the “**District**”) and sold by the County of Alameda (the “**County**”) on behalf of the District to (i) finance specific construction and modernization projects approved by the voters, (ii) fund capitalized interest on the Series 2026 Bonds, and (iii) pay costs of issuance of the Series 2026 Bonds.

The Oakland Unified School District 2026 General Obligation Refunding Bonds (the “**Refunding Bonds**”) are being issued by the District to: (i) refund, on a current basis, certain outstanding Oakland Unified School District (a) General Obligation Bonds (Election of 2012), Series 2015A (the “**2015A Bonds**”), (b) 2015 General Obligation Refunding Bonds (the “**2015 Refunding Bonds**”), (c) General Obligation Bonds (Election of 2006), Series 2016A (the “**2016A Bonds**”) and (d) 2016 General Obligation Refunding Bonds (the “**2016 Refunding Bonds**”) and, together with the 2015A Bonds, the 2015 Refunding Bonds and the 2016A Bonds, the “**Prior Bonds**”) (such Prior Bonds to be refunded herein referred to as the “**Refunded Bonds**”); and (ii) pay costs of issuance of the Refunding Bonds. As used herein, the “**Tax-Exempt Bonds**” are the Series 2026A Bonds and the Refunding Bonds, and the “**Taxable Bonds**” are the Series 2026B Bonds. The Tax-Exempt Bonds and the Taxable Bonds are herein referred to collectively as the “**Bonds**.”

The Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the State of California (the “**State**”) Constitution and other State law. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds, all as more fully described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “RISK FACTORS.”

The Bonds will be issued as current interest bonds. Interest on the Bonds is payable on each February 1 and August 1 to maturity, commencing [August 1, 2026]*. Principal of the Bonds is payable on the dates in each of the years and in the amounts set forth on the inside front cover hereof.

The Bonds will be issued in denominations of \$5,000 principal amount, or any integral multiple thereof as shown on the inside front cover hereof.

The scheduled payment of principal of and interest on the Series 2026A Bonds maturing on August 1 of the years [20__ through 20__], inclusive (collectively, the “**Insured Bonds**”), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**. See “BOND INSURANCE.”

[BAM logo]

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“**DTC**”). DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Bonds purchased by them. See “THE BONDS – Form and Registration.” Payments of principal of and interest on the Bonds will be made by U.S. Bank Trust Company, National Association, as paying agent, registrar and transfer agent with respect to the Bonds to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds. See “THE BONDS – Payment of Principal and Interest.”

The Bonds are subject to redemption prior to maturity as described herein.* See “THE BONDS – Redemption.”

See Inside Front Cover for

* Preliminary, subject to change.

Maturity Schedules

The Bonds will be offered when, as and if issued by the District and received by Siebert Williams Shank & Co., LLC (the "Underwriter"), subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriter by ArentFox Schiff, San Francisco, California. Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, California, serves as Municipal Advisor to the District in connection with the issuance of the Bonds. It is anticipated that the Bonds, in book-entry only form, will be available for delivery through the facilities of DTC on or about February __, 2026.

[Siebert Logo]

Dated: _____, 2026.

MATURITY SCHEDULES

**OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)**

**[\$Series A Par]*
General Obligation Bonds
(Election of 2020), Series 2026A**

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield†</u>	<u>CUSIP No.‡ (672325)</u>
	\$			

\$ _____ % Term Bonds due August 1, 20__ Yield† _____% CUSIP No.‡ 672325 ____

**[\$Series B Par]*
General Obligation Bonds
(Election of 2020), Series 2026B (Federally Taxable)**

<u>Maturity Date ([August 1])</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield†</u>	<u>CUSIP No.‡ (672325)</u>
	\$			

* Preliminary, subject to change.

† Yields certified by the Underwriter. The District takes no responsibility therefor.

‡ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2026 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter, or their agents or counsel assumes responsibility for the accuracy of such numbers.

[\$Refunding Par]*
2026 General Obligation Refunding Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield†	CUSIP No.‡ (672325)
	\$			

\$ _____ % Term Bonds due August 1, 20__ Yield† _____% CUSIP No.‡ 672325 _____

* Preliminary, subject to change.

† Yields certified by the Underwriter. The District takes no responsibility therefor.

‡ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2026 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter, or their agents or counsel assumes responsibility for the accuracy of such numbers.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The Bonds are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Certain statements contained in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based, occur.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE FRONT COVER PAGES HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

Build America Mutual Assurance Company (“**BAM**” or the “**Insurer**”) makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM supplied by BAM and presented under the heading “BOND INSURANCE” and APPENDIX H – “SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

COUNTY OF ALAMEDA, CALIFORNIA

Board of Supervisors

David Haubert, *President (District 1)*
Lena Tam, *Vice President (District 3)*
Elisa Márquez, *Member (District 2)*
Nate Miley, *Member (District 4)*
Nikki Fortunato Bas, *Member (District 5)*

Administration

Henry C. Levy, *Treasurer-Tax Collector*
Melissa Wilk, *Auditor-Controller*

OAKLAND UNIFIED SCHOOL DISTRICT

Board of Education

Jennifer Brouhard, *President (District 2)*
Valarie Bachelor, *Vice President (District 6)*
Rachel Latta, *Member (District 1)*
VanCedric Williams, *Member (District 3)*
Mike Hutchinson, *Member, (District 4)*
Patrice Berry, *Member (District 5)*
Clifford Thompson, *Member (District 7)*

Administration

Denise Saddler, *Interim Superintendent**
Lynette McElhaney, *Chief of Staff*
Vacant, *Chief Business Officer†*
Ryannhon Nguyen, *Chief Financial Officer*
Preston Thomas, *Chief Systems and Services Officer*
Jenine Lindsey, *General Counsel*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

Municipal Advisor

Isom Advisors, a Division of Urban Futures, Inc.
Walnut Creek, California

Paying Agent and Escrow Agent

U.S. Bank Trust Company, National Association
San Francisco, California

Verification Agent

Causey Public Finance, LLC
Denver, Colorado

* The Board of Education of the District approved Dr. Denise Saddler as the Interim Superintendent on June 25, 2025. The District has commenced a search to hire a Superintendent for the District.

† Lisa Grant-Dawson resigned from her post as the Chief Business Officer of the District in December 2025. [The District has commenced a search to hire a Chief Business Officer for the District.]

TABLE OF CONTENTS

	Page
INTRODUCTION	1
General	1
The District	1
THE BONDS	2
Authority for Issuance	2
Purpose of Issuance	3
Form and Registration	3
Payment of Principal and Interest	3
Redemption	4
Defeasance of Bonds	6
Unclaimed Moneys	7
Bond Insurance Policy	7
Application of Series 2026 Bond Proceeds	7
Plan of Refunding	7
ESTIMATED SOURCES AND USES OF FUNDS	10
DEBT SERVICE SCHEDULES	11
Semi-Annual Debt Service Payments for the Bonds	11
Combined Annual Debt Service	12
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS	13
General	13
Statutory Lien on Taxes (Senate Bill 222)	13
Pledge of and Lien on Tax Revenues	13
Property Taxation System	14
Assessed Valuation of Property Within the District	14
Tax Rates	22
Tax Charges and Delinquencies	23
Direct and Overlapping Debt	25
RISK FACTORS	27
Risks to the Property Tax Base	27
District Financial Risks	27
Audit Reports and Findings	29
FCMAT Oversight and Reports	29
Federal Subsidy Payments on Direct Subsidy Bonds and Tax Credit Bonds	30
School Site Incidents	30
Cybersecurity	31
Possible Limitations on Remedies	31
BOND INSURANCE	33
Bond Insurance Policy	33
Build America Mutual Assurance Company	33
RISKS RELATING TO BOND INSURANCE	34
TAX MATTERS	35
Tax-Exempt Bonds	35
Taxable Bonds	37
U.S. Holders	38
Non-U.S. Holders	38
Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders	39
OTHER LEGAL MATTERS	39
Legal Opinion	39
Legality for Investment in the State of California	40
Continuing Disclosure	40
No Litigation	40
ESCROW VERIFICATION	41
MISCELLANEOUS	41
Risks Related to COVID-19	41

TABLE OF CONTENTS
(continued)

	Page
Ratings.....	42
Professionals Involved in the Offering.....	42
Underwriting	42
ADDITIONAL INFORMATION.....	44
APPENDIX A THE ECONOMY OF THE DISTRICT	A-1
APPENDIX B INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET	B-1
APPENDIX C FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025.....	C-1
APPENDIX D PROPOSED FORMS OF OPINIONS OF BOND COUNSEL	D-1
APPENDIX E FORM OF CONTINUING DISCLOSURE CERTIFICATE.....	E-1
APPENDIX F COUNTY OF ALAMEDA ANNUAL INVESTMENT POLICY AND INVESTMENT REPORT	F-1
APPENDIX G BOOK-ENTRY ONLY SYSTEM	G-1
APPENDIX H SPECIMEN MUNICIPAL BOND INSURANCE POLICY	H-1

[THIS PAGE INTENTIONALLY LEFT BLANK]

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)

§[Series A Par]*
General Obligation Bonds
(Election of 2020), Series 2026A

§[Series B Par]*
General Obligation Bonds
(Election of 2020), Series 2026B
(Federally Taxable)

§[Refunding Par]*
2026 General Obligation
Refunding Bonds

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, which includes the cover page and appendices hereto (this “**Official Statement**”), is provided to furnish information in connection with the sale of (i) §[Series A Par]* aggregate principal amount of Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2026A (the “**Series 2026A Bonds**”), (ii) §[Series B Par]* aggregate principal amount of Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2026B (Federally Taxable) (the “**Series 2026B Bonds**” and, together with the Series 2026A Bonds, the “**Series 2026 Bonds**”), and (iii) §[Refunding Par]* aggregate principal amount of Oakland Unified School District 2026 General Obligation Refunding Bonds (the “**Refunding Bonds**”), as described more fully herein. As used herein, the “**Tax-Exempt Bonds**” are the Series 2026A Bonds and the Refunding Bonds and the “**Taxable Bonds**” are the Series 2026B Bonds. The Tax-Exempt Bonds and the Taxable Bonds are herein referred to collectively as the “**Bonds**.”

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Oakland Unified School District (the “**District**”) has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificate to be executed by the District. See “OTHER LEGAL MATTERS – Continuing Disclosure.”

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the resolutions of the Board of Education of the District (the “**Board of Education**”) and the Board of Supervisors of the County of Alameda (the “**County**”) with respect to the Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

Copies of documents referred to herein and information concerning the Bonds are available from the District by contacting: Oakland Unified School District, 1011 Union Street, Oakland, California 94607, Attention: Chief Business Officer. The District may impose a charge for copying, handling and mailing such requested documents.

The District

The District is located in and is approximately coterminous with the City of Oakland, California (the “**City**”), located on the east side of the San Francisco Bay, approximately seven miles from San Francisco. The

* Preliminary, subject to change.

District's boundaries also include small portions of the neighboring City of Emeryville. The District encompasses approximately 53.8 square miles, including a diverse economy of industry, services, health care, retail and other commercial activity. As of January 1, 2025, California Department of Finance estimated that the City had a population of approximately 426,457, and the County had a population of approximately 1,662,482. The District was unified in 1952, combining then-existing high school and elementary school districts.

For fiscal year 2025-26, the District operates forty-five elementary schools serving grades TK-5, four elementary/middle schools serving grades TK-8, eleven middle schools serving grades 6-8, three middle/high schools serving grades 6-12, nine comprehensive senior high schools serving grades 9-12, three high schools serving grades 11-12, three alternative high school programs, four special education schools, and one adult school program. Thirty-five charter schools currently operate within the District's boundaries. The District has projected enrollment for fiscal year 2025-26 of approximately 33,655 students in grades TK-12, not including the students attending the charter schools. As of March 11, 2026, the District has budgeted to employ approximately [5,476.0] full-time equivalent ("FTE") employees, including [2,649.0] FTE certificated (teaching) employees, [2,239] FTE classified (non-teaching) employees and [588.0] management, supervisory and confidential employees. According to the second interim budget report for fiscal year 2025-26, the District's budgeted fiscal year 2025-26 general fund expenditures are approximately \$[978.1] million.

The District operates under the jurisdiction of the Alameda County Superintendent of Schools. The District is governed by a Board of Education consisting of seven members. The members of the Board of Education are elected by Trustee Area to four-year terms in staggered years. The Superintendent acts as the chief executive officer of the District. Dr. Denise Saddler was appointed as the Interim Superintendent effective July 1, 2025. The District's former Chief Business Officer, Lisa Grant-Dawson, resigned from her post in December 2025. The District's former Controller, Ryannhon Nguyen was promoted to lead the finance division of the District and was appointed as the Chief Financial Officer on July 1, 2025. For additional information regarding the Superintendent and the District's financial and fiscal administrative personnel, see APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – THE DISTRICT – Superintendent and Key Personnel."

In fiscal year 2002-03, the District received an emergency loan from the State of California (the "State"). Pursuant to the emergency loan made by the State to the District, a trustee was appointed by the State Superintendent of Public Instruction (the "State Trustee") to monitor and review the District's operations, with the power to stay or rescind any action of the Board of Education that could affect the District's financial condition. AB 1840 (defined herein) modified the State Trustee position including retitling the position to "Fiscal Oversight Trustee." In June 2025, the District paid off the last installments of its State emergency loan, which marked the end of receivership and fiscal oversight by the State and the Alameda County Office of Education ("ACOE"). For additional information regarding the recent history of the District's finances and governance and the end of fiscal oversight, see "RISK FACTORS" and APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – THE DISTRICT – Fiscal Oversight."

For additional information regarding the District's operations and finances, see APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET" and APPENDIX C – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025."

THE BONDS

Authority for Issuance

Series 2026 Bonds. The Series 2026 Bonds are being issued by the District and sold by the County on behalf of the District pursuant to the Constitution and laws of the State, including Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Government Code") and Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the Education Code of the State (the "Education Code") and other applicable provisions of law. The Series 2026 Bonds are authorized to be issued by a resolution adopted by the Board of Supervisors of the County on November 18, 2025 (the "County Resolution"), at the request of the District by its resolution, adopted by the Board of Education of the District on September 24, 2025 (the "Series 2026 District Resolution"). The Series 2026 Bonds are issued pursuant to a paying agent agreement, dated as of April 1, 2026 (the "Series 2026 Paying Agent Agreement"), by and between the District and U.S. Bank Trust Company, National

Association, as paying agent (the “**Paying Agent**”), and acknowledged by the Treasurer-Tax Collector of the County of Alameda (the “**County Treasurer**”).

Refunding Bonds. The Refunding Bonds are being issued by the District pursuant to the Constitution and laws of the State, including Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, applicable provisions of the Education Code and other applicable provisions of law. The Refunding Bonds are authorized by resolutions adopted by the Board of Education on September 24, 2025 and March 11, 2026 (together, the “**Refunding District Resolution**” and, together with the Series 2026 District Resolution, the “**District Resolutions**”), and are being issued pursuant to a paying agent agreement, dated as of April 1, 2026 (the “**Refunding Paying Agent Agreement**” and, together with the Series 2026 Paying Agent Agreement, the “**Paying Agent Agreements**”), by and between the District and the Paying Agent, and acknowledged by the County Treasurer.

Purpose of Issuance

Series 2026 Bonds. The District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$735,000,000 to finance specific school facility construction, repair and improvement projects pursuant to an election held on November 3, 2020 (the “**2020 Authorization**”). The measure required approval by at least 55% of the votes cast by eligible voters within the District and received an affirmative vote of approximately 77.7%. The Series 2026 Bonds will represent the fifth and sixth series of authorized bonds to be issued under the 2020 Authorization and will be issued to finance authorized projects. There will be approximately \$[180,000,000]* remaining unissued amount of the 2020 Authorization following the issuance of the Series 2026 Bonds.

Refunding Bonds. Proceeds of the Refunding Bonds will be issued and applied to: (i) refund, on a current basis, certain outstanding Oakland Unified School District (a) General Obligation Bonds (Election of 2012), Series 2015A (the “**2015A Bonds**”), (b) 2015 General Obligation Refunding Bonds (the “**2015 Refunding Bonds**”), (c) General Obligation Bonds (Election of 2006), Series 2016A (the “**2016A Bonds**”) and (d) 2016 General Obligation Refunding Bonds (the “**2016 Refunding Bonds**” and, together with the 2015A Bonds, the 2015 Refunding Bonds and the 2016A Bonds, the “**Prior Bonds**” (such Prior Bonds to be refunded herein referred to as the “**Refunded Bonds**”); and (ii) pay costs of issuance of the Refunding Bonds.

Form and Registration

The Bonds will be issued in fully registered form only, in denominations of \$5,000 principal amount or integral multiples thereof. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”), New York, New York. DTC will act as securities depository of the Bonds. Purchases of Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in each series of the Bonds or any transfer thereof will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Bonds, beneficial owners (“**Beneficial Owners**” or “**Owners**”) will not receive physical certificates representing their ownership interests. Principal and interest will be paid by the Paying Agent to DTC, which will in turn remit such payments to its participants, for subsequent distribution to Beneficial Owners of the Bonds, as described herein. See APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

Payment of Principal and Interest

The Bonds will be dated the date of their delivery, and bear interest at the rates set forth on the inside front cover pages of this Official Statement, payable on February 1 and August 1 of each year (each, an “**Interest Payment Date**”), commencing on [August 1, 2026]*, computed using a year of 360 days consisting of twelve 30-day months. Each Bond authenticated and registered on any date prior to the close of business on [July 15, 2026]* will bear interest from the date of their delivery. Bonds authenticated during the period between the 15th day of the calendar month immediately preceding an Interest Payment Date (the “**Record Date**”) and the close of business on that Interest Payment Date will bear interest from that Interest Payment Date. Any other Bond will bear interest from the

* Preliminary, subject to change.

Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Bond, interest is then in default on outstanding Bonds, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Payment of interest on any Bond on each Interest Payment Date (or on the following business day, if the Interest Payment Date does not fall on a business day) will be made to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the Record Date, such interest to be paid by check or draft mailed to such Owner at such Owner's address as it appears on such registration books or at such other address as the Owner may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner of an aggregate principal amount of \$1,000,000 or more of Bonds may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the applicable Record Date.

Principal of the Bonds is payable on the dates set forth in the maturity schedules on the inside cover pages hereof, upon surrender thereof at such office of the Paying Agent as the Paying Agent shall designate. The interest, principal and premium, if any, on the Bonds will be payable in lawful money of the United States of America from moneys on deposit in the interest and sinking fund of the District (the "**Interest and Sinking Fund**") within the County treasury, consisting of *ad valorem* property taxes collected and held by the County Treasurer, together with any accrued interest received, upon issuance of the Bonds.

So long as all outstanding Bonds are held in book-entry form and registered in the name of a securities depository or its nominee, all payments of principal of, premium, if any, and interest on the Bonds and all notices with respect to such Bonds will be made and given, respectively, to such securities depository or its nominee and not to Beneficial Owners. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer.

Redemption*

Optional Redemption of Series 2026A Bonds. The Series 2026A Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Series 2026A Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date, on or after August 1, 20__, at a redemption price equal to 100% of the principal amount of Series 2026A Bonds to be redeemed, without premium, together with interest accrued thereon to the date fixed for redemption.

Optional Redemption of Series 2026B Bonds. The Series 2026B Bonds are not subject to optional redemption prior to maturity.

Optional Redemption of Refunding Bonds. The Refunding Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Refunding Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date, on or after August 1, 20__, at a redemption price equal to 100% of the principal amount of Refunding Bonds to be redeemed, without premium, together with interest accrued thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption of Series 2026A Bonds. The \$_____ Term Series 2026A Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, together with interest accrued thereon to the date fixed for redemption:

* Preliminary, subject to change.

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
---	------------------------------------

†

† Maturity.

Mandatory Sinking Fund Redemption of Refunding Bonds. The \$_____ Term Refunding Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
---	------------------------------------

†

† Maturity.

The principal amount to be redeemed in each year shown in the tables above will be reduced at the option of the District, in integral multiples of \$5,000, by the amount of such Term Bond optionally redeemed prior to the mandatory sinking fund redemption date, if any.

If any Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a *pro rata* basis in integral multiples of \$5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Selection of Bonds for Redemption. If less than all of a series of the Bonds are called for redemption, the Bonds will be redeemed in inverse order of maturities or as otherwise directed by the District. If less than all of the Bonds of any given maturity are called for redemption, the portions of such Bonds of a given maturity to be redeemed will be determined by lot. For purposes of such selection, each Bond will be deemed to consist of individual Bonds of denominations of \$5,000 principal amount each, which may be separately redeemed.

Notice of Redemption. Notice of redemption of the Bonds will be given by the Paying Agent. Notice of redemption of the Bonds will be mailed postage prepaid, not less than 20 nor more than 60 days prior to the date fixed for redemption (i) by first-class mail to the respective Owners thereof at the addresses appearing on the bond registration books of the Paying Agent and (ii) as may be further required in accordance with the Continuing Disclosure Certificate. See APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Each notice of redemption shall contain all of the following information: (i) the date of such notice; (ii) the name of the affected Bonds and the date of issue of the Bonds; (iii) the date fixed for redemption; (iv) the redemption price; (v) the dates of maturity of the Bonds to be redeemed; (vi) if less than all of the then outstanding Bonds are to be redeemed, the distinctive serial numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the office of the Paying Agent designated by the Paying Agent for such purpose; (x)

notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice. The actual receipt by any Owner of any Bond of notice of such redemption will not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, will not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Effect of Notice of Redemption. When notice of redemption has been given substantially as provided for in the respective Paying Agent Agreement, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in such Paying Agent Agreement, the Bonds designated for redemption will become due and payable on the specified redemption date and interest will cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds will be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date will look for the payment of such Bonds and the redemption premium thereon, if any, only to moneys on deposit for the purpose in the Interest and Sinking Fund of the District or the escrow fund established for such purpose. All Bonds redeemed will be cancelled forthwith by the Paying Agent and will not be reissued.

Conditional Notice. Any notice of optional redemption delivered in accordance with the respective Paying Agent Agreement may be conditioned on any fact or circumstance stated therein, and if such condition will not have been satisfied on or prior to the redemption date stated in such notice, said notice will be of no force and effect on and as of the stated redemption date, the redemption will be cancelled, and the District will not be required to redeem the Bonds that were the subject of the notice. The Paying Agent will give notice of such cancellation and the reason therefor in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such cancellation will not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice will not affect the validity of the cancellation.

Rescission of Notice of Redemption. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Any optional redemption and notice thereof will be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

Defeasance of Bonds

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of the United States of America or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund of the District, be fully sufficient in the opinion of a certified public accountant licensed to practice in the State to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premium) at or before their respective maturity dates.

If at any time the District pays or causes to be paid or there shall otherwise be paid to the Owners of any or all outstanding Bonds all of the principal, interest and premium, if any, represented by such Bonds when due, or as described above, or as otherwise provided by law, then such Owners shall cease to be entitled to the obligation of the County to levy and collect taxes to pay the Bonds and such obligation and all agreements and covenants of the District and of the County to such Owners under the respective Paying Agent Agreement and the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District will remain liable for payment of all principal, interest and redemption premium, if any, represented by the Bonds, but only out of moneys on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment, provided, that the unclaimed moneys provisions described below shall apply in all events.

Unclaimed Moneys

Any money held in any fund created pursuant to the Paying Agent Agreements, or held by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) will be transferred to the Interest and Sinking Fund for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District (the “**General Fund**”) as provided and permitted by law.

Bond Insurance Policy

Concurrently with the issuance of the Series 2026A Bonds maturing on August 1 of the years [20__ through 20__], inclusive (collectively, the “**Insured Bonds**”), Build America Mutual Assurance Company (“**BAM**” or the “**Insurer**”) will issue its Municipal Bond Insurance Policy (the “**Policy**”) for the Insured Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as Appendix H to this Official Statement. See “BOND INSURANCE” and APPENDIX H – “SPECIMEN MUNICIPAL BOND INSURANCE POLICY.” For additional considerations regarding BAM and the Policy, see “MISCELLANEOUS –Ratings.”

Application of Series 2026 Bond Proceeds

The proceeds from the sale of the Series 2026 Bonds, exclusive of any premium and accrued interest received, if any, will be deposited in the County treasury to the credit of the building fund of the District (the “**Building Fund**”). Any premium or accrued interest received will be deposited in the Interest and Sinking Fund in the County treasury. Earnings on the investment of moneys in either fund will be retained in that fund and used only for the purposes to which that fund may lawfully be applied. Moneys in the Building Fund may only be applied for the purposes for which the Series 2026 Bonds were approved. Moneys in the Interest and Sinking Fund may only be applied to make payments of interest, principal, and premium, if any, on bonds of the District.

A portion of the proceeds of the Series 2026 Bonds will be retained by the Paying Agent in a Costs of Issuance Account and used to pay costs associated with the issuance of the Series 2026 Bonds. All funds held by the County Treasurer under the Series 2026 District Resolution, the County Resolution and the Series 2026 Paying Agent Agreement will be invested in the County Treasurer’s investment pool, the State Treasurer’s Local Agency Investment Fund, or any investment authorized pursuant to Sections 53601 and 53635 of the Government Code, all pursuant to law and the investment policy of the County. At the written direction of the District, all or any portion of the Building Fund may be invested in the Local Agency Investment Fund in the treasury of the State, and all or any portion of the Building Fund may be invested on behalf of the District in investment agreements, including guaranteed investment contracts, which comply with the requirements of Section 148 of the Internal Revenue Code of 1986 (the “**Code**”) and the requirements of each rating agency then rating the Bonds (if any) necessary to maintain the then-current rating on the Bonds. See APPENDIX F – “COUNTY OF ALAMEDA ANNUAL INVESTMENT POLICY AND INVESTMENT REPORT.”

Plan of Refunding

A portion of the proceeds from the sale of the Refunding Bonds will be deposited in an escrow fund (the “**Escrow Fund**”) to be created and maintained by U.S. Bank Trust Company, National Association, acting as escrow agent (the “**Escrow Bank**”) under that certain Escrow Agreement, dated as of April 1, 2026 (the “**Escrow Agreement**”), by and between the District and the Escrow Bank. Moneys in the Escrow Fund will be invested in cash or United States government obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, and applied to pay all principal of, redemption premium and interest on the Refunded Bonds on and prior to the date designated for their redemption as set forth below. See “ESCROW VERIFICATION.”

A portion of the proceeds of the Refunding Bonds will be deposited with the Paying Agent, in a Costs of Issuance Account and used to pay costs associated with the issuance of the Refunding Bonds and the refunding of the

Refunded Bonds. Any proceeds of sale of the Refunding Bonds not needed to fund the Escrow Fund will be transferred to the County Treasurer for deposit in the District’s Interest and Sinking Fund, and applied only for payment of principal of and interest on outstanding bonds of the District. Amounts deposited into the Interest and Sinking Fund, as well as proceeds of taxes held therein for payment of the Refunding Bonds, will be invested at the sole discretion of the County Treasurer pursuant to law and the investment policy of the County. See APPENDIX F – “COUNTY OF ALAMEDA ANNUAL INVESTMENT POLICY AND INVESTMENT REPORT.”

Causey Public Finance, LLC, a certified public accountant licensed to practice within the State, acting as verification agent (the “**Verification Agent**”) with respect to the Escrow Fund, will verify the mathematical accuracy of the computations relating to the sufficiency of the moneys proposed to be deposited and invested in the Escrow Fund, together with earnings thereon and any uninvested money, for the payment of interest on the Refunding Bonds to the redemption date thereof.

The Refunded Bonds to be refunded are as follows*:

OAKLAND UNIFIED SCHOOL DISTRICT
(Alameda County, California)
General Obligation Bonds (Election of 2012), Series 2015A
Redemption Date: [Redemption Date][†]
Redemption Price: 100%

Maturity Date (August 1)	Refunded Principal Amount	Interest Rate	CUSIP [†] No. (672325)
2026	\$ 6,300,000	5.000%	XK8
2027	6,625,000	5.000	XL6
2028	6,965,000	5.000	XM4
2029	3,600,000	5.000	XN2
2030	3,440,000	5.000	XP7

OAKLAND UNIFIED SCHOOL DISTRICT
(Alameda County, California)
2015 General Obligation Refunding Bonds
Redemption Date: [Redemption Date][†]
Redemption Price: 100%

Maturity Date (August 1)	Refunded Principal Amount	Interest Rate	CUSIP [†] No. (672325)
2026	\$26,375,000	5.000%	YJ0
2027	7,330,000	5.000	YK7
2028	7,715,000	5.000	YN1
2029	4,090,000	5.000	YM3
2030	5,685,000	5.000	YL5

* Preliminary, subject to change.

[†] CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel assumes responsibility for the accuracy of such numbers.

OAKLAND UNIFIED SCHOOL DISTRICT
(Alameda County, California)
General Obligation Bonds (Election of 2006), Series 2016A
Redemption Date: [Redemption Date]*
Redemption Price: 100%

Maturity Date (August 1)	Refunded Principal Amount	Interest Rate	CUSIP† No. (672325)
2028	\$ 2,610,000	5.000%	YX9
2029	2,740,000	5.000	YY7
2030	2,115,000	5.000	YZ4
2031	2,850,000	5.000	ZA8
2032	3,125,000	4.000	ZB6
2033	3,250,000	4.000	ZC4
2034	3,380,000	4.000	ZD2
2035	3,515,000	4.000	ZE0
2036	3,655,000	4.000	ZF7
2041‡	20,170,000	3.000	ZG5

‡ Term Bonds

OAKLAND UNIFIED SCHOOL DISTRICT
(Alameda County, California)
2016 General Obligation Refunding Bonds
Redemption Date: [Redemption Date]*
Redemption Price: 100%

Maturity Date (August 1)	Refunded Principal Amount	Interest Rate	CUSIP† No. (672325)
2027	\$17,510,000	5.000%	ZT7
2028	19,055,000	5.000	ZU4
2029	20,720,000	5.000	ZV2
2030	10,930,000	5.000	ZW0
2031	11,570,000	5.000	ZX8

(Remainder of Page Intentionally Left Blank)

* Preliminary, subject to change.

† CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel assumes responsibility for the accuracy of such numbers.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

	<u>Series 2026A Bonds</u>	<u>Series 2026B Bonds</u>	<u>Refunding Bonds</u>	<u>Total</u>
Sources of Funds				
Par Amount				
[Net] Original Issue [Premium/Discount]				
Total Sources of Funds:	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Uses of Funds				
Deposit to Building Fund				
Deposit to Interest and Sinking Fund				
Deposit to Escrow Fund				
Costs of Issuance ⁽¹⁾				
Underwriter's Discount				
Total Uses of Funds:	<u> </u>	<u> </u>	<u> </u>	<u> </u>

⁽¹⁾ Includes fees for Bond Counsel, Disclosure Counsel, Municipal Advisor, Paying Agent, Escrow Agent, Verification Agent, Bond Insurance premium, if any, printing, rating agency, and other miscellaneous expenses.

(Remainder of Page Intentionally Left Blank)

DEBT SERVICE SCHEDULES

Semi-Annual Debt Service Payments for the Bonds

The following table shows the semi-annual debt service requirements of the Bonds, assuming no early redemptions:

Period Ending	Series 2026A Bonds		Series 2026B Bonds		Refunding Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	
8/1/2026							
2/1/2027							
8/1/2027							
2/1/2028							
8/1/2028							
2/1/2029							
8/1/2029							
2/1/2030							
8/1/2030							
2/1/2031							
8/1/2031							
2/1/2032							
8/1/2032							
2/1/2033							
8/1/2033							
2/1/2034							
8/1/2034							
2/1/2035							
8/1/2035							
2/1/2036							
8/1/2036							
2/1/2037							
8/1/2037							
2/1/2038							
8/1/2038							
2/1/2039							
8/1/2039							
2/1/2040							
8/1/2040							
2/1/2041							
8/1/2041							
2/1/2042							
8/1/2042							
2/1/2043							
8/1/2043							
2/1/2044							
8/1/2044							
2/1/2045							
8/1/2045							
2/1/2046							
8/1/2046							
2/1/2047							
8/1/2047							
2/1/2048							
8/1/2048							
Total	_____	_____	_____	_____	_____	_____	_____

Combined Annual Debt Service

In addition to the Bonds, the District has other outstanding series of general obligation bonds that are on parity with the Bonds. See APPENDIX B – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – District Debt Structure.” Prior to issuance of the Bonds, annual debt service obligations for all outstanding general obligation bonds of the District (assuming no optional redemptions prior to maturity) are expected to be as follows:

Period Ending (August 1)	Outstanding Bonds⁽¹⁾⁽²⁾	Series 2026A Bonds	Series 2026B Bonds	Refunding Bonds	Total Annual Debt Service
2026	\$106,969,370.66				
2027	93,421,858.40				
2028	92,081,074.22				
2029	94,014,224.30				
2030	95,707,599.52				
2031	88,242,752.46				
2032	80,670,269.62				
2033	81,811,050.82				
2034	81,286,861.40				
2035	67,065,090.50				
2036	68,955,226.80				
2037	69,961,190.00				
2038	71,225,661.76				
2039	63,154,863.76				
2040	64,351,372.00				
2041	34,905,925.00				
2042	31,420,037.50				
2043	31,435,950.00				
2044	31,224,350.00				
2045	31,364,500.00				
2046	31,920,912.50				
2047	17,348,650.00				
2048	17,476,762.50				
Total	\$1,446,015,553.72				

⁽¹⁾ Debt service on the District’s Taxable General Obligation Bonds (Election of 2006, Series 2009C) Qualified School Construction Bonds (Tax Credit Bonds) and the District’s Taxable General Obligation Bonds (Election of 2006, Series 2012B) (Qualified School Construction Bonds) reflects debt service net of subsidy based on current sequestration rates and scheduled sinking fund deposits by the District (rather than payments to bondholders).

⁽²⁾ Includes debt service on the Refunded Bonds to be refunded.

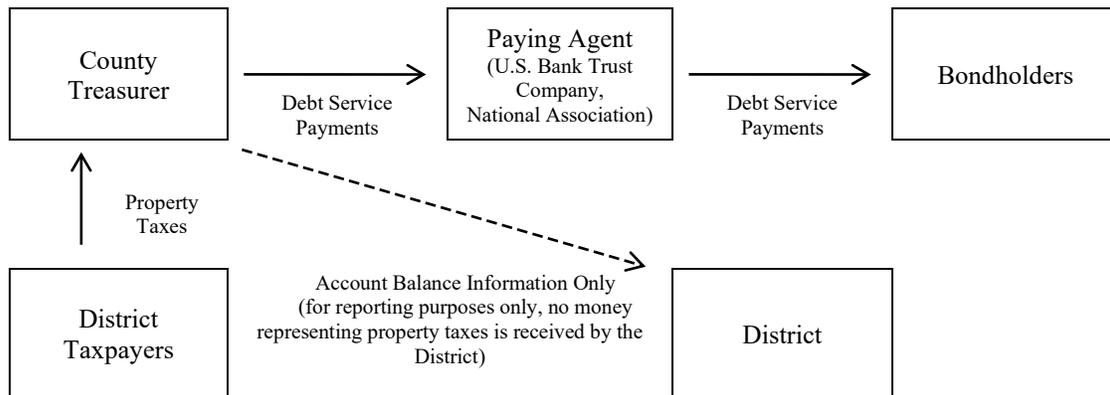
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

In order to provide sufficient funds for repayment of principal and interest when due on a school district's bonds, the board of supervisors of the county, the superintendent of schools of which has jurisdiction over such school district, is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by such school district, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the school district. The assessor of the county in which the school district lies must annually certify to the board of supervisors the assessed value of all taxable property in the county situated in the school district. The board of supervisors must levy upon the property of the school district within its own county the rate of tax that will be sufficient to raise not less than the amount needed to pay the interest and any portion of the principal of the bonds that is to become due during the year.

Accordingly, the Board of Supervisors of the County must levy upon the property of the District the rate of tax that will be sufficient to provide sufficient funds for repayment of principal and interest when due on the Bonds. When collected, the tax revenues will be deposited in the District's Interest and Sinking Fund, which is required to be maintained by the County and to be used solely for the payment of bonds of the District. Moneys in the Interest and Sinking Fund will be invested on behalf of the District in any one or more investments generally permitted for school districts authorized pursuant to Section 53601 *et seq.* or Section 53635 *et seq.* of the California Government Code by the County Treasurer, and consistent with the investment policy of the County. See APPENDIX F – "COUNTY OF ALAMEDA ANNUAL INVESTMENT POLICY AND INVESTMENT REPORT."

The following diagram illustrates the flow of property taxes from District taxpayers to the Interest and Sinking Fund, and from there to bondholders.



Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the Government Code (which became effective on January 1, 2016), all general obligation bonds issued by local agencies, including refunding bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the Bonds are executed and delivered. Section 53515 further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

Pledge of and Lien on Tax Revenues

Pursuant to the District Resolutions, the District pledges, and grants a lien or and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors of the County with respect to

each voter-approved bond measure of the District for the payment of District Bonds issued under such bond measure and all amounts on deposit in any interest and sinking fund of the District related to such bond measure with respect to the District Bonds of such bond measure, in order to secure the payment of the principal or redemption price of and interest on such District Bonds. This pledge and grant is valid and binding from the date of the District Resolutions for the benefit of the owners of the District Bonds and successors thereto. The property taxes and amounts held in any interest and sinking fund of the District shall be immediately subject to this pledge and grant, and the pledge and grant constitutes a lien and security interest which immediately attaches to (i) the property taxes heretofore and hereafter collected and (ii) the amounts held in any interest and sinking fund of the District. This pledge and grant shall secure the payment of District Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant and without the need of any physical delivery, recordation, filing, or further act. The pledge and grant is an agreement between the District and the owners of District Bonds to provide security for the District Bonds in addition to any statutory lien that may exist, and the District Bonds secured by the pledge and grant are or were issued to finance one or more of the projects specified in the applicable voter-approved measure.

“District Bonds” means all bonds, including refunding bonds, of the District heretofore or hereafter issued pursuant to voter-approved measures of the District, including bonds approved by the voters of the District pursuant to Measure C (approved by the voters at an election duly called and regularly held in the District on November 8, 1994, authorizing the issuance of \$169,730,000 in bonds), Measure A (approved by the voters at an election duly called and regularly held in the District on March 7, 2000, authorizing the issuance of \$303,000,000 in bonds), Measure B (approved by the voters at an election duly called and regularly held in the District on June 6, 2006, authorizing the issuance of \$435,000,000 in bonds), Measure J (approved by the voters at an election duly called and regularly held in the District on November 6, 2012, authorizing the issuance of \$475,000,000 in bonds), and Measure Y, approved by the voters pursuant to the 2020 Authorization.

Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts receive property taxes for payment of voter-approved bonds as well as for general operating purposes.

Local property taxation is the responsibility of various county officers. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer and tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the county treasurer and tax collector, as *ex officio* treasurer of each school district located in the county, holds school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on the bonds when due.

As mandated by law, the County Treasurer has sole responsibility for the levy and collection of the tax imposed to pay the principal of and interest on the District’s bonds. Pursuant to State law, the proceeds of the tax levy are never in the custody of the District or available for any other purpose, and are at all times segregated from the operating revenues of the District. The District has no role in the process of taxation and payment of the District’s bonds. Although the District may have legal authority to supplement the payments on its bonds by transferring operating revenues to the Interest and Sinking Fund administered by the County Treasurer, there is no statutory obligation that the District uses its operating revenues to support its bonds in this way. It should not be inferred that the principal of or interest on the Bonds is payable from the District’s General Fund or from State revenues.

Assessed Valuation of Property Within the District

All property (real, personal and intangible) is taxable unless an exemption is granted by the State Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real property. Most taxable property is assessed by the assessor of the

county in which the property is located. Some special classes of property are assessed by the State Board of Equalization (the “**Board of Equalization**”).

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared so that taxes can be levied on the new assessed value before the next regular assessment roll is completed. See “– *Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

Under the State Constitution, the Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately-owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property’s value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State’s methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Locally taxed property is classified either as “secured” or “unsecured,” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is “unsecured,” and is assessed on the “unsecured roll.” Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as “utility” property.

(Remainder of Page Intentionally Left Blank)

The following table shows the assessed valuation of the various classes of property in the District for recent fiscal years.

**Oakland Unified School District
(County of Alameda, California)
Assessed Valuations of Secured and Unsecured Property
Fiscal Years 2011-12 through 2025-26**

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2011-12	\$35,751,945,435	\$19,640,604	\$2,727,442,229	\$38,499,028,268	-
2012-13	36,271,770,017	16,985,541	2,892,634,324	39,181,389,882	1.77%
2013-14	37,502,395,457	16,319,551	2,833,029,883	40,351,744,891	2.99
2014-15	40,091,358,068	15,070,688	2,809,510,293	42,915,939,049	6.35
2015-16	44,159,989,483	20,517,048	2,822,888,936	47,003,395,467	9.52
2016-17	47,249,996,605	24,317,524	3,004,666,994	50,278,981,123	6.97
2017-18	51,172,486,419	19,326,302	2,671,638,336	53,863,451,057	7.13
2018-19	54,758,322,398	16,660,059	2,781,400,956	57,556,383,413	6.86
2019-20	59,247,570,880	16,678,982	2,919,350,643	62,183,600,505	8.04
2020-21	65,438,862,473	16,367,268	3,210,617,613	68,665,847,354	10.42
2021-22	69,492,884,815	48,671,025	3,476,201,031	73,017,756,871	6.34
2022-23	75,529,094,708	26,783,669	3,616,722,367	79,172,600,744	8.43
2023-24	80,522,032,406	20,193,415	3,818,187,382	84,360,413,203	6.55
2024-25	84,242,855,070	51,443,409	3,779,669,506	88,073,967,985	4.40
2025-26	84,884,619,291	50,311,083	3,764,302,505	88,699,232,879	0.71

Source: California Municipal Statistics, Inc.

Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District’s control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc. Mortgage rates have increased significantly in the current fiscal year affecting the purchase price of housing. The District cannot predict the future increase or decrease in mortgage rates, or any resulting impact on the assessed valuation within the District. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also “– *Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction or reconstruction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in November 1978), can result if factors occur causing a decline in the market value of the property to a level below the property’s then-current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner’s property by filing a written application, in the form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner’s property in any one year must submit an application to the county assessment appeals board (the “**Appeals Board**”). Following a review of the application by the county assessor’s office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before

the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then-current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis. According to representatives of the Alameda County assessor's office, Alameda County has in the past, pursuant to Article XIII A of the State Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single-family residential properties when the value of the property has declined below the current assessed value as calculated by Alameda County.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

See APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues" for a discussion of other limitations on the valuation of real property with respect to *ad valorem* taxes.

Risk of Decline in Property Values; Earthquake Risk. Property values could be reduced by factors beyond the District's control, including an earthquake, or a depressed real estate market due to general economic conditions in the County, the region, and the State.

The District is located in a seismically active region. Active earthquake faults underlie both the District and the surrounding Bay Area. Three major earthquake faults that comprise the San Andreas fault system extend through the Bay Area, including the San Andreas fault, the Hayward fault, and the Calaveras fault. On August 24, 2014, an earthquake occurred in Napa, California. The tremor's epicenter was located approximately 3.7 miles northwest of American Canyon near the West Napa Fault and registered 6.0 on the Richter scale of earthquake intensity. The Napa earthquake caused fires, damaged buildings and roads, and injured approximately 200 people. The Napa earthquake was the largest earthquake in the Bay Area since the 1989 Loma Prieta earthquake on the San Andreas Fault, which was centered about 60 miles south of Oakland and registered 6.9 on the Richter scale of earthquake intensity. The Loma Prieta earthquake caused fires and collapses of, and structural damage to, buildings, highways and bridges in the Bay Area.

In August 2016, the 2014 Working Group on California Earthquake Probabilities (a collaborative effort of the United States Geological Survey, the California Geological Society and the Southern California Earthquake Center) issued a revised report that states there is a 72% chance that one or more earthquakes of magnitude 6.7 or larger will occur in the Bay Area before the year 2043. Such earthquakes may be very destructive. Property within the District could sustain extensive damage in a major earthquake, and a major earthquake could adversely affect the area's economic activity.

Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, drought, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable, or religious purposes). Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional bonds in the future might also cause the tax rate to increase.

Drought. In recent years the State has experienced severe drought conditions. In January 2014, the Governor declared a Statewide Drought State of Emergency due to the State facing serious water shortfalls due to the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The California State Water Resources Control Board (the “State Water Board”) subsequently issued a Statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures.

On March 5, 2021, the Secretary of the United States Department of Agriculture designated 50 of 58 counties in California, including the County, as primary natural disaster areas due to drought. On April 21, 2021, the Governor issued a drought emergency proclamation (the “**April Drought Proclamation**”) which applied to two counties within the State. On May 10, 2021, the Governor declared a State of Emergency due to the State facing serious water shortfalls, and ordered State and local agency implementation of certain provisions to adequately respond to drought conditions, significantly expanding the April Drought Proclamation to 41 counties within the State. On July 8, 2021, the Governor expanded the declaration further to include an additional nine counties in the State. On October 19, 2021, the Governor extended the declaration to include the remaining counties such that the drought state of emergency was then in effect Statewide. However, increased rainfall in late 2022 and early 2023 led to the rescission of certain of these restrictions, including in the County, as described in the following section “–*2022-23 Winter Storms.*”

It is not possible for the District to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the boundaries of the District or the extent to which drought conditions may impact District facilities or the assessed value of taxable property within the District.

2022-23 Winter Storms. California experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack, leading to an unseasonably wet winter in late 2022 and early 2023, which impacted communities across the State (the “**2022-23 Winter Storms**”). The increased rainfall caused by the 2022-23 Winter Storms has eased drought conditions across the State considerably. Accordingly, in March 2023, the Governor rescinded some of the State’s drought restrictions, including restrictions in the County. In addition, in January 2023, the Governor announced an extension of its tax filing deadline for residents and businesses in counties which were impacted by the 2022-23 Winter Storms and the resulting mudslides and flooding (the “**2023 Winter Storm Tax Extension**”). Most counties in the State were included in the 2023 Winter Storm Tax Extension, such that certain individual and business tax payments which would have typically been due at various times between January and September 2023 were then due on October 16, 2023.

2023-24 Winter Storms. Portions of the State experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack, leading to an unseasonably wet winter in late 2023 and early 2024, which impacted communities within the State (the “**2023-24 Winter Storms**”). In particular, portions of the County experienced severe storms and flooding. In February 2024, the Franchise Tax Board announced an extension of its tax filing deadline for residents and businesses in the County.

It is not possible for the District to make any representation regarding the extent to which the 2022-23 Winter Storms, the 2023-24 Winter Storms, or any future winter storms, or related increased rainfall, mudslides or flooding conditions, could cause reduced economic activity within the boundaries of the District or the extent to which such conditions may impact District facilities or the assessed value of taxable property within the District.

Risk of Wildfire. In recent years, portions of the State, including the County and adjacent counties, have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. Property damage due to wildfire could result in a significant decrease in the assessed value of property in the District. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact the value of taxable property within the District.

In October 1991, a firestorm on the hillsides of northern Oakland and southeastern Berkeley burned 1,520 acres and destroyed over two thousand single-family homes and hundreds of apartment and condominium units. The economic loss from the fire was estimated at \$1.5 billion.

Risk of Sea Level Changes and Flooding. In July 2024, the California Ocean Protection Council (in collaboration with California Ocean Science Trust and a task force comprised of an interdisciplinary and multi-institutional collaborative of scientific experts), adopted a report entitled “California Sea Level Rise Guidance 2024 Science and Policy Update” (the “**Sea Level Rise Report**”) to update and replace the Sea Level Rise Guidance adopted in March 2018, and marks the fourth iteration of statewide guidance since the year 2010 for state and local decision-makers. Among many findings, the Sea Level Rise Report indicates that approximately 700,000 residents and \$250.0 billion in property across the State could be exposed to the combination of storms and sea level rise-driven flooding during the 21st century. As sea level rise accelerates, risks from other coastal processes are expected to increase. Elevated sea levels can exacerbate the damaging effects of coastal storms. The California Sea Level Rise Guidance 2024 provides updated science and policy recommendations for state and local decision-makers to prepare for rising sea levels. The guidance emphasizes that vertical land motion is the primary driver of local variations in sea level rise across the State, and projects a statewide average rise of 0.8 feet by 2050 and 1.6 to 3.1 feet by 2100, reflecting greater certainty in near-term projections due to updated science. The guidance outlines a need for a stepwise, precautionary approach to adaptation planning, incorporating a range of scenarios and encouraging nature-based solutions, and coordination and collaboration between local, state and federal agencies. The District may be particularly vulnerable to impacts associated with sea level rise due to development on its coastline. A wide range of critical infrastructure, such as roads, airports, hospitals, schools, emergency facilities, wastewater treatment plants, power plants, and wetlands is also vulnerable. Continued development in vulnerable areas will put additional assets at risk and raise protection costs.

The District is unable to predict whether sea level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the financial condition of the District and the local economy.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. See “– Drought,” “– Risk of Sea Level Changes and Flooding,” “– Wildfire,” “– 2022-23 Winter Storms,” and “– 2023-24 Winter Storms” above. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District’s control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to predict when or if adverse impacts of climate change will occur or the extent of such impacts.

Bonding Capacity. As a unified school district, the District may issue bonds in an amount up to 2.5% of the assessed valuation of taxable property within its boundaries. The District’s gross bonding capacity (also commonly referred to as the “bonding limit” or “debt limit”) is approximately \$2.2 billion and its net bonding capacity is approximately \$1.2 billion, prior to the issuance of the Bonds. Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the District’s bonding capacity.

(Remainder of Page Intentionally Left Blank)

Assessed Valuation by Jurisdiction. The following table describes the percentage and value of the total assessed valuation of property within the District's boundaries for fiscal year 2025-26.

**Oakland Unified School District
(County of Alameda, California)
2025-26 Assessed Valuation by Jurisdiction**

<u>Jurisdiction:</u>	Assessed Valuation <u>in District</u>	% of <u>District</u>	Assessed Valuation <u>of Jurisdiction</u>	% of Jurisdiction <u>in District</u>
City of Emeryville	\$ 1,016,928	0.001%	\$7,839,500,547	0.013%
City of Oakland	<u>88,698,215,951</u>	<u>99.999</u>	90,056,469,826	98.492
Total District	\$88,699,232,879	100.000%		
Alameda County	\$88,699,232,879	100.000%	\$435,924,185,157	20.347%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows a distribution of taxable property located in the District on the fiscal year 2025-26 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**Oakland Unified School District
(County of Alameda, California)
2025-26 Local Secured Assessed Valuation and Parcels by Land Use**

	2025-26 <u>Assessed Valuation⁽¹⁾</u>	% of <u>Total</u>	No. of <u>Parcels</u>	% of <u>Total</u>	No. of Taxable <u>Parcels</u>	% of <u>Total</u>
Non-Residential:						
Commercial/Office	\$16,052,369,617	18.91%	5,987	5.33%	5,538	5.06%
Vacant Commercial	221,551,639	0.26	372	0.33	358	0.33
Industrial	5,607,617,126	6.61	2,206	1.96	2,158	1.97
Vacant Industrial	237,670,898	0.28	404	0.36	404	0.37
Recreational	114,607,561	0.14	270	0.24	270	0.25
Government/Social/Institutional	<u>377,265,799</u>	<u>0.44</u>	<u>2,898</u>	<u>2.58</u>	<u>1,121</u>	<u>1.02</u>
Subtotal Non-Residential	\$22,611,082,640	26.64%	12,137	10.80%	9,849	8.99%
Residential:						
Single Family Residence	\$42,152,351,038	49.66%	68,130	60.65%	68,023	62.09%
Condominium/Townhouse	6,699,275,197	7.89	11,790	10.50	11,782	10.75
Mobile Home	415,922	0.00	6	0.01	6	0.01
2-4 Residential Units	3,724,857,326	4.39	12,999	11.57	12,996	11.86
5+ Residential Units/Apartments	9,117,574,917	10.74	3,356	2.99	3,331	3.04
Residential-Miscellaneous Uses	89,530,125	0.11	89	0.08	89	0.08
Vacant Residential	<u>489,532,126</u>	<u>0.58</u>	<u>3,822</u>	<u>3.40</u>	<u>3,477</u>	<u>3.17</u>
Subtotal Residential	\$62,273,536,651	73.36%	100,192	89.20%	99,704	91.01%
Total	\$84,884,619,291	100.00%	112,329	100.00%	109,553	100.00%

⁽¹⁾ Local secured assessed valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

(Remainder of Page Intentionally Left Blank)

Assessed Valuation of Single-Family Homes. The following table shows the assessed valuation of single-family homes in the District for fiscal year 2025-26, including the median and mean assessed valuation per parcel.

**Oakland Unified School District
(County of Alameda, California)
Per Parcel 2025-26 Assessed Valuation of Single-Family Homes**

	No. of <u>Parcels</u>	2025-26 <u>Assessed Valuation</u>	Average <u>Assessed Valuation</u>	Median <u>Assessed Valuation</u>
Single Family Residential	68,023	\$42,152,351,038	\$619,678	\$477,880

2025-26 <u>Assessed Valuation</u>	No. of <u>Parcels⁽¹⁾</u>	% of <u>Total</u>	Cumulative <u>% of Total</u>	Total <u>Valuation</u>	% of <u>Total</u>	Cumulative <u>% of Total</u>
\$0 - \$99,999	6,835	10.048%	10.048%	\$ 436,516,994	1.036%	1.036%
\$100,000 - \$199,999	9,558	14.051	24.099	1,423,223,461	3.376	4.412
\$200,000 - \$299,999	7,264	10.679	34.778	1,797,646,261	4.265	8.677
\$300,000 - \$399,999	5,973	8.781	43.559	2,088,658,479	4.955	13.632
\$400,000 - \$499,999	5,659	8.319	51.878	2,547,170,325	6.043	19.674
\$500,000 - \$599,999	5,403	7.943	59.821	2,964,375,465	7.033	26.707
\$600,000 - \$699,999	4,311	6.338	66.159	2,793,050,514	6.626	33.333
\$700,000 - \$799,999	3,690	5.425	71.583	2,762,374,782	6.553	39.886
\$800,000 - \$899,999	3,365	4.947	76.530	2,856,147,607	6.776	46.662
\$900,000 - \$999,999	2,942	4.325	80.855	2,788,620,856	6.616	53.278
\$1,000,000 - \$1,099,999	2,218	3.261	84.116	2,323,010,445	5.511	58.789
\$1,100,000 - \$1,199,999	1,834	2.696	86.812	2,104,535,652	4.993	63.781
\$1,200,000 - \$1,299,999	1,514	2.226	89.038	1,890,252,277	4.484	68.266
\$1,300,000 - \$1,399,999	1,365	2.007	91.044	1,838,482,156	4.362	72.627
\$1,400,000 - \$1,499,999	1,116	1.641	92.685	1,612,780,224	3.826	76.453
\$1,500,000 - \$1,599,999	957	1.407	94.092	1,479,677,326	3.510	79.964
\$1,600,000 - \$1,699,999	767	1.128	95.219	1,263,499,756	2.997	82.961
\$1,700,000 - \$1,799,999	618	0.909	96.128	1,079,916,178	2.562	85.523
\$1,800,000 - \$1,899,999	531	0.781	96.908	979,592,376	2.324	87.847
\$1,900,000 - \$1,999,999	394	0.579	97.488	765,298,333	1.816	89.662
\$2,000,000 and greater	<u>1,709</u>	<u>2.512</u>	100.000	<u>4,357,521,571</u>	<u>10.338</u>	100.000
Total	68,023	100.000%		\$42,152,351,038	100.000%	

⁽¹⁾ Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

(Remainder of Page Intentionally Left Blank)

Largest Taxpayers in District. The twenty taxpayers with the greatest combined ownership of taxable property in the District on the fiscal year 2025-26 tax roll, and the assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District, are shown below.

**Oakland Unified School District
(County of Alameda, California)
Largest 2025-26 Local Secured Taxpayers**

	<u>Property Owner</u>	<u>Primary Land Use</u>	2025-26 <u>Assessed Valuation</u>	% of <u>Total⁽¹⁾</u>
1.	BA2 300 Lakeside LLC	Office Building	\$ 486,738,299	0.57%
2.	Uptown Broadway LLC	Office Building	430,000,000	0.51
3.	SOFXI WFO Center 21 Owner LLC	Office Building	396,968,567	0.47
4.	CP VI Franklin LLC	Apartments	376,358,374	0.44
5.	SFIII FOS 1111 Broadway Holding LLC	Office Building	347,838,298	0.41
6.	Nash Holland 24th & Harrison Investors	Apartments	281,285,288	0.33
7.	KRE 1221 Broadway Owner LLC	Office Building	280,802,977	0.33
8.	601 City Center LLC	Office Building	275,594,109	0.32
9.	CSHV 1999 Harrison LLC	Office Building	260,970,079	0.31
10.	USPA CITY CENTER LLC	Office Building	246,224,160	0.29
11.	MPI Macarthur Tower LLC	Apartments	202,227,281	0.24
12.	KRE 1330 Broadway Owner LLC	Office Building	196,328,000	0.23
13.	BIT Macarthur Commons Investors LLC	Apartments	195,765,636	0.23
14.	Pacific Oak SOR II Oakland City Center	Office Building	176,360,436	0.21
15.	CRP THC Oakland Broadway Uptown Owner	Apartments	173,702,331	0.20
16.	Sutter Bay Hospitals	Medical Building	172,987,755	0.20
17.	Nash Holland 1721 Webster Investors LLC	Apartments	168,930,382	0.20
18.	CH Property Owner LLC	Hotel	166,484,742	0.20
19.	CIM Oakland 1 Kaiser Plaza LP	Office Building	164,258,540	0.19
20.	SOF XI WFO Harrison Owner LLC	Office Building	<u>164,205,392</u>	<u>0.19</u>
			<u>\$5,164,030,646</u>	<u>6.08%</u>

⁽¹⁾ Total 2025-26 local secured assessed valuation, excluding tax-exempt property: \$84,884,619,291.

Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness in the taxpayer’s financial situation and ability or willingness to pay property taxes. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District’s control. See “– *Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” above.

Tax Rates

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Bonds in a given year depends on the assessed value of taxable property in that year. The rate of tax imposed on unsecured property for repayment of the Bonds is based on the prior year’s secured property tax rate. Economic and other factors beyond the District’s control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

Typical Tax Rate Area. The following table shows *ad valorem* property tax rates for the last five fiscal years in a typical Tax Rate Area of the District (TRA 17-001). TRA 17-001 comprises approximately 44.98% of the total fiscal year 2025-26 assessed value of the District.

**Oakland Unified School District
(County of Alameda, California)
Typical Tax Rates per \$100 of Assessed Valuation
(TRA 17-001)**

	2021-22	2022-23	2023-24	2024-25	2025-26 ⁽¹⁾
General	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Alameda County Bonds	0.0041	0.0103	0.0088	0.0089	0.0084
Oakland Unified School District Bonds	0.1202	0.1026	0.0990	0.0814	0.0900
Peralta Community College District Bonds	0.0407	0.0409	0.0418	0.0394	0.0432
Bay Area Rapid Transit District Bonds	0.0060	0.0140	0.0134	0.0148	0.0152
East Bay Regional Park District Bonds	0.0020	0.0058	0.0057	0.0013	0.0011
City of Oakland	0.2011	0.2035	0.2035	0.1145	0.1200
Total	\$1.3741	\$1.3771	\$1.3722	\$1.2603	\$1.2779

⁽¹⁾ 2025-26 assessed valuation of TRA 17-001 is \$39,899,177,005.
Source: California Municipal Statistics, Inc.

Tax Charges and Delinquencies

A school district’s share of the 1% countywide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in fiscal year 1978-79, as adjusted according to a complicated statutory formula enacted since that time. Revenues derived from special *ad valorem* taxes for voter-approved indebtedness, including the Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The county treasurer and tax collector prepares the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and becomes delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a 10% penalty attaches and a \$23 cost is added to unpaid second installments. If taxes remain unpaid by June 30, the tax is deemed to be in default, and a \$15 state redemption fee applies. Interest then begins to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the county treasurer.

Annual bills for property taxes on the unsecured roll are generally issued in July, are due in a single payment within 30 days, and become delinquent after August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the county treasurer may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the county, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The county treasurer may also bring a civil suit against the taxpayer for payment.

The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed. The following table shows a recent history of secured property tax collections and delinquencies in the District for its general obligation bond debt service levy.

Property tax delinquencies may be impacted by economic and other factors beyond the District’s control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or natural or manmade disaster, such as earthquake, drought, flood, fire, toxic dumping. It is not

possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. If delinquencies increase substantially as a result of the unprecedented events of a pandemic, such as the COVID-19 pandemic, or other events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies. Annual reserves can be used towards debt service where tax collections are insufficient to pay such debt service.

The County does not anticipate an impact to the cash flow for any of the school districts within the County, including cash flow for any bond payments. The District cannot predict the extent of delinquencies and delayed tax collections, or the resulting impact on the District’s financial condition or operations. The County has adopted the Teeter Plan (defined herein), but does not apply the Teeter Plan (as described below) to school district general obligation bond tax levies, according to which the County distributes to the District the amount actually collected rather than the amount levied on the secured and supplemental tax rolls. See “– *Teeter Plan – Not Applicable*” below. There can be no assurances that the County will always have sufficient funds available to distribute the full amount of the District’s share of property tax collections to the District. However, State law requires the County to levy *ad valorem* property taxes sufficient to pay the Bonds when due.

The following table shows a recent history of secured property tax collections and delinquencies in the District for its general obligation bond debt service and parcel tax levies.

**Oakland Unified School District
(County of Alameda, California)
Tax Collections and Delinquencies for Fiscal Years 2015-16 through 2018-19**

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Delinquent (June 30)	% Delinquent
2015-16	\$87,406,965.12	\$1,750,932.72	2.00%
2016-17	86,013,423.84	1,836,778.97	1.81
2017-18	95,236,060.05	1,820,737.05	1.49
2018-19	108,053,225.18	2,058,557.04	1.50

⁽¹⁾ District’s general obligation bond debt service and parcel tax levies.
Source: California Municipal Statistics, Inc.

**Oakland Unified School District
(County of Alameda, California)
Tax Collections and Delinquencies for Fiscal Years 2019-20 through 2024-25**

Fiscal Year	Secured Tax Charge ⁽²⁾	Amount Delinquent (June 30)	% Delinquent
2019-20	\$68,791,404.80	\$1,218,989.06	1.77%
2020-21	70,446,869.10	1,102,321.31	1.56
2021-22	83,995,647.93	1,460,696.80	1.74
2022-23	77,435,137.47	1,373,473.96	1.77
2023-24	79,890,524.77	1,624,939.58	2.03
2024-25			

⁽¹⁾ District’s general obligation bond debt service levy.
Source: California Municipal Statistics, Inc.

**Oakland Unified School District
(County of Alameda, California)
Tax Collections and Delinquencies for Fiscal Years 2019-20 through 2024-25**

Fiscal Year	Secured Tax Charge ⁽²⁾	Amount Delinquent (June 30)	% Delinquent
2019-20	\$44,379,082.50	\$1,233,382.50	2.78%
2020-21	44,396,850.00	1,155,817.50	2.60
2021-22	44,156,535.00	1,054,132.50	2.39
2022-23	44,271,945.00	1,129,282.50	2.55
2023-24	44,410,245.00	1,218,375.00	2.74
2024-25			

⁽¹⁾ District's parcel tax levies.

Source: California Municipal Statistics, Inc.

Teeter Plan – Not Applicable. While the Board of Supervisors of the County has approved implementation of the Teeter Plan, the County does not apply the Teeter Plan to school district general obligation bond tax levies. Consequently, for taxes levied in the County to pay debt service on the Bonds, the District will receive actual collections (including penalties and interest) for that purpose, rather than the amount levied. However, the Teeter Plan does apply to the District's share of the 1% Countywide property tax levy.

For counties that have approved its implementation, the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**") authorized by Sections 4701-4717 of the State Revenue & Taxation Code guarantees distribution of all *ad valorem* taxes levied to the taxing entities within a county, with the county retaining all penalties and interest affixed upon delinquent properties and redemptions of subsequent collections. The purpose of utilizing the Teeter Plan is to simplify the tax-levying and tax-apportioning process and to provide increased flexibility to counties in the use of available cash resources.

The county cash position is protected by a special fund, known as the "Tax Loss Reserve Fund," which accumulates moneys from interest and penalty collections. In each fiscal year, the Tax Loss Reserve Fund is required to be funded to the amount of delinquent taxes plus 1% of that year's tax levy. Amounts exceeding the amount required to be maintained in the Tax Loss Reserve Fund may be credited to the county's general fund. Amounts required to be maintained in the Tax Loss Reserve Fund may be drawn on to the extent of the amount of uncollected taxes credited to each agency in advance of receipt.

The Teeter Plan is to remain in effect unless the county board of supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the county (which commences on July 1), the board of supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the county. The board of supervisors may also, after holding a public hearing on the matter, discontinue the procedures with respect to any tax levying agency or assessment levying agency in the county if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls in that agency.

Direct and Overlapping Debt

Set forth below is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. for debt issued as of January 1, 2026. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule and whose territory overlaps the District in whole or in part. Column two shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in column three, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The schedule generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

**Oakland Unified School District
(County of Alameda, California)
Direct and Overlapping Bonded Debt**

2025-26 Assessed Valuation: \$88,699,232,879

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 1/1/26</u>
Alameda County	20.347%	\$93,572,801
Bay Area Rapid Transit District	8.205	241,802,171
East Bay Regional Park District	12.720	17,318,280
Chabot-Las Positas Community College District	0.001	8,474
Peralta Community College District	55.755	260,177,920
Oakland Unified School District	100.000	1,018,385,000⁽¹⁾
City of Emeryville	0.013	6,242
City of Oakland	98.492	963,685,125
City of Oakland Community Facilities District No. 2023-1	100.000	5,040,000
City of Oakland 1915 Act Bonds	100.000	1,005,000
City of Piedmont 1915 Act Bonds	4.792	<u>93,697</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$2,601,094,710
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Alameda County General Fund Obligations	20.347%	\$122,231,042
Alameda-Contra Costa Transit District Certificates of Participation	23.959	2,098,808
Peralta Community College District Pension Obligation Bonds	55.755	55,565,323
City of Emeryville General Fund Obligations	0.013	135
City of Oakland General Fund Obligations	98.492	10,408,142
Eden Township Healthcare District Certificates of Participation	0.004	<u>529</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$190,303,979
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		\$176,127,438
COMBINED TOTAL DEBT		\$2,967,526,127⁽²⁾

Ratios to 2025-26 Assessed Valuation:

Direct Debt (\$1,018,385,000)	1.15%
Total Direct and Overlapping Tax and Assessment Debt.....	2.93%
Combined Total Debt	3.35%

Ratios to Redevelopment Incremental Valuation (\$30,413,137,092):

Total Overlapping Tax Increment Debt.....	0.58%
---	-------

⁽¹⁾ Excludes the Bonds to be sold, but includes the Refunded Bonds to be refunded.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

RISK FACTORS

The factors discussed below (among others) should be considered in evaluating the probability of payment of the Bonds. The considerations discussed below are not meant to be an exhaustive list of considerations associated with the purchase of the Bonds, and the discussion below does not necessarily reflect the relative importance of the various considerations. Potential investors should consider the following factors, among others, and review the other information in this Official Statement. Any one or more of the considerations discussed, and others, could lead to a decrease in the market value and or the liquidity of the Bonds. There can be no assurance that other factors and considerations will not become material in the future.

Risks to the Property Tax Base

Certain events could cause a decline in assessed value of property in the District, requiring the County to increase tax rates in order to meet the debt service obligations on the Bonds.

The property tax base has in the past and may in the future shrink due either to base year assessment appeals or due to blanket reductions of assessed values. For more detail concerning base year assessment appeals or blanket reductions of assessed values, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District.” For a recent history of assessed value in the District, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District.”

Increased unemployment and other general economic conditions in the District may also correlate with a decline in assessed value and an increase in delinquent tax payments. Also, in the case of an earthquake that materially disrupts the economy of the Bay Area, large scale defaults on property taxes could cause delays or defaults on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Tax Changes and Delinquencies – *Teeter Plan – Not Applicable.*” For more information regarding unemployment and general economic conditions in the District and surrounding areas, see APPENDIX A – “THE ECONOMY OF THE DISTRICT.”

The property tax base in the District is located on a seismically active fault in California and could sustain a significant decline in value were a large-magnitude earthquake to occur. Property values in the District could also be adversely affected by a number of other natural or manmade disasters. For a more detailed discussion of earthquake risk, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District.”

Although the District may have legal authority to supplement the payments on its bonds by transferring operating revenues to the Interest and Sinking Fund were amounts on deposit therein ever insufficient to pay the principal of and interest due on its bonds, the District is not legally obligated to use its operating revenues to support its bonds.

The reorganization of regulated utilities and the transfer of electricity generating property between state-assessed utilities and non-utility companies may also have an effect on the size of the District’s tax base. A more in-depth discussion of how state-assessed property affects the size of the tax base is available at “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Assessed Value of Property Within the District.”

District Financial Risks

Neither the principal of, nor interest on, the Bonds is payable from the District’s General Fund or from State revenues. The Bonds are paid by the County solely from *ad valorem* property taxes levied by the County – moneys over which the District exerts no control. Nevertheless, the District has presented information concerning its finances and operations and has detailed the State funding of education in Appendix B as supplementary information. Because some of the events and circumstances discussed in Appendix B are anomalous, they are noted below.

Budgetary Risks. The District is required to maintain a minimum reserve equal to 2.0% (the “Minimum Reserve”) of its annual general fund expenditures and other financing uses. The District has experienced persistent

structural deficits in its general fund. Beginning in fiscal year 2018-19, the District's multiyear projections indicated it would not meet the Minimum Reserve requirement, and in the years since, the District has adopted a series of budgetary expenditure reductions, fiscal vitality and sustainability plans, and revenue enhancement measures in response to projected shortfalls.

On February 6, 2025, following the District's negative certification of its first interim report for fiscal year 2024-25, ACOE informed the District that the County Superintendent of Schools was implementing legally mandated interventions pursuant to Education Code Section 42127. An Advisory Team was created, consisting of the Fiscal Oversight Trustee, Advisor to the Board of Education, County Superintendent, 510Media Strategic Agency, and Partners in School Innovation, and the County Superintendent presented a fiscal intervention plan on February 12, 2025.

In June 2025, the District formally exited state receivership with the final repayment of the 2003 Emergency Apportionment Loan and the completion of a fiscal systems audit, which was a condition of exiting receivership. On June 25, 2025, the District adopted its budget for fiscal year 2025-26, reflecting a \$30.5 million deficit in its unrestricted general fund balance and \$82.2 million in its restricted general fund balance. On November 1, 2025, ACOE conditionally approved the District's budget with a warning that over \$100.0 million in cuts would be necessary to avoid future insolvency. On November 1, 2025, ACOE conditionally approved the District's budget with a warning that over \$100.0 million in cuts would be necessary to avoid future insolvency. On December 10, 2025, the District adopted its first interim financial report for fiscal year 2025-26 (the "2025-26 First Interim Report"), showing a \$26.0 million deficit in the general fund balance and an estimated unrestricted general fund reserve of approximately 1.9%, below the 2.0% Minimum Reserve. The Board of Education adopted "Scenario 3," encompassing eight strategic areas of savings designed to achieve sustainable, recurring reductions, approved a qualified certification of the 2025-26 First Interim Report, and implemented a Districtwide spending freeze. See APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – The District – District Past Budgets and Board Actions."

On January 14, 2026, the District retained Hazard, Young, Attea & Associates (the "Fiscal Consultant") to provide executive-level support for fiscal stabilization, implementation and monitoring of Scenario 3, and long-term fiscal sustainability. On January 20, 2026, the District reported that the Districtwide spending freeze yielded strategic budget adjustments, including a 10% reduction in unencumbered funds for schools and 20% reductions in central office budgets, which restored the 2.0% Minimum Reserve for fiscal year 2025-26 and stabilized the District's fund balance for the remainder of the fiscal year. The Fiscal Consultant presented to the Board of Education a multi-year recovery plan implementing Scenario 3 and \$100.0 million in budget adjustments to stabilize the unrestricted general fund and improve multi-year projections. See APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – The District – District Past Budgets and Board Actions – *Fiscal Year 2025-26 Budget and Financial Developments.*"

Dependence on State Funds. Due to the District's dependence on the State for a substantial portion of its operating funds, reductions in State funding may have an adverse effect on the District's financial health. In past years the State has reduced its funding of the District to address shortfalls in the State budget, and these reductions have caused concomitant reductions in the District's budget. For a more detailed discussion of the relationship between State funding of education and the District's budget, see APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET."

Healthcare Costs. In 2015, the District established the Health Benefits Governing Board ("HBGB") pursuant to the Health and Welfare Agreement (the "HBGB Agreement") with its labor unions to manage healthcare costs. Under the HBGB Agreement, the District is required to deposit revenue into a Health and Welfare Fund for employee health benefits, with unspent amounts retained as reserves for future cost increases.

Due to budgetary pressures and complex accounting procedures, the District did not fund the Health and Welfare Fund for several years and did not begin accounting for reserves until the 2018-19 school year. The District, its auditors, ACOE, and FCMAT have disagreed about the formula used to calculate deposit amounts and whether unfunded amounts must be recorded as a current year liability. If recognized as a current liability, \$9.0 million would be owed and the District's assets would decrease accordingly. The District has proposed eliminating this liability

through \$2.25 million in deposits over four years; however, these payments have not yet been incorporated into the District's multiyear budget projections.

The HBGB Agreement remains in effect until a party requests renegotiation. The District has attempted to negotiate structural changes to the contribution formula, but negotiations have not occurred since fiscal year 2022-23, and the District retains full responsibility for healthcare costs. The District cannot predict what effect a new formula will have on its finances or whether the HBGB Agreement will be extended.

Audit Reports and Findings

The District's auditor expressed a qualified opinion on the District's financial statements for fiscal years 2020-21 and 2021-22 due to noncompliance with attendance reporting requirements for Twenty-First Century Community Learning Centers, a federally funded program. The District transitioned to a new attendance accounting system during fiscal year 2021-22, and the California Department of Education accepted the District's attendance reports in August 2022. Subsequent attendance reporting and audits have continued to reflect this improved outcome.

For fiscal year 2024-25, the District's general fund was subject to approximately \$2.7 million in audit adjustments. The financial information presented in Appendix C represents the audited financial statements of the District for the fiscal year ended June 30, 2025. See APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – Audit Findings."

ACOE reviews the District's budget, interim, and unaudited financial reports throughout the year. ACOE also reviews and processes expenditures and receipts and performs internal reconciliation of the District's cash and budget. See APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS."

FCMAT Oversight and Reports

The District's financial and budgetary practices have been subject to increased oversight by ACOE and the Fiscal Crisis and Management Assistance Team ("FCMAT"). In 2017, FCMAT conducted a fiscal health risk analysis concluding that the District was in financial distress, and in 2018, FCMAT found that the District had fallen into a pattern of structural deficit spending that had eliminated its unrestricted fund balance. FCMAT noted that the District had previously sustained minimally required State reserve levels through improper interfund borrowing, which positively impacted General Fund cash flow and fund balance, and that such borrowing should be audited, quantified, and repaid. In providing reasoning for excluding proposed expenditure reductions of \$9 million from its calculations, FCMAT cited a history of deficit spending and indicated that the District's recent actions called into question the political will of the District and its Board of Education to implement such expenditure reductions. The District implemented its 2018-2020 Fiscal Vitality Plan and, upon its expiration, adopted a three-year Fiscal Sustainability Plan in February 2021.

FCMAT's oversight was carried out under Assembly Bill 1840 (effective September 17, 2018) ("AB 1840") and extended by Assembly Bill 181 (effective June 30, 2022) ("AB 181"). Over the course of seven AB 1840 letters (2019–2022) and two AB 181 letters (2023), FCMAT documented the District's progress and persistent obstacles. FCMAT noted significant improvement in financial planning and reporting, but also identified persistent obstacles to fiscal solvency, including unsettled bargaining unit negotiations, a significant structural deficit, delayed development of financial projections, a lack of consistent implementation of adopted budget adjustments, and the Board of Education's rescission of its previous decision to close or consolidate schools and cessation of consideration of school consolidations or moving forward with the Citywide Plan relating to such closures and consolidations. FCMAT also found that the District's delayed development and communication of quality financial projections indicated it was making major financial decisions with limited and outdated financial information, and that the lack of a comprehensive stabilization plan had resulted in short-term spending adjustments, often made period by period, without regard to the larger context of the District's status or a goal of stabilization. In its most recent letters, FCMAT stated that complete implementation of a fiscal stabilization plan to greatly reduce or eliminate the District's structural deficit is imperative. FCMAT recommended, among other things, that the District adopt and implement multiyear, fiscally solvent budgets and budget plans, sell or lease surplus property, and grow and maintain budgetary reserves.

In the course of its oversight, FCMAT reviewed the District's use of bond proceeds from prior bond issuances to pay rent for the District's temporary administrative office. FCMAT questioned whether there is a capital project to which these costs can be capitalized, and similar questions were raised by ACOE in a grand jury report, by the District's auditor in its fiscal year 2017-18 performance audit of its bond program, and by the District's bond oversight committee. The District is no longer renting the temporary administrative office and does not intend to use proceeds of the Bonds for payment of rent at any District facilities.

Since FCMAT delivered its final oversight letters, the District has continued to make efforts to streamline its operations, and budget solutions have been effective in reducing central services. However, the District remains constrained by reduced revenue and higher spending, and some reserve gains achieved beginning in fiscal year 2020-21 were depleted by the time of adoption of the fiscal year 2024-25 budget.

For further information on FCMAT's review of the District's financial condition, investors are directed to read the full versions of the applicable FCMAT reports, each of which is publicly available on FCMAT's website at <http://www.fcmat.org/takenote/>. The information referred to therein is prepared by FCMAT and not by the District, and the District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Federal Subsidy Payments on Direct Subsidy Bonds and Tax Credit Bonds

As a result of payroll tax penalties owed by the District in fiscal year 2018-19, the Internal Revenue Service (the "IRS") intercepted federal subsidy payments of approximately \$1.2 million to be paid to the District in connection with its Taxable General Obligation Bonds (Election of 2006, Series 2009B) (Build America Bonds). The District has since reimbursed the Interest and Sinking Fund for the amount of the intercepted subsidy. The District's efforts to receive a waiver of the full amount of the penalties and a rebate of amounts paid to date from the IRS are ongoing. The District cannot predict whether it will receive the requested waiver and rebate of amounts paid, or, if received, the timing or receipt of such amounts.

The District cannot predict whether and to what extent federal subsidy payments for direct subsidy bonds or tax credit bonds may be intercepted, or the extent to which sequestration may effect the District's receipt of federal subsidy payments in the future.

School Site Incidents

In the 2022-23 school year, Chabot Elementary School which is located within the District was the subject of two bomb threats. Neither threat resulted in harm to students or District staff, nor the destruction or damage of District facilities.

In the 2022-23 school year, a school shooting occurred at Skyline High School which is located within the District. The shooting did not result in harm to students or District staff, nor the destruction or damage of District facilities. In 2023-24 school year, another school shooting occurred at Skyline High School and three visitors were shot during a graduation ceremony. The victims were taken to the hospital and all three of them survived. The alleged shooters were juveniles, and all were apprehended following the shooting.

In 2024-25 school year, a student shot himself in the leg outside of Castlemont High School. The student was transported to the hospital, and he subsequently recovered from his injuries. Additionally, there were two separate robbery attempts on District staff as they walked from the campus of Laurel Elementary School to their cars. One employee, who resisted the robbery, sustained severe injuries during the attempted theft of her car. There were two bomb threats, one to Skyline High School and one to Oakland High School. Neither threat resulted in harm to students or District staff, nor the destruction or damage of District facilities.

In October 2025, multiple staff members at Edna Brewer Middle School were threatened, allegedly by a former student. The threats included a threat to bomb an individual's home and shooting up the school. The incident is currently under investigation by the Oakland Police Department.

The District cannot predict whether and to what extent such incidents may effect the District's enrollment and average daily attendance.

Cybersecurity

The District relies on a large and complex technology infrastructure to conduct its operations. The District and its departments routinely face cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. No assurances can be given that the security and operational control measures of the District will be successful in guarding against any and each cyber threat and attack. The results of any attack on the computer and information technology systems could have a material adverse impact on the operations of the District and damage the digital networks and systems. The District cannot predict the outcome of any such attack, nor the effect on the operations and finances of the District.

Possible Limitations on Remedies

General. Following is a discussion of certain considerations in the event that the District should become a debtor in a bankruptcy proceeding. It is not an exhaustive discussion of the potential application of bankruptcy law to the District.

State law contains a number of safeguards to protect the financial solvency of school districts. If the safeguards are not successful in preventing the District from becoming insolvent, the State Superintendent of Public Instruction (the "**State Superintendent**"), operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "**Bankruptcy Code**") on behalf of the District for the adjustment of its debts, assuming that the District meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. Under current State law, the District is not itself authorized to file a bankruptcy proceeding, and it is not subject to an involuntary bankruptcy proceeding.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the parties to the proceedings may be prohibited from taking any action to collect any amount from the District or the County (including *ad valorem* tax revenues) or to enforce any obligation of the District, without the bankruptcy court's permission. In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, including the obligation of the County and the District to raise taxes if necessary to pay the Bonds, if the bankruptcy court determines that the plan is fair and equitable and otherwise complies with the Bankruptcy Code. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Limitations on Plans of Adjustments. Chapter 9 of the Bankruptcy Code provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in the state, in the exercise of its political or governmental powers, including expenditures for such exercise. In addition, Chapter 9 provides that a bankruptcy court may not interfere with the political or governmental powers of the debtor, unless the debtor consents to that action or the plan so provides. State law provides that *ad valorem* taxes may be levied to pay the principal of and interest on the Bonds and other voted general obligation bonds of the District in an unlimited amount, and that proceeds of such a levy must be used for the payment of principal of and interest on the District's general obligation bonds, including the Bonds, and for no other purpose. Under State law, the District's share of the 1% limited tax imposed by the County is the only *ad valorem* tax revenue that may be raised and expended to pay liabilities and expenses of the District other than its voter-approved debt, such as its general obligation bonds. If the State law restriction on the levy and expenditure of *ad valorem* taxes is respected in a bankruptcy case, then *ad valorem* tax revenue in excess of the District's share of the 1% limited County tax could not be used by the District for any purpose under its plan other than to make payments on the Bonds and its other voted general obligation bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to State law, all general obligation bonds issued by local agencies, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes. State law provides that the lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the bonds are executed and delivered. As a result, the lien on debt service taxes will continue to be valid with respect to post-petition receipts of debt service taxes, should the District become the subject of bankruptcy proceedings. However, the automatic stay provisions of the Bankruptcy Code would apply, preventing bondholders from enforcing their rights to payment from such taxes, so payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed.

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* tax revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically pledged the *ad valorem* taxes for payment of the Bonds. The Bonds and the District’s other general obligation bonds were approved at elections held on propositions that described the projects for which such bonds may be issued. As noted above, State law prohibits the use of the proceeds of the District’s debt service tax for any purpose other than payment of its general obligation bonds, and the bond proceeds may only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payment of general obligation bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

The Bankruptcy Code provides that there is no stay of application of pledged special revenues to payment of indebtedness secured by such revenues. The United States Court of Appeals for the First Circuit, in a case arising out of the insolvency proceedings of Puerto Rico, recently held that this provision permitted voluntary payments of debt service by the issuer of bonds backed by special revenues, but did not permit the bondholders to compel the issuer to make payments of debt service from special revenues. If this decision is followed by other courts, the holders of the Bonds may be prohibited from taking any action to require the District or the County to make payments on the Bonds without the bankruptcy court’s permission. This could result in substantial delays in payments on the Bonds.

In addition, even if the *ad valorem* tax revenues are determined to be “special revenues,” the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the District is entitled to use the *ad valorem* tax revenues to pay necessary operating expenses of the District and its schools, before the remaining revenues are paid to the owners of the Bonds.

Bondholders may experience delays or reductions in payments on the Bonds, the Bonds may decline in value or Bondholders may experience other adverse effects should the District file for bankruptcy.

Possession of Tax Revenues; Remedies. If the District goes into bankruptcy and the District or the County has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the District or the County, as applicable, does not voluntarily pay such tax revenues to the Owners of the Bonds, it is not entirely clear what procedures the Owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. A similar risk would exist if the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy).

Risk of Investment Losses. Pending delivery of *ad valorem* tax revenues to the Paying Agent, the County Treasurer may invest the *ad valorem* tax revenues in the Alameda County Investment Pool or in other investments. Should any of these investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights. The proposed forms of opinions of Bond Counsel, attached hereto as Appendix D, are qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2026A Bonds maturing on August 1 of the years [20__ through 20__], inclusive (collectively, the “**Insured Bonds**”), Build America Mutual Assurance Company (“**BAM**” or the “**Insurer**”) will issue its Municipal Bond Insurance Policy (the “**Policy**”) for the Insured Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as APPENDIX H to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: **www.bambonds.com**.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“**S&P**”). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Insured Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Insured Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

Capitalization of BAM. BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2025 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$517.2 million, \$273.6 million and \$243.6 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at **www.bambonds.com**, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE.”

Additional Information Available from BAM.

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM’s website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM’s website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Insured Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise.

RISKS RELATING TO BOND INSURANCE

The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Insured Bonds. The District has yet to determine whether an insurance policy will be purchased with the Insured Bonds. If an insurance policy is purchased, the following are risk factors relating to bond insurance.

In the event of default of the payment of principal or interest with respect to the Insured Bonds when all or some becomes due, any owner of the Insured Bonds shall have a claim under the applicable Policy for such payments. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Insured Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the District unless the Insurer chooses to pay such amounts at an earlier date.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Insured Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Insurer becomes obligated to make payments with respect to the Insured Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds.

The long-term ratings on the Insured Bonds are dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Insured Bonds insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds. See "MISCELLANEOUS – Ratings."

The obligations of the Insurer are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the District nor the Underwriter have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Insured Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "BOND INSURANCE" for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

TAX MATTERS

Tax-Exempt Bonds

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District ("**Bond Counsel**"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from State personal income taxes. Bond Counsel is of the further opinion that interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Tax-Exempt Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Tax-Exempt Bonds. Complete copies of the proposed forms of opinions of Bond Counsel are set forth in Appendix D hereto.

To the extent the issue price of any maturity of the Tax-Exempt Bonds is less than the amount to be paid at maturity of such Tax-Exempt Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Tax-Exempt Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Tax-Exempt Bonds which is excluded from gross income for federal income tax purposes and exempt from State personal income taxes. For this purpose, the issue price of a particular maturity of the Tax-Exempt Bonds is the first price at which a substantial amount of such maturity of the Tax-Exempt Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Tax-Exempt Bonds accrues daily over the term to maturity of such Tax-Exempt Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Tax-Exempt Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Tax-Exempt Bonds. Beneficial owners of the Tax-Exempt Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Tax-Exempt Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Tax-Exempt Bonds in the original offering to the public at the first price at which a substantial amount of such Tax-Exempt Bonds is sold to the public.

Tax-Exempt Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("**Premium Bonds**") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners

of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Tax-Exempt Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Tax-Exempt Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-Exempt Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Tax-Exempt Bonds may adversely affect the value of, or the tax status of interest on, the Tax-Exempt Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes and is exempt from State personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Tax-Exempt Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Tax-Exempt Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Tax-Exempt Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Tax-Exempt Bonds ends with the issuance of the Tax-Exempt Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the beneficial owners regarding the tax-exempt status of the Tax-Exempt Bonds in the event of an audit examination by the IRS. Under current procedures, beneficial owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Tax-Exempt Bonds, and may cause the District or the beneficial owners to incur significant expense.

Payments on the Tax-Exempt Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate beneficial owner of Tax-Exempt Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Tax-Exempt Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Tax-Exempt Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number

(“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a beneficial owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain beneficial owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Taxable Bonds

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Taxable Bonds is exempt from State personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Taxable Bonds. The proposed forms of opinions of Bond Counsel are contained in Appendix D hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to holders of the Taxable Bonds that acquire their Taxable Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Taxable Bonds as part of a hedge, straddle or an integrated or conversion transaction, investors whose “functional currency” is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Taxable Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Taxable Bonds pursuant to this offering for the issue price that is applicable to such Taxable Bonds (i.e., the price at which a substantial amount of the Taxable Bonds are sold to the public) and who will hold their Taxable Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Taxable Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Taxable Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Taxable Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Taxable Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

Taxable Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Taxable Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Taxable Bond.

Sale or Other Taxable Disposition of the Taxable Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition of a Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Taxable Bond, decreased by any amortized premium). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Taxable Bonds. If the District defeases any Taxable Bond, the Taxable Bond may be deemed to be retired and "reissued" for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted U.S. federal income tax basis in the Taxable Bond.

Information Reporting and Backup Withholding. Payments on the Taxable Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Taxable Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a TIN to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA") – U.S. Holders and Non-U.S. Holders," payments of principal of, and interest on, any Taxable Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, described in Section 881(c)(3)(C) of the Code, and (2) a bank which acquires such Taxable Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of

business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Taxable Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Disposition of the Taxable Bonds. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the District or a deemed retirement due to defeasance of the Taxable Bond) or other disposition of a Taxable Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading “Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders,” under current U.S. Treasury Regulations, payments of principal and interest on any Taxable Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Taxable Bond or a financial institution holding the Taxable Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Taxable Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain “passthru” payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term “foreign passthru payments.” Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Taxable Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

OTHER LEGAL MATTERS

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel. Bond Counsel expects to deliver an opinion with respect to the Bonds at the time of issuance of the Bonds substantially in the forms set forth in Appendix D hereto. Bond Counsel, as such,

undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe, LLP, as Disclosure Counsel to the District.

Legality for Investment in the State of California

Under the provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors and, under provisions of the Government Code, the Bonds are eligible securities for deposit of public moneys in the State.

Continuing Disclosure

The District has covenanted for the benefit of the holders and Beneficial Owners of the Bonds to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or such other electronic system designated by the Municipal Securities Rulemaking Board (the “**EMMA System**”) certain annual financial information and operating data relating to the District (the “**Annual Report**”) by not later than nine months following the end of the District’s fiscal year (currently ending June 30), commencing with the report for the 2025-26 fiscal year (which is due no later than April 1, 2027) and notice of the occurrence of certain enumerated events (“**Notice Events**”) in a timely manner not in excess of ten business days after the occurrence of such a Notice Event. The specific nature of the information to be contained in the Annual Report and the notices of Notice Events is set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “**Rule**”).

During the five-year period preceding the date of this Official Statement, the District failed to timely file notice of its issuance of tax and revenue anticipation notes in fiscal year 2020-21, as required by the terms of its previous undertakings with respect to the Rule. Such tax and revenue anticipation notes have been paid in full and are no longer outstanding. The District has retained a dissemination agent to assist with complying with its continuing disclosure obligations under the Rule.

No Litigation

No litigation is pending or threatened concerning or contesting the validity of the Bonds or the District’s ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District’s ability to issue and retire the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District officers who will execute the Bonds or District or County officials who will sign certifications relating to the Bonds, or the powers of those offices. A certificate or certificates to that effect will be furnished to the Underwriter at the time of the original delivery of the Bonds.

The District is routinely subject to lawsuits and claims. One category of such lawsuits filed against the District involves allegations of discrimination, including antisemitism and disputes concerning the manner in which certain educators engaged students in classroom discussions related to the Israeli-Palestinian conflict. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

Pursuant to Assembly Bill 218 (“**AB 218**”), which became effective on January 1, 2020, certain changes have been made to the claim prerequisites, available damages and the applicable statute of limitations periods for claims of childhood sexual assault, including claims against public entities like the District. With respect to claims that otherwise would have been barred as of January 1, 2020, AB 218 revived such claims for a period of three years, which period expired on December 31, 2022. There are currently eight AB 218 lawsuits pending against the District. The District has located insurance for the majority of these lawsuits wherein the District is required to pay \$1.0 million initial insurance premium and the insurance will cover claims up to \$14.0 million. The District will be liable for any additional claims. The District is continuing its efforts to determine any additional exposure. The District has set aside reserves for uninsured lawsuits, the potential liability for which is not anticipated to materially affect the

finances of the District. The District does not expect that any expenses or liabilities incurred in defending the AB 218 claims, including those resulting from a final court decision or settlement agreement, will have a materially adverse effect on the District's ability to repay the Bonds. The litigation is ongoing and the District cannot predict the outcome of any of the cases and may choose to settle one or more. The District cannot predict if or how any threatened litigation may affect its finances. The Bonds are payable from dedicated unlimited *ad valorem* property taxes that may not be lawfully used for any other purpose.

ESCROW VERIFICATION

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter (defined herein) relating to the computation of the projected payments of principal and interest on the government obligations, and the projected payments of principal, redemption premium, if any, and interest to redeem and defease the Refunded Bonds will be verified by Causey Public Finance, LLC, as Verification Agent. Such computations will be based solely on assumptions and information supplied by the District and the Underwriter. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any effort to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome.

MISCELLANEOUS

Risks Related to COVID-19

The outbreak of the novel strain of coronavirus called COVID-19, which was previously designated a global pandemic by the World Health Organization, impacted local and global economies, as governments, businesses, and citizens reacted to, planned for, and tried to prevent or slow further transmission of the virus. Financial markets, including both the bond and stock markets in the United States and globally, experienced significant volatility attributed to coronavirus concerns. On March 4, 2020, as part of the State's response to address the outbreak, the Governor declared a state of emergency. On March 13, 2020, then President Donald Trump declared a national emergency, freeing up funding for federal assistance to state and local governments. Many school districts across the State temporarily closed some or all school campuses in response to local and state directives or guidance.

On March 27, 2020, the U.S. House of Representatives approved and then President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "**CARES Act**"). The CARES Act appropriated \$30 billion to education, of which \$3 billion was allocated to state governors to be used at their discretion to address the emergency, \$13.5 billion was allocated for K-12 education, and \$14.25 billion was allocated for postsecondary institutions. On December 27, 2020, the United States Congress approved and then President Trump signed into law the Consolidated Appropriations Act, 2021 ("**HR 133**"), which included a \$900 billion COVID-19 relief package. HR 133 provided \$81.9 billion to education, specifically \$4.1 billion allocated to state governors to be used at their discretion to address the emergency, of which \$2.75 billion was reserved for private K-12 education, \$54.3 billion for K-12 education, \$22.7 billion for postsecondary institutions, and \$819 million for outlying areas and Bureau of Indian Affairs schools. On March 12, 2021, the United States Congress approved and President Biden signed into law the American Rescue Plan Act of 2021 ("**HR 1319**"), a \$1.9 trillion COVID-19 relief package. HR 1319 provided direct payments to individuals, extended unemployment benefits, provided funding to distribute COVID-19 vaccines and provided funding for schools, higher education institutions, state, tribal governments and businesses.

On March 5, 2021, the Governor signed into law Assembly Bill 86 ("**AB 86**"), providing \$6.6 billion in State funding relating to COVID-19 relief, including \$2 billion in incentives to expedite reopening schools and \$4.6 billion to address the COVID-19 pandemic's impact on learning. The \$2 billion in incentives were to be utilized by school districts to reopen schools for in-person instruction for its most high-needs students. California fully reopened the economy on June 15, 2021.

The District received approximately \$283.1 million in federal and State funding, including allocations from CARES Act funding from Elementary and Secondary School relief (ESSER) I, HR 133, ESSER II, HR 1319, ESSER III, and AB 86. The aforementioned federal and State funding is considered one-time, restricted, emergency relief funding to address the impact COVID-19 has had on elementary and secondary schools. The District has fully expended all funding received under such federal and State sources.

Notwithstanding the impacts the coronavirus had on the global and national economy, the economy in the State and the District, or on the District's revenues, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are not payable from the general fund of the District. Although the Bonds are payable solely from *ad valorem* property taxes and not from the general fund of the District, the District cannot predict what future impacts an outbreak, such as a global pandemic, may have on its operations and budget.

Ratings

Moody's Investors Service has assigned its underlying rating of "A1 (Negative)" to the Bonds, without regard to any policy of municipal bond insurance. Rating agencies generally base their ratings on their own investigations, studies and assumptions. The rating reflects only the view of the rating agency furnishing the same, and any explanation of the significance of such rating should be obtained only from the rating agency providing the same. Such rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency providing the same, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. Neither the Underwriter nor the District has undertaken any responsibility after the offering of the Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

In addition, S&P is expected to assign its rating of "AA" to the Insured Bonds with the understanding that, upon delivery of the Insured Bonds, the Policy will be delivered by the Insurer. See "BOND INSURANCE." Such rating is expected to be assigned solely as a result of the issuance of the Policy and will reflect only the rating agency's view of the claims paying ability and financial strength of the Insurer. Neither the District nor the Underwriter have made any independent investigation of the claims paying ability of the Insurer and no representation is made that any insured rating of the Insured Bonds based upon the purchase of the Policy will remain higher than the rating agency's underlying rating of the Insured Bonds described above, which did not take bond insurance into account. The existence of the Policy will not, of itself, negatively affect such underlying rating. Without regard to any bond insurance, the Insured Bonds are payable from the proceeds of an *ad valorem* tax approved by the voters of the District pursuant to all applicable laws and constitutional requirements, and required to be levied by the County on property within the District in an amount sufficient for the timely payment of principal of and interest on the Insured Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." However, any downward revision or withdrawal of any rating of AG may have an adverse effect on the market price or marketability of the Insured Bonds.

Professionals Involved in the Offering

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel and Disclosure Counsel with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. Isom Advisors, a Division of Urban Futures, Inc. is acting as the District's Municipal Advisor with respect to the Bonds. Payment of the fees and expenses of the Municipal Advisor is also contingent upon the sale and delivery of the Bonds.

Underwriting

Series 2026 Bonds. The Series 2026 Bonds are being purchased by Siebert Williams Shank & Co., LLC, as underwriter (the "**Underwriter**"), pursuant to the terms of a bond purchase agreement, dated _____, 2026 (the "**Series 2026 Purchase Contract**") by and among the District, the County and the Underwriter. The Underwriter has agreed to purchase the Series 2026 Bonds at a price of \$ _____ (which represents the aggregate principal amount of the Series 2026 Bonds, plus \$ _____ [net] original issue premium and less \$ _____ Underwriter's discount). Pursuant to the Series 2026 Purchase Contract, the Underwriter will purchase all of the Series 2026 Bonds if any are purchased, the obligation of the Underwriter to purchase the Series 2026 Bonds being subject to certain terms and conditions to be satisfied by the District.

Refunding Bonds. The Refunding Bonds are being purchased by the Underwriter, pursuant to the terms of a bond purchase agreement, dated _____, 2026 (the "**Refunding Purchase Contract**") by and between the

District and the Underwriter. The Underwriter has agreed to purchase the Refunding Bonds at a price of \$_____ (which represents the aggregate principal amount of the Refunding Bonds, [plus/less] \$_____ [net] original issue [premium/discount] and less \$_____ Underwriter's discount). Pursuant to the Refunding Purchase Contract, the Underwriter will purchase all of the Refunding Bonds if any are purchased, the obligation of the Underwriter to purchase the Refunding Bonds being subject to certain terms and conditions to be satisfied by the District.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices shown on the inside front cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

(Remainder of Page Intentionally Left Blank)

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to purchasers of the Bonds. Quotations from and summaries and explanations of the Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

The District has duly authorized the delivery of this Official Statement.

OAKLAND UNIFIED SCHOOL DISTRICT

By: _____
Chief Business Officer

APPENDIX A

THE ECONOMY OF THE DISTRICT

The following economic data is presented for information purposes only. The Bonds are not a debt or obligation of the City of Oakland or the County of Alameda.

General

Information regarding the City of Oakland (the “**City**”) is provided in this APPENDIX A because economic data specific to the exact boundaries of the Oakland Unified School District (the “**District**”) is not available. Although the District encompasses slightly more land than the City, they are virtually coterminous and, therefore, the data provided herein is representative of the economy of the District. Data from the County of Alameda (the “**County**”) is provided where data for the City are not available.

As of January 1, 2025, the City had a population of approximately 426,457, and the County had a population of approximately 1,662,482. The City is located in the County and comprises approximately one-quarter of the County’s population. The City is located on the eastern shore of the San Francisco Bay (the “**Bay**”), approximately seven miles from San Francisco via the San Francisco-Oakland Bay Bridge. The City, approximately 53.8 square miles, is the largest and most established of the “East Bay” cities. Its geography ranges from industrialized areas in the west which border the Bay to suburban foothills in the east. The City is the hub of an extensive transportation network, which includes several interstate freeways, the western terminus of major railroad and trucking operations, and one of the largest container-ship ports in the United States. The City is also served by an international airport and the Bay Area Rapid Transit system (“**BART**”), which connects the City by commuter rail to destinations in the County as well as San Francisco, Contra Costa, San Mateo and Santa Clara counties. Formerly the industrial heart of the San Francisco Bay Area (the “**Bay Area**”), the City has developed into a diverse financial, commercial and governmental center. The City is the seat of government for the County and is the eighth most populous city in the State of California (the “**State**”).

The City has a diverse mix of traditional and new economy companies. Leading industries include business services, health care services, transportation, food processing, light manufacturing, government, arts, culture and entertainment. Prominent employers or businesses operating in the City include Kaiser Permanente, San Francisco Bay Area Rapid Transit, Southwest Airlines, and FedEx.

Culturally, the City is home to a regionally and nationally recognized symphony, many up-and-coming artistic and cultural institutions, an award-winning zoo, the Paramount Theater and the Fox Theater, a burgeoning restaurant scene, the recently remodeled Oakland Museum of California, and a vibrant nightlife. The City is also currently home to a major professional sports team, the Oakland Athletics, that play at the Oakland Coliseum stadium within the City. At other times these venues are used for concerts, other sporting events and other purposes. The Oakland Athletics’ lease at the Oakland Coliseum expired in December 2024 and the sports team will fully relocate to Las Vegas over the next few years.

The City boasts one of the highest percentages of parks and open space per capita in the nation. The City counts lush green hills, forests, creeks, an estuary and two lakes among its natural amenities, and the extensive East Bay Regional Park District is easily accessible from the City.

Population

The following table sets forth the population of the City, the County and the State for the last 10 years. The City's population increased by approximately 0.4%, over this 10-year period.

City of Oakland, County of Alameda and State of California Population 2016 - 2025

Calendar Year	City of Oakland	County of Alameda	State of California
2016	424,717	1,631,230	39,103,587
2017	427,493	1,644,303	39,352,398
2018	428,750	1,651,760	39,519,535
2019	429,932	1,659,608	39,605,361
2020	433,144	1,682,353	39,538,223
2021	430,901	1,663,371	39,286,510
2022	421,806	1,644,248	39,078,674
2023	419,556	1,636,194	38,940,231
2024	424,235	1,658,061	39,420,663
2025	426,457	1,662,482	39,529,101

Source: California Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2016-2025, with 2020 Census Benchmark.

Employment

The following table sets forth industries in the County of Alameda in terms of employment in each respective industry, as estimated by the State of California Employment Development Department as follows:

County of Alameda Employment by Industry Group Annual Averages 2020 – 2024⁽¹⁾

Industry	2020	2021	2022	2023	2024
Farm	700	1,000	900	800	800
Mining, Logging & Construction	46,700	48,700	48,400	47,800	46,800
Manufacturing	83,700	91,800	98,300	97,200	90,900
Trade, Transportation & Utilities	129,400	134,000	137,200	134,900	132,000
Information	19,900	18,800	19,100	18,600	17,000
Financial Activities	27,000	27,100	27,100	27,100	26,900
Professional & Business Services	128,900	134,400	137,800	134,200	132,700
Educational & Health Services	121,800	125,100	128,500	135,800	142,200
Leisure & Hospitality	53,000	57,900	68,600	71,300	69,900
Other Services	22,500	23,800	25,800	26,000	26,200
Government	118,400	114,500	113,200	115,300	116,200

⁽¹⁾ Employment is reported by place of work; it does not include persons involved in labor-management disputes. Figures are rounded to the nearest hundred. Columns may not add to totals due to rounding.

Source: California Employment Development Department.

Industry and Employment

The following table sets forth estimates of the labor force, civilian employment, unemployment and unemployment rates for City residents, County residents and State residents from calendar years 2015 through 2024. The California Employment Development Department reported unemployment rates for 2024 at 5.3% for the State, 4.5% for the County and 4.7% for the City (not seasonally adjusted).

City of Oakland, County of Alameda and State of California Civilian Labor Force, Employment and Unemployment Annual Average 2015 – 2024

	Labor Force	Civilian Employment	Unemployment	Unemployment Rate (%)
City of Oakland				
2015	208,900	196,500	12,300	5.9%
2016	210,000	199,800	10,300	4.9
2017	212,100	203,200	8,900	4.2
2018	214,300	206,800	7,500	3.5
2019	216,000	208,700	7,300	3.4
2020	210,700	187,900	22,800	10.8
2021	207,400	192,100	15,300	7.4
2022	209,000	200,900	8,100	3.9
2023	237,600	228,000	9,600	4.1
2024	237,700	226,500	11,200	4.7
County of Alameda				
2015	819,000	779,900	39,100	4.8%
2016	831,800	796,000	35,800	4.3
2017	838,200	807,100	31,100	3.7
2018	841,600	815,800	25,700	3.1
2019	843,000	815,900	25,200	3.0
2020	819,700	746,500	73,200	8.9
2021	813,000	763,500	49,500	6.1
2022	825,600	798,400	27,200	3.3
2023	866,300	833,200	33,100	3.8
2024	866,300	827,700	38,600	4.5
State of California				
2015	18,824,100	17,647,400	1,176,700	6.3%
2016	19,012,000	17,965,400	1,046,600	5.5
2017	19,185,400	18,258,100	927,300	4.8
2018	19,289,500	18,469,900	819,600	4.2
2019	19,413,200	18,617,900	795,300	4.1
2020	18,971,600	17,047,600	1,924,000	10.1
2021	18,973,400	17,586,300	1,387,100	7.3
2022	19,252,000	18,440,900	811,100	4.2
2023	19,471,000	18,551,800	919,200	4.7
2024	19,644,100	18,600,900	1,043,100	5.3

Source: State of California Employment Development Department – Unemployment Rates (Labor Force).

Major Employers

The following tables set forth the top ten principal employers in the City and the County.

City of Oakland Principal Employers

Employer	Number of Employees
Kaiser Permanente Medical Group, Kaiser Foundation Hospitals and Health Plan	11,000+
County of Alameda	8,000+
Oakland Unified School District	5,500+
City of Oakland	4,500+
State of California	4,000+
San Francisco BART District	3,500+
Southwest Airlines	2,500+
UCSF Benioff Children's Hospital & Research Center	2,500+
Alameda Health System	2,000+
United Parcel Service	1,500+

Source: City of Oakland Annual Comprehensive Financial Report for the year ended June 30, 2025.

County of Alameda Principal Employers

Employer	Number of Employees
University of California, Berkeley	10,000+
Western Digital Corp.	10,000+
Tesla	10,000+
County of Alameda	9,626
Lawrence Berkeley Lab	5,000 – 9,999
Lawrence Livermore National Lab	5,000 – 9,999
Alta Bates Summit Medical Center	1,000 – 4,999
Bay Area Rapid Transit (BART)	1,000 – 4,999
California State University, East Bay	1,000 – 4,999
Cooper Vision Inc.	1,000 – 4,999

Source: County of Alameda Annual Comprehensive Financial Report for the year ended June 30, 2025.

(Remainder of Page Intentionally Left Blank)

Construction Activity

The following table sets forth a summary of housing unit building permits in the City and the County.

**City of Oakland and the County of Alameda
Housing Unit Building Permits
2020 – 2024**

	2020	2021	2022	2023	2024
City of Oakland					
Units in Single-Family Structures	124	386	113	42	195
Units in All Multi-Family Structures	886	772	1,435	544	161
Total Units	990	1,158	1,548	586	356
County of Alameda					
Units in Single-Family Structures	1,152	1,589	1,175	866	907
Units in All Multi-Family Structures	2,610	4,494	3,366	3,255	1,524
Total Units	3,762	6,083	4,541	4,121	2,431

Sources: Construction Industry Research Board (CIRB) and California Homebuilding Foundation (CHF) for 2020-24.

The following table sets forth a summary of non-residential valuation for the City and the County.

**City of Oakland and the County of Alameda
Non-Residential Building Permit Valuations
2020 – 2024⁽¹⁾**

	2020	2021	2022	2023	2024
City of Oakland	\$144,673,996	\$240,150,121	\$43,503,223	\$221,162,768	\$344,708,629
County of Alameda	998,193,989	1,316,988,359	1,416,315,612	1,282,851,990	919,276,153

⁽¹⁾ Includes non-residential valuation for hotels and motels, non-housekeeping shelter, recreational, churches, industrial, parking garages, stores, mercantile and warehouses, service stations, hospitals, offices, public work, schools education, retail, other non-residential buildings, structures other than buildings, non-residential alterations and residential garages.

Sources: CIRB and CHF.

(Remainder of Page Intentionally Left Blank)

Median Housing Price

The median price of a single-family home in the City increased from \$565,000 in 2016 to \$840,000 in 2025. The median price of a single-family home in the County increased from \$676,250 in 2016 to \$1,162,500 in 2025.

City of Oakland and County of Alameda Median Housing Prices 2016 – 2020

<u>Year</u>	<u>City of Oakland</u>	<u>County of Alameda</u>
2016	\$565,000	\$676,250
2017	635,000	750,000
2018	700,000	826,000
2019	725,000	822,000
2020	796,500	860,000

Source: CoreLogic, provided by DQNews.

City of Oakland and County of Alameda Median Housing Prices 2021 – 2025⁽¹⁾

<u>Year</u>	<u>City of Oakland</u>	<u>County of Alameda</u>
2021	\$900,000	\$1,050,000
2022	957,000	1,250,000
2023	800,000	1,049,500
2024	900,000	1,220,000
2025	840,000	1,162,500

⁽¹⁾ Median Housing Prices as of April of each year.

Source: Redfin, Powered by Rocket.

Income

Personal income in the San Francisco – Oakland – Hayward Metropolitan Statistical Area (which is larger than the District, and which contains the District) increased by 35.3% from 2014 to 2018. Per capita personal income in the area grew by 31.3% in that same time period. Personal income data in the San Francisco – Oakland – Hayward Metropolitan Statistical Area is available up to 2018, following which the U.S. Department of Commerce, Bureau of Economic Analysis and other research bureaus started reporting data for the San Francisco – Oakland – Berkeley Metropolitan Statistical Area. Personal income in the San Francisco – Oakland – Berkeley Metropolitan Statistical Area (which is larger than the District, and which contains the District) increased by 23.4% from 2019 to 2023. Per capita personal income in the area grew by 28.7% in that same time period. The following tables summarize personal income for the San Francisco – Oakland – Hayward Metropolitan Statistical Area, which encompasses the District, for the calendar years 2014 through 2018 and personal income for the San Francisco – Oakland – Berkeley Metropolitan Statistical Area, which encompasses the District, for the calendar years 2019 through 2024.

(Remainder of Page Intentionally Left Blank)

**Personal Income and Per Capita Income
San Francisco – Oakland – Hayward Metropolitan Statistical Area 2014 – 2018⁽¹⁾**

Year	Personal Income (\$ in Thousands)	Annual Percent Change	Per Capita Income	Annual Percent Change
2014	\$350,086,443	8.7%	\$76,355	7.2%
2015	384,100,296	9.7	82,639	8.2
2016	408,941,255	6.5	87,228	5.6
2017	439,032,236	7.4	93,165	6.8
2018	473,747,078	7.9	100,236	7.6

⁽¹⁾ Most recent data available as of the date of this Official Statement.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income by Metropolitan Area, 2014-2018.

**Personal Income and Per Capita Income
San Francisco – Oakland – Berkeley Metropolitan Statistical Area 2019 – 2023⁽¹⁾**

Year	Personal Income (\$ in Thousands)	Annual Percent Change	Per Capita Income	Annual Percent Change
2019	\$483,631,903	2.1%	\$101,569	1.3%
2020	522,980,548	8.1	110,342	8.6
2021	571,947,556	9.4	123,711	12.1
2022	563,805,481	-1.5	123,152	-.7
2023	597,038,479	5.9	130,730	6.2

⁽¹⁾ Most recent data available as of the date of this Official Statement.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income by Metropolitan Area, 2019-2023.

(Remainder of Page Intentionally Left Blank)

Retail Sales

The following tables set forth a history of taxable sales for the City and County for calendar years 2015 through 2024.

**City of Oakland and County of Alameda
Taxable Sales 2015 – 2024⁽¹⁾
(\$ in Thousands)**

Taxable Sales	Retail and Food Services		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
City of Oakland				
2015	8,080	\$3,159,286	12,264	\$4,455,627
2016	8,054	3,135,414	12,391	4,459,606
2017	8,029	3,313,744	12,399	4,762,251
2018	8,368	3,436,505	13,500	4,939,330
2019	8,669	3,434,995	14,256	4,957,551
2020	8,557	2,635,586	14,260	3,850,497
2021	8,184	3,201,805	13,673	4,604,927
2022	8,220	3,559,230	13,873	5,200,657
2023	7,831	3,423,208	13,244	4,989,470
2024	7,788	3,276,445	13,260	4,712,057
County of Alameda				
2015	27,339	\$18,702,806	44,548	\$29,770,157
2016	27,517	19,386,688	45,165	30,958,480
2017	27,431	20,786,502	45,232	32,702,082
2018	27,816	22,857,349	47,402	35,073,302
2019	28,375	21,921,742	49,197	35,116,163
2020	28,831	19,931,258	50,461	32,176,001
2021	26,964	22,602,772	47,565	37,935,594
2022	27,010	23,910,667	48,059	44,323,669
2023	25,296	23,070,366	47,167	41,390,500
2024	24,097	22,841,009	46,749	39,565,010

⁽¹⁾ Most recent data available as of the date of this Official Statement.

Source: California State Board of Equalization, Taxable Sales in California for 2015 through 2022; California Department of Tax and Fee Administration, Taxable Sales in California for 2015 through 2022.

APPENDIX B

INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

The information in this appendix concerning the operations of the Oakland Unified School District (the "District"), the District's finances, and State of California (the "State") funding of education, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District or from State revenues. Each series of the Bonds is payable from the proceeds of an unlimited ad valorem tax approved by the voters of the District pursuant to all applicable laws and State Constitutional requirements, and required to be levied by the County of Alameda (the "County") on property within the District in an amount sufficient for the timely payment of principal of and interest on each series of the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" in the front portion of this Official Statement.

THE DISTRICT

General

The Oakland Unified School District (the "District") is located in and is approximately coterminous with the City of Oakland, California (the "City"), located on the east side of the San Francisco Bay, approximately seven miles from San Francisco. The District's boundaries also include small portions of the neighboring City of Emeryville. The District encompasses approximately 53.8 square miles, including a diverse economy of industry, services, health care, retail and other commercial activity. As of January 1, 2025, the City had a population of approximately 426,457, and the County had a population of approximately 1,662,482. The District was unified in 1952, combining then-existing high school and elementary school districts.

The District currently operates forty-five elementary schools serving grades TK-5, four elementary/middle schools serving grades TK-8, eleven middle schools serving grades 6-8, three middle/high schools serving grades 6-12, nine comprehensive senior high schools serving grades 9-12, three high schools serving grades 11-12, three alternative high school programs, four special education schools, and one adult school program. Thirty-five charter schools currently operate within the District's boundaries. The District has projected enrollment for fiscal year 2025-26 of approximately 33,655 students in grades TK-12, not including the students attending the charter schools. As of October 30, 2025, the District has budgeted to employ approximately 5,476.0 full-time equivalent ("FTE") employees, including 2,649.0 FTE certificated (teaching) employees, 2,239 FTE classified (non-teaching) employees and 588.0 management, supervisory and confidential employees. According to the first interim budget report for fiscal year 2025-26, the District's budgeted fiscal year 2025-26 general fund expenditures are approximately \$978.1 million.

Board of Education

The District operates under the jurisdiction of the Alameda County Superintendent of Schools. The governing board of the District is the Board of Education (the "Board of Education"). The Board of Education consists of seven members who are elected by Trustee Area to staggered four-year terms and two student board members who participate on an advisory basis. The name, office and the month and year of the expiration of the term of the seven elected members of the Board of Education are described below.

Name	Office	District	Term Expires
Jennifer Brouhard	President	District 2	January 2027
Valarie Bachelor	Vice President	District 6	January 2027
Rachel Latta	Director	District 1	January 2029
VanCedric Williams	Director	District 3	January 2029
Mike Hutchinson	Director	District 4	January 2027
Patrice Berry	Director	District 5	January 2029
Clifford Thompson	Director	District 7	January 2029

Superintendent and Key Personnel

The Superintendent of the District is appointed by the Board of Education and reports to the Board of Education. The Superintendent is responsible for management of the District's day-to-day operations and supervises the work of other key District administrators. Information concerning the Superintendent and certain other key administrative personnel is set forth below.

Dr. Denise Saddler, Interim Superintendent. Effective July 1, 2025, Dr. Denise Saddler was appointed as Interim Superintendent of the District. Dr. Saddler began her career with the District and has been associated with the District for almost 46 years. She was first hired as a resource specialist and teacher for disabled students and has served as student teacher supervisor at the former Holy Names University, education specialist and legislative analyst for former Oakland Mayor Elihu Harris, Principal of Chabot Elementary, and Network Superintendent. Dr. Saddler has also served as an Assistant Superintendent in San Jose for several years, President of the Oakland Public Education Association, and she still serves as a lecturer at the UC Berkeley Graduate School of Education. For the past eight years, she served as a substitute principal at a number of District's elementary schools and the Early Childhood Education Department. Dr. Saddler has a bachelor's degree in Science from Boston University, a master's degree in Special Education from Regis College, as well as a master's degree in Educational Leadership and a Doctor of Education degree in Educational Leadership and Administration from the Mills College at Northeastern University.

Lynette McElhaney, Chief of Staff. [Bio]

Ryannhon Nguyen, Chief Financial Officer. Mr. Ryannhon Nguyen has served the District's students, families and employees for more than 17 years. Mr. Nguyen's career began in 2007 as an Accounting Technician, and over the years Mr. Nguyen has worked with three State trustees and has served as Accountant Technician, Accountant II, Business Process Administrator, Accounting Manager, Accounting Director, Controller and Chief Financial Officer for the District. Mr. Nguyen has created and implemented numerous internal controls, tools and infrastructure for the business services division, including position control, budget development, interim financial reporting, unaudited actuals, ERP system upgrade, financial and compliance audits, cash, banking, accounts receivable, accounts payable, associated student body, management information system, staff training and transition systems. Mr. Nguyen's work experience includes various technical, data and financial/accounting positions at a philanthropic organization, three tech start-ups in the early 2000s, a tech manufacturing company, an insurance and financial services company, a retail company and at the State Bar of California as their Accounting Controller. Mr. Nguyen holds a Master of Financial and Accounting Management, with a minor in Information Systems. Mr. Nguyen is Chief Business Official certified.

Jenine Lindsey, General Counsel. Ms. Lindsey joined the District in August 2010. Prior to her role as General Counsel, she served as the District's Deputy General Counsel, Labor & Employment. Prior to her role as Deputy General Counsel Labor & Employment, she served in the District's Labor Relations Department in a variety of roles including Executive Director of Labor Strategy. Prior to joining the District, Ms. Lindsey worked in private sector contract negotiations and administration at Robert Half International supporting large organizations with scalable temporary to permanent workforce agreements. Prior to that Ms. Lindsey worked for Kaiser Permanente and Stanford University's School of Medicine. Ms. Lindsey has a bachelor's degree in Psychology and African American Studies from the University of California, Berkeley and a Juris Doctor degree from the University of San Francisco where she received the Cali Excellence for the Future Award in Education Law.

Fiscal Oversight

In connection with the emergency financial assistance provided to the District by the State in fiscal year 2002-03, the State Superintendent of Public Instruction (the "**State Superintendent**") appointed a trustee for the District (the "**Fiscal Oversight Trustee**"). The Fiscal Oversight Trustee served at the pleasure of, and reported directly to, the County Superintendent of Schools, until (i) the emergency loan (the "**Emergency Apportionment Loan**") was repaid, (ii) the District had adequate fiscal systems and controls in place and (iii) the County Superintendent of Schools determined that the District's future compliance with the recovery plan was probable. During their tenure, the Fiscal Oversight Trustee was empowered to stay or rescind any action of the Board of Education that, in the judgment of the Fiscal Oversight Trustee, could affect the District's financial condition.

Assembly Bill 1840 (which became effective on September 17, 2018) (“**AB 1840**”) required the District to take certain actions by March 1, 2019, for fiscal year 2018-19, regarding its financial plans and construction plans, in collaboration with and with the concurrence of the Alameda County Superintendent of Schools and the Fiscal Crisis and Management Assistance Team. AB 1840 provided that, in fiscal years 2019-20 through 2021–22, the Budget Act of the State for those fiscal years include certain appropriations for the District, with the disbursement of moneys from those appropriations contingent upon the completion of activities specified in the prior year Budget Act to improve the District’s fiscal solvency. In connection with AB 1840, Chris Learned was appointed the Fiscal Oversight Trustee for the District on July 1, 2017, by the State Superintendent. Subsequently, Luz Cázares was appointed as the Fiscal Oversight Trustee for the District effective September 1, 2021.

In June 2025, after the District fully repaid the State emergency loan and had adequate fiscal systems and controls in place, the County Superintendent of Schools determined that the District’s future compliance with the recovery plan was probable. The District now manages its own affairs without State and County oversight.

District Budgets and Board Actions

The District is required to maintain a reserve for economic uncertainty equal to 2.0% of annual General Fund expenditures and other financing uses (the “**Minimum Reserve**”). The District conducted a major review of its budget assumptions in fiscal year 2018-19. The District’s multiyear projections included in the budgets for fiscal years 2019-20 through 2021-22 indicated that the District would not meet the Minimum Reserve requirement for two fiscal years following the budget year. As a result, the Board of Education adopted various resolutions which required the District to commit to budgetary expenditure reductions and/or revenue enhancements to be adjusted as necessary as the multi-year assumptions and projections were updated. The District developed the 2020-21 Budget Reduction Options and Bridge Plan, which was approved by the Board of Education on April 28, 2021. For fiscal year 2021-22, budgetary expenditure reductions were detailed in the 2021-22 Budget Reduction Plan, which was developed in part to address budgetary challenges facing the District in fiscal years 2021-22 and 2022-23. Additionally, the District implemented a one-time bridge plan based on the District’s receipt of \$16.0 million from federal and State COVID-19 relief funding sources. The District implemented approximately \$31.0 million in budgetary solutions pursuant to the 2022-23 Budget Reduction Plan.

The District’s budget for fiscal year 2023-24 reflected deficit spending in the out years in the multiyear projections and declining restricted general fund revenues. The District implemented budget balancing solutions of \$30.7 million with an additional target of \$2.0 million from site-based allocation reductions planned for implementation in fiscal year 2024-25 pursuant to the 2023-24 Budget Reduction Plan. On September 15, 2023, ACOE conditionally approved the District’s fiscal year 2023-24 budget, requiring the District to revise its fiscal year 2023-24 budget and multiyear projections through fiscal year 2025-26 to fully incorporate results of the District’s negotiations with the Oakland Education Association (“**OEA**”), the District’s labor organization for certificated teachers, and any other known budgetary assumptions impacting the District’s fiscal status. The District made additional significant budget adjustments as required by ACOE’s conditional budget approval.

On February 28, 2024, the District adopted a resolution for proposed budget adjustments for fiscal year 2024-25 and restructuring recommendations for fiscal year 2025-26 (the “**2024 Budget Plan**”). The 2024 Budget Plan included budget adjustments of \$13.5 million in fiscal year 2024-25 and approximately \$500,000 investment for fiscal years 2024-25 and 2025-26. These budget reductions included funding shifts, reductions in ongoing expenditures through position reductions and eliminations, reductions in ongoing non-staffing costs, and the use of one-time money to pay for ongoing expenditures. On June 26, 2024, the District adopted its budget for fiscal year 2024-25, which reflected a \$78.5 million deficit in the District’s unrestricted general fund balance and \$24.0 million in the restricted general fund balance. The District’s general fund, less reserves, were then projected to have \$4.8 million in its unassigned/unappropriated balance and \$132.0 million in the cumulative fund balance for the restricted resources. The multi-year projection reflected a \$82.6 million deficit in fiscal year 2025-26 and a \$90.5 million deficit in fiscal year 2026-27. ACOE conditionally approved the District’s fiscal year 2024-25 budget in a letter dated September 16, 2024 and outlined specific items and due dates, including the requirement for board action or actions to implement budget solutions. On October 23, 2024, the District adopted a resolution, approving budget balancing solutions for fiscal year 2025-26 to address the projected \$95.0 million shortfall.

On February 6, 2025, in response to the District’s negative certification of its first interim report for fiscal year 2024-25, ACOE informed the District that the County Superintendent of Schools was implementing legally mandated interventions, pursuant to Section 42127 of the Education Code, to ensure the District meets its obligations. An Advisory Team was created, consisting of the Fiscal Oversight Trustee, Advisor to the Board of Education, County Superintendent, 510Media Strategic Agency for providing branding and marketing services to the District, and Partners in School Innovation. On February 12, 2025, County Superintendent presented a fiscal intervention plan to the District intended to support the District in implementing its own plan to make local decisions about the District’s future and to connect resources to priorities. On April 23, 2025, the District was presented with the fiscal systems audit, which was a condition of exiting receivership prior to the final payment of the 2003 Emergency Appropriation. The District formally exited receivership with the final loan repayment in June 2025.

Fiscal Year 2025-26 Budget and Financial Developments. On June 25, 2025, the District adopted its budget for fiscal year 2025-26, which reflected a \$30.5 million deficit in the District’s unrestricted general fund balance and \$82.2 million in the restricted general fund balance. The District formally exited receivership with the final repayment of the 2003 Emergency Apportionment Loan in June 2025. The Alameda County Office of Education (“ACOE”) conditionally approved the District’s budget for fiscal year 2025-26 on November 1, 2025 with a warning that over \$100.0 million in cuts would be necessary to avoid future insolvency.

On December 10, 2025, the District adopted its first interim financial report for fiscal year 2025-26 (the “**2025-26 First Interim Report**”) with a deficit of \$26.0 million in the District’s general fund balance. The District had an estimated unrestricted general fund reserve of approximately 1.9% and projected it would not meet the 2.0% Minimum Reserve in fiscal year 2025-26. On the same date, the Board of Education was presented with two options for budget solutions by the District staff. Following the adoption of “Scenario 3,” which includes eight strategic areas of savings to achieve sustainable and recurring reductions, the Board of Education approved a qualified certification of the 2025-26 First Interim Report, and a Districtwide spending freeze was implemented to conduct a comprehensive examination of every expenditure across central office and school sites. ACOE indicated to the District that it would approve a qualified certification of the 2025-26 First Interim Report.

The eight strategic areas of savings under the Board-approved Scenario 3 include: (1) central office staffing reductions across all divisions, including elimination or reduction of positions across various human resources, governance, finance and operations departments of the District, adjustments to employee work calendars, restructuring and consolidating teams, and continuing vacancy freezes and hiring pauses across departments; (2) school site budget adjustments, including reductions to LCFF site discretionary funds, decreases in per-pupil allocations, and cuts to school-based program budgets such as athletics, clubs, and library services to be determined on a site basis; (3) reduction in contracted services across the District, including scaling back curriculum and instructional contracts, professional development vendors, technology service providers, transportation vendors, security and campus safety contracts, mental health and behavioral support providers, and a Districtwide freeze on discretionary spending and halt on new contracted services unless explicitly approved; (4) a series of programmatic and service-level adjustments, including reduction or consolidation of certain academic programs, wellness initiatives, employee recognition events, retirement celebrations, recruitment and employee support programs; (5) reductions in materials, supplies and technology across the District; (6) operations and facilities related reductions, including extension of maintenance and custodial schedules, deferment of non-critical repairs, energy-reduction strategies to lower utility expenses, consolidation of transportation routes and consideration of structural adjustments; (7) structural and long-term saving strategies, including reviewing and adjusting key policies and operational practices, such as bell schedules, class size initiatives, and transportation eligibility to increase systemwide efficiency; and (8) revenue and funding adjustments, including rebalancing the use of restricted and unrestricted funds, ensuring that programs funded with expiring or limited grants are either right-sized or transitioned appropriately to avoid creating ongoing obligations without sustainable revenue.

On January 14, 2026, the District retained Hazard, Young, Attea & Associates (the “**Fiscal Consultant**”) to provide augmented fiscal expert staffing and assist the District in achieving fiscal stabilization and maintaining solvency. The Fiscal Consultant is a time-limited, executive-level support partner to District staff and focuses on stabilization of District’s fiscal operations, implementation and monitoring of Scenario 3, and long-term fiscal sustainability and governance.

On January 20, 2026, the District reported that the Districtwide spending freeze resulted in strategic budget adjustments, including a 10% reduction in unencumbered funds for schools and 20% reductions in central office budgets. These actions allowed the District to restore the 2.0% Minimum Reserve in fiscal year 2025-26 and stabilized the District's fund balance for the remainder of the fiscal year. In addition, the Fiscal Consultant presented to the Board of Education an action plan to adjust, reduce and maintain the District's current budget and financials for fiscal year 2025-26 with the goal of reducing and ultimately eliminating the current year deficit and restoring the Minimum Reserve, and to provide guidance and support for the fiscal year 2026-27 budget report.

The Fiscal Consultant presented a multi-year recovery plan to the Board of Education which implements Scenario 3 and \$100.0 million in budget adjustments to stabilize the unrestricted general fund of the District and improve the multi-year projections. Certain of the Fiscal Consultant's recommendations include freezing non-essential spending, limiting one-time solutions that obscure long-term fiscal health, centralizing functions where possible to reduce duplication across sites, analyzing the size and capacity of school sites, prioritizing attrition and voluntary retirements, maximizing existing funding and community-supported revenue, and strengthening leadership and governance.

Fiscal Year 2025-26 Second Interim and Multi-Year Projections. The District adopted its Second Interim financial report for fiscal year 2025-26 on March 11, 2026 (the "**2025-26 Second Interim Report**"). The 2025-26 Second Interim Report projects total General Fund revenues of approximately \$860.4 million and total General Fund expenditures of approximately \$963.0 million, resulting in a projected net decrease in fund balance of approximately \$105.6 million for fiscal year 2025-26. The combined General Fund ending balance as of June 30, 2026 is projected to be approximately \$148.4 million, consisting of an unrestricted ending fund balance of approximately \$32.6 million and a restricted ending fund balance of approximately \$115.8 million. The District projects that it will meet the statutory reserve for economic uncertainties in fiscal year 2025-26. Relative to earlier planning snapshots, the 2025-26 Second Interim Report reflects higher restricted federal, state, and local revenues and a realignment of program expenditures to available categorical funds, including a midyear shift of certain direct costs from unrestricted to restricted resources in accordance with program allowability.

The District's 2025-26 Second Interim Report presents projected results for fiscal years 2025-26 through 2027-28. Readers should consider these projected figures in light of several pending items that may materially affect out-year results. The District's multiyear projections included in the 2025-26 Second Interim Report show that the District can maintain required reserves in fiscal years 2026-27 and 2027-28 if it implements Board-directed budget-balancing actions and continues to align restricted spending to categorical resources. The Board of Education has approved a reduction-in-force action on February 25, 2026, and directed the Superintendent to rebalance the budget using, among other measures, compliant spend-down of restricted resources, including Medi-Cal reimbursements, a discretionary professional development block grant, parcel tax carryover, and Local Control Funding Formula (the "**Local Control Funding Formula**" or "**LCFF**") supplemental and concentration funds. While the Second Interim projections reflect stabilization of reserve levels, the District continues to face structural budget pressures, including salary and benefit growth and program encroachment, and the District's recovery plan emphasizes execution of sustainable, recurring solutions to complement one-time measures.

In addition, the District and the OEA have reached a tentative agreement that is not reflected in the 2025-26 Second Interim Report and will be addressed through the AB 1200 disclosure process and in the adopted budget for fiscal year 2026-27. Final terms and timing, including any retroactive components and associated statutory benefit costs, may differ from current planning assumptions and could change projected expenditures. Bargaining with other labor units remains underway and any settlements reached after the adoption of 2025-26 Second Interim Report may also affect projected expenditures.

The District has approved a supplementary retirement plan administered by PARS that will require District contributions payable each July over five years beginning in 2026. Realized savings from this plan depend on how many positions are backfilled and at what salary levels. The 2025-26 Second Interim Report does not embed a finalized replacement-rate assumption; accordingly, the net budgetary effects of retirements may vary from preliminary modeling once position control and hiring are finalized.

The unrestricted projections in the 2025-26 Second Interim Report also rely on large "Other Adjustments" in the out-years. As described in the assumptions for the 2025-26 Second Interim Report, these entries

represent Board-directed budget-balancing solutions needed to meet reserve requirements and AB 1200, including the recently approved reductions in force and the compliant spend-down or realignment of certain restricted resources, together with related shifts of allowable supplemental costs. These entries function as placeholders for that package of solutions rather than as discrete, already-booked savings from any single action, and the underlying actions have not been fully specified at the line-item level. As the District completes AB 1200 analyses, incorporates final labor settlements, and adopts its budget, the projections presented in the 2025-26 Second Interim Report may change.

Strategic Plan; School Closures

In November 2014, the District released a five-year strategic plan (the “**Strategic Plan**”) for 2015-2020 with five goals: (i) providing every student with access to a high-quality school; (ii) ensuring each student is prepared for college, career and community success; (iii) staffing every school with talented individuals committed to working in service of children; (iv) creating a school district that holds itself and its partners accountable for superior outcomes; and (v) guaranteeing rigorous instruction in every classroom. The Strategic Plan also identified three major priorities: (1) creating effective talent programs; (2) creating an accountable school district; and (3) creating quality community schools. The District also adopted a Local Control and Accountability Plan (“**LCAP**”) that identifies specific goals and actions in line with the Strategic Plan. In addition, in 2017 the Superintendent outlined three Districtwide priorities: Fiscal Vitality, Quality Community Schools and Organizational Wellness.

The District also developed the Board of Education-approved Community of Schools Citywide Plan (the “**Citywide Plan**”) that mapped out a sustainable District footprint based on several data points related to enrollment projections, city demographic projections, and geographic data relating to where students live and attend schools. Simultaneously, the District evaluated revenue generation opportunities with its available surplus property. Accordingly, the Board of Education appointed a 7-11 Committee involved in making recommendations to the Board of Education about whether vacant properties should be considered surplus properties and to provide recommendations about the potential uses for any surplus property, including the use of surplus property to generate revenue. The Citywide Plan was originally expected to be implemented over five years, with cohorts of new consolidations, mergers, closures and redesigned schools identified annually in each selection year, a planning phase and subsequent implementation. However, COVID-19 disruptions led the Board of Education to approve a new timeline for Cohort III, delayed by two years and spanning fiscal years 2021-22 through 2023-24.

Cohort I merged two elementary schools and two middle schools, closed one middle school, and expanded a successful high school program, resulting in a net of three fewer schools. Cohort II merged two elementary schools and two middle schools, redesigned an elementary school, and expanded a successful TK-8 program, resulting in a net of two fewer schools. Additionally, the District merged a charter school and District elementary school, which opened for the 2021-22 school year as a unified school. The District began the selection year for Cohort III during fiscal year 2021-22, and two elementary schools were closed at the end of the 2021-22 school year. The District ceased moving forward with the Citywide Plan at the end of the 2021-22 school year.

On January 11, 2023, the Board of Education adopted a resolution to rescind the planned school consolidations scheduled for the end of the 2022-23 school year, which included the closure of Brookfield Elementary School, Grass Valley Elementary School, Carl B. Munck Elementary School, Korematsu Elementary School, and Horace Mann Elementary School (the “**Impacted Schools**”), and reconfiguration of Hillcrest School (“**Impacted Grades**”), based on a staff report (the “**Staff Report**”), which was subsequently adopted by the Board of Education on January 25, 2023. The Staff Report included an Impact Analysis that examined the effects of rescinding the school consolidations planned for the end of the school year in the following key areas: enrollment, budget, school improvement, facilities and maintenance, and asset management. The Staff Report noted that the enrollment decline in the District will continue and may even accelerate; the estimated ongoing staffing costs of the rescission is projected at a minimum of \$5.1 million; the District’s school improvement efforts would become more challenging; the District would not be able to reduce the cost of outstanding facilities’ needs at its schools by the expected \$82.9 million; and the opportunity to utilize the to-be-available facilities would be lost and several outstanding space needs would remain. The resolution adopted on January 11, 2023, further directed the Superintendent to present options for a new sustainable community schools redesign process by May 31, 2023, with the Impacted Schools being included in the first cohort of schools to be redesigned.

On May 24, 2023, the District staff presented a “Sustainable Community Schools Redesign Process” to discuss and seek the Board of Education’s feedback on the process for building sustainable community schools through redesign. Schools that are identified by the proposed metrics would participate in either of the two paths of improvement: targeted improvements or transformation. Most of the District’s schools would be identified for targeted improvements, or needing to improve upon a few specific identified areas. A smaller portion of schools would be identified for transformation, or needing to redesign to improve in all areas. Schools participating in transformation would receive support from a set of dedicated staff within the Continuous School Improvement Department, with particular dedicated attention from a Director of Continuous School Improvement. The last aspect of the School Improvement Framework would be the content in which schools would refine or redesign. These areas included three improvement domains (1) vision and mission; (2) quality program implementation; and (3) collective leadership and professional learning. In September 2023, the District engaged with the community on the redesign process.

In June 2024, the District adopted a resolution called the 3Rs: Revision, Redesign and Restructure (the “3Rs Resolution”). The 3Rs Resolution directed the District staff to create a redesign process, address district-wide footprint to reimagine a more sustainable district. Around the same time, AB 1912 was passed by the State legislature that required school districts in economic distress, such as the District, to conduct a year long process in order to close schools if the plan to address the economic distress included closing schools. District’s Staff implemented the steps outlined in AB 1912 and provided an update to the Board of Education in September 2024. On October 24, 2024, the District staff presented a study session to collect feedback from the Board of Education and inform the public of the progress on creating a newly envisioned school district with fewer schools. On November 13, 2024, District staff presented a first reading of the plan to merge schools on co-located campuses. As the Board of Education considered the plan, District staff engaged with school communities that would merge as required under AB 1912. On December 11, 2024, the Board of Education did not take any action on the second reading of the proposed plan. To date, no further action has been taken on the 3Rs Resolution.

DISTRICT FINANCIAL MATTERS

State Funding of Education; State Budget Process

General. As is true for all school districts in California, the District’s operating income consists primarily of two components: a State portion funded from the State’s general fund in accordance with the Local Control Funding Formula LCFF (see “– Allocation of State Funding to School Districts; Local Control Funding Formula” below) and a local portion derived from the District’s share of the 1% local *ad valorem* tax authorized by the State Constitution (see “– Local Sources of Education Funding” below). In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District projects receipt of approximately 58.9% of its general fund revenues from State funds (not including the local portion derived from the District’s share of the local *ad valorem* tax), projected at approximately \$479.0 million in fiscal year 2025-26. Such amount includes both the State funding provided under the LCFF as well as other State revenues (see “– Allocation of State Funding to School District; Local Control Funding Formula” and “– Other District Revenues – Other State Revenues” below). As a result, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may affect the District’s revenues and operations.

Under Proposition 98, a constitutional and statutory amendment adopted by the State’s voters in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the State Constitution), a minimum level of funding is guaranteed to school districts, community college districts and other State agencies that provide direct elementary and secondary instructional programs. Historically, there have been frequent disruptions in State revenues from personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of the State’s general fund expenditures, it is generally at the center of annual budget negotiations and adjustments.

In connection with the State Budget Act for fiscal year 2013-14, the State and local educational agencies (“LEA”) therein implemented a new funding formula for school finance system called the Local Control Funding

Formula. Funding from the LCFF replaced the revenue limit funding system and most categorical programs. See “– Allocation of State Funding to School Districts; Local Control Funding Formula” below for more information.

Constitutional Provisions Governing School Finance. On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “**Accountability Act**”). The Accountability Act changed State funding of public education below the university level, and the operation of the State’s Appropriations Limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (collectively, “**K-14 districts**”) at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

On June 5, 1990, California voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111: (1) liberalized the annual adjustments to the State spending limit by measuring the “change in the cost of living” by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State’s spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the “excess” tax revenues, determined based on a two-year cycle, would be transferred to K-14 school districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts’ minimum funding level), and that any such transfer to K-14 school districts would not be built into the school districts’ base expenditures for calculating their entitlement for State aid in the following year and would not increase the State’s appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain “qualified capital outlay projects” and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 school districts a certain amount of general fund revenues, as described below.

Under the law, K-14 school districts were guaranteed the greater of (a) 40.9% of general fund revenues (the “**first test**”) or (b) the amount appropriated to school districts in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the “**second test**”) or a third test, which replaces the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test becomes a “credit” to be paid in future years when general fund revenue growth exceeds personal income growth.

State Budget Process. According to the State Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. Historically, the budget required a two-thirds vote of each house of the State Legislature for passage. However, on November 2, 2010, the State’s voters approved Proposition 25, which amended the State Constitution to lower the vote requirement necessary for each house of the State Legislature to pass a budget bill and send it to the Governor. Specifically, the vote requirement was lowered from two-thirds to a simple majority (50% plus one) of each house of the State Legislature. The lower vote requirement would also apply to trailer bills that appropriate funds and are identified by the State Legislature as “related to the budget in the budget bill.” The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. Under Proposition 25, a two-thirds vote of the State Legislature is still required to override any veto by the Governor. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the fiscal year 2025-26 State budget on June 27, 2025.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district’s State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v.*

Connell), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State Constitution (such as appropriations for salaries of elected State officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. Should the State Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White v. Davis* decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White v. Davis* decision to have any long-term effect on its operating budgets.

Aggregate State Education Funding. The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State's share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year's budget, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the State legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor."

Although the State Constitution requires the State to approve a balanced State Budget Act each fiscal year, the State's response to fiscal difficulties in some years has had a significant impact on the Proposition 98 minimum guarantee and the treatment of settle-up payments with respect to years in which the Proposition 98 minimum guarantee was suspended. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring apportionments of Proposition 98 funds from one fiscal year to the next; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The District cannot predict how State income or State education funding will vary over the term to maturity of the Bonds, and the District takes no responsibility for informing owners of the Bonds as to actions the State Legislature or Governor may take affecting the current year's budget after its adoption. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." An impartial analysis of the State budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. In addition,

various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, www.treasurer.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

State Rainy Day Fund; SB 858. In connection with the 2014-15 State Budget, the Governor proposed certain constitutional amendments (“**Proposition 2**”) to the rainy day fund (the “**State Rainy Day Fund**”) for the November 2014 Statewide election. Senate Bill 858 (2014) (“**SB 858**”) amends the Education Code to, among other things, limit the amount of reserves that may be maintained by a school district subject to certain State budget matters. Upon the approval of Proposition 2, SB 858 became operational. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2.” See also “– 2025-26 State Budget” discussing the State’s plan to draw on this reserve in fiscal year 2025-26.

AB 1469. As part of the 2014-15 State Budget, the Governor signed Assembly Bill 1469 (“**AB 1469**”) which implemented a new funding strategy for the California State Teachers’ Retirement System (“**CalSTRS**”), increased the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. See “– Retirement Benefits – *CalSTRS*” below for more information about CalSTRS and AB 1469.

State Budget

2025-26 State Budget. The Governor signed the fiscal year 2025-26 State budget on June 27, 2025, which was amended through a series of legislative trailer bills (the “**2025-26 State Budget**”). The 2025-26 State Budget notes that the State has experienced ongoing uncertainty created by recent federal policy changes. The 2025-26 State Budget reduces growth in State spending while maintaining support for key programs and incorporates a comprehensive regulatory streamlining package to advance more affordable housing and infrastructure.

The 2025-26 State Budget states that the imposition of federal policy changes significantly slowed growth in the California economy, particularly broad-based tariffs which drove a downgrade to California’s previous economic and revenue forecasts. The 2025-26 State Budget also notes that California experienced substantial cost and caseload growth in several core State programs – most notably, in Medi-Cal – which combined to a State general fund shortfall of \$11.8 billion. The 2025-26 State Budget addresses this shortfall through a range of solutions, including \$2.8 billion in reductions in fiscal year 2025-26, growing to \$11.9 billion by fiscal year 2028-29; \$7.8 billion in total revenue increases and borrowing solutions in fiscal year 2025-26; and \$1.2 billion in fund shifts in fiscal year 2025-26. To provide a balanced budget over two fiscal years, the 2024-25 State budget authorized withdrawals from the State Rainy Day Fund of \$5.1 billion in fiscal year 2024-25 and \$7.1 billion in fiscal year 2025-26. The 2025-26 State Budget continues the scheduled \$7.1 billion State Rainy Day Fund withdrawal in fiscal year 2025-26, while maintaining a combined reserve balance of \$15.7 billion in fiscal year 2025-26, including \$11.2 billion in the State Rainy Day Fund and \$4.5 billion in the Special Fund for Economic Uncertainties (the “**SFEU**”).

The 2025-26 State Budget projects total resources available in fiscal year 2024-25 of approximately \$268.7 billion, including revenues and transfers of approximately \$226.7 billion and a prior year balance of approximately \$42.0 billion, and total expenditures in fiscal year 2024-25 of approximately \$233.6 billion. The 2025-26 State Budget projects total resources available for fiscal year 2025-26 of approximately \$250.9 billion, inclusive of revenues and transfers of approximately \$215.7 billion and a prior year balance of approximately \$35.1 billion. The 2025-26 State Budget projects total expenditures in fiscal year 2025-26 of approximately \$228.4 billion, inclusive of non-Proposition 98 expenditures of approximately \$147.6 billion and Proposition 98 expenditures of approximately \$80.7 billion. The 2025-26 State Budget projects total reserve balances of \$33.7 billion at the end of fiscal year 2025-26. This includes \$18.0 billion in the Reserve for Liquidation of Encumbrances, \$4.5 billion in the SFEU, and \$11.2 billion in the State Rainy Day Fund. The 2025-26 State Budget includes total funding of \$137.6 billion for all TK-12 education programs, including \$80.5 billion from the State’s general fund and \$57.1 billion from other funds. The 2025-26 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Certain budgeted programs and adjustments for TK-12 education set forth in the 2025-26 State Budget include the following:

- Proposition 98 Minimum Guarantee. The 2025-26 State Budget reflects Proposition 98 funding levels of \$98.5 billion in fiscal year 2023-24, \$119.9 billion in fiscal year 2024-25, and \$114.6 billion in fiscal year 2025-26. Due to the inherent risk in revenue projections, the 2025-26 State Budget appropriates the fiscal year 2024-25 Proposition 98 minimum guarantee at \$118.0 billion, instead of the currently calculated level of \$119.9 billion, in order to mitigate the risk of potentially appropriating more resources to the Proposition 98 minimum guarantee than are ultimately available in the final calculation for fiscal year 2024-25. The 2025-26 State Budget will allocate any settle-up funds that are realized to reduce ongoing deficits and protect core program funding for school districts and community colleges, including funding for growth and cost-of-living adjustments, as well as paying down TK-14 deferrals. The Proposition 98 minimum guarantee is in a Test 2 for fiscal year 2023-24 (although suspended at \$98.5 billion) and continues to be in a Test 1 for fiscal years 2024-25 and 2025-26, meaning that the funding level of the Proposition 98 minimum guarantee for such fiscal years is equal to roughly 40% of the State's general fund revenues, plus local property tax revenues. Pursuant to the Proposition 98 formula, this percentage of State general fund revenues is not reduced to reflect enrollment adjustments, which further increases per pupil funding. The Proposition 98 minimum guarantee is "rebenched" to reflect the continued implementation of universal TK and property tax backfills related to the January 2025 fires in the County of Los Angeles. The resulting Test 1 percentage is then "rebenched" to increase the percentage of State general fund revenues due to the Proposition 98 minimum guarantee, from 39.2% to 39.6%.
- Proposition 98 Rainy Day Fund. The 2025-26 State Budget maintains the withdrawal of the full \$8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24. The 2025-26 State Budget provides a mandatory deposit into the Proposition 98 Rainy Day Fund in fiscal year 2024-25 of \$455.0 million. Additionally, a year-over-year decrease in the Proposition 98 minimum guarantee triggers a mandatory withdrawal of \$455.0 million in fiscal year 2025-26, exhausting the remaining Proposition 98 Rainy Day Fund balance. See "*School District Reserves*" and "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 751."
- Proposition 98 Funding Split. The 2025-26 State Budget shifts the full TK expansion funding from the community colleges budget to the TK-12 budget of the Proposition 98 budget, beginning in the 2025-26 fiscal year. This shifts \$232.9 million in ongoing Proposition 98 resources from community colleges to TK-12 schools. The purpose of rebenching Proposition 98 resources for the cost of TK expansion is to ensure that implementation of universal TK does not create a fiscal burden on existing TK-12 programs; therefore, this shift will align resources generated by the rebench.
- Local Control Funding Formula. The 2025-26 State Budget includes an LCFF cost-of-living adjustment of 2.30%. The cost-of-living adjustment, when combined with population growth adjustments, increases discretionary funding for LEAs by \$2.1 billion. To fully fund the LCFF, the 2025-26 State Budget withdraws \$405.3 million from the Proposition 98 Rainy Day Fund to support LCFF costs in fiscal year 2025-26.
- Deferrals. Pursuant to the 2025-26 State Budget, budgetary deferrals of \$246.6 million for TK-12 education from fiscal year 2024-25 are fully repaid in fiscal year 2025-26. However, to fully fund the LCFF and maintain the level of fiscal year 2025-26 principal apportionments, the 2025-26 State Budget defers \$1.9 billion in LCFF funding from June 2026 to July 2026.
- Universal Transitional Kindergarten. In the 2025-26 school year, the 2025-26 State Budget provides a total of \$2.1 billion in ongoing Proposition 98 general fund resources (inclusive of all prior years' investments) to support the full implementation of universal TK, so that all children who turn four years old by September 1 can enroll in TK in the 2025-26 school year. The 2025-26 State Budget also provides an additional \$1.2 billion in ongoing Proposition 98 general fund resources to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom.
- Before School, After School, and Summer School. The 2025-26 State Budget provides \$515.1 million in ongoing Proposition 98 general fund resources for the full implementation of the Expanded Learning

Opportunities Program by increasing the number of elementary schools that offer universal access to students, from all those in LEAs with an unduplicated pupil percentage of 75% to all those in LEAs with 55% unduplicated students. Additionally, the 2025-26 State Budget includes \$10.4 million to increase the minimum grant amount from \$50,000 to \$100,000 per LEA.

- Literacy Instruction. The 2025-26 State Budget provides \$480.0 million to support literacy instruction aligned with the English Language Arts/English Language Department (“**ELA/ELD**”) Framework for all students, including: (i) \$215.0 million in one-time Proposition 98 general fund resources to expand the existing Literacy Coaches and Reading Specialists Grant Program; (ii) \$200.0 million one-time Proposition 98 general fund resources to support evidence-based professional learning for elementary school educators aligned with the ELA/ELD Framework; (iii) \$40.0 million in one-time Proposition 98 general fund resources to support necessary costs, including purchasing screening materials and training for educators, to administer screenings for risk of reading difficulties to all kindergarten through second grade students beginning in the 2025-26 school year; (iv) \$15.0 million in one-time Proposition 98 general fund resources for Literacy and Mathematics Networks, to convene literacy and mathematics lead agencies to support the implementation of evidence-based practices aligned to their respective curriculum frameworks; and (v) \$10.0 million in one-time Proposition 98 general fund resources for a county office of education to partner with the University of California, San Francisco Dyslexia Center to support the Multitudes screener for risk of reading difficulties, which is free to California public schools, and expand capacity for educator support for those schools using Multitudes.
- Teacher Preparation and Professional Development. The 2025-26 State Budget includes multiple investments intended to support teachers and improve access to the educator pipeline, including: (i) \$300.0 million in one-time Proposition 98 general fund resources to establish the Student Teacher Stipend Program, which will provide \$10,000 grants to teacher candidates completing the required student teaching hours beginning in the 2026-27 school year, and available through the 2028-29 school year, of which amount, \$5.0 million is available to support a public outreach campaign and a grant management system to facilitate uptake and access to student teacher stipends, teacher residency funds, and national board certification dollars; (ii) \$70.0 million in one-time Proposition 98 general fund resources to increase funding for high-quality teacher residency programs; and (iii) \$30.0 million in one-time Proposition 98 general fund resources to extend the timeline of the existing National Board Certification Incentive Program to support National Board Certified teachers to teach in high poverty schools.
- Student Support and Professional Development Discretionary Block Grant. The 2025-26 State Budget allocates \$1.7 billion in one-time Proposition 98 general fund resources for the Student Support and Professional Development Discretionary Block Grant, to provide LEAs with additional discretionary fiscal support in recognition of rising costs, as well as fund Statewide priorities including: (1) professional development for teachers on the ELA/ELD Framework and the Literacy Roadmap, with a focus on strategies to support literacy for English learners; (2) professional development for teachers on the Mathematics Framework; (3) teacher recruitment and retention strategies; and (4) career pathways and dual enrollment expansion efforts consistent with the Master Plan for Career Education.
- State Preschool. To augment provider rate, the 2025-26 State Budget provides \$19.3 million of Proposition 98 general fund resources and \$10.2 million in non-Proposition 98 general fund resources for the California State Preschool Program to support cost of care. Additionally, within existing funding, the 2025-26 State Budget includes authority for the Department of Education to: (i) expand State Preschool Program provider contracts to increase enrollment of three-year-olds by 10%; (ii) fund prospective pay for State Preschool Program providers to ensure timely payment of State contract funding; and (iii) automate prospective pay for State Preschool Program providers.

Additional budgeted programs and adjustments for TK-12 education set forth in the 2025-26 State Budget include the following:

- Learning Recovery Emergency Block Grant. The 2025-26 State Budget provides \$378.6 million in one-time Proposition 98 general fund resources to support the Learning Recovery Emergency Block Grant, which supports LEAs in establishing learning recovery initiatives through the 2027-28 school year.

- Career Technical Education. The 2025-26 State Budget provides \$150.0 million in one-time Proposition 98 general fund resources for career technical education and career pathways programming, subject to pending legislation.
- Universal School Meals Support Grant. The 2025-26 State Budget provides \$145.0 million in one-time Proposition 98 general fund resources for specialized kitchen equipment, infrastructure, training, and procurement of sustainably grown food to support schools in providing more freshly prepared meals, \$10.0 million in one-time Proposition 98 general fund resources to recruit and retain school food service workers, and \$5.0 million in one-time Proposition 98 general fund resources for a study of ultra-processed foods offered in California school meals.

The complete 2025-26 State Budget is available from the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

LAO Analysis of the 2025-26 State Budget. The Legislative Analyst’s Office (the “LAO”), a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the 2025-26 State Budget entitled “The 2025-26 Budget: Overview of the Spending Plan” on October 16, 2025 (the “**2025-26 State Budget Analysis**”). In the 2025-26 State Budget Analysis, the LAO assesses the budget deficit that was addressed in the 2025-26 State Budget as well as key actions taken to address projected out-year deficits and analyzes the major proposals for K-14 education.

The LAO notes that the State addressed a budget deficit for the third year in a row. The budget deficit for the fiscal year 2025-26 of \$15.0 billion was smaller compared to \$55.0 billion in fiscal year 2024-25 and \$27.0 billion in fiscal year 2023-24. The State budget for fiscal year 2024-25 included \$28.0 billion in budget maneuvers for fiscal year 2025-26, including a planned withdrawal from the State Rainy Day Fund of \$7.1 billion. The 2025-26 State Budget maintains these actions, including the reserve withdrawal. The LAO observes that the main reason for the budget problem is that the underlying costs of State services continue to outpace the State’s revenue collections. However, approximately \$4.0 billion of the budget problem results from new, discretionary spending from the State general fund as well as some budget actions adopted in a special session initially called in November 2024 and subsequently amended in January 2025. The measures approved in the special session provided funding for (1) response and recovery costs related to the January 2025 Southern California wildfires and (2) activities to address federal government actions impacting the State.

The LAO notes that the 2025-26 State Budget uses various maneuvers to address the budget shortfall, including reserve withdrawals, spending reductions, revenue increases, and borrowing (for example, loaning money from other funds to the State general fund). The LAO indicates that the 2025-26 State Budget primarily relies on borrowing (referred to as “cost shift” in prior reports published by LAO) to close the gap, accounting for \$10.0 billion and approximately two-thirds of the total budget action. After borrowing, spending-related maneuvers, including both reductions and fund shifts, total \$5.0 billion and represent nearly all of the remaining one-third of the total solutions. Revenue-related solutions, totaling about \$300.0 million, represent the small remainder. Note that while the State is also making a \$7.1 billion withdrawal from the State Rainy Day Fund in fiscal year 2025-26, the LAO does not treat this withdrawal as part of the 2025-26 State Budget because it was authorized in the State budget for fiscal year 2024-25.

The LAO explains that the major categories of borrowing in the 2025-26 State Budget include: (1) a Medi-Cal maneuver of \$3.4 billion (maximum allowed under State law) from the State general fund to the MPIP Fund to cover unanticipated cost increases in Medi-Cal, (2) loans from borrowable special funds with unspent balances, totaling \$2.1 billion, as a traditional form of budget maneuver used to balance the budget, (3) funding of the Proposition 98 minimum guarantee at \$2.7 billion, rather than the \$4.7 billion estimated requirement for fiscal year 2024-25, as a temporary savings measure (requires the State to settle up the \$1.9 billion difference using future revenues) (4) approximately \$1.0 billion in savings by deferring recognition of Middle Class Scholarships program costs from fiscal year 2025-26 to fiscal year 2026-27 on a budgetary basis, and (5) approximately \$274.0 million in savings by deferring one-time payments to University of California and California State University to next fiscal

year, creating one-time savings in fiscal year 2025-26. The LAO notes that the borrowing in the 2025-26 State Budget increases the total State outstanding budgetary borrowing from \$12 .0 billion to \$22.0 billion, similar to the measures used during the Great Recession. The LAO notes that the 2025-26 State Budget includes other spending related actions, such as \$2.5 billion in reductions, \$3.0 billion in fund shifts and \$70.0 million in reversions. The LAO further explains that nearly all of the budget related actions are reductions, largely concentrated in the health area, with ongoing maneuvers in the State Medicaid program. The LAO expects the budget deficit to persist despite the ongoing “solutions” included in the 2025-26 State Budget. The projected shortfalls represent future budget challenges the State legislature would need to address.

The LAO estimates that, pursuant to the 2025-26 State Budget, the State would end fiscal year 2025-26 with approximately \$15.7 billion in State general fund reserves, including \$11.2 billion in the State Rainy Day Fund and \$4.5 billion in the SFEU. The LAO expects that revenues from the major tax sources would grow 10.0% from fiscal year 2023-24 to fiscal year 2024-25. However, the LAO projects that revenues from the major tax sources would decrease by 15.0% from fiscal year 2024-25 to fiscal year 2025-26, attributable to the expiration of a policy that temporarily increased corporate tax receipts. The 2025-26 State budget assumes total spending of approximately \$317.0 billion in fiscal year 2025-26, 5.0% lower than the fiscal year 2024-25, attributable to the actions taken to lower spending to address the deficit in the 2025-26 State Budget. The LAO further notes that these projections do not include any potential effects of House Resolution 1: One Big Beautiful Bill (H.R.1).

The LAO notes that the 2025-26 State Budget rescinds a \$1.1 billion discretionary deposit into the Proposition 98 Rainy Day Fund in fiscal year 2024-25. It makes a new mandatory deposit of approximately \$455.0 million in fiscal year 2024-25 and a mandatory withdrawal of the same amount in fiscal year 2025-26. These actions together draw down the entire balance. The 2025-26 State Budget also shifts \$233.0 million in ongoing Proposition 98 funding from community colleges to schools to account for the costs associated with the expansion of transitional kindergarten. This a shift from an uncodified methodology known as “the spilt,” which involves allocating approximately 89.0% of the available funding to schools and approximately 11.0% to community colleges. The 2025-26 State Budget funds several increases for ongoing school and community college programs, including a 2.3% COLA. These actions increase the cost of ongoing programs beyond the Proposition 98 minimum guarantee by approximately \$1.7 billion. To cover the gap, the budget relies upon one-time savings through deferring payments of approximately \$2.3 billion from fiscal year 2025-26 to fiscal year 2026-27, withdrawing funds from the Proposition 98 Rainy Day Fund, and repurposing some unused funds in the Proposition 98 Rainy Day Fund from previous fiscal years. Of the \$2.3 billion deferral amount, \$1.9 billion pertains to schools. The State will implement the school deferral by shifting a portion of the June 2026 payment to July 2026. The law exempts school and community college districts and charter schools that can demonstrate the delay would make them unable to meet their financial obligations. The purpose of these deferrals is to free up funding for additional one-time and ongoing spending that would otherwise exceed the available Proposition 98 funding in fiscal year 2025-26. Starting from fiscal year 2026-27, the savings expire and the State will need to cover the \$1.7 billion shortfall with new ongoing funds, ongoing reductions or additional one-time actions.

The LAO explains that the 2025-26 State Budget provides \$2.2 billion to cover 2.3% COLA for existing school and community college programs. For schools, the 2025-26 State Budget also provides an ongoing increase of \$607.0 million for the Expanded Learning Opportunities Program, funding before and after school activities and summer enrichment. This augmentation will increase the share of school districts qualifying for the program’s higher “tier 1” funding rate. The LAO notes that the 2025-26 State Budget provides \$1.7 billion for the Student Support and Professional Development Discretionary Block Grant. School districts can use these funds for any local purpose, but trailer legislation encourages them to prioritize teacher training and professional development, teacher recruitment and retention, career pathways for high school students, and dual enrollment programs. The State will distribute funds on an equal per-pupil basis (about \$312.0 per student). School districts can use these funds for a range of student services, including basic needs (such as food, housing, and transportation), financial aid, counseling, and job placement activities. In addition to these discretionary grants, the 2025-26 State Budget funds several smaller grants for schools related to learning recovery, teacher training and recruitment, school meals, and career technical education. It also funds several smaller grants for community colleges focusing on other student support initiatives and career technical education.

The 2025-26 State Budget Analysis is available on the LAO website at www.lao.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Proposed 2026-27 State Budget. The Governor released the fiscal year 2026-27 proposed State budget (the “Proposed 2026-27 State Budget”) on January 9, 2026. The Proposed 2026-27 State Budget forecasts a surge in State general fund revenues for the budget window, from fiscal years 2024-25 through 2026-27, \$42.0 billion higher than the 2025-26 State Budget projections, an increase driven by higher cash receipts, higher stock market levels, and an improved economic outlook. However, constitutional funding requirements, the need for an adequate discretionary budget reserve, and higher program costs are additional commitments that exceed the level of increased revenues, resulting in a modest projected shortfall of \$2.9 billion. As a result, the Proposed 2026-27 State Budget does not include new significant spending proposals. The Proposed 2026-27 State Budget notes that after experiencing significant revenue volatility during and after the COVID-19 pandemic, the State continues to be confronted with structural operating deficits as well as pressures and uncertainty caused by federal policies. While the Proposed 2026-27 State Budget is balanced in fiscal year 2026-27, with an SFEU reserve of \$4.5 billion, the Proposed 2026-27 State Budget projects a deficit of roughly \$22.0 billion in fiscal year 2027-28 and shortfalls in fiscal years 2028-29 and 2029-30.

The Proposed 2026-27 State Budget recognizes that much of the revenue surge is attributable to a relatively small number of technology companies that experienced a substantial increase in their share prices due to investor enthusiasm in artificial intelligence. The Proposed 2026-27 State Budget notes stock market and asset price declines and unpredictable federal policies, including continued uncertainty regarding tariffs and immigration, as well as their impact on inflation, the labor market, investment, and overall demand, as dominant risks to the Proposed 2026-27 State Budget. The House of Representatives (H.R.) 1 of 2025 included significant federal policy changes for health and human services programs that are projected to result in costs of \$1.4 billion from the State general fund in fiscal year 2026-27. These costs are in addition to the natural growth in program costs and caseload since the 2025-26 State Budget was adopted.

Over the last two fiscal years, the State has withdrawn approximately \$12.2 billion from the State Rainy Day Fund and suspended deposits into the fund for fiscal years 2024-25 and 2025-26. Consistent with these actions, the Proposed 2026-27 State Budget suspends a \$2.8 billion deposit into the State Rainy Day Fund in fiscal year 2025-26. The Proposed 2026-27 State Budget includes a deposit of \$3.0 billion in the State Rainy Day Fund in fiscal year 2026-27 and a minor deposit for fiscal year 2024-25.

The Proposed 2026-27 State Budget estimates total resources available in fiscal year 2025-26 of approximately \$291.1 billion, including revenues and transfers of approximately \$235.2 billion and a prior year balance of approximately \$56.0 billion, and total expenditures in fiscal year 2025-26 of approximately \$237.7 billion. The Proposed 2026-27 State Budget projects total resources available for fiscal year 2026-27 of approximately \$280.8 billion, inclusive of revenues and transfers of approximately \$227.4 billion and a prior year balance of approximately \$53.5 billion. The Proposed 2026-27 State Budget projects total expenditures in fiscal year 2026-27 of approximately \$248.3 billion, inclusive of non-Proposition 98 expenditures of approximately \$158.5 billion and Proposition 98 expenditures of approximately \$89.9 billion. The Proposed 2026-27 State Budget includes approximately \$32.5 billion in reserves in fiscal year 2026-27, comprised of \$28.0 billion in the Reserve for Liquidation and Encumbrances and approximately \$4.5 billion in the SFEU, in addition to \$14.4 billion in the State Rainy Day Fund for fiscal emergencies, and \$4.1 billion in the Proposition 98 Rainy Day Fund.

The Proposed 2026-27 State Budget includes total funding of approximately \$149.1 billion for all TK-12 education programs, including approximately \$88.7 billion from the State’s general fund and approximately \$60.4 billion from other funds. Per-pupil funding totals \$20,427 per pupil in Proposition 98 funding and \$27,418 per pupil when accounting for all funding sources.

Certain budgeted programs for TK-12 education set forth in the Proposed 2026-27 State Budget include the following:

- California for All Kids. The Proposed 2026-27 State Budget notes that the California for All Kids Plan has significantly improved student academic achievement in the State with the fiscal year 2024-25 Statewide assessments of student academic performance showing that students made meaningful gains in English language arts, mathematics, and science Statewide. Other achievements include universal access to free transitional kindergarten for all four-year-olds, with increased access to the California State Preschool Program for two-, three-, and four-year-olds; expansion of the community schools model, which is a whole-child approach that focuses on school engagements with families and community organizations, shared decision making, and coordination of services; year-round access to enrichment activities and before, after, and summer school supplemental education programs for all transitional kindergarten through sixth grade children in low-income communities; access to two high-quality, free school meals per school day for all transitional kindergarten through twelfth grade students; increased educator recruitment, retention, and training programs for more well-prepared and well-supported teachers and school counselors to accelerate learning for students; more intervention-focused special education programs and increased funding for special education services; support for the Children and Youth Behavioral Health Initiative, which supports integration between schools, health care plans, and county health and social services to address the needs of children and youth; and improvements in literacy outcomes Statewide grounded in a comprehensive, research-driven approach, reflecting the diverse and multilingual learners in the State’s schools. The State has made several one-time and ongoing expenditures to maintain the California for All Kids Plan.
- Proposition 98 Minimum Guarantee. The revised estimates of State general fund revenues in the Proposed 2026-27 State Budget result in notable adjustments to the Proposition 98 minimum guarantee, resulting in funding estimates of approximately \$123.8 billion in fiscal year 2024-25, \$121.4 billion in fiscal year 2025-26, and \$125.5 billion in fiscal year 2026-27, representing a three-year increase in the minimum guarantee of approximately \$21.7 billion over the level funded in the 2025-26 State Budget. At the beginning of the three-year budget window, the Proposition 98 Minimum Guarantee had a maintenance factor balance of \$8.3 billion. The 2025-26 State Budget projected a mandatory maintenance factor payment of \$5.5 billion in fiscal year 2024-25. Revised Proposition 98 Minimum Guarantee factors have increased that payment amount in the Proposed 2026-27 State Budget to \$7.8 billion. No other mandatory payments are projected in fiscal years 2025-26 or 2026-27, leaving a \$584.6 million maintenance factor balance at the end of fiscal year 2026-27. The Proposed 2026-27 State Budget proposes fully repaying the settle-up balance in fiscal year 2024-25 and creating \$5.6 billion in settle-up obligations in fiscal year 2025-26, bring the funded level of the Proposition 98 Minimum Guarantee to approximately \$115.9 billion in fiscal year 2025-26. Potential adjustments will be made at the 2026-27 May Revision (defined below) and will not be final until the certification of the fiscal year 2025-26 Proposition 98 Minimum Guarantee level in spring 2027. The Proposition 98 Minimum Guarantee continues to be in a Test 1 for fiscal years 2024-25, 2025-26, and 2026-27. This means that the funding level of the Proposition 98 Minimum Guarantee is equal to roughly 40% of State general fund revenues, plus local property tax revenues. Pursuant to the Proposition 98 Minimum Guarantee formula, this percentage of general fund revenues is not reduced to reflect enrollment adjustments, which further increases per pupil funding.
- Proposition 98 Rainy Day Fund. The 2025-26 State Budget projected a zero balance in the Proposition 98 Rainy Day Fund, reflecting: (1) a mandatory deposit of \$455.0 million in fiscal year 2024-25, and (2) a mandatory withdrawal of the full balance of \$455.0 million in fiscal year 2025-26. Adjustments in capital gains revenues revise these amounts in the 2025-26 State Budget, requiring an increased deposit of \$3.8 billion in fiscal year 2024-25, eliminating the mandatory withdrawal in fiscal year 2025-26 and replacing it with a mandatory deposit of \$424.3 million, and requiring a mandatory withdrawal of \$407.1 million in fiscal year 2026-27. Additionally, the Proposed 2026-27 State Budget proposes a discretionary deposit of \$240.0 million in fiscal year 2025-26, further increasing the Proposition 98 Rainy Day Fund safety net. At the end of the three-year budget window, the total balance in the Proposition 98 Rainy Day Fund is \$4.1 billion. Under current State law, there is a cap of 10% on school district reserves in fiscal years immediately succeeding those in which the balance in the Proposition 98 Rainy Day Fund is equal to or greater than 3% of the total TK-12 share of the Proposition 98 Minimum Guarantee. The balance in the Proposition 98 Rain Day Fund in all years of the three-year budget window triggers school district reserve caps in fiscal years 2025-26 and 2026-27. See “– *School District Reserves*” and “CONSTITUTIONAL

AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 751.”

- Local Control Funding Formula. The Proposed 2026-27 State Budget includes a LCFF cost-of-living adjustment of approximately 2.41%. When combined with population growth adjustments, this will result in an increase of roughly \$2.0 billion in discretionary funds for local educational agencies. Additionally, budgetary deferrals of \$1.9 billion for TK-12 education are fully repaid in fiscal year 2026-27. The Proposed 2026-27 State Budget also includes an ongoing increase of \$30.7 million in Proposition 98 general fund resources to provide a 20% increase in LCFF funding for Necessary Small Schools, which is the funding formula for the smallest schools in the State. This additional funding will help small schools maintain instructional programming when student population fluctuates.
- State Education Governance. The State legislature has raised concern over the governance of California’s K-12 education system in various legislative reports and policy documents for decades. According to a 2002 report entitled “California’s Master Plan for Education”, “California’s K-12 education system is governed by a fragmented set of entities with overlapping roles that sometimes operate in conflict with one another, to the detriment of educational services offered to students.” This concern was reinforced in a December 2025 report, “TK-12 Education Governance in California,” from Policy Analysis for California Education. The Proposed 2026-27 State Budget proposes to implement the 2002 Master Plan recommendation to amend the California Education Code to move oversight authority of the management of the California Department of Education and support of local education agencies under the State Board of Education. The Proposed 2026-27 State Budget further proposes to provide the State Superintendent of Public Instruction the ability to strengthen coordination and alignment among the bodies setting policy from early childhood through postsecondary education. These changes will strengthen governance of the State’s education system to provide coherence and meaningful accountability to address the needs of students, parents, teachers, school staff, and administrators.
- Community Schools. Community schools partner with education, county, and nonprofit entities to provide integrated health, trauma-informed mental health, social services, and academic supports alongside high-quality, supportive instruction. In addition to these integrated student supports, community schools offer expanded learning time, active family and community engagement, and collaborative leadership practices. Building on prior investments, the Proposed 2026-27 State Budget proposes \$1.0 billion ongoing Proposition 98 general fund resources to expand the community school model to more school sites that have large concentrations of students from low-income families, English learners, and youth in foster care. To date, approximately 2,500 schools in the State have received community schools grants through the California Community Schools Partnership Program; this new funding will provide ongoing resources for these grantees and expand access to the model to thousands of additional high-need schools.
- Special Education. The number of students with disabilities in California’s public schools is growing; in fiscal year 2018-19, the prevalence of students in special education programs was 12.9% of all students; by fiscal year 2024-25 the rate grew to 14.9%. Over that time, the number of students in special education increased by more than 70,000 students, while total enrollment decreased by more than 380,000. The Proposed 2026-27 State Budget reflects the State’s ongoing commitment to invest in and improve instruction and services for students with disabilities, proposing an increase of \$509.0 million in ongoing Proposition 98 general fund resources to increase special education base rates. This additional funding will allow for full equalization of special education rates across the State, meaning that all local education agencies will now receive the same rate per pupil for State special education funding.
- Master Plan for Career Education: TK-12 Education. In alignment with the Master Plan for Career Education, the State is engaged in cross-agency collaboration to strengthen planning and coordination across State and regional education and workforce initiatives, to make it easier for State residents to receive college credit both while in high school and based on their real-world experience, and create more pathways to in-demand careers in the State. Building on prior Master Plan investments, the Proposed 2026-27 State Budget proposes: (1) \$100.0 million in one-time Proposition 98 general fund resources to increase access to college and career pathways for high school students, including expanding access to dual

enrollment and dual credit opportunities, and (2) including prioritizing creation and expansion of dual enrollment and pathways programs with funds allocated through the \$2.8 billion Student Support and Discretionary Block Grant.

- Before School, After School, and Summer School. The Expanded Learning Opportunities Program provides funding for before, after, and summer school instruction and enrichment for students in grades TK-6, with a focus on local education agencies with the highest concentrations of low-income students, English learners, and youth in foster care, otherwise known as unduplicated pupils. Currently, local education agencies with TK-6th grade and 55% or more unduplicated pupils (known as Tier 1 local education agencies) must offer and provide universal access to subsidized before, after, and summer school, in accordance with statutory requirements. Local education agencies with TK-6th grade and less than 55% unduplicated pupils (known as Tier 2 local education agencies) must offer access to before, after, and summer school to all unduplicated pupils, and must provide subsidized before, after, and summer school services to at least half of all unduplicated pupils. Currently, Tier 1 local education agencies receive \$2,750 per unduplicated pupil and Tier 2 local education agencies receive a variable amount per unduplicated pupil, based on the availability of program funding. The Proposed 2026-27 State Budget proposes \$62.4 million in ongoing Proposition 98 general fund resources to provide a guaranteed \$1,800 per pupil for Tier 2 local education agencies, stabilizing the existing variable Tier 2 rate. With this increase, total ongoing program funding is \$4.7 billion in Proposition 98 general fund resources.
- Teacher Preparation. Preparing, training, and recruiting a diverse, expert workforce of administrative, credentialed, and classified staff to work in public TK-12 schools continues to be critical to the success of the entire system. However, staffing shortages persist and make it imperative that barriers to teaching are removed for qualified teacher candidates, and that existing teachers are provided with the training they need to be successful. To this end, the Proposed 2026-27 State Budget includes \$250.0 million in one-time Proposition 98 general fund resources to continue educator residency programs through fiscal year 2029-30. Educator residencies provide high-quality, clinically rich preparation for teachers and school counselors, with residency program participants having higher program completion and workforce retention rates than non-residency prepared teachers. Additionally, principals report residency-prepared teachers are more effective in their first and second years of teaching than their non-residency prepared peers. The State has invested \$620.0 million in residency programs over the last five years; these funds will be fully awarded by the end of fiscal year 2025-26.
- Student Support and Professional Development Discretionary Block Grant. In addition to the 2.41% cost-of-living adjustment provided to the LCFF and many other TK-12 education programs, the Proposed 2026-27 State Budget proposes \$2.8 billion in one-time Proposition 98 general fund resources for a discretionary block grant. These funds will provide local education agencies with additional fiscal support to manage attendance and enrollment declines, including those caused by federal government immigration actions, and address rising costs. The funds will also support implementation of Statewide priorities including: (1) professional development for teachers on the English Language Arts/English Language Development (ELA/ELD) Framework and the Literacy Roadmap, with a focus on strategies to support literacy for English learners; (2) professional development for teachers on the Mathematics Framework; (3) teacher recruitment and retention strategies; (4) professional development for transitional kindergarten teachers and site administrators on the principles and guidelines of developmentally appropriate transitional kindergarten instruction; and (5) career pathways and dual enrollment expansion efforts consistent with the Master Plan for Career Education.
- Charter School Accountability. Charter schools have administrative flexibilities that sometimes exempt them from requirements applicable to other public schools. To ensure that public funds are properly utilized, address fraud and malfeasance, and improve accountability and oversight, the Proposed 2026-27 State Budget proposes new requirements for charter schools. It also provides for the use of verified data in the charter school renewal process until June 30, 2028.
- School Facilities. The recently approved Kindergarten through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 (Proposition 2)

authorizes a total of \$8.5 billion in State general obligation bonds for TK-12 schools to be allocated through the School Facility Program. These funds are allocated across several key areas: (1) \$4.0 billion for modernization projects, (2) \$3.3 billion for new construction, (3) \$600.0 million for charter schools, and (4) \$600.0 million for career technical education projects. The Proposed 2026-27 State Budget continues to allocate \$1.5 billion Proposition 2 bond funds to support school construction projects in fiscal year 2026-27, similar to amounts allocated in prior years.

Certain budgeted adjustments for TK-12 education set forth in the Proposed 2026-27 State Budget include the following:

- Learning Recovery Emergency Block Grant. The Proposed 2026-27 State Budget allocates \$757.3 million in one-time Proposition 98 general fund resources to support the Learning Recovery Emergency Block Grant, which provides funds to local education agencies to establish learning recovery initiatives through the 2027-28 school year. This investment is expected to be the final payment to this program, which has received multi-year investments totaling \$7.2 billion in past budgets to support schools in learning recovery efforts related to the COVID-19 pandemic.
- Home-to-School Transportation. The Proposed 2026-27 State Budget allocates \$322.0 million in one-time and \$239.2 million in ongoing Proposition 98 general fund resources to reflect higher costs in the Home-to-School Transportation Program.
- Cost-of-Living Adjustments. The Proposed 2026-27 State Budget allocates \$228.2 million in ongoing Proposition 98 general fund resources to reflect a 2.41% cost-of-living adjustment for specified categorical programs and the LCFF Equity Multiplier. The specified categorical programs include Special Education, Child Nutrition, State Preschool, Foster Youth Services Coordinating Program, Mandates Block Grant, Adults in Correctional Facilities Program, Charter School Facility Grant Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.
- Kitchen Infrastructure and Training. The Proposed 2026-27 State Budget allocates \$100.0 million in one-time Proposition 98 general fund resources for specialized kitchen equipment, infrastructure, and training to support schools in providing more freshly prepared meals made with locally grown ingredients.
- Reading Difficulties Risk Screening. The Proposed 2026-27 State Budget allocates \$40.0 million in one-time Proposition 98 general fund resources to support continued implementation of student reading difficulties screenings. The budget for fiscal year 2023-24 required local education agencies to begin screening students in kindergarten through second grade, for risk of reading difficulties, including dyslexia, beginning in the 2025-26 school year. Additionally, the Proposed 2026-27 State Budget proposes statutory changes to clarify the appropriate administration of the screeners to ensure the consistency and quality of results.
- L.A. County School Wildfire Recovery. The Proposed 2026-27 State Budget allocates \$22.9 million in one-time Proposition 98 general fund resources to support local education agencies that are continuing to recover from the Los Angeles County wildfires in January 2025.
- Universal and Targeted Assistance. The Proposed 2026-27 State Budget allocates \$13.3 million additional ongoing Proposition 98 general fund resources, for a total of \$131.9 million, for county offices of education to provide universal and targeted support to school districts and charter schools, including those eligible for differentiated assistance. This funding will align with updates to local educational agency assistance and intervention performance criteria that the State Board of Education is required to adopt pursuant to Chapter 8, Statutes of 2025 (AB 121). The Proposed 2026-27 State Budget includes statutory changes to allow for the updated performance criteria to target longer-term support where the demonstrated needs are greatest.
- County Offices of Education LCFF. The Proposed 2026-27 State Budget includes an ongoing decrease of \$15.6 million in Proposition 98 general fund resources to reflect ADA changes applicable to the county office of education LCFF, and a 2.41% cost-of-living adjustment.

- School Nutrition Programs. The Proposed 2026-27 State Budget includes an ongoing decrease of \$67.9 million in Proposition 98 general fund resources to support the Universal School Meals program, reflecting a reduction in fiscal year 2025-26 estimates compared to the 2025-26 State Budget projections and an increase in meal reimbursement rates.
- Local Property Tax Adjustments. The Proposed 2026-27 State Budget includes a decrease of \$18.0 million in Proposition 98 general fund resources for school districts and county offices of education in fiscal year 2025-26, and a decrease of \$1.4 billion ongoing Proposition 98 general fund resources for school districts and county offices of education in fiscal year 2026-27, resulting from increased offsetting property taxes.
- Holocaust and Genocide Education Grant Program. Although no funding is included in the Proposed 2026-27 State Budget for this purpose, the State intends to propose up to \$10.0 million in one-time Proposition 98 general fund resources in the 2026-27 May Revision to provide grants to local education agencies for instructional materials, professional development, and related costs to implement holocaust and genocide education pursuant to Chapter 761, Statutes of 2025 (SB 472). These proposed funds are contingent upon the inclusion of clean-up amendments to the statutory language, agreed to by both the State administration and legislature.

The complete Proposed 2026-27 State Budget is available from the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

LAO Overview of Proposed 2026-27 State Budget. The LAO released its report on the Proposed 2026-27 State Budget entitled “The 2026-27 Budget: Overview of the Governor’s Budget” on January 12, 2026 (the “LAO Analysis of the Proposed 2026-27 State Budget”). In the LAO Analysis of the Proposed 2026-27 State Budget, the LAO assesses the State budget condition and analyzes the major proposals for TK-14 education.

The LAO estimates that the underlying condition of the Proposed 2026-27 State Budget is roughly balanced because of higher revenue projections. The LAO notes that, in its November 2025 Fiscal Outlook report, it estimated an \$18.0 billion deficit in the 2026-27 State Budget. By comparison, the Proposed 2026-27 estimates a deficit of approximately \$3.0 billion because of two offsetting reasons. First, the Proposed 2026-27 State Budget relies on the continuation of the strong income tax collections from recent months, whereas, these recent strong income tax collections are unlikely to be sustainable as they are tied to an overheated stock market and there is a strong risk of a stock market downturn. Second, the LAO notes that spending was much higher than had been anticipated in the 2025-26 State Budget, in large part due to the State’s constitutional requirements eroding revenue gains. As such, the Proposed 2026-27 State Budget revenue estimate exceeds the LAO estimates by approximately \$30.0 billion across the budget window of fiscal years 2024-25 through 2026-27. Specifically, the LAO notes that (1) the mandatory spending under the State Constitution for schools and community colleges and debt payments and reserve deposits is estimated to be \$13.0 billion higher in the Proposed 2026-27 State Budget, increasing the Proposed 2026-27 State Budget’s estimate of the deficit relative to LAO’s forecast, and (2) the Proposed 2026-27 State Budget estimates approximately \$2.0 billion higher baseline costs for State services under current law and policy compared to the LAO’s November 2025 estimates, offsetting some of the revenue improvement in the Proposed 2026-27 State Budget. The LAO views the deficit of approximately \$3.0 billion projected by the Proposed 2026-27 State Budget as roughly balanced, with neither a clear surplus nor a clear deficit. The LAO notes that the Proposed 2026-27 State Budget is in a neutral position even though the Proposed 2026-27 State Budget revenue estimate reflects growth and is up significantly relative to the 2025-26 State Budget.

The LAO notes that the Proposed 2026-27 State Budget includes three categories of discretionary proposals that are not already committed to under current law or policy. First, the Proposed 2026-27 State Budget includes approximately ten budget maneuvers that create more budget capacity, generating a total of approximately \$9.0 billion in State general fund savings. The Proposed 2026-27 State Budget proposes providing approximately \$5.6 billion less in total funding for schools and community colleges than the estimated Proposition 98 minimum guarantee for fiscal year 2025-26. This provides one-time State general fund savings in fiscal year 2025-26, but if revenues meet expectations for fiscal year 2025-26, it would require the State to make a “settle-up” payment, which

would add to a future deficit. If revenues for fiscal year 2025-26 come in below current projections, the settle-up obligation would also decline. In addition, the Proposed 2026-27 State Budget suspends the annual deposit into the State Rainy Day Fund, a true-up deposit of approximately \$2.8 billion for fiscal year 2025-26, ends comprehensive coverage for certain immigrant groups, and extends new eligibility requirements for certain federally funded populations, reducing total costs by approximately \$900.0 million in fiscal year 2026-27, with savings in future years ramping up to a few billion dollars annually. Second, the Proposed 2026-27 State Budget includes approximately 60 discretionary spending proposals, totaling approximately \$600.0 million in spending across the budget window. The major proposals in this category include \$76.0 million for utility replacement and site improvements at Exposition Park, \$67.0 million to the California Department of Forestry and Fire Protection for fixed-wing aircraft pilot and mechanics contract increases, \$60.0 million to the Department of Health Care Access and Information for a reproductive health care grant program, and a \$50.0 million State general fund loan to the Department of Toxic Substances Control for residential cleanup around the former Exide facility. Finally, the Proposed 2026-27 State Budget sets the balance of the SFEU to approximately \$4.5 billion. The LAO considers the entire balance of the SFEU to be a discretionary choice and the Proposed 2026-27 State Budget's SFEU balance to be in line with recent policy.

The LAO notes that under the Proposed 2026-27 State Budget proposals and assumptions, general-purpose reserves would total approximately \$19.0 billion by the end of fiscal year 2026-27. This includes an SFEU balance of approximately \$4.5 billion and \$14.4 billion in the State's Rainy Day Fund. The LAO further notes that for the fourth year in a row, the State budget and the LAO are forecasting multiyear budget shortfalls with estimates ranging from \$20 billion to \$35 billion annually. The Proposed 2026-27 State Budget projects operating deficits of approximately \$27.0 billion in fiscal year 2027-28, \$22.0 billion in fiscal year 2028-29, and \$23.0 billion in fiscal year 2029-30. The LAO's November 2025 projections estimated a deficit of approximately \$35.0 billion per year, with much of the difference attributable to LAO's lower revenue estimates. The LAO finds these deficits concerning for three reasons: first, after four years of projected deficits and a cumulative total of \$125.0 billion in budget problems solved so far, the State's negative fiscal situation is now chronic, second, structural deficits have grown, and third, deficits have persisted even as the State's economy and revenues have grown, underscoring that the problem is structural rather than cyclical. Taken together, these trends raise serious concerns about the State's fiscal sustainability.

The LAO notes that compared to the estimates in the 2025-26 State Budget, the Proposed 2026-27 State Budget estimates the Proposition 98 minimum guarantee for school and community colleges has increased by approximately \$21.7 billion (about half of this increase is attributable to fiscal year 2026-27, with smaller portions attributable to fiscal years 2024-25 and 2025-26). The LAO notes that this increase is due to higher State general fund revenue estimates. Over the three-year period, the State general fund is required to cover more than \$19.4 billion of the increase, whereas growth in local property tax revenue covers \$2.2 billion. The Proposed 2026-27 State Budget would make mandatory deposits into the Proposition 98 Rainy Day Fund of approximately \$4.3 billion across fiscal years 2024-25 and 2025-26. These deposits reflect significantly higher estimates of capital gains revenue. After discretionary deposits of approximately \$240.0 million in fiscal year 2025-26 and a mandatory withdrawal of approximately \$407.0 million in fiscal year 2026-27, the Proposition 98 Rainy Day Fund would have a balance of approximately \$4.1 billion, triggering a statutory cap on the local reserves held by medium and large school districts.

The LAO notes that the Proposed 2026-27 State Budget provides approximately \$2.4 billion to fund a 2.41% statutory cost-of-living adjustment for existing school and community college programs. The Proposed 2026-27 State Budget also provides \$1.0 billion ongoing to support the implementation of community schools. Additionally, it provides \$509.0 million to increase per-student funding rates for special education. Separate from these larger proposals, the Proposed 2026-27 State Budget funds several smaller initiatives, including (1) \$62.0 million to increase and stabilize funding rates for certain districts participating in the Expanded Learning Opportunities Program, (2) \$38.0 million for Calbright College to cover higher operational costs, and (3) \$32.0 million to fund 0.5% systemwide enrollment growth for the community colleges. The LAO notes that the largest one-time proposal is to provide \$2.8 billion for schools through a discretionary block grant. Another significant one-time proposal allocates \$2.3 billion to eliminate the school and community college payment deferrals the State implemented in the 2025-26 State Budget. The Proposed 2026-27 State Budget also funds several other activities. For schools, the most notable proposals include allocation of \$757.0 million to restore the Learning

Recovery Emergency Block Grant to its original level and \$250.0 million to support teacher residency programs. Nearly all of the spending proposals build on activities the State has funded in previous budgets.

The LAO notes that the Proposed 2026-27 State Budget proposes delaying \$5.6 billion associated with higher estimates of the fiscal year 2025-26 Proposition 98 minimum guarantee. The Proposed 2026-27 State Budget indicates that the State will make these payments after finalizing its Proposition 98 calculations for the year (no earlier than June 2027). For schools and community colleges, this delay reduces the amount of one-time funding available in the Proposed 2026-27 State Budget.

The LAO notes that the Proposed 2026-27 State Budget acknowledges the downside risk to the State's revenue picture, but only two proposals to address the downside risk, cautioning that the budget maneuvers mostly reduce budget resilience rather than increasing it. The two proposals to address downside revenue risk are (1) Proposition 98 minimum guarantee settle-up proposal, which provides a limited hedge against downside revenue risk, but only in fiscal year 2025-26, and (2) a commitment to revisit the State's budget condition and multiyear situation in May 2026. On an ongoing basis, the Proposed 2026-27 State Budget proposes about \$5.0 billion in spending solutions. However, these fall well short of the amount needed to substantially address future deficits. The LAO notes that the State's deficits will require legislative action and urges the State Legislature to begin that work early in the process. The Proposed 2026-27 State Budget faces two key and sizeable challenges: downside risk to Proposed 2026-27 State Budget's revenue estimates in the budget window and significant structural deficits in the out-years. To address these challenges, the LAO recommends the State Legislature to: (1) acknowledge downside risk by adopting the LAO revenue outlook, (2) tackle the budget shortfall by identifying solutions that bring the budget into balance by maintaining the State Rainy Day Fund deposits and setting aside \$5.6 billion Proposition 98 settle-up deposit, and (3) adopt a plan to address at least half of the identified multiyear deficits, which required a total of approximately \$10.0 billion of ongoing solutions with spending reductions, revenue increases, or a combination of both.

The LAO Analysis of the Proposed 2026-27 State Budget is available on the LAO website at www.lao.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Changes in State Budget. The final fiscal year 2026-27 State budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the Proposed 2026-27 State Budget. In May 2026, the Governor will revise the Proposed 2026-27 State Budget based on updated information available at such time (the "2026-27 May Revision"). The 2026-27 May Revision may also differ substantially from the Proposed 2026-27 State Budget. The final fiscal year 2026-27 State budget may be affected by national and State economic conditions and other factors which the District cannot predict. Accordingly, the District cannot provide any assurances that there will not be any changes in the final fiscal year 2026-27 State budget from the Proposed 2026-27 State Budget. The District cannot predict the impact that the final fiscal year 2026-27 State budget, or subsequent budgets, will have on its finances and operations.

Future Budgets and Budgetary Actions. The District cannot predict what future actions will be taken by the State legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District's ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash and could impair the State's ability to fund schools during the current fiscal year and in future fiscal years. Certain factors could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the Bonds are payable from *ad valorem* property taxes, the Proposed 2026-27 State Budget and the final fiscal year 2026-27 State budget are not expected to have a material impact on the payment of the Bonds.

School District Reserves. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total State general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts

(also known as community funded districts) and small school districts having fewer than 2,501 units of A.D.A. Payments allocated to the Proposition 98 Rainy Day Fund under the fiscal year 2021-22 State budget and the fiscal year 2022-23 State budget triggered a reserve cap for school districts in fiscal years 2022-23 and 2023-24, respectively. However, the State's economic and revenue outlook has changed and the balance in the Proposition 98 Rainy Day Fund has not triggered the reserve cap since fiscal year 2023-24. See “– 2025-26 State Budget” above. School districts may need to access their local reserves in light of operational needs that may exceed expected funding under LCFF in a given fiscal year.

The District, which has an average daily attendance of less than 250,000 (but greater than 30,001), is required to maintain a reserve for economic uncertainty in an amount equal to 2% of its general fund expenditures and other financing uses. At the time of preparation of its first interim financial report for fiscal year 2025-26, the District projects it will not meet the 2% statutory reserve requirement in fiscal years 2025-26 through 2027-28. The District projects it may need to use its existing general fund balance in fiscal years 2025-26 and 2026-27 to meet its obligations. On October 8, 2025, the Board of Education adopted a resolution directing the preparation of budget scenarios to address the District's structural deficit. On December 10, 2025, the Board of Education adopted a budget scenario developed and presented by the District staff, which includes eight strategic areas of savings to achieve sustainable and recurring reductions. These include: (1) central office staffing reductions, (2) school site budget adjustments, (3) reduction in contracted services across the District, (4) series of programmatic and service-level adjustments, (5) reductions in materials, supplies and technology across the District, (6) operations and facilities related reductions, (7) structural and long-term saving strategies, including reviewing and adjusting key policies and operational practices, and (8) revenue and funding adjustments, including rebalancing the use of restricted and unrestricted funds.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in fiscal year 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund (“ERAF”) in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as “Proposition 22.”

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment will be to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved (see “– *Dissolution of Redevelopment Agencies*” below). Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 1, 2010. Because Proposition 22 reduces the State's authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years — such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Dissolution of Redevelopment Agencies. The adopted State budget for fiscal year 2011-12, as signed by the Governor on June 30, 2011, included as trailer bills Assembly Bill No. 26 (First Extraordinary Session) (“**AB1X 26**”) and Assembly Bill No. 27 (First Extraordinary Session) (“**AB1X 27**”), which the Governor signed on June 29,

2011. AB1X 26 suspended most redevelopment agency activities and prohibited redevelopment agencies from incurring indebtedness, making loans or grants, or entering into contracts after June 29, 2011. AB1X 26 dissolved all redevelopment agencies in existence and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. Certain provisions of AB1X 26 are described further below.

In July of 2011, various parties filed an action before the Supreme Court of the State of California (the “Court”) challenging the validity of AB1X 26 and AB1X 27 on various grounds (*California Redevelopment Association v. Matosantos*). On December 29, 2011, the Court rendered its decision in *Matosantos* upholding virtually all of AB1X 26 and invalidating AB1X 27. In its decision, the Court also modified various deadlines for the implementation of AB1X 26. The deadlines for implementation of AB1X 26 described below take into account the modifications made by the Court in *Matosantos*.

On February 1, 2012, and pursuant to *Matosantos*, AB1X 26 dissolved all redevelopment agencies in existence and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency, will be transferred to the control of its successor agency and, unless otherwise required pursuant to the terms of an enforceable obligation, distributed to various related taxing agencies pursuant to AB1X 26.

AB1X 26 requires redevelopment agencies to continue to make scheduled payments on and perform obligations required under its “enforceable obligations.” For this purpose, AB1X 26 defines “enforceable obligations” to include “bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of outstanding bonds of the former redevelopment agency” and “any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy.” AB1X 26 specifies that only payments included on an “enforceable obligation payment schedule” adopted by a redevelopment agency shall be made by a redevelopment agency until its dissolution. However, until a successor agency adopts a “recognized obligation payment schedule” the only payments permitted to be made are payments on enforceable obligations included on an enforceable obligation payment schedule. A successor agency may amend the enforceable obligation payment schedule at any public meeting, subject to the approval of its oversight board.

Under AB1X 26, commencing February 1, 2012, property taxes that would have been allocated to each redevelopment agency if the agencies had not been dissolved will instead be deposited in a “redevelopment property tax trust fund” created for each former redevelopment agency by the related county auditor-controller and held and administered by the related county auditor-controller as provided in AB1X 26. AB1X 26 generally requires each county auditor-controller, on May 16, 2012 and June 1, 2012 and each January 16 and June 1 (now each January 2 and June 1 pursuant to AB 1484, as described below) thereafter, to apply amounts in a related redevelopment property tax trust fund, after deduction of the county auditor-controller’s administrative costs, in the following order of priority:

- To pay pass-through payments to affected taxing entities in the amounts that would have been owed had the former redevelopment agency not been dissolved; provided, however, that if a successor agency determines that insufficient funds will be available to make payments on the recognized obligation payment schedule and the county auditor-controller and State Controller verify such determination, pass-through payments that had previously been subordinated to debt service may be reduced;

- To the former redevelopment agency’s successor agency for payments listed on the successor agency’s recognized obligation payment schedule for the ensuing six-month period;

- To the former redevelopment agency’s successor agency for payment of administrative costs; and

- Any remaining balance to school entities and local taxing agencies.

The District received approximately \$[21.7] million in pass-through payments in fiscal year 2024-25 and expects to receive approximately \$[16.2] million in pass-through payments in fiscal year 2025-26.

It is possible that there will be additional legislation proposed and/or enacted to “clean up” various inconsistencies contained in AB1X 26 and there may be additional legislation proposed and/or enacted in the future affecting the current scheme of dissolution and winding up of redevelopment agencies currently contemplated by AB1X 26. For example, AB 1484 was signed by the Governor on June 27, 2012, to clarify and amend certain aspects of AB1X 26. AB 1484, among other things, attempts to clarify the role and requirements of successor agencies, provides successor agencies with more control over agency bond proceeds and properties previously owned by redevelopment agencies and adds other new and modified requirements and deadlines. AB 1484 also provides for a “tax claw back” provision, wherein the State is authorized to withhold sales and use tax revenue allocations to local successor agencies to offset payment of property taxes owed and not paid by such local successor agencies to other local taxing agencies. This “tax claw back” provision has been challenged in court by certain cities and successor agencies. The District cannot predict the outcome of such litigation and what effect, if any, it will have on the District. Additionally, no assurances can be given as to the effect of any such future proposed and/or enacted legislation on the District.

Allocation of State Funding to School Districts; Local Control Funding Formula

Prior to the implementation of the Local Control Funding Formula in fiscal year 2013-14, under Section 42238 *et seq.* of the State Education Code, each school district was determined to have a target funding level: a “base revenue limit” per student multiplied by the district’s student enrollment measured in units of average daily attendance. The base revenue limit was calculated from the district’s prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district was the amount needed to reach that district’s base revenue limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State “equalization aid.” To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State’s contribution; ultimately, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State equalization aid, and received only its special categorical aid, which is deemed to include the “basic aid” of \$120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. Such districts were known as “basic aid districts,” which are now referred to as “community funded districts.” School districts that received some equalization aid were commonly referred to as “revenue limit districts,” which are now referred to as “LCFF districts.” The District is an LCFF district.

Beginning in fiscal year 2013-14, the LCFF replaced the revenue limit funding system and most categorical programs, and distributes combined resources to school districts through a base revenue limit funding grant (“**Base Grant**”) per unit of average daily attendance (“**A.D.A.**”) with additional supplemental funding allocated to local educational agencies based on their proportion of English language learners, students from low-income families and foster youth. The LCFF originally had an eight year implementation program to incrementally close the gap between actual funding and the target level of funding, as described below. In fiscal year 2018-19, the LCFF was fully funded ahead of the eight year implementation schedule. The LCFF includes the following components:

- A Base Grant for each local educational agency. The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2025-26, the LCFF provided to school districts and charter schools: (a) a Target Base Grant for each LEA equivalent to \$11,323 per A.D.A. for transitional kindergarten through grade 3; (b) a Target Base Grant for each LEA equivalent to \$10,411 per A.D.A. for grades 4 through 6; (c) a Target Base Grant for each LEA equivalent to \$10,719 per A.D.A. for grades 7 and 8; and (d) a Target Base Grant for each LEA equivalent to \$12,746 per A.D.A. for grades 9 through 12. This amount includes an adjustment of 10.4% to the Base Grant to support lowering class sizes in grades K-3, and an adjustment of 2.6% to reflect the cost of operating career technical education programs in grades 9-12. However, the amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants will be subject to the discretion of the State. The Base Grant amount for fiscal year 2025-26 includes a cost-of-living adjustment of 2.30%.

- A 20% Supplemental Grant for the unduplicated number of English language learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional Concentration Grant equal to 65% of a local education agency's base grant, based on the number of unduplicated English Learners, free or reduced price meal-eligible students and foster youth served by the local agency that comprise more than 55% of the school district's or charter school's total enrollment.
- An Economic Recovery Target (the "ERT") that is intended to ensure that almost every LEA receives at least their pre-recession funding level (i.e., the fiscal year 2007-08 revenue limit per unit of A.D.A.), adjusted for inflation, at full implementation of the LCFF. Upon full implementation, LEAs would receive the greater of the Base Grant or the ERT.

Prior to fiscal year 2022-23, school districts received their LCFF apportionment based on the higher of their prior fiscal year or current fiscal year A.D.A. This apportionment method helped to temporarily mitigate the impact of LCFF funding losses on school districts that result from declining enrollment. To further mitigate the impact of LCFF funding losses in light of the COVID-19 pandemic, the fiscal year 2020-21 State budget included a temporary hold harmless provision for the purpose of calculating apportionments in fiscal year 2020-21 in which A.D.A. for fiscal year 2020-21 was based on fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020). The fiscal year 2021-22 State budget did not extend the A.D.A. hold harmless provision to fiscal year 2021-22. Nonetheless, in fiscal year 2021-22, school districts still retained the ability to receive their LCFF apportionment based on the higher of their prior fiscal year or current fiscal year A.D.A. in accordance with the LCFF.

The fiscal year 2022-23 State budget, as amended (the "**2022-23 State Budget**") amended the LCFF calculation to consider the greater of a school district's current fiscal year, prior fiscal year, or the average of three prior fiscal years' A.D.A. to allow school districts more time to adjust to enrollment-related LCFF funding declines. For purposes of fiscal year 2021-22, a school district that can demonstrate it provided independent study offerings to students in fiscal year 2021-22 may consider the greater of such school district's fiscal year 2021-22 A.D.A. or such school district's fiscal year 2021-22 enrollment adjusted for pre-COVID-19 absence rates. Such adjustment is applicable to fiscal year 2021-22 for purposes of calculating a school district's fiscal year 2021-22 annual apportionment and calculating a school district's prior year A.D.A. or the average of three prior years' A.D.A. in fiscal year 2022-23 and future fiscal years in accordance with the amendments made in connection with the 2022-23 State budget.

Under LCFF, for community funded districts, local property tax revenues would be used to offset up to the entire allocation under the new formula. However, community funded districts continue to receive the same level of State aid as allocated under the prior revenue limit funding system in fiscal year 2012-13.

Local Control Accountability Plan. A feature of the LCFF is a system of support and intervention for local educational agencies. School districts, county offices of education and charter schools are required to develop, implement and annually update a three-year local control and accountability plan ("**LCAP**"). Each LCAP must be developed with input from teachers, parents and the community, and should describe local goals as they pertain to eight areas identified as state priorities, including student achievement, parent engagement and school climate, as well as detail a course of action to attain those goals. Moreover, the LCAPs must be designed to align with the district's budget to ensure adequate funding is allocated for the planned actions.

Each school district must submit its LCAP annually on or before July 1 for approval by its county superintendent. The county superintendent then has until August 15 to seek clarification regarding the contents of the LCAP, and the school district must respond in writing. The county superintendent can submit recommendations for amending the LCAP, and such recommendations must be considered, but are not mandatory. A school district's LCAP must be approved by its county superintendent by October 8 of each year if such superintendent finds (i) the LCAP adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the strategies outlined in the LCAP.

Performance evaluations are to be conducted to assess progress toward goals and guide future actions. County superintendents are expected to review and provide support to the school districts under their jurisdiction,

while the State Superintendent performs a corresponding role for county offices of education. The California Collaborative for Education Excellence (the “**Collaborative**”), a newly established body of educational specialists, was created to advise and assist local educational agencies in achieving the goals identified in their LCAPs. For local educational agencies that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent would have authority to make changes to a local educational agency’s LCAP.

(Remainder of Page Intentionally Left Blank)

Attendance and LCFF. The following table sets forth the District’s actual and budgeted A.D.A., enrollment (including percentage of students who are English language learners, from low-income families and/or foster youth (collectively, “**EL/LI Students**”), and targeted Base Grant per unit of A.D.A. for fiscal years 2016-17 through 2025-26. The State reached full funding of the Base Grant in fiscal year 2018-19. The A.D.A. and enrollment numbers reflected in the following table include special education and exclude enrollment at any independent charter schools.

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Average Daily Attendance, Enrollment and Targeted Base Grant
Fiscal Years 2016-17 through 2025-26

Fiscal Year		A.D.A./Base Grant				Enrollment ⁽¹⁴⁾		
		K-3	4-6	7-8	9-12	Total A.D.A.	Total Enrollment	Unduplicated % of EL/LI Students
2016-17	A.D.A. ⁽²⁾ :	12,977.63	8,391.58	4,502.63	9,168.33	35,040.17	36,761	78.07%
	Targeted Base Grant ⁽³⁾⁽⁴⁾ :	\$7,083	\$7,189	\$7,403	\$8,578	-	-	-
2017-18	A.D.A. ⁽²⁾ :	12,959.20	8,394.71	4,485.82	9,117.93	34,957.66	37,049	77.38%
	Targeted Base Grant ⁽³⁾⁽⁵⁾ :	\$7,193	\$7,301	\$7,518	\$8,712	-	-	-
2018-19	A.D.A. ⁽²⁾ :	12,743.58	7,913.63	4,289.74	9,326.74	34,273.69	35,666	76.76%
	Targeted Base Grant ⁽³⁾⁽⁶⁾ :	\$7,459	\$7,571	\$7,796	\$9,034	-	-	-
2019-20	A.D.A. ⁽²⁾ :	12,331.17	7,967.19	4,462.12	8,938.97	33,699.45	36,111	76.47%
	Targeted Base Grant ⁽³⁾⁽⁷⁾ :	\$7,702	\$7,818	\$8,050	\$9,329	-	-	-
2020-21	A.D.A. ⁽²⁾ :	12,441.67	8,026.02	4,505.00	8,938.97	33,911.66	35,435	75.80%
	Targeted Base Grant ⁽³⁾⁽⁸⁾ :	\$7,702	\$7,818	\$8,050	\$9,329	-	-	-
2021-22	A.D.A. ⁽²⁾ :	12,438.63	8,018.69	4,499.09	8,924.83	33,881.24	34,375	76.61%
	Targeted Base Grant ⁽³⁾⁽⁹⁾ :	\$8,093	\$8,214	\$8,458	\$9,802	-	-	-
2022-23	A.D.A. ⁽²⁾ :	12,112.18	7,901.64	4,422.21	8,788.8	33,224.83	34,179	77.96%
	Targeted Base Grant ⁽³⁾⁽¹⁰⁾ :	\$10,119	\$9,304	\$9,580	\$11,391	-	-	-
2023-24	A.D.A. ⁽²⁾ :	11,569.78	7,396.09	4,152.04	8,711.63	31,829.54	33,873	80.10%
	Targeted Base Grant ⁽³⁾⁽¹¹⁾ :	\$10,951	\$10,069	\$10,367	\$12,327	-	-	-
2024-25	A.D.A. ⁽²⁾ :	11,069.30	6,971.61	3,978.80	8,536.14	30,525.85	33,835	81.41%
	Targeted Base Grant ⁽³⁾⁽¹²⁾ :	\$11,068	\$10,177	\$10,478	\$12,460	-	-	-
2025-26 ⁽¹⁾	A.D.A. ⁽²⁾ :	[11,206.81]	[7,122.84]	[4,015.20]	[8,198.19]	[30,543.04]	[33,655]	[82.40]%
	Targeted Base Grant ⁽³⁾⁽¹³⁾ :	\$11,323	\$10,411	\$10,719	\$12,746	-	-	-

⁽¹⁾ Figures are projections.

⁽²⁾ A.D.A. for the second period of attendance, typically in mid-April of each school year.

⁽³⁾ Such amounts represent the targeted amount of Base Grant per unit of A.D.A., and do not include any supplemental and concentration grants under the LCFF. Such amounts were not fully funded until fiscal year 2018-19.

⁽⁴⁾ Targeted fiscal year 2016-17 Base Grant amounts reflect a 0.00% cost of living adjustment from targeted fiscal year 2015-16 Base Grant amounts.

⁽⁵⁾ Targeted fiscal year 2017-18 Base Grant amounts reflect a 1.56% cost-of-living adjustment from targeted fiscal year 2016-17 Base Grant amounts.

⁽⁶⁾ Targeted fiscal year 2018-19 Base Grant amounts reflect a 3.70% cost-of-living adjustment from targeted fiscal year 2017-18 Base Grant amounts.

⁽⁷⁾ Targeted fiscal year 2019-20 Base Grant amounts reflect a 3.26% cost of living adjustment from targeted fiscal year 2018-19 Base Grant amounts.

⁽⁸⁾ Targeted fiscal year 2020-21 Base Grant amounts reflect a 0.0% cost of living adjustment from targeted fiscal year 2019-20 Base Grant amounts.

⁽⁹⁾ Targeted fiscal year 2021-22 Base Grant amount reflects a 4.05% cost-of-living adjustment from targeted fiscal year 2020-21 Base Grant amounts.

⁽¹⁰⁾ Targeted fiscal year 2022-23 Base Grant amount reflects an 6.56% cost-of-living adjustment from targeted fiscal year 2021-22 Base Grant amounts, and a 6.70% discretionary increase in Base Grant funding.

⁽¹¹⁾ Targeted fiscal year 2023-24 Base Grant amount reflects an 8.22% cost-of-living adjustment from targeted fiscal year 2022-23 Base Grant amounts.

⁽¹²⁾ Targeted fiscal year 2024-25 Base Grant amount reflects a 1.07% cost-of-living adjustment from targeted fiscal year 2023-24 Base Grant amounts.

⁽¹³⁾ Targeted fiscal year 2025-26 Base Grant amount reflects a 2.30% cost-of-living adjustment from targeted fiscal year 2024-25 Base Grant amounts.

⁽¹⁴⁾ Reflects enrollment as of October report submitted to the CBEDS in each school year. For fiscal year 2014-15, the percentage of unduplicated EL/LI Students enrollment was based on the two-year average of EL/LI Students enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district’s percentage of unduplicated EL/LI Students was and will be based on a rolling average of such school district’s EL/LI Students enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

Source: The District.

The District estimates it received approximately \$480.4 million in aggregate revenues reported under LCFF sources in fiscal year 2024-25, and projects to receive approximately \$492.2 million in aggregate revenues under the LCFF in fiscal year 2025-26 (or approximately 57.2% of its general fund revenues in fiscal year 2025-26). Such amount includes combined supplemental and concentration grants budgeted to be approximately \$[120.4] million in fiscal year 2025-26.

Local Sources of Education Funding

General. The principal component of local revenues is a school district's property tax revenues, i.e., each district's share of the local 1% property tax, received pursuant to Sections 75 *et seq.* and Sections 95 *et seq.* of the California Revenue and Taxation Code. Section 42238(h) of the California Education Code itemizes the local revenues that are counted towards the amount allocated under the LCFF (and formerly, the base revenue limit) before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to receive. Prior to the implementation of the LCFF, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State aid, and received only its special categorical aid which is deemed to include the "basic aid" of \$120 per student per year guaranteed by Article IX, Section 6 of the California Constitution. Such districts were known as "basic aid districts" and, under the LCFF, are known as "community funded districts." School districts that received some State aid were commonly referred to as "revenue limit districts." The District was a revenue limit district and is now referred to as an LCFF district. Under the LCFF, local property tax revenues are used to offset up to the entire State aid collection under the new formula; however, community funded districts would continue to receive, at a minimum, the same level of State aid as allotted in fiscal year 2012-13. See "– Allocation of State Funding to School Districts; Local Control Funding Formula" below for more information.

Local property tax revenues are estimated to account for approximately [21.4]% of the District's aggregate revenues reported under LCFF sources in fiscal year 2024-25, and are projected to be approximately \$183.2 million, or 21.3% of its total general fund revenues in fiscal year 2025-26.

For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Effect of Changes in Enrollment. Changes in local property tax income and A.D.A. affect LCFF districts and community funded districts differently. In an LCFF district, increasing enrollment increases the total amount distributed under the LCFF and thus generally increases a district's entitlement to State equalization aid, while increases in property taxes do nothing to increase district revenues, but only offset the State funding requirement of equalization aid. Operating costs increase disproportionately slowly to enrollment growth; and only at the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State equalization aid, while operating costs decrease slowly and only when, for example, the district decides to lay off teachers or close schools.

In community funded districts, the opposite is generally true: increasing enrollment increases the amount to which the district would be entitled were it an LCFF district, but since all LCFF income (and more) is already generated by local property taxes, there is no increase in State income, other than the \$120 per student in basic aid, as described above. Meanwhile, as new students impose increased operating costs, property tax income is stretched further. Declining enrollment does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Federal immigration enforcement policies also can result in lower immigrant student attendance or reductions in enrolled immigrant students, therefore, lowering A.D.A. and having related impacts to A.D.A. based revenue, including revenue under the LCFF. Losses in enrollment will cause a school district to lose operating revenues, without necessarily permitting the District to make adjustments in fixed operating costs.

The District cannot make any predictions regarding how the current economic environment or changes thereto will affect the State's ability to meet the revenue and spending assumptions in the State's adopted budget, and the effect of these changes on school finance. The District's adopted budget and projected A.D.A. are used for planning purposes only, and do not represent a prediction as to the actual financial performance, attendance, or the District's actual funding level for the current fiscal year or beyond. Certain adjustments will have to be made throughout the year based on actual State funding and actual attendance.

Other District Revenues

Federal Revenues. The federal government provides funding for several District programs, including special education programs. Federal revenues, most of which are restricted, comprise approximately 8.8% (or approximately \$76.1 million) of the District's general fund projected revenues for fiscal year 2025-26.

However, no representation can be made that the District will continue to receive or be eligible for federal funding of education programs, including as a result of current efforts and proposals to reduce the size of the federal workforce, eliminate government programs and/or eliminate or merge governmental agencies. In particular, such funding may be impacted by the executive order signed by President Trump on March 20, 2025, to begin dismantling the U.S. Department of Education. On June 30, 2025, the Trump Administration announced it would be withholding approximately \$6.8 billion in federal funding due to be released on July 1, 2025 for certain Title I, II, III and IV programs, including migrant education, professional development, English-learner services, academic enrichment, before-and after-school programs, and adult basic and literacy education. In the June 30, 2025 announcement, the Trump Administration stated that such program grants were under review and no decision had yet been made for the upcoming academic year.

In addition, on January 27, 2025, the U.S. Office of Management and Budget ("OMB") issued a memorandum directing federal agencies to temporarily pause all activities related to the obligation or disbursement of federal financial assistance, and other relevant activities, that may be implicated by recent executive orders issued under the Trump Administration. On January 29, 2025, OMB rescinded the memorandum. Following the rescission, the White House press secretary noted that the rescission of the memorandum was "[not] a rescission of the federal funding freeze." Then, on January 31, 2025, a federal judge issued a temporary restraining order stating that the Trump Administration cannot pause, freeze, impede, block, cancel, or terminate federal financial-assistance obligations to the states. The U.S. Department of Education released a letter, dated February 14, 2025, notifying schools and colleges to eliminate diversity, equity, and inclusion programs and initiatives by the end of the month or risk losing federal funding. The Trump Administration has faced multiple legal challenges, including lawsuits filed by the State, one of which successfully challenged the administration's withholding of certain federal education funds and protected over \$900 million in funding for California schools.

The District is unable to predict whether the Trump Administration's focus on education spending may eventually impact its receipt of federal funding or whether any such impact will have a material effect on the finances or operations of the District. As indicated above, based on its fiscal year 2025-26 budget, the District budgets that federal revenues will comprise approximately 7.9% of the District's general fund budgeted revenues for fiscal year 2025-26.

Other State Revenues. In addition to State apportionments for Proposition 98 funding through the Local Control Funding Formula, the District receives other State revenues which comprise approximately 21.7% (or approximately \$187.0 million) of the District's general fund projected revenues for fiscal year 2025-26. A significant portion of such other State revenues are amounts the District expects to receive from State lottery funds, which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. The District's State lottery revenue is projected at approximately \$8.7 million for fiscal year 2025-26.

Other Local Revenues. In addition to *ad valorem* property taxes, the District receives additional local revenues from items such as interest earnings and other local sources. Other local revenues comprise approximately 12.2% (or approximately \$105.1 million) of the District's general fund projected revenues for fiscal year 2025-26.

Parcel Taxes. Voters in the District previously approved a qualified special tax (parcel tax) in 1996, which was extended in 2001 and 2004, and which is now expired.

In February 2008, voters in the District approved a permanent parcel tax measure, authorizing a \$195 per parcel tax with no sunset provision. The permanent parcel tax generates approximately \$20 million annually, and is used in part to attract and retain highly qualified teachers, maintain courses that help students qualify for college, maintain up-to-date textbooks and instructional materials, keep class sizes small, continue after-school academic programs, maintain school libraries, and provide programs, including arts and music, that enhance student achievement.

On November 4, 2014, voters in the District approved a parcel tax of \$120 per parcel for ten years, commencing July 1, 2015 and expiring June 30, 2025. The parcel tax is expected to generate approximately \$12 million annually. Proceeds from the parcel tax may be used (i) to increase support for high school students in college preparatory courses, (ii) to provide work-based learning in every high school, including career exploration, career technical education courses, job shadowing, internships and job certifications, (iii) to reduce the drop-out rate and (iv) to provide programs to students transitioning to high school and college. On November 8, 2022, voters within the District approved a renewal of the annual tax of \$120 per parcel, for each year between July 1, 2023 and June 30, 2037.

On November 8, 2016, voters in the District approved a parcel tax of \$120 per parcel for twelve years, commencing July 1, 2017 and expiring June 30, 2029. The parcel tax is expected to generate approximately \$12.4 million annually, \$4.9 million of which is expected to be allocated to charter schools within the District in fiscal year 2023-24. Proceeds from the parcel tax may be used (i) to provide a districtwide educator salary increase designed to attract/retain teachers, (ii) to provide enhanced middle school art, music, languages/other programs in addition to core educational programs, (iii) to improve academic achievement and (iv) to provide safe, positive schools, and prepare students for college/careers.

District Budget Process and County Review

State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Alameda County Superintendent of Schools.

The county superintendent must review and approve, conditionally approve or disapprove the budget no later than September 15. The county superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. In the event that the county superintendent conditionally approves or disapproves the school district's budget, the county superintendent will submit to the governing board of the school district no later than September 15 of such year written recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent can approve that budget.

The governing board of the school district, together with the county superintendent, must review and respond to the recommendations of the county superintendent on or before October 8 at a regular meeting of the governing board of the school district. The county superintendent will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent disapproves a revised budget, the county superintendent will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the State Superintendent may impose a budget and will report such school district to the State Legislature and the Department of Finance.

Subsequent to approval, the county superintendent will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations.

If at any time during the fiscal year the county superintendent determines that a school district may be unable to meet its financial obligations for the current or two subsequent fiscal years or if a school district has a qualified or negative certification (as described below), the county superintendent will notify the governing board of the school district and the State Superintendent of that determination and report to the State Superintendent the financial condition of the school district. The county superintendent will also report proposed remedial actions and take at least one of the following and all actions that are necessary to ensure that the school district meets its financial obligations: (a) assign a fiscal expert, (b) conduct a study of the financial and budgetary conditions of the school district that includes, but is not limited to, a review of internal controls, (c) direct the school district to submit a financial projection of all fund and cash balances of the school district as of June 30 of the current year and subsequent fiscal years, (d) require the school district to encumber all contracts and other obligations, to prepare appropriate cashflow analyses and monthly or quarterly budget revisions, and to appropriately record all receivables and payables, (e) direct the school district to submit a proposal for addressing the fiscal conditions that resulted in the determination that the school district may not be able to meet its financial obligations, (f) withhold compensation of the members of the governing board of the school district and the school district superintendent for failure to provide requested financial information, and (g) assign the County Office Fiscal Crisis and Management Assistance Team to review and provide recommendations related to teacher hiring practices, teacher retention rate, percentage of provision of highly qualified teachers, and the extent of teacher misassignment in the school district. See also “RISK FACTORS – District Financial Considerations” and “THE DISTRICT – Fiscal Oversight” above.

If, after taking various remedial actions, the county superintendent determines that a school district cannot meet its current or the subsequent year’s obligations, the county superintendent will notify the school district’s governing board, the State Superintendent and the president of the State board (or the president’s designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the State Superintendent and the school district’s governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district’s governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district’s governing board, a budget for the subsequent fiscal year, and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent will also make a report to the State Superintendent and the president of the State board or the president’s designee about the financial condition of the school district and the remedial actions proposed by the county superintendent. However, the county superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent assumed authority.

A State law adopted in 1991 (known as “**A.B. 1200**”) (as amended by AB 1840) imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 *et seq.*), each school district is required to file two interim certifications with the county superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent, the State Controller and the State

Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30.

Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent determines that the school district's repayment of indebtedness is probable. The District's first interim report for fiscal year 2024-25 received a negative certification and second interim report for fiscal year 2024-25 received a qualified certification.

For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the State Superintendent and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the Superintendent of Public Instruction will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with the definitions, instructions and procedures of the California School Accounting Manual, as required by the Education Code. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Fiscal Years 2020-21 through 2024-25
General Fund Revenues, Expenditures and Fund Balances⁽¹⁾

	2020-21 Audited	2021-22 Audited	2022-23 Audited	2023-24 Audited	2024-25 Actuals
REVENUES					
LCFF Sources	\$384,268,671	\$413,048,352	\$464,182,316	\$488,642,441	\$480,436,795
Federal Revenue	90,290,705	121,848,389	118,465,168	119,708,453	49,958,215
Other State Sources	114,885,751	112,878,184	210,744,327	162,984,035	173,508,376
Other Local Sources	94,591,884	92,537,565	88,079,164	116,570,052	130,631,228
Total Revenue:	\$684,037,011	\$740,312,490	\$881,470,975	\$887,904,981	\$834,534,614
EXPENDITURES					
Certificated Salaries	\$217,547,483	\$236,679,102	\$257,039,184	\$273,675,191	\$276,316,833
Classified Salaries	107,977,226	113,263,382	116,219,324	142,198,143	135,952,637
Employee Benefits	167,157,753	176,203,050	191,841,193	207,925,943	221,935,331
Books and Supplies	40,607,334	39,536,152	26,219,947	36,929,332	29,741,325
Services/Other Operating Expenditures	89,968,340	121,074,510	143,055,047	182,122,682	200,466,900
Other Outgo	3,698,469	4,371,349	2,541,612	5,583,530	4,828,731
Other Outgo (Transfers of Indirect Costs)	-	-	-	-	-
Capital Outlay	1,475,205	1,162,350	2,521,195	9,407,071	10,154,349
Debt Service	6,028,442	6,089,199	8,506,843	2,140,327	4,178,560
Total Expenditures:	\$634,460,252	\$698,379,094	\$747,944,345	\$859,982,219	\$883,574,667
Excess (Deficiency) of Revenues Over Expenditures	\$49,576,759	\$41,933,396	\$133,526,630	\$27,922,762	\$(49,040,052)
OTHER FINANCING SOURCES (USES)					
Transfers In ⁽²⁾	\$1,056,262	-	-	-	-
Proceeds from Sale	58,555	-	-	-	-
Transfers Out ⁽²⁾	-	\$(5,478,895)	\$(5,900,000)	\$(3,000,000)	\$(5,063,940)
Net Financing Sources (Uses):	\$1,114,817	\$(5,478,895)	\$(5,900,000)	\$(3,000,000)	\$(5,063,940)
NET CHANGE IN FUND BALANCE	\$50,691,576	\$36,454,501	\$127,626,630	\$24,922,762	\$(54,103,992)
Fund Balance – Beginning	\$68,356,836	\$119,048,412	\$155,502,913	\$283,129,543	\$308,052,305
Fund Balance – End	\$119,048,412	\$155,502,913	\$283,129,543	\$308,052,305	\$253,948,313

⁽¹⁾ Columns may not sum to totals due to rounding.

⁽²⁾ Transfers in represent reimbursements for costs paid on behalf of other funds, and transfers out represent contributions from the general fund to other funds.

Variations shown between each fiscal year are based on the actual costs paid or contribution needs.

Sources: Oakland Unified School District Annual Financial Reports for the fiscal years ending June 30, 2021, 2022, 2023, 2024 and 2025.

The District is required by State law and regulation to maintain various reserves. The District is generally required to maintain unrestricted general fund reserves in the amount of 2% of its total general fund expenditures. The District has an estimated unrestricted general fund reserve of approximately 1.9% or \$19.6 million for fiscal year 2025-26, compared to the fiscal year 2024-25 unrestricted general fund reserve of \$26.7 million. Substantially all funds of the District are required by law to be deposited with and invested by the County Treasurer on behalf of the District, pursuant to law and the investment policy of the County. See APPENDIX F – “COUNTY OF ALAMEDA ANNUAL INVESTMENT POLICY AND INVESTMENT REPORT.”

The following table sets forth the budgeted revenues, expenditures and changes in fund balances for the District’s general fund for fiscal year 2025-26. Certain adjustments may be made throughout the year based on

actual State funding and actual District revenues and tax collections. The District cannot make any predictions regarding the disposition of additional pending budget legislation or its effect on the District. The District's budget is a planning tool, and does not represent a prediction as to the actual achievement of any budgeted revenues or fund balances.

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Budgeted General Fund Summary for Fiscal Year 2025-26⁽¹⁾

	2025-26 Adopted Budget ⁽²⁾	2025-26 Second Interim ⁽³⁾
REVENUES		
LCFF Sources	\$495,800,305	\$492,180,923
Federal Revenue	64,355,386	76,063,557
Other State Revenue	161,926,959	187,027,440
Other Local Revenue	90,648,790	105,106,868
TOTAL	\$812,731,440	\$860,378,788
EXPENDITURES		
Certificated Salaries	\$271,792,261	\$280,401,468
Classified Salaries	140,838,364	147,904,702
Employee Benefits	241,445,558	241,936,074
Books and Supplies	65,080,166	63,768,576
Services/Other Operating Expenditures	207,687,042	214,283,982
Other Outgo - Transfers of Indirect Costs	(2,125,252)	(2,579,830.26)
Other Outgo (excluding Transfers of Indirect Costs)	5,937,683	6,730,014
Capital Outlay	2,774,417	10,521,678
TOTAL	\$933,430,239	\$962,966,663
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$(120,698,799)	\$(102,587,875)
OTHER FINANCING SOURCES (USES)		
Transfers In	-	-
Transfers Out	\$(3,000,000)	\$(3,000,000)
Other Sources	15,000	15,000
Contributions	458,777	-
TOTAL OTHER FINANCING SOURCES (USES)	\$(2,526,223)	\$(2,985,000)
NET CHANGE IN FUND BALANCE	\$(123,225,022)	\$(105,572,875)
Fund Balance – Beginning	\$256,622,944	\$253,936,426⁽⁴⁾
Fund Balance – Ending	\$133,397,922	\$148,363,550

⁽¹⁾ Columns may not sum to totals due to rounding.

⁽²⁾ 45-Day Revised Adopted budget for fiscal year 2025-26, approved as of August 27, 2025.

⁽³⁾ Second Interim budget report for fiscal year 2025-26, approved as of March 11, 2026.

⁽⁴⁾ [Explanation for the difference between the ending fund balance for fiscal year 2024-25 and beginning fund balance for fiscal year 2025-26.]

Source: The District.

Audit Findings

The District's finances are audited annually, and the District is in the process of resolving findings from past audits. For fiscal year 2024-25, the District's general fund was subject to approximately \$2.7 million in audit adjustments. The external auditors identified several findings in fiscal years 2022-23 and 2023-24. None of the findings resulted in any financial liabilities to the District and the District's general fund was not subject to any audit adjustments. The external auditors identified 11 findings in fiscal year 2021-22, and none of the findings resulted in

financial liabilities, although there were \$4.6 million in audit adjustments in the fiscal year 2021-22 audit. The external auditors identified 10 findings in fiscal year 2020-21, and none of the findings resulted in financial liabilities, although there were \$275,158 in audit adjustments in the fiscal year 2020-21 audit.

District Debt Structure

State of California Emergency Apportionment Loan. Prior to 2003, the County Superintendent appointed the Fiscal Crisis and Management Assistance Team (“FCMAT”) as the financial advisor to the District. Upon review of the District’s financial condition, FCMAT declared a fiscal emergency in the District and, in response to this declaration, the District requested an emergency apportionment loan. On May 30, 2003, the Governor approved SB 39, which provided an emergency apportionment loan to the District of up to \$100,000,000 as a floating line of credit to be drawn as the State Administrator and FCMAT jointly determined was needed to meet District obligations, including the District’s operating costs. The District drew down \$65,000,000 in 2003 (the “**2003 Draw**”) and drew down the remaining \$35,000,000 in 2007 (the “**2007 Draw**”). SB 39 requires the District to repay the loan over a 20-year term, commencing at the time of origination of the loan, with interest determined at a rate of 1.778%. The District began repayment of the Emergency Apportionment Loan in fiscal year 2003-04 using funds from the District’s general fund.

Refunding of a Portion of the State Emergency Apportionment Loan. In December 2005, the Infrastructure Bank issued its State School Fund Apportionment Lease Revenue Bonds, Series 2005 (the “**2005 Emergency Apportionment Refunding Bonds**”). A portion of the proceeds of the 2005 Emergency Apportionment Refunding Bonds were used to repay to the State’s general fund the then-outstanding amount of the 2003 Draw and convert the 2003 Draw into a lease-financing obligation of the District. The 2005 Emergency Apportionment Refunding Bonds were then refunded through the issuance of the Infrastructure Bank’s State School Fund Apportionment Lease Revenue Refunding Bonds, Series 2008 in April 2008, in the amount of \$59,565,000 (the “**2008 Emergency Apportionment Refunding Bonds**”). The District repaid in full the 2008 Emergency Apportionment Refunding Bonds in January 2023.

General Obligation Bonds. The District currently has 17 series of bonds outstanding, which are secured by *ad valorem* taxes upon all property subject to taxation by the District.

On November 8, 1994, the District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$169,730,000 (the “**1994 Measure C Authorization**”). All of the bonds from the 1994 Measure C Authorization have been issued.

On March 7, 2000, the District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$303,000,000 (the “**2000 Measure A Authorization**”). All of the bonds from the 2000 Measure A Authorization have been issued. The following table shows bonds associated with the 1994 Measure C Authorization and the 2000 Measure A Authorization outstanding as of October 1, 2025.

Series Name	Issue Date	Outstanding Principal Amount
2015 General Obligation Refunding Bonds ⁽¹⁾⁽²⁾⁽³⁾	August 20, 2015	\$51,195,000
General Obligation Refunding Bonds, Series 2023A	November 22, 2023	6,800,000
Total:		\$57,995,000

⁽¹⁾ The District’s 2015 General Obligation Refunding Bonds refunded bonds issued under the 2000 Measure A Authorization.

⁽²⁾ The District’s General Obligation Refunding Bonds, Series 2023A refunded a portion of the District’s 2015 General Obligation Refunding Bonds.

⁽³⁾ Subject to redemption in whole or in part pursuant to the issuance of the Refunding Bonds.

On June 6, 2006, the District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$435,000,000 (the “**2006 Measure B Authorization**”). The following table shows bonds issued under the 2006 Measure B Authorization and the respective issue dates and initial principal amounts:

Series Name	Issue Date	Initial Principal Amount
General Obligation Bonds (Election of 2006, Series 2006) ⁽¹⁾	November 28, 2006	\$130,000,000
General Obligation Bonds (Election of 2006, Series 2009A) ⁽²⁾	August 12, 2009	87,885,000
Taxable General Obligation Bonds (Election of 2006, Series 2009B) (Build America Bonds) ⁽³⁾	August 12, 2009	70,795,000
Taxable General Obligation Bonds (Election of 2006, Series 2009C) Qualified School Construction Bonds (Tax Credit Bonds)	August 12, 2009	26,320,000
General Obligation Bonds (Election of 2006, Series 2012A) ⁽⁴⁾	March 21, 2012	31,040,000
General Obligation Bonds (Election of 2006, Series 2012B) (Qualified School Construction Bonds)	March 21, 2012	23,960,000
General Obligation Bonds (Election of 2006, Series 2016A) ⁽⁵⁾	August 17, 2016	65,000,000
Total:		\$435,000,000

⁽¹⁾ The District’s 2016 General Obligation Refunding Bonds refunded, on a current basis, all of the District’s outstanding General Obligation Bonds (Election of 2006, Series 2006).

⁽²⁾ The District’s 2016 General Obligation Refunding Bonds refunded, on an advance basis, a portion of the District’s outstanding General Obligation Bonds (Election of 2006, Series 2009A).

⁽³⁾ The District’s General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D (Taxable) refunded, on an advance basis, a portion of the District’s outstanding Taxable General Obligation Bonds (Election of 2006, Series 2009B) (Build America Bonds).

⁽⁴⁾ The District’s General Obligation Refunding Bonds, (Measure B) 2017 Series B refunded, on an advance basis, a portion of the District’s outstanding General Obligation Bonds (Election of 2006, Series 2012A).

⁽⁵⁾ The District’s General Obligation Refunding Bonds, Series 2023A refunded a portion of the District’s outstanding General Obligation Bonds (Election of 2006, Series 2016A).

The following table shows bonds associated with the 2006 Measure B Authorization outstanding as of March 1, 2026.

Series Name	Issue Date	Outstanding Principal Amount
General Obligation Bonds (Election of 2006, Series 2012B) (Qualified School Construction Bonds)	March 21, 2012	\$
2016 General Obligation Refunding Bonds ⁽¹⁾⁽²⁾⁽³⁾	August 17, 2016	
General Obligation Bonds (Election of 2006, Series 2016A) ⁽¹⁾⁽³⁾	August 17, 2016	
General Obligation Refunding Bonds, (Measure B) 2017 Series B ⁽¹⁾	May 25, 2017	
General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D (Taxable) ⁽¹⁾	May 25, 2017	
General Obligation Refunding Bonds, Series 2023A	November 22, 2023	
General Obligation Refunding Bonds, Series 2023B (Federally Taxable)	November 22, 2023	
Total:		\$

⁽¹⁾ The District’s General Obligation Refunding Bonds, Series 2023A refunded a portion of the District’s outstanding 2016 General Obligation Refunding Bonds, General Obligation Bonds (Election of 2006, Series 2016A), General Obligation Refunding Bonds, (Measure B) 2017 Series B and General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D (Taxable).

⁽²⁾ The District’s General Obligation Refunding Bonds, Series 2023B (Federally Taxable) refunded a portion of the District’s outstanding 2016 General Obligation Refunding Bonds.

⁽³⁾ Subject to redemption in whole or in part related to the issuance of the Refunding Bonds.

On November 6, 2012, the District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$475,000,000 (the “**2012 Measure J Authorization**”). The following table shows bonds issued under the 2012 Measure J Authorization and the respective issue dates and initial principal amounts. All of the bonds from the 2012 Measure J Authorization have been issued.

Series Name	Issue Date	Initial Principal Amount
General Obligation Bonds (Election of 2012, Series 2013) ⁽¹⁾	September 4, 2013	\$120,000,000
General Obligation Bonds (Election of 2012), Series 2015A	August 20, 2015	173,500,000
General Obligation Bonds (Election of 2012), Series 2015B	August 20, 2015	6,500,000
General Obligation Bonds (Election of 2012), Series 2019A	August 13, 2019	160,000,000
General Obligation Bonds (Election of 2012), Series 2019B	August 13, 2019	15,000,000
Total:		\$475,000,000

⁽¹⁾ The District’s General Obligation Refunding Bonds, (Measure J) 2017 Series C refunded, on an advance basis, a portion of the District’s outstanding General Obligation Bonds (Election of 2012, Series 2013).

The following table shows bonds associated with the 2012 Measure J Authorization outstanding as of March 1, 2026.

Series Name	Issue Date	Outstanding Principal Amount
General Obligation Bonds (Election of 2012), Series 2015A ⁽¹⁾⁽²⁾	August 20, 2015	\$
General Obligation Refunding Bonds, (Measure J) 2017 Series C ⁽²⁾	May 25, 2017	
General Obligation Bonds (Election of 2012), Series 2019A ⁽²⁾	August 13, 2019	
2021 General Obligation Refunding Bonds (Federally Taxable)	November 3, 2021	
General Obligation Refunding Bonds, Series 2023A	November 22, 2023	
Total:		\$

⁽¹⁾ Subject to redemption in whole or in part related to the issuance of the Refunding Bonds.

⁽²⁾ The District’s General Obligation Refunding Bonds, Series 2023A refunded a portion of the District’s outstanding General Obligation Bonds (Election of 2012, Series 2015A), General Obligation Refunding Bonds, (Measure J) 2017 Series C and General Obligation Bonds (Election of 2012), Series 2019A.

On November 3, 2020, the District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$735,000,000 (the “**2020 Measure Y Authorization**”). The following table shows bonds issued under the 2020 Measure Y Authorization and the respective issue dates and initial principal amounts. The Series 2026 Bonds will be the fifth and sixth issuances of bonds under the 2020 Measure Y Authorization. After the issuance of the Series 2026 Bonds, approximately \$180,000,000* of authorization will remain under the 2020 Measure Y Authorization.

Series Name	Issue Date	Initial Principal Amount
General Obligation Bonds (Election of 2020), Series 2021A	November 3, 2021	\$150,240,000
General Obligation Bonds (Election of 2020), Series 2021B (Federally Taxable)	November 3, 2021	34,760,000
General Obligation Bonds (Election of 2020), Series 2023A	November 22, 2023	172,900,000
General Obligation Bonds (Election of 2020), Series 2023B (Federally Taxable)	November 22, 2023	12,100,000
Total:		\$370,000,000

* Preliminary, subject to change.

The following table shows bonds associated with the 2020 Measure Y Authorization outstanding as of March 1, 2026.

Series Name	Issue Date	Outstanding Principal Amount
General Obligation Bonds (Election of 2020), Series 2021A	November 3, 2021	\$
General Obligation Bonds (Election of 2020), Series 2023A	November 22, 2023	\$
Total:		\$

The District may seek additional bond authorization at a future election.

Voter-approved bonds are payable from an *ad valorem* property tax authorized to be levied by the County as necessary to repay the amounts coming due in each year. The District’s general fund is not pledged to repayment of these bonds. See “– Aggregate Debt Service Schedule” table below for the debt service requirements on all bonds outstanding, assuming no redemptions prior to maturity.

Tax and Revenue Anticipation Notes. Tax and revenue anticipation notes (“TRANS”) issued by the District are a general obligation of the District, payable from the general fund and any other lawfully available moneys. The District last borrowed TRANS in fiscal year 2021-22. The District does not plan to issue TRANS in fiscal year 2025-26.

District Lease Income

Lease Revenues. Lease agreements have been entered into by the District with various lessees for terms that exceed one year. None of the agreements contain purchase options. All of the agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to their expiration date.

(Remainder of Page Intentionally Left Blank)

The following table shows scheduled debt service obligations for all outstanding general obligation bonds of the District upon the issuance of the Bonds:

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
General Obligation Bonds, Aggregate Debt Service Schedule

Bond Year	Election of 2006, Series 2012B⁽¹⁾⁽²⁾⁽³⁾	Election of 2006, Series 2016A	2016 Refunding	Refunding Bonds, (Measure B) 2017 Series B	Refunding Bonds, (Measure J) 2017 Series C⁽¹⁾	Crossover Refunding Bonds, (Measure B) 2017 Series D (Taxable)⁽¹⁾	Election of 2012, Series 2019A	Election of 2020, Series 2021A
2026	\$1,716,122	\$4,297,050	\$20,210,250	\$2,811,500	\$6,088,000	\$2,119,888	\$5,907,250	\$5,962,900
2027	1,716,122	4,295,650	20,857,250	2,880,750	6,285,500	2,814,888	12,722,250	5,962,900
2028	1,716,122	4,300,450	21,526,750	2,956,250	6,485,250	3,011,223	12,626,500	5,962,900
2029	1,716,122	4,299,950	22,239,000	3,027,250	6,691,250	2,993,695	12,523,500	6,962,900
2030	1,716,122	3,387,950	4,628,000	3,103,500	6,902,250	10,384,703	12,403,000	7,412,900
2031	1,716,122	3,304,700	5,790,750	1,119,250	2,252,000	4,810,973	12,275,250	7,342,900
2032	1,716,122	4,350,700	-	462,000	4,392,500	16,058,208	5,805,000	7,697,650
2033	2,391,823	4,350,700	-	-	5,560,250	16,035,775	15,683,750	8,245,900
2034	-	4,350,700	-	-	5,168,500	11,965,221	16,171,150	8,981,900
2035	-	4,350,500	-	-	5,102,000	-	16,155,350	10,739,650
2036	-	4,349,900	-	-	9,155,000	-	16,114,950	11,785,900
2037	-	3,993,700	-	-	9,406,250	-	16,530,150	12,361,400
2038	-	3,995,350	-	-	9,665,250	-	15,811,950	12,897,400
2039	-	3,993,850	-	-	-	-	16,123,600	14,249,800
2040	-	3,994,200	-	-	-	-	16,407,900	14,689,600
2041	-	3,991,250	-	-	-	-	-	14,670,600
2042	-	-	-	-	-	-	-	15,484,800
2043	-	-	-	-	-	-	-	15,818,200
2044	-	-	-	-	-	-	-	15,703,000
2045	-	-	-	-	-	-	-	15,990,800
2046	-	-	-	-	-	-	-	16,244,800
2047	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-
Total	\$14,404,677	\$65,606,600	\$95,252,000	\$16,360,500	\$83,154,000	\$70,194,574	\$203,261,550	\$235,168,800

⁽¹⁾ Columns may not sum to totals due to rounding.

⁽²⁾ Reflects Qualified School Construction Bonds sinking fund deposits by District rather than payments to bondholders.

⁽³⁾ Net of federal subsidies, as reduced by current sequestration rate.

Source: Isom Advisors, a Division of Urban Futures, Inc.

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
General Obligation Bonds
Aggregate Debt Service Schedule (Continued)

Bond Year	2021 General Obligation Refunding Bonds (Federally Taxable)	Election of 2020, Series 2023A	Refunding Bonds, Series 2023A	Refunding Bonds, Series 2023B	Election of 2020, Series 2026A*	Election of 2020, Series 2026B (Federally Taxable)*	2026 Refunding Bonds*	Aggregate Debt Service*
2026	\$4,452,291	\$12,678,313	\$3,832,250	\$312,308	\$	\$	\$	\$
2027	4,452,679	11,061,813	3,832,250	312,308				
2028	4,449,510	8,646,813	3,832,250	312,308				
2029	4,453,438	8,646,813	10,977,250	952,308				
2030	4,450,285	8,646,813	22,135,000	955,828				
2031	12,540,268	9,521,813	26,617,000	951,728				
2032	12,551,162	12,793,063	13,893,250	950,615				
2033	12,566,965	13,528,563	2,495,500	951,825				
2034	12,576,303	13,981,813	7,136,250	955,025				
2035	12,588,078	13,919,563	3,255,500	954,450				
2036	12,601,164	14,800,813	147,500	-				
2037	12,614,377	14,907,813	147,500	-				
2038	12,631,899	15,226,313	997,500	-				
2039	12,648,051	15,034,563	1,105,000	-				
2040	12,662,522	15,544,650	1,052,500	-				
2041	-	16,244,075	-	-				
2042	-	15,935,238	-	-				
2043	-	15,617,750	-	-				
2044	-	15,521,350	-	-				
2045	-	15,373,700	-	-				
2046	-	15,676,113	-	-				
2047	-	17,348,650	-	-				
2048	-	17,476,763	-	-				
Total	\$148,238,992	\$318,133,171	\$101,456,500	\$7,608,703	\$	\$	\$	\$

* Preliminary, subject to change.

⁽¹⁾ Columns may not sum to totals due to rounding.

Source: Isom Advisors, a Division of Urban Futures, Inc.

Employees and Labor Relations

The District has budgeted to employ approximately 5,476.0 FTE employees, including 2,649.0 FTE certificated (teaching) employees, 2,239.0 FTE classified (non-teaching) employees and 588.0 management, supervisory and confidential employees in fiscal year 2025-26. For fiscal year 2024-25, the total certificated and classified payrolls for the general fund are approximately \$276.3 million and \$136.0 million, respectively. For fiscal year 2025-26, the total certificated and classified payrolls for the general fund are projected to be approximately \$283.3 million and \$147.6 million, respectively.

The District works with six bargaining groups and unrepresented management/supervisory employees as follows:

Employee Group	Organization/Bargaining Unit	Number of FTE Employees	Contract Expiration
Certificated	Oakland Education Association	2,645	June 30, 2025 ⁽¹⁾
Classified	Service Employees International Union	1,105	September 30, 2023 ⁽¹⁾
Classified	American Federation of State, County and Municipal Employees	1,001	June 30, 2027
Classified	Building and Construction Trades Council	91	June 30, 2027
Classified	Teamsters	15	June 30, 2026
Supervisory	United Administrators of Oakland Schools	436	June 30, 2026

⁽¹⁾ Currently in negotiations.

Source: The District.

Workforce Reductions, Labor Agreements, and Fiscal Outlook

On February 27, 2026, the District and the Oakland Education Association, which represents approximately 3,000 certificated non-management employees, reached a tentative two-year agreement for the period July 1, 2025 through June 30, 2027. The agreement phases base salary increases in three steps that, in the aggregate, provide approximately a 13% increase for educators at the top salary step and approximately an 11% increase for all other steps by June 30, 2027. In addition, the agreement includes targeted compensation enhancements for special education and early childhood educators, social workers, and nurses; provides smaller student-to-counselor ratios; creates a per-student book allowance for teacher librarians; and includes commitments related to staffing and program supports. The tentative agreement is subject to ratification by the union membership, approval by the Board of Education, and review by ACOE for affordability. Independent reporting has estimated that the ongoing annual cost of the tentative agreement, when fully implemented, could be in the range of the mid-\$50 millions to approximately \$65 million. There can be no assurance as to the final terms approved, the timing of implementation, or the ultimate ongoing cost.

Separately, in early 2026, the District reached an agreement with Service Employees International Union, Local 1021, which represents approximately 1,000 school support staff, providing a total 16% wage increase phased over two years and to establish a \$25 per hour minimum wage by January 2027 for affected classifications. That agreement remains subject to Board approval and County review. The United Administrators of Oakland Schools, which represents District administrators, Building and Trades Council, and Teamsters have The United Administrators of Oakland Schools, which represents District administrators, has initiated successor bargaining for a contract term beginning July 1, 2026; no agreement has been reached as of the date of this Official Statement. The District is party to collective bargaining with other units, including AFSCME and Teamsters. Additional negotiations may occur within the current multi-year budget horizon. Each additional one percent across-the-board increase for all employees historically has cost the District on the order of \$5 million annually.

On February 26, 2026, the Board of Education approved staffing reductions across certificated and classified positions for the 2026-27 school year as part of the District's fiscal stabilization plan. Public reporting has estimated that the approved reductions, including eliminations and eliminations of vacancies, are expected to yield approximately \$11 million in recurring annual savings beginning in fiscal year 2026-27. The District has also

implemented a voluntary early retirement incentive program with fixed five-year costs and potential savings that vary depending on the extent to which vacated positions are replaced and at what salary levels. The District has stated that additional restructuring will be required in future years to align ongoing expenditures with projected revenues and enrollment trends. If ongoing revenues exceed current projections and required general fund reserve thresholds are met, the Superintendent has been directed to recommend restoration of certain student-facing positions, subject to Board approval.

The District's budget certification status is currently "qualified," indicating uncertainty regarding the District's ability to meet its financial obligations in the current and two subsequent fiscal years without additional corrective action. The Alameda County Superintendent of Schools reviews labor agreements under AB 1200 to determine whether the District can afford the associated costs. The District cannot predict whether the savings generated by workforce reductions and other measures will be sufficient to offset new collective bargaining obligations, if any, or to close the District's structural deficit. See "THE DISTRICT – District Budgets and Board Actions – Fiscal Year 2025-26 Second Interim and Multi-Year Projections."

Retirement Benefits

The District participates in retirement plans with CalSTRS, which covers all full-time certificated District employees, and the State Public Employees' Retirement System ("CalPERS"), which covers certain classified employees. Classified school personnel who are employed four or more hours per day may participate in CalPERS.

CalSTRS. The CalSTRS defined benefit pension plan provides retirement benefits (generally 2% of final compensation for each year of credited service) to participating employees based on hiring date, age, final compensation and years of credited service. The CalSTRS benefit pension plan is funded through a combination of investment earnings and statutorily set contributions from participating employees, employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily set rates did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined employee, employer and State contributions to CalSTRS were not sufficient to pay actuarially determined amounts. To address the shortfall and implement a new funding strategy, Assembly Bill 1469, signed into law by former Governor Brown as part of the fiscal year 2014-15 State budget, increased employee, employer and State contributions to CalSTRS as part of a plan to eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014.

Pursuant to AB 1469, since fiscal year 2021-22, the State Teachers' Retirement Board is authorized to modify the percentages paid by employers and employees to eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations and subject to certain limitations. The State Teachers' Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers' Retirement Board may also adjust the State's contribution rate by a maximum of 0.5% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations. The District cannot predict the impact of State, national, and international events on investment earnings and contribution rates or the amount the District will be required to pay for pension related costs in future fiscal years.

The employer contribution rate for fiscal year 2021-22 was 16.92%, which reflects a 2.18% reduction from the statutorily prescribed rate as a result of the State redirecting certain State supplemental pension payments to reduce employer contribution rates in fiscal years 2020-21 and 2021-22. For fiscal years 2022-23, 2023-24 and 2024-25, the employer contribution rate was approximately 19.10% of covered payroll and will remain at 19.10% for fiscal year 2025-26. The employer contribution rate is inclusive of the employer base contribution of 8.25% of payroll provided by the California Education Code. The State's total contribution was increased from approximately 6.83% of payroll in fiscal year 2017-18 to approximately 10.83% of payroll in fiscal year 2021-22. The State's contribution rate was approximately 10.83% of payroll for fiscal years 2022-23, 2023-24 and 2024-25, and will remain at approximately 10.83% for fiscal year 2025-26. The State's contribution includes an annual payment of 2.50% of payroll pursuant to a supplemental inflation protection program. The employee contribution rate for

CalSTRS members first hired on or before December 31, 2012 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 60 members) was 10.25% for fiscal years 2016-17 through 2024-25 and will remain at 10.25% for fiscal year 2025-26. The employee contribution rate for CalSTRS members first hired on or after January 1, 2013 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 62 members) was approximately 9.21% for fiscal years 2016-17 and 2017-18, approximately 10.21% for fiscal years 2018-19 through 2024-25 and will remain at approximately 10.21% for fiscal year 2025-26.

The following table sets forth the District’s employer contributions from the general fund of the District to CalSTRS as well as the State’s non-employer contributions to CalSTRS on behalf of the District for fiscal years 2016-17 through 2023-24, the estimated contribution for fiscal year 2024-25, and the budgeted contribution for fiscal year 2025-26.

**Annual Regular CalSTRS Contributions
Fiscal Years 2016-17 through 2025-26**

Fiscal Year	District Contributions
2016-17	\$25,327,824
2017-18	27,776,318
2018-19	46,089,133
2019-20	33,614,522
2020-21	34,302,902
2021-22	38,231,291
2022-23	42,050,578
2023-24	49,691,231
2024-25	51,254,741
2025-26 ⁽¹⁾	76,009,817

⁽¹⁾ Projected. Includes on-behalf payments.
Source: The District.

The District’s total employer contributions to CalSTRS for fiscal years 2016-17 through 2024-25 were equal to 100% of the required contributions for each year.

The actuarial valuation for the entire CalSTRS defined benefit program as of June 30, 2024 (the “**2024 CalSTRS Actuarial Valuation**”) showed an estimated unfunded actuarial liability of \$88.67 billion, an increase of approximately \$2.08 billion from the June 30, 2023, valuation. Such estimated unfunded actuarial liability was projected to decrease slightly in the June 30, 2023, valuation, which projected an unfunded actuarial liability of \$85.58 billion as of June 30, 2024. The actual unfunded actuarial liability as of June 30, 2024, represents a net actuarial loss of approximately \$3.09 billion. Such net actuarial loss is due primarily to member salary increases being more than assumed, change in actuarial value assumptions based on the most recent experience analysis, market value returns (estimated at 8.20%) being higher than assumed (7.00%) and returns on actuarial value of assets (estimated at 7.60%) being greater than assumed as the recognition of actuarial investment gains which were previously deferred had a greater impact on recognition of the less-than-assumed market return for the most recent year. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2024, and June 30, 2023, based on the actuarial assumptions, were approximately 76.70% and 75.90%, respectively. According to the 2024 CalSTRS Actuarial Valuation, the funded ratio increased by 0.80% during the past year. As described in the 2024 CalSTRS Actuarial Valuation, the increase in the funded ratio is primarily due to the new assumptions and contributions made to pay down the unfunded actuarial obligation in fiscal year 2023-24. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related costs. Accordingly, there can be no assurances that the District’s required contributions to CalSTRS will not increase in the future, subject to the limitations of AB 1469.

The following are certain of the actuarial assumptions set forth in the 2024 CalSTRS Actuarial Valuation: measurement of accruing costs by the “Entry Age Normal Actuarial Cost Method,” an assumed 7.00% investment

rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, 3.25% payroll growth, and 2.75% projected inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The 2024 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPRA (as defined herein). See “– *California Public Employees Pension Reform*” below for a discussion of the pension reform measure signed by the Governor in September 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

CalSTRS produces a comprehensive annual financial report and actuarial valuations which include financial statements and required supplementary information. Copies of the CalSTRS comprehensive annual financial report and actuarial valuations may be obtained from CalSTRS. The information presented in these reports is not incorporated by reference in this Official Statement.

CalPERS. All qualifying classified employees of K-14 districts in the State are members in CalPERS. All K-14 districts contributing to CalPERS participate in the same plan and share the same contribution rate in each year. K-14 districts’ contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability of CalPERS. Accordingly, the District cannot provide any assurances that the District’s required contributions to CalPERS in future years will not significantly vary from any current projected levels of contributions to CalPERS.

CalPERS is funded by employee contributions and investment earnings, with the balance of the funding provided by employer contributions. K-14 school districts’ contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in K-14 school district contributions. The District cannot make any predictions as to the effect of State, national or international events on investment earnings and K-14 school district contributions. Participating employees enrolled in CalPERS prior to January 1, 2013 contribute 7.00% of their respective salaries, while participating employees enrolled after January 1, 2013 contribute the higher of 50% of normal costs of benefits or an actuarially determined rate of 7.00% in fiscal year 2021-22, which increased to 8.00% for fiscal years 2022-23 and 2023-24 and remains at 8.00% for fiscal year 2024-25. K-14 school districts are required to contribute to CalPERS at an actuarially determined rate, which was 18.06% of eligible salary expenditures for fiscal year 2018-19 and originally 20.73% and 22.68% for fiscal years 2019-20 and 2020-21, respectively. However, the employer contribution rate for fiscal year 2019-20 was reduced to 19.72% as a result of the State’s buydown of employer contribution rates in fiscal year 2019-20. Similarly, the fiscal year 2020-21 State budget allocated funding to buy down employer contribution rates in fiscal years 2020-21 and 2021-22 to an estimated 20.70% and 22.91%, respectively. The actuarially determined rate for employer contributions was 25.37% for fiscal year 2022-23, 26.68% for fiscal year 2023-24, 27.05% for fiscal year 2024-25 and is 26.81% for fiscal year 2025-26.

(Remainder of Page Intentionally Left Blank)

The following table sets forth the District’s total employer contributions from all applicable funds of the District to CalPERS for fiscal years 2016-17 through 2023-24, the estimated contribution for fiscal year 2024-25, and the budgeted contribution for fiscal year 2025-26.

**Annual CalPERS Regular Contributions
Fiscal Years 2016-17 through 2025-26**

Fiscal Year	District Contributions
2016-17	\$13,073,239
2017-18	14,728,715
2018-19	22,735,881
2019-20	18,947,422
2020-21	20,437,530
2021-22	23,905,516
2022-23	29,922,921
2023-24	34,468,106
2024-25	37,861,438
2025-26 ⁽¹⁾	39,413,348

⁽¹⁾ Projected.

Sources: The District.

The District’s total employer contributions to CalPERS for fiscal years 2016-17 through 2024-25 were equal to 100% of the required contributions for each year.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2024 (the “**2024 CalPERS Schools Pool Actuarial Valuation**”), was released in September 2025, and such valuation reported an actuarial accrued liability of approximately \$133.98 billion with the market value of assets at approximately \$93.19 billion, and a funded status of approximately 69.60%. From June 30, 2023, to June 30, 2024, the funded status of the CalPERS Schools Pool increased by approximately 2.10%, and the unfunded accrued liability increased by approximately \$159.58 million, largely due to the difference between the expected and actual rate of return on investments.

CalPERS reported a negative 6.10% net return on investments for fiscal year 2021-22, which is CalPERS’ first negative return on investments since fiscal year 2008-09. The negative 6.10% net return on investments was less than the assumed annual rate of return on investments of 6.80%. Such negative return generated an actuarial investment loss of approximately \$12.40 billion, which will be amortized over 20 years with a five-year phase in, increasing the component of the expected employer contribution rate related to the unfunded liability contribution in fiscal year 2024-25 by 0.07% of payroll. The 2024 CalPERS Schools Pool Actuarial Valuation reports that the employer contribution rates for fiscal years 2025-26, 2026-27, 2027-28, 2028-29, 2029-30 and 2030-31 are projected to be 26.81%, 26.90%, 27.80%, 27.40%, 27.00% and 26.20%, respectively. Such projections assume that all actuarial assumptions will be realized, including net investment returns in such fiscal years of 6.80%, and that no further changes to assumptions, contributions, benefits or funding will occur during such fiscal years. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases reflected in the 2024 CalPERS Schools Pool Actuarial Valuation. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates. Accordingly, there can be no assurances that the District’s required contributions to CalPERS will not significantly increase in the future.

The 2024 CalPERS Schools Pool Actuarial Valuation as summarized assumes, among other things, 2.30% price inflation, 2.80% wage inflation and payroll growth of 2.80% compounded annually. The 2024 CalPERS Schools Pool Actuarial Valuation as summarized reflects a discount rate of 6.80% compounded annually (net of administrative expenses) as of June 30, 2024. The CalPERS Board of Administration adopted new demographic assumptions on November 17, 2021, including a reduction in the discount rate from 7.00% as of June 30, 2020 to 6.80% as of June 30, 2021, a reduction in the inflation assumption from 2.50% as of June 30, 2020 to 2.30% as of June 30, 2021, and an increase in payroll growth from 2.75% as of June 30, 2020 to 2.80% as of June 30, 2021. Such assumption changes result in increases in both the normal cost and unfunded liabilities contributions to be paid

in the future. The actuarial funding method used in the 2024 CalPERS Schools Pool Actuarial Valuation is the “Entry Age Normal Cost Method.”

CalPERS produces a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS comprehensive annual financial report and actuarial valuations may be obtained from CalPERS Financial Services Division. The information presented in these reports is not incorporated by reference in this Official Statement.

CalSTRS and CalPERS are more fully described in Note 9 to the District’s financial statements in APPENDIX C – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025.”

California Public Employees’ Pension Reform Act of 2013. The Governor signed the California Public Employee’s Pension Reform Act of 2013 (the “**Reform Act**” or “**PEPRA**”) into law on September 12, 2012. The Reform Act affects both CalSTRS and CalPERS, most substantially as they relate to new employees hired after January 1, 2013 (the “**Implementation Date**”). As it pertains to CalSTRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age, increasing the eligibility for the 2.0% “age factor” (the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. For non-safety CalPERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2.0% age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5% to age 67.

The Reform Act also implements certain other changes to CalPERS and CalSTRS including the following: (a) all new participants enrolled in CalPERS and CalSTRS after the Implementation Date are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalSTRS and CalPERS are both required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for CalSTRS members who retire with 25 years of service), and (c) “pensionable compensation” is capped for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for CalSTRS and CalPERS members not participating in social security.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make (except as already announced). CalSTRS and CalPERS liabilities are more fully described in APPENDIX C – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025.” The District is not permitted to pay down its portion of retirement liability for CalSTRS or CalPERS.

HBGB. The Health Benefits Governing Board (“**HBGB**”) was established in 2015 in order to contain District healthcare costs and is governed by the Health and Welfare Agreement (the “**HBGB Agreement**”), negotiated and signed as a tentative agreement among the HBGB members in May 2015 and approved by the Board of Education in October 2015 with an effective date of July 1, 2015. For further information, see “RISK FACTORS – District Financial Risks – *Healthcare Costs – HBGB.*”

Other Post-Employment Benefits (OPEBs). The District does not have any post-employment benefit obligations.

GASB 67 and 68. In June 2012, the Governmental Accounting Standards Board approved a pair of related statements, GASB Statement No. 67, Financial Reporting for Pension Plans (“**GASB 67**”), which addresses financial reporting for pension plans, and GASB Statement No. 68, Accounting and Financial Reporting for Pensions (“**GASB 68**”), which establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. The guidance contained in these statements changed how governments calculate and report the costs and obligations associated with pensions. GASB 67 replaced the requirements of GASB Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined

Contribution Plans, for most public employee pension plans, and GASB 68 replaced the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, for most government employers. The new statements also replaced the requirements of GASB Statement No. 50, Pension Disclosures, for those governments and pension plans. Certain of the major changes included: (i) the inclusion of unfunded pension liabilities on the government's balance sheet (such unfunded liabilities are currently typically included as notes to the government's financial statements); (ii) full pension costs would be shown as expenses regardless of actual contribution levels; (iii) lower actuarial discount rates would be required to be used for most plans for certain purposes of the financial statements, resulting in increased liabilities and pension expenses; and (iv) shorter amortization periods for unfunded liabilities would be required to be used for certain purposes of the financial statements, which generally would increase pension expenses. GASB 67 took effect in fiscal years beginning after June 15, 2013, and GASB 68 took effect in fiscal years beginning after June 15, 2014. The District's audited financial statements attached as APPENDIX B reflect the reporting requirements pursuant to GASB 68. See APPENDIX C – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025," Note 1.

Risk Management

Property and Liability. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the year, the District self-insures property and liability claims up to \$250,000 per occurrence. For any excess coverage above this retention is provided through District's participation in the Northern California Regional Liability Excess Fund ("NCR"). Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage to date.

Workers' Compensation. The District is permissibly self-insured for workers' compensation, and maintains a \$500,000 per occurrence self-insurance retention. Above that level, the District purchases excess insurance to the statutory maximums. There has not been a significant reduction in coverage from the prior year.

For more information regarding the District's risk management, see Note 8 to the District's financial statements attached hereto as APPENDIX C – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025."

Participation in Joint Powers Authorities and Other Related Party Transactions

Chabot Space & Science Center Joint Powers Authority. The District participates in the Chabot Space & Science Center Joint Powers Authority (the "**Chabot JPA**"). The Chabot JPA was established to provide quality science education to members of the community.

Youth Ventures Joint Powers Authority. The District also participates in the Youth Ventures Joint Powers Authority ("**Youth Ventures**"), a joint powers authority established to promote the education, health, well-being and economic viability of children, youth and families within the County. During the fiscal year ended June 30, 2025, the District made no payments to Youth Ventures.

Northern California Regional Liability Excess Fund. The District is a member of the Northern California Regional Liability Excess Fund ("**NCR**"). NCR is a non-profit member-owned and operated Joint Powers Authority providing risk management services to California public schools. During the fiscal year ended June 30, 2025, the District made payments of \$3.9 million to NCR for insurance premiums.

For more information regarding the District's participation in joint powers authorities and other related party transactions, see Note 11 to the District's financial statements attached hereto as APPENDIX C – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025."

Charter Schools

Charter schools are largely independent schools operating as part of the public school system created pursuant to Part 26.8 (beginning with Section 47600) of Division 4 of Title 2 of the Education Code (the “**Charter School Law**”). A charter school is usually created or organized by a group of teachers, parents and community leaders, or a community-based organization, and may be approved by an existing local public school district, a county board of education or the State Board of Education. A charter school is generally exempt from the laws governing school districts, except where specifically noted in the law. The Charter School Law acknowledges that among its intended purposes are to (a) provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system, (b) hold schools accountable for meeting measurable pupil outcomes and provide schools a way to shift from a rule-based to a performance-based system of accountability and (c) provide competition within the public school system to stimulate improvements in all public schools.

A school district has certain fiscal oversight and other responsibilities with respect to both dependent and independent charter schools. Independent charter schools receive their funding directly from the State and are not included in a school district’s financial reports and audited financial statements and function like independent agencies, including having control over their staffing and budgets, which are received directly from the State. Dependent charter schools receive their funding from the school district and would be included in the school district’s financial reports and audited financial statements.

There are thirty-five independent charter schools operating in the District serving grades TK through 12. The District is responsible for oversight of twenty-four of these charter schools. The combined enrollment of the twenty-four charter schools under District’s oversight is approximately 9,839 in fiscal year 2025-26. There is one ACOE-dependent charter school in the District in fiscal year 2025-26. Of the thirty-five independent charter schools projected to operate in the District for fiscal year 2025-26, 24 have been granted charters by the District, 10 have been granted charters by the ACOE, and one has been granted its charter by the State Board of Education.

Charter schools receive revenues from the State for each student enrolled, and thus may cause a reduction in revenues available for students enrolled in District schools for those students who would otherwise be in District schools. However, certain per-pupil expenditures of the District also decrease based upon the number of students enrolled in charter schools. The District is required to accommodate charter school students originating in the District in facilities comparable to those provided to regular District students.

The following table shows total charter school enrollment for charter schools operating in the District’s geographic boundaries for fiscal years 2016-17 through 2024-25:

Fiscal Year	Number of Dependent Charter Schools	Number of Independent Charter Schools	Total Charter School Enrollment
2016-17	0	45	15,658
2017-18	1	44	16,070
2018-19	1	45	16,867
2019-20	1	45	16,991
2020-21	1	43	16,678
2021-22	1	39	15,626
2022-23	1	39	14,833
2023-24	1	39	14,833
2024-25	1	35	13,673

Source: The District and California Department of Education DataQuest Enrollment Reports.

The District can make no representation as to whether enrollment at such charter schools may increase at the expense of District enrollment in future years, whether additional charter schools will be established within the territory of the District, or as to the impact these or other charter school developments may have on the District’s A.D.A. or finances in future years.

Assembly Bill 1505 (“**AB 1505**”) was enacted during 2019-20 California legislative session, and aimed to slow the growth of charter schools. AB 1505 gives school districts increased leverage to deny applications for new charter schools by providing school districts additional discretion when authorizing charter schools to consider the number and enrollment in proposed charter schools, academic outcomes and offerings and a statement of need for the school. The District cannot predict the impact such legislation will have on its operations and finances.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

On June 6, 1978, State voters approved Proposition 13 (“**Proposition 13**”), which added Article XIII A to the State Constitution (“**Article XIII A**”). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment.” This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

County of Orange v. Orange County Assessment Appeals Board No. 3. Section 51 of the State Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new “base year value” for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed at \$4 per \$100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Proposition 19. Proposition 19, which was approved by the voters of the State on November 3, 2020, among other things, allows an owner of a primary residence who is over 55 years of age, severely disabled, or a victim of a wildfire or natural disaster to transfer the taxable value (i.e., the base year value plus inflation adjustments) of their primary residence to a replacement primary residence located anywhere in the State, regardless of the location or value of the replacement primary residence, that is purchased or newly constructed as that person's principal residence within two years of the sale of the original primary residence. Proposition 19 limits a person who is over 55 years of age or severely disabled to three transfers under these provisions. Proposition 19 also excludes from the terms "purchase" and "change in ownership" for purposes of determining the "full cash value" of property the purchase or transfer of a family home or family farm of the transferor in the case of a transfer between parents and their children, or between grandparents and their grandchildren if all the parents of those grandchildren are deceased. In the case of a transfer of a family home, Proposition 19 require that the property continue as the family home of the transferee. The District is unable to predict the effect such measure may have on tax assessments within the District.

Article XIII B of the State Constitution

An initiative to amend the State Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979, thereby adding Article XIII B to the State Constitution ("**Article XIII B**"). Under Article XIII B state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIII B does not affect the appropriation of moneys which are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the "appropriations limit" is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

In fiscal year 2024-25, the District had an appropriations limit of \$455,966,849 and final appropriations subject to such limit of \$466,693,305. The District has projected an appropriations limit in fiscal year 2025-26 of \$[493,519,489]. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State's allowable limit.

Article XIII C and Article XIII D of the State Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the State Constitution Articles XIII C and XIII D ("**Article XIII C**" and "**Article XIII D**," respectively), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the State Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIII C establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the State Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District imposes parcel taxes which are subject to the provisions of Proposition 218. On February 5, 2008, voters within the District approved Measure G by a two-thirds vote, establishing an annual tax of \$195 per parcel within the District, with no expiration date. On November 4, 2014, voters within the District approved Measure N by a two-

thirds vote, establishing an annual tax of \$120 per parcel within the District for each year between July 1, 2015 and June 30, 2025. On November 8, 2016, voters within the District approved Measure G1 by a two-thirds vote, establishing an annual tax of \$120 per parcel within the District for each year between July 1, 2017 and June 30, 2029. On November 8, 2022, voters within the District approved Measure H by a two-thirds vote, renewing the annual tax of \$120 per parcel within the District authorized pursuant to Measure N, for each year between July 1, 2023 and June 30, 2037. The District also receives a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the State Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Statutory Limitations

On November 4, 1986, State voters approved Proposition 62, an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute: (a) requires new or higher general taxes to be approved by two-thirds of the local agency's governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the California Supreme Court upheld Proposition 62 in its decision on September 28, 1995 in *Santa Clara County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as whether the decision applies retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

Proposition 39

On November 7, 2000, California voters approved Proposition 39, called the "Smaller Classes, Safer Schools and Financial Accountability Act" (the "**Smaller Classes Act**") which amends Section 1 of Article XIII A, Section 18 of Article XVI of the California Constitution and Section 47614 of the California Education Code and allows an alternative means of seeking voter approval for bonded indebtedness of a school district or community college district by 55% of the vote, rather than the two-third

s majority required under Section 18 of Article XVI of the Constitution. The 55% voter requirement applies only if the bond measure submitted to the voters includes, among other items: (1) a restriction that the proceeds of the bonds may be used for "the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities," (2) a list of projects to be funded and a certification that the school district board has evaluated "safety, class size reduction, and information technology needs in developing that list" and (3) that annual, independent performance and financial audits will be conducted regarding the expenditure and use of the bond proceeds.

Section 1(b)(3) of Article XIII A has been added to exempt from the 1% *ad valorem* tax limitation under Section 1(a) of Article XIII A of the Constitution levies to pay bonds approved by the 55% of the voters, subject to the restrictions explained above. The *ad valorem* tax for payment on the Bonds falls within the exception described in the preceding sentence.

The Legislature enacted AB 1908, Chapter 44, which became effective upon passage of Proposition 39 and amends various sections of the California Education Code. Under amendments to Section 15268 and 15270 of the California Education Code, the following limits on *ad valorem* taxes apply in any single election: (1) for a school district, indebtedness shall not exceed \$30 per \$100,000 of taxable property, (2) for a unified school district, indebtedness shall not exceed \$60 per \$100,000 of taxable property, and (3) for a community college district, indebtedness shall not exceed \$25 per \$100,000 of taxable property. Finally, AB 1908 requires that a citizens' oversight committee must be appointed to review the use of the bond funds and inform the public about their proper

usage. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 98 and Proposition 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “**Accountability Act**”). The Accountability Act changed State funding of public education below the university level, and the operation of the State’s Appropriations Limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (collectively, “**K-14 districts**”) at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9%, or to apply the relevant percentage to the State’s budgets in a different way than is proposed in the Governor’s Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State’s budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIII B spending limit would restrain the State’s ability to fund such other programs by raising taxes.

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for K-14 school districts and the K-14 school Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to schools is 4% of the minimum State spending for education mandated by the Accountability Act, as described above.

On June 5, 1990, State voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the State Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the “change in the cost of living” by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State’s spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the “excess” tax revenues, determined based on a two-year cycle, would be transferred to K-14 school districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts’ minimum funding level), and that any such transfer to K-14 school districts would not be built into the school districts’ base expenditures for calculating their entitlement for State aid in the following year and would not increase the State’s appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain “qualified capital outlay projects” and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 school districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 school districts were guaranteed the greater of (a) 40.9% of general fund revenues (the “**first test**”) or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the “**second test**”). Under Proposition 111, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a “credit” to be paid in future years when general fund revenue growth exceeds personal income growth.

Proposition 30 and Proposition 55

On November 6, 2012, voters approved Proposition 30, also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State's income taxpayers by one to three percent for a period of seven years from January 1, 2012 through the end of 2018, and (b) increased the sales and use tax by one-quarter percent for a period of four years from January 1, 2013 through the end of 2016. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see "– Proposition 98 and Proposition 111" above). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the "**Education Protection Account**"), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the California Tax Extension to Fund Education and Healthcare Initiative ("**Proposition 55**"), approved by voters on November 8, 2016, extends by twelve years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30; Proposition 55 did not extend the sales tax increases imposed by Proposition 30. Revenues from the tax increase will be allocated to school districts and community colleges in the State.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see "DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process."

Proposition 2

General. Proposition 2, which included certain constitutional amendments to the State Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election.

State Rainy Day Fund. The Proposition 2 constitutional amendments related to the State Rainy Day Fund (i) require deposits into the State Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the State Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multi-year budget forecast; and (vi) create the Proposition 98 Rainy Day Fund to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Proposition 98 Rainy Day Fund unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

SB 858. SB 858 became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Proposition 98 Rainy Day Fund, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an A.D.A. of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the State Education Code, or (b) for school districts with an A.D.A. that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the State Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an A.D.A. of less than 400,000, is required to maintain a reserve for economic uncertainty in a minimum amount of 3% of its general fund expenditures and other financing uses.

SB 751. SB 751, enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

The Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the State Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Bonds as and when due.

Proposition 2 (2024)

At the November 5, 2024 Election, voters in the State approved the Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 (“**Proposition 2 (2024)**”). Proposition 2 (2024) authorizes the sale and issuance of \$10.0 billion in general obligation bonds for new construction and modernization of K-14 facilities. The District makes no representation or guarantee that it will either pursue or qualify for Proposition 2 (2024) State facilities funding.

To receive funding under Proposition 2 (2024), a district must develop a five-year master plan, including (i) an inventory of existing facilities, sites and property; (ii) existing classroom capacity and projected enrollment; (iii) a capital planning budget, and (iv) a deferred maintenance plan. Specific guidelines are being developed by the Department of General Services and the Department of Education. The District shall take the requirements of Proposition 2 (2024) into consideration in the development of its facilities master plan.

TK-12 School Facilities. Proposition 2 (2024) includes \$3.3 billion for new construction of TK-12 facilities and an additional \$4.0 billion for modernization of existing TK-12 facilities. TK-12 school districts will be required to pay for 50% of new construction costs and 40% of modernization costs with local revenues. If a school district lacks sufficient local funding it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of \$1.2 billion will be available for the modernization and new construction of charter school facilities (\$600 million) and technical education facilities (\$600 million). Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two project types may apply for State loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, State grants are capped at \$3 million for a new facility and \$1.5 million for a modernized facility. Charter schools must be deemed financially sound prior to project approval.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 2, 30, 55, 62, 98, 111 and 218 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District’s ability to expend revenues.

APPENDIX C

**FINANCIAL STATEMENTS OF THE DISTRICT FOR THE
FISCAL YEAR ENDED JUNE 30, 2025**

APPENDIX D

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

[Closing Date]

Board of Education
Oakland Unified School District
Oakland, California

Oakland Unified School District
General Obligation Bonds (Election of 2020),
Series 2026A

and

Oakland Unified School District
General Obligation Bonds (Election of 2020),
Series 2026B (Federally Taxable)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Oakland Unified School District (the “District”), which is located in the County of Alameda, California (the “County”), in connection with the issuance by the District of \$ _____ aggregate principal amount of bonds designated as “Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2026A” (the “Tax-Exempt Bonds”) and \$ _____ aggregate principal amount of bonds designated as “Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2026B (Federally Taxable)” (the “Taxable Bonds” and, together with the Tax-Exempt Bonds, the “Bonds”). The Bonds are authorized by a resolution of the Board of Supervisors of the County adopted on November 18, 2025 (the “County Resolution”), at the request of the District and pursuant to a resolution of the Board of Education of the District adopted on September 24, 2025 (the “District Resolution”), and issued pursuant to a Paying Agent Agreement, dated as of April 1, 2026 (the “Paying Agent Agreement”), by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”), and acknowledged by the Treasurer-Tax Collector of the County. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Paying Agent Agreement.

In such connection, we have reviewed the District Resolution, the County Resolution, the Paying Agent Agreement, the tax certificate of the District dated the date hereof (the “Tax Certificate”), relating to the Tax-Exempt Bonds, certificates of the District, the Paying Agent, the County and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery of each such document by each party thereto other than the District and that each such document constitutes a valid and binding agreement of such party. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second

paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the District Resolution, the County Resolution, the Paying Agent Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the District Resolution, the County Resolution, the Paying Agent Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the District or the County in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the District Resolution, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding obligations of the District.
2. The District Resolution has been duly and legally adopted and constitutes the valid and binding obligation of the District.
3. The Paying Agent Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the District.
4. The Board of Supervisors of the County has power and is obligated to levy *ad valorem* taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the Bonds and the interest thereon.
5. Interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Tax-Exempt Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

[Closing Date]

Board of Education
Oakland Unified School District
Oakland, California

Oakland Unified School District
2026 General Obligation Refunding Bonds
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Oakland Unified School District (the “District”), which is located in the County of Alameda, California (the “County”), in connection with the issuance by the District of \$ _____ aggregate principal amount of bonds designated as “Oakland Unified School District 2026 General Obligation Refunding Bonds” (the “Bonds”). The Bonds are authorized by resolutions adopted by the Board of Education of the District on September 24, 2025 and March 11, 2026 (together, the “District Resolution”), and issued pursuant to a Paying Agent Agreement, dated as of April 1, 2026 (the “Paying Agent Agreement”), by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”), and acknowledged by the Treasurer-Tax Collector of the County. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Paying Agent Agreement.

In such connection, we have reviewed the District Resolution, the Paying Agent Agreement, the tax certificate of the District dated the date hereof (the “Tax Certificate”), relating to the Bonds, certificates of the District, the Paying Agent, the County and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery of each such document by each party thereto other than the District and that each such document constitutes a valid and binding agreement of such party. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the District Resolution, the Paying Agent Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the District Resolution, the Paying Agent Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the District or the County in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the

assets described in or as subject to the lien of the District Resolution, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding obligations of the District.
2. The District Resolution has been duly and legally adopted and constitutes the valid and binding obligation of the District.
3. The Paying Agent Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the District.
4. The Board of Supervisors of the County has power and is obligated to levy *ad valorem* taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the Bonds and the interest thereon.
5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Oakland Unified School District (the “District”) in connection with the issuance of: \$ _____ aggregate principal amount of Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2026A, \$ _____ aggregate principal amount of Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2026B (Federally Taxable), and \$ _____ aggregate principal amount of Oakland Unified School District 2026 General Obligation Refunding Bonds (collectively, the “Bonds”). The Bonds are being issued as authorized by the resolutions adopted by the Board of Education of the District on September 24, 2025 and March 11, 2026 (collectively, the “Resolutions”), and in accordance with the terms of each Paying Agent Agreement, each dated as of April 1, 2026 (together, the “Paying Agent Agreements”), and by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”), and acknowledged by the County of Alameda.

The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Paying Agent Agreements, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean Isom Advisors, a Division of Urban Futures, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement relating to the Bonds dated _____, 2026.

“Participating Underwriter” shall mean the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (presently June 30), commencing with the Annual Report for the fiscal year of the District ending June 30, 2025 (which is due no later than April 1, 2026), provide to the Participating Underwriter and the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. Neither the Paying Agent nor the Dissemination Agent shall have any duties or responsibilities with respect to the contents of the Annual Report. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) business days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent and the Paying Agent (if the Paying Agent is not the Dissemination Agent). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District and the Paying Agent to determine if the District is in compliance with the first sentence of this subsection (b). If the Paying Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Paying Agent shall send a notice, in electronic format, to the MSRB, such notice to be in substantially the form attached hereto as Exhibit A.

(c) If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall file a report with the District and (if the Dissemination Agent is not the Paying Agent) the Paying Agent certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

SECTION 4. Content of Annual Reports. The District’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following for the preceding fiscal year (except as noted otherwise):

- (1) Adopted budget of the District for the current fiscal year, or a summary thereof, and any interim budget reports approved as of the date of filing of the Annual Report;
- (2) General fund revenues, expenditures and a fund balance table;
- (3) District average daily attendance;

- (4) District outstanding debt (including amortization schedules);
- (5) Information regarding total assessed value of taxable properties within the District;
- (6) Information regarding the ten largest property owners based on assessed valuation within the District;
- (7) Information regarding total secured tax charges, collections and delinquencies on taxable properties within the District;
- (8) CalSTRS and CalPERS contributions; and
- (9) If and to the extent provided to the District by the County by no later than five (5) business days prior to the Annual Report due date, information regarding total assessed valuation and parcels by land use and assessed valuation of single family homes. If the information is provided at a date later than the Annual Report due date, then the District shall promptly file such information following its receipt via a supplement to the Annual Report.

The Annual Report may consist of one or more documents. Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) business days after the occurrence of the event:

- 1. Principal and interest payment delinquencies;
- 2. Unscheduled draws on debt service reserves reflecting financial difficulties;
- 3. Unscheduled draws on credit enhancements reflecting financial difficulties;
- 4. Substitution of credit or liquidity providers, or their failure to perform;
- 5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- 6. Tender offers;
- 7. Defeasances;
- 8. Rating changes;
- 9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or
- 10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

Note: For the purposes of the event identified in Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction

over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten (10) business days after the occurrence of the event:

1. Unless described in Section 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. Appointment of a successor or additional paying agent or the change of name of a paying agent; or
8. Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect holders of the Bonds.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten (10) business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in Section 5(b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Paying Agent Agreements.

(f) The District intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of "Financial Obligation" in Section 1, with reference to the rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Isom Advisors, a Division of Urban Futures, Inc.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in Superior Court of the State of California in and for the County of Alameda or in U.S. District Court in or nearest to the County. The sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2026

OAKLAND UNIFIED SCHOOL DISTRICT

By _____
Chief Business Officer

EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of District: OAKLAND UNIFIED SCHOOL DISTRICT

Name of Bond Issue: OAKLAND UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2020), SERIES 2026A

OAKLAND UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2020), SERIES 2026B (FEDERALLY TAXABLE)

OAKLAND UNIFIED SCHOOL DISTRICT 2026 GENERAL OBLIGATION REFUNDING BONDS

Date of Issuance: _____, 2026

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed by _____]

Dated: _____

OAKLAND UNIFIED SCHOOL DISTRICT

By _____ [to be signed only if filed]

APPENDIX F

**COUNTY OF ALAMEDA
ANNUAL INVESTMENT POLICY AND INVESTMENT REPORT**

The following information has been furnished by the Office of the Treasurer-Tax Collector, County of Alameda. It describes (i) the policies applicable to investment of District funds, including bond proceeds and tax levies, and funds of other agencies held by the County Treasurer-Tax Collector and (ii) the composition, carrying amount, market value and other information relating to the investment pool. Further information may be obtained directly from the Treasurer-Tax Collector, 1221 Oak Street, Room 131, Oakland, CA 94612.

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this appendix has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement.

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the

actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this APPENDIX G concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

OAKLAND UNIFIED SCHOOL DISTRICT

Bond Program Update



**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

March 2026

ISOM ADVISORS

BACKGROUND | BONDS 101



General Obligation Bonds

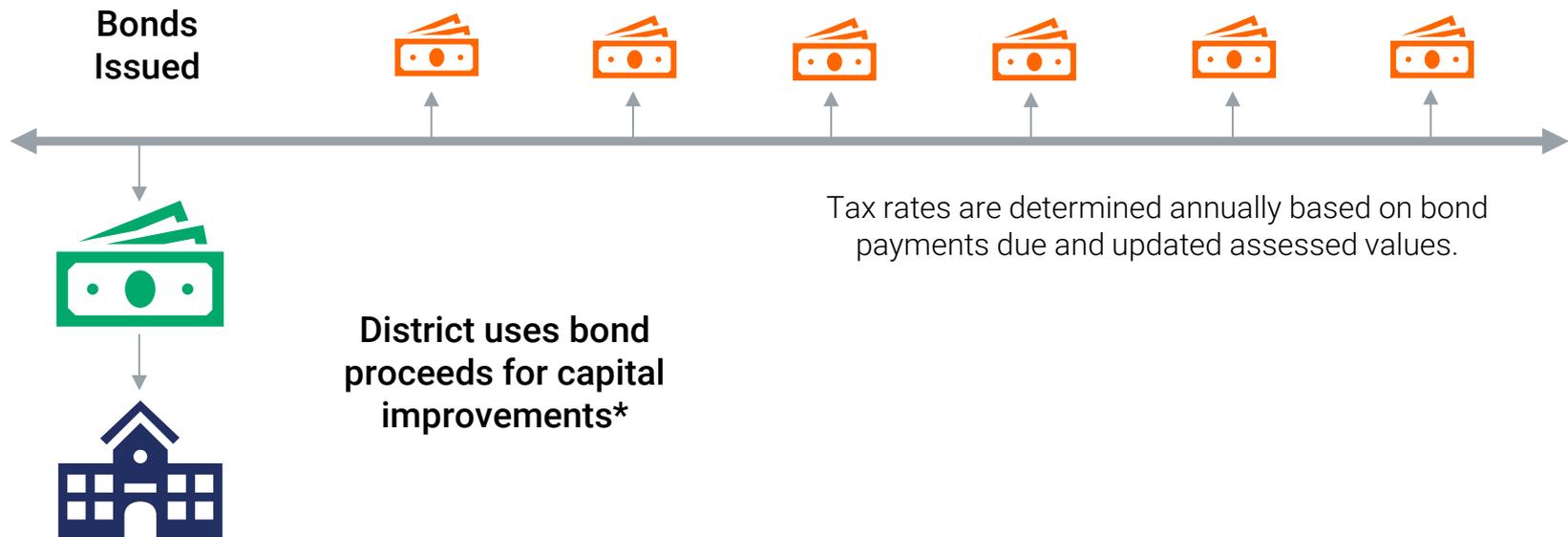
Long-Term Financing Tool

Bond repayment terms align with useful life of projects

- General Obligation Bonds**

- ✓ Voter approved long-term debt instruments
- ✓ Paid back by the legal obligation to levy and collect property taxes sufficient to pay annual debt service on the bonds

Bonds Repaid By *Taxpayers* Over 25-30 years



* Proposition 39 bond proceeds can also be used to “furnish” and “equip” schools.

BACKGROUND | BONDS 101

Sample Tax Bill

Example from Tax Year 2024-25

2024-2025		INTERNET COPY	
For Fiscal Year Beginning July 1, 2024 and Ending June 30, 2025			
ALAMEDA COUNTY SECURED PROPERTY TAX STATEMENT Henry C. Levy, Treasurer and Tax Collector 1221 Oak Street, Room 131 Oakland, California 94612			
Parcel Number	Tracer Number	Tax-Rate Area	Special Handling
Location of Property			
Assessed to on January 1, 2024			
ASSESSEE NAME AND ADDRESS ARE NOT AVAILABLE ONLINE PER CA GOV CODE §6254.21			
THIS IS NOT AN OFFICIAL BILL			
Tax-Rate Breakdown			
Taxing Agency	Tax Rate	Ad Valorem Tax	
COUNTYWIDE TAX	1.0000 %		
VOTER APPROVED DEBT SERVICE:			
COUNTY GO BOND	0.0089 %		
CITY OF OAKLAND 1	0.1145 %		
SCHOOL UNIFIED	0.0814 %		
SCHOOL COMM COLL	0.0394 %		
BAY AREA RAPID TRANSIT	0.0148 %		
EAST BAY REGIONAL PARK	0.0013 %		
TOTAL AD VALOREM TAX (AV TAX)	1.2603 %		
Fixed Charges and/or Special Assessments			
Description	Exemption Code	Phone	Amount
MOSQ MSR K 1982		800-273-5167	1.74
CSA PARAMEDIC		800-273-5167	40.32
VEC CNTRL MSR A 84		800-273-5167	7.20
CITY EMERG MEDICAL		510-238-2942	18.24
CITY PARAMEDIC SRV		510-238-2942	14.54
CSA LEAD ABATEMENT		510-567-8280	10.00
OUSD MEASURE H	a,b	510-879-8611	120.00
OUSD 2008MEASURE G	b	510-879-8884	195.00
PERALTA 2018MEAS E		800-792-8021	48.00
OUSD 2016MEASURE G1	a,b	510-879-8884	120.00
VIOLENCE PREV TAX	b	510-238-2942	133.44
CITY LIBRARY SRV-D	b	510-238-2942	99.70
2020 OAK MEASURE Q	b	510-238-2942	182.32
OAKLAND MEASURE AA	b	510-238-2942	253.30
OAKLAND ZOO MEAS Y	b	510-238-2942	71.02
SFBRA MEASURE AA		888-508-8157	12.00
FLOOD BENEFIT 12		510-670-5241	16.00
HAZ WASTE PROGRAM		800-273-5167	7.60
VECTOR CNTRL ASMT		800-273-5167	6.38
MOSQUITO ASMT 2008		800-273-5167	2.50
EBRPD CFD NO A/C-3		888-512-0316	12.00
AC TRANSIT MEAS VV		800-273-5167	96.00
SEE SEC 8 ON REVERSE SIDE FOR DTLs			
Additional Total from Reverse Side			381.02
Total Fixed Charges and/or Special Assessments			1,848.52
Tax Computation Worksheet			
Description	Full Valuation	x Tax Rate	= Tax Amount
LAND IMPROVEMENTS			
FIXTURES			
TOTAL REAL PROPERTY			
PERSONAL PROPERTY			
GROSS ASSESSMENT & TAX		1.2603 %	
HOMEOWNERS EXEMPTION			
OTHER EXEMPTION			
TOTAL AD VALOREM TAX		1.2603 %	
Ad Valorem Tax plus Special Assessments			
First Installment	Second Installment	Total Amount Due	

District's Bond program tax rates listed here; actual payment amount depends on the assessed value of the property.

District's parcel taxes are listed in this section; actual payment amount does NOT depend on assessed value of the property.

Source: Alameda County

BACKGROUND | BONDS 101

Bond Authorizations

Oakland USD voters have passed five bond authorizations since 1994

Strong Voter Support

Date	Bond Authorization Size	Support	Final Maturity
November 8, 1994 (Measure C)	\$170,000,000	84.0% (66.7% required)	2024*
March 7, 2000 (Measure A)	\$303,000,000	84.7% (66.7% required)	2030
June 6, 2006 (Measure B)	\$435,000,000	78.0% (55.0% required)	2041
November 6, 2012 (Measure J)	\$475,000,000	84.4% (55.0% required)	2040
November 3, 2020 (Measure Y)	\$735,000,000	77.7% (55.0% required)	2048**

- The District has \$365 million in authorized but unissued bonds remaining from the 2020 Measure Y authorization

*The Series 2021 bonds included bonds from the 1994 and 2000 authorizations without a clear delineation; final maturity of the 1994 authorization is estimated to be 2024.

**May change based on repayment term of bonds remaining to be issued

Source: Smartvoter; Ballotpedia

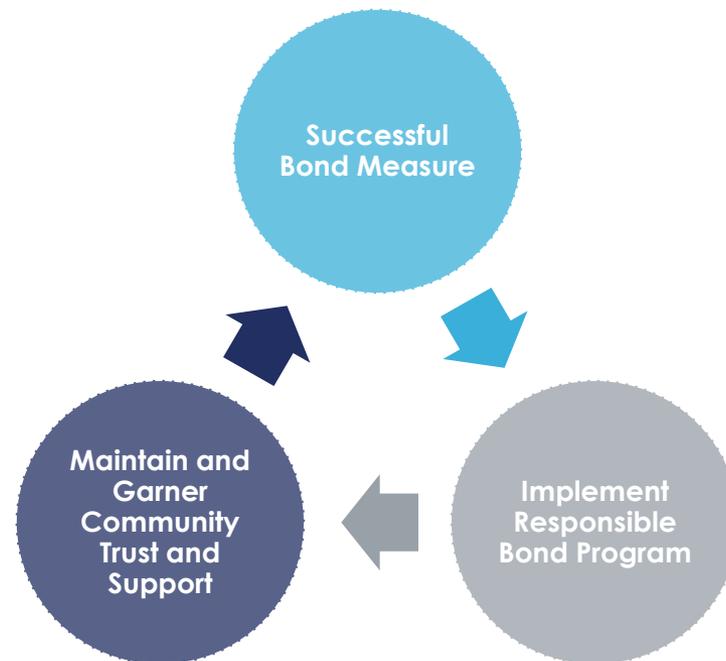
Community and Bonds

Support | Review | Engagement

- **Independent Citizens Bond Oversight Committee**

- ✓ Nine community members
- ✓ Ensures that bond proceeds are only spent for the specific projects listed in the bond measure

GO Bonds are community supported and it's important to incorporate community values into the bond program



2026 BOND ISSUANCE



2026 GO Bond Issuance

Measure Y

Strong Voter Support

Oakland USD voters passed Measure Y in November 2020 with 77.65% support

Shall Oakland Unified School District's measure to issue **\$735 million in bonds for classroom repair and school safety improvements** including upgrading classrooms, science labs and technology; improving student safety and security; repairing bathrooms, electrical systems, and plumbing/sewers; and improving energy efficiency/earthquake safety; at legal rates, **levying about \$60 per \$100,000 of assessed value**, raising an average of \$48.5 million annually for approximately 30 years, with citizens' oversight, audits, and no money for administrator salaries be adopted?

Source: Smartvoter; Ballotpedia

2026 GO Bond Issuance

Measure Y

Issuance Schedule

The Measure Y bonds were planned to be issued in four series issued approximately every other year

Delivery Date	Series	Par Amount	Status
November 3, 2021	Series 2021	\$185,000,000	Issued
November 22, 2023	Series 2023	\$185,000,000	Issued
April 2026	Series 2026	\$185,000,000	In Progress
TBD	Series "2028"	\$180,000,000	TBD
		\$735,000,000	

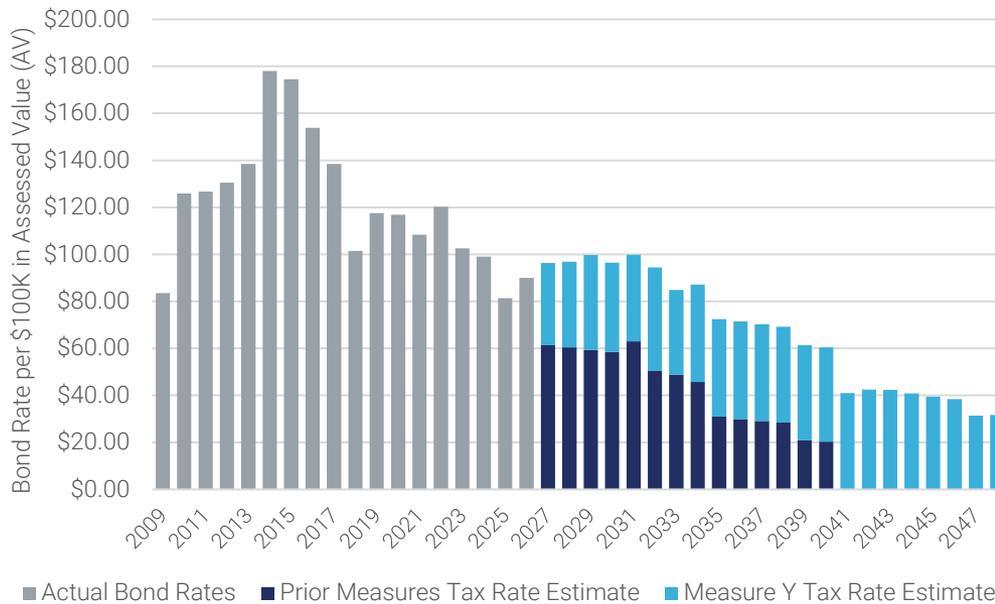
2026 GO Bond Issuance

Measure Y

Series 2026 Bonds

The Series 2026 Bonds will be the third series of bonds from the Measure Y authorization

Bond Rate History and Projections



Responsible Structure for Series 2026 Bonds

Par Amount	\$185,000,000 (to meet project needs in the next two to three years)
Bond Structure	Traditional current interest bonds
Repayment Term	25 years

- ✓ The Measure Y bond program was designed to manage the overall bond program tax burden on the community, particularly in the earlier years
- ✓ After the issuance of the Series 2025 Bonds, there will be \$180 million in authorized but unissued bonds remaining from the 2020 Measure Y authorization

2026 GO Bond Issuance

Potential Refunding

~\$8.9 million in Projected Savings

Resolution tonight will add two additional series of bonds as refunding candidates

- Refunding Candidates

Series	Par Amount	Call Feature
2012 Series 2015	\$26,930,000	Current
2015 Refunding	\$51,195,000	Current
2006 Series 2016	\$44,510,000	August 1, 2026
2016 Refunding	\$66,945,000	August 1, 2026

- Refunding Features

- ✓ **Final Maturity** = Does not extend the final repayment term
- ✓ **Financing Costs** = Estimated savings figures already accounts for any financing costs
- ✓ **Combining with New Money** = Issuing the refunding bonds with new money issuances reduces issuance costs
- ✓ **Managing Bond Tax Rate** = Helps to manage bond program tax rates

Estimated Refunding Statistics

Par Amount	\$181,315,000
Gross Savings	\$8,905,390
Present Value (PV) Savings	\$7,159,146
PV Savings as % of Refunded Par Amount	3.73%

**Based on municipal bond market environment on March 3, 2026*

2026 GO Bond Issuance

Issuance Schedule

Bond Issuance in May 2026



ADDITIONAL INFORMATION | **APPENDIX**



Conflicts of Interest and Other Matters Requiring Disclosures

Pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Isom Advisors, a Division of Urban Futures, Inc. (Isom Advisors) and its associated persons.

The following are potential conflicts of interest to be considered.

- Isom Advisors represents that in connection with the issuance of municipal securities, Isom Advisors may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, Isom Advisors hereby discloses, that such contingent and/or transactional compensation may present a potential conflict of interest regarding Isom Advisors' ability to provide unbiased advice to enter into such transaction. The contingent fee arrangement creates an incentive for Isom Advisors to recommend unnecessary financings or financings that are disadvantageous to the client, or to advise the client to increase the size of the issue. This potential conflict of interest will not impair Isom Advisors' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the client.
- Isom Advisors fees under this potential agreement may be based on hourly fees of Isom Advisors' personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for Isom Advisors to recommend alternatives that would result in more hours worked. This conflict of interest will not impair Isom Advisors' ability to render unbiased and competent advice or to fulfill its fiduciary duty to its clients.
- Isom Advisors' fees under this potential agreement, may be a fixed amount established at the outset of the Agreement. The amount is usually based upon an analysis by the client and Isom Advisors of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by Isom Advisors. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, Isom Advisors may suffer a loss. Thus, Isom Advisors may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest will not impair Isom Advisors' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the client.
- The fee paid to Isom Advisors increases the cost of investment to client. The increased cost occurs from compensating Isom Advisors for municipal advisory services provided.
- Isom Advisors serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another Isom Advisors client. For example, Isom Advisors serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, Isom Advisors could potentially face a conflict of interest arising from these competing client interests. Isom Advisors fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with its clients.
- Isom Advisors does not have any affiliate that provides any advice, service, or product to or on behalf of the client that is directly or indirectly related to the municipal advisory activities to be performed by Isom Advisors;
- Isom Advisors has not made any payments directly or indirectly to obtain or retain its clients municipal advisory business;
- Isom Advisors has not received any payments from third parties to enlist Isom Advisors' recommendation to its clients of its services, any municipal securities transaction or any municipal finance product;
- Isom Advisors has not engaged in any fee-splitting arrangements involving Isom Advisors and any provider of investments or services to its clients;
- Isom Advisors does not have any legal or disciplinary event that is material to its clients evaluation of the municipal advisory or the integrity of its management or advisory personnel.
- Isom Advisors does not act as principal in any of the transaction(s) related to this Agreement.
- Randall Merritt, a Managing Principal, previously worked at Raymond James & Associates, Inc. from December 2015 until December 2023. Urban's relationships with Raymond James and all other investment banks are conducted in an arm's length manner, and any recommendations are independent of any prior employment or other relationships.

Legal Events and Disciplinary History

Isom Advisors does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The District may electronically access Isom Advisors' the most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html. There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.