OAKLAND UNIFIED SCHOOL DISTRICT

2026-27 – 45-Day Budget Update

All Funds • Governing Board Adoption

Presented by:

Tara Gard, Deputy Superintendent of Business and Operations

Ryan Nguyen, Chief Financial Officer

Ruben P. Frutos, PhD, Consultant (HYA)

August 4, 2026

Purpose

School districts adopt their budgets by July 1, usually before the State finalizes its own budget. That means every adopted budget is built partly on assumptions.

Once the Governor signs the annual Budget Act, State law gives districts 45 days to update their numbers to reflect what the State actually enacted, and to make those revisions available for public review.

The 45-Day Revision is not a new budget, and it is not a re-adoption. It is a reconciliation. It updates revenue assumptions and any related expenditure changes, so the public sees the budget as it truly stands.

THE REQUIREMENT

Education Code Section 42127(h)

Revisions must be made available for public review within 45 days of the Budget Act being signed. County Office approval is not required for this step. Public availability is.

OUSD DEADLINE
August 13, 2026

FY 2026-27 Budget Adoption to Actuals Timeline

June 24, 2026

LCAP & Budget Adoption

Governing Board adopts the 2026-27 budget for all funds

June 30, 2026

Submit to Alameda County Office of Education

Statutory submission of the adopted budget

August 2026

Finalize year end activities and 45-Day Revise

Review actuals, update agreements (MOUs) and State Adopted Budget

September 2026

Unaudited Actuals

Close 2025-26 and reconcile to the adopted budget

Budget Adoption: Message and Fiscal Stabilization

The 2026-27 budget is balanced and advances the District's stabilization plan

Compared with the May Revision, the enacted California 2026-27 budget mostly confirmed the favorable education proposals rather than materially increasing them.
For OUSD, the most important budget estimated impacts are:

- Approximately $7M in additional LCFF as the District adopted at 2.87% (Now $8M)
- Significant one-time block grant funding, likely in the $20M range pending final allocation
- Confirmed $1,340 AB 602 special education rate
- Paid pregnancy leave delayed to January 1, 2027, reducing 2026-27 exposure but increasing 2027-28 planning pressure;
- Restricted opportunities in ELOP, facilities, and kitchen infrastructure;
- New cost/compliance pressures from software tax and contracting rules.
- The enacted budget improves OUSD’s position, but the correct fiscal response is disciplined: book the revenue, estimate the mandates, protect reserves, reduce the deficit, and continue stabilization.

Budget Report – 45-Day Budget Update

The 2026-27 budget continues the District's stabilization plan

- OUSD ended 2025-26 with a positive fund balance and a meaningful unrestricted reserve, and the 2026-27 45-Day Update confirms that the adopted budget remains viable after incorporating the enacted State Budget.
- The District must continue fiscal controls as the out-years show declining total fund balance and continued exposure from special education, labor costs, restricted carryover spend-down, services/contracts, and risk management liabilities.
- The 45-Day Update improves the adopted budget revenue picture by incorporating the enacted 4.31% LCFF-funded COLA, which CDE now identifies as the 2026-27 funded COLA, including the statutory 2.87% plus an additional 1.44% authorized by AB 126.
- That is consistent with OUSD's earlier budget-adoption strategy of adopting conservatively at 2.87% and then updating at the 45-Day Revision after the State Budget, which was specifically contemplated in the adopted budget materials.

2026-27 45-Day Update: what changed from budget adoption

The 2026-27 budget continues the District's stabilization plan

- The 45-Day Update is primarily a State Budget and technical implementation update. It incorporates the enacted State Budget, including the 4.31% LCFF-funded COLA, and it begins to move major budget-balancing assumptions into clearer categories.
- The central point: the 45-Day Update is essentially consistent with budget adoption at the combined General Fund level. The projected 2026-27 ending balance changes by less than $0.5 million, from $117.1 million to $116.7 million, while the unrestricted reserve remains approximately $30.0 million.

LCFF measure	Amount
Budget adoption LCFF sources	$504.6M
45-Day LCFF sources	$512.6M
Increase from adoption	+$8.0M
LCFF calculator funded LCFF ADA noted in MYP (Est.)	30,468.48
Enrollment kept in MYP note	33,890
UPP count noted in MYP note	27,640

2026-27 45-Day Report: Multi-Year Updates

The 2026-27 budget continues the District's stabilization plan

- The out-year pattern is clear: OUSD can remain solvent, but only if 2026-27 is treated as a stabilization year, not a restoration year. By 2028-29, the projected ending balance narrows sharply. The District should not wait until 2028-29 to solve this; the plan must be refreshed now.
- OUSD is not claiming that its fiscal work is complete. OUSD is demonstrating that the adopted budget remains viable after the enacted State Budget, that the District maintains positive balances and reserves, and that the Board has a defined stabilization plan requiring continued monitoring and implementation.

Year	Revenues/sources	Expenditures/uses	Net change	Ending balance
2026-27 45-Day	$884.7M	$921.8M	-$37.1M	$116.7M
2027-28 projection	$909.0M	$955.5M	-$46.5M	$107.8M
2028-29 projection	$931.6M	$1.004B	-$72.5M	$35.4M

45-Day Budget Update – Budget Assessment

The 2026-27 budget continues the District's stabilization plan

The 45-Day budget information supports a positive but disciplined fiscal narrative:

- FY 2025-26 closes with an ending balance to support continued local stabilization.
- The 2026-27 45-Day Update confirms that the enacted State Budget helps OUSD and validates the conservative budget-adoption strategy.
- The 2026-27 ending balance remains essentially consistent with adoption.
- The unrestricted reserve remains approximately $30 million.
- The remaining Board multi-year budget-balancing gap appears smaller than at budget adoption, subject to final verification at unaudited actuals.
- The out-years, especially 2028-29, require continued action and reconciliation.
- The District can see this update as evidence of progress, not completion: OUSD has stabilized enough to remain locally governed and county-reviewable, but must continue the fiscal-stabilization plan without weakening controls or treating one-time/state improvements as permanent discretionary capacity.

Questions?

Community Schools, Thriving Students