OAKLAND UNIFIED SCHOOL DISTRICT

2026-27 – 45-Day Budget Update

Presented by:
Tara Gard, Deputy Superintendent of Business and Operations
Ryan Nguyen, Chief Financial Officer
Troy Christmas, Senior Director of Strategic Projects
Ruben P. Frutos, PhD, Consultant (HYA)

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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 $8M in additional LCFF as the District adopted at 2.87%
- Significant one-time block grant funding, up to $18.5M
- Confirmed $1,340 AB 602 special education rate, up to $12M
- Restricted opportunities in ELOP, facilities, and kitchen infrastructure
- New cost/compliance pressures from software tax and contracting rules
- Paid pregnancy leave delayed to January 1, 2027, reducing 2026-27 exposure but increasing 2027-28 planning pressure
- 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

- 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 unrestricted ending balance is $53.5M and the restricted ending balance is $86.5M.

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: Budget 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.
- The 45-Day 2026-27 projected ending General Fund balance is $140.0M, compared with $117.1M at adoption, an improvement of $22.9M. The 45-Day 2026-27 net change improves from ($36.7M) at adoption to ($13.8M); the projected draw is materially smaller, but still negative.

BUDGET UPDATE - 45-DAY	Unrestricted	Restricted	Unrestricted & Restricted
Description	2026-27 Budget	2026-27 Budget	2026-27 Budget
Total Revenues and Sources	401,315,000	483,425,817	884,740,817
Total Expenses and Uses	377,444,876	521,046,095	898,490,971
Difference	23,870,124	(37,620,278)	(13,750,154)
Net Beginning Fund Balance	29,623,667	124,134,401	153,758,068
Ending Fund Balance	53,493,791	86,514,123	140,007,914

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

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

- While OUSD can remain solvent if the current year (2026-27) continues to be stabilized, by 2028-29, the projected ending balance narrows sharply. The District should not wait until 2028-29 to solve this; the stabilization plan and strategies need to continue.

- 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.

SOURCES	2026-27 BUDGET	2026-27 -- 45-DAY	2027-28 BUDGET	2028-29 BUDGET
Total Revenues/Sources	849,288,911	884,740,817	909,013,947	931,551,446
Total Expenses/Uses	885,949,092	898,490,971	955,466,090	971,586,954
Difference	-36,660,181	-13,750,154	-46,452,144	-40,035,508
Beginning Balance	153,758,068	153,758,068	140,007,914	93,555,770
Ending Balance	117,097,887	140,007,914	93,555,770	53,520,262

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 reconciliation of expected costs (e.g., Special Education, Labor) and 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