FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Fiscal Health Risk Analysis

October 29, 2026

Oakland Unified School District

Megan K. Reilly
Chief Executive Officer

FCMAT FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

October 29, 2026

Denise Saddler, Ed.D.
Superintendent
Oakland Unified School District
1011 Union St., Suite 912
Oakland, CA 94607

Dear Superintendent Saddler:

In August 2026, the Oakland Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a Fiscal Health Risk Analysis of the district.

The agreement stated that FCMAT would perform the following:

1. Prepare an analysis using the 20 factors in FCMAT's Fiscal Health Risk Analysis (FHRA) and identify the Client's specific risk rating for fiscal insolvency.

This report contains the fiscal health risk analysis report with the study team's findings. FCMAT appreciates the opportunity to assist the Oakland Unified School District and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

Megan K. Reilly
Chief Executive Officer

Contents

About FCMAT 3

Introduction 5

Background 5

Fiscal Health Risk Analysis Guidelines 7

Study Team 7

Fiscal Health Risk Analysis 8

Summary 8

About the Analysis 10

Areas of High Risk 10

Budget and Fiscal Status: Is district currently ***without*** the following? 10

Material Weakness Questions 10

Score Breakdown by Section 12

Fiscal Health Risk Analysis Questions 13

Annual Independent Audit Report 13

Budget Development and Adoption 13

Budget Monitoring and Updates 15

Cash Management 18

Charter Schools 18

Collective Bargaining Agreements 19

Contributions and Transfers 20

Deficit Spending (Unrestricted General Fund) 24

Employee Benefits 25

Enrollment and Attendance 26

Facilities 27
Fund Balance and Reserve for Economic Uncertainties 27
General Fund – Current Year 29
Information Systems and Data Management 32
Internal Controls and Fraud Prevention 33
Leadership and Stability 34
Multiyear Projections 35
Non-Voter-Approved Debt and Risk Management 36
Position Control 37
Special Education 37
Risk Score, 20 numbered sections only: 38
District Fiscal Solvency Risk Level, all FHRA factors: 38
Appendices 39
Appendix A — General Fund Budget and Unaudited Actuals Comparison 40
Appendix B — Study Agreement 47

About FCMAT

Purpose and Services

FCMAT was created by the California Legislature to help California's transitional kindergarten through grade 14 (TK-14) local educational agencies (LEAs) avoid fiscal insolvency. Today, FCMAT helps LEAs identify, prevent and resolve financial, management, program, data, and oversight challenges; provides professional learning; produces and provides software, checklists, manuals and other tools; and offers other related school business and data services.

FCMAT may be asked to provide fiscal crisis or management assistance by a school district, charter school, community college, county superintendent of schools, the state superintendent of public instruction, or the Legislature.

When FCMAT is asked for help with management assistance or a fiscal crisis, FCMAT management and staff work closely with the requesting LEA to meet their needs. Often this means conducting a formal study using a FCMAT study team that coordinates with the LEA for on-site fieldwork to evaluate specified operational areas and subsequently produces a written report with findings and recommendations for improvement.

For more immediate needs in a specific area, FCMAT offers short-term technical assistance from a FCMAT staff member with the required expertise.

To help meet the need for qualified chief business officials (CBOs) in LEAs, FCMAT offers four different CBO training and mentoring programs that consist of 11 or 12 diverse two-day training sessions over the course of a full year.

For agencies with professional learning needs, FCMAT offers workshops on specific topics. Popular topics include associated student body operations, use of FCMAT's Projection-Pro online financial forecasting software, use of FCMAT's Local Control Funding Formula (LCFF) Calculator, and data reporting for the California Longitudinal Pupil Achievement Data System (CALPADS). FCMAT staff and management also frequently make presentations at various professional conferences.

The California School Information Services (CSIS) service of FCMAT helps the California Department of Education (CDE) operate CALPADS; helps LEAs learn about CALPADS, resolve data issues and meet reporting requirements; and provides LEAs with training and leadership in data management. CSIS also developed and continues to host and improve the Standardized Account Code Structure (SACS) web-based financial reporting system for all California LEAs, and provides ed-data.org, which gives educators, policymakers, the Legislature, parents and the public quick access to timely and comprehensive data about TK-12 education in California.

Since it was formed, FCMAT has provided LEAs with the types of help described above on more than 2,000 occasions.

FCMAT's administrative agent is the Kern County Superintendent of Schools. FCMAT is led by Chief Executive Officer Megan K. Reilly and is funded by appropriations in the state budget and modest fees to requesting agencies.

Workshop schedules, manuals, presentation slide decks, Projection-Pro software, LCFF calculators, past reports, an online help desk, and many other resources are available for download or use at no charge on FCMAT's website.

History

FCMAT was created by Assembly Bill 1200 (Chapter 1213, Statutes of 1991) and Education Code 42127.8. Assembly Bill 107 (Chapter 282, Statutes of 1997) added Education Code 49080, which charged FCMAT with responsibility for CSIS and its statewide data management work, and Assembly Bill 1115 (Chapter 78, Statutes of 1999) codified CSIS' mission.

Assembly Bill 1200 created a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. Assembly Bill 2756 (Chapter 52, Statutes of 2004) gave FCMAT specific responsibilities for districts that have received emergency state loans.

In January 2006, Senate Bill 430 (Chapter 357, Statutes of 2005) amended Education Code 42127.8, and Assembly Bill 1366 (Chapter 360, Statutes of 2005) amended Education Codes 42127.8 and 84041. These new laws expanded FCMAT's services to include charter schools and community colleges, respectively.

Assembly Bill 1840 (Chapter 426, Statutes of 2018) changed how fiscally insolvent districts are administered once an emergency appropriation has been made, shifting oversight responsibilities from the state to the local county superintendent to be more consistent with the principles of local control, and giving FCMAT new responsibilities associated with the process.

Introduction

Background

Located in Oakland, Alameda County, in the East Bay region of the San Francisco Bay Area, Oakland Unified School District is governed by a seven-member board of education elected by geographic area. The district was the 12th largest school district in California in 2025-26 (California Department of Education [CDE]), serving 33,891 students in transitional kindergarten (TK) through grade 12 (DataQuest). During the same period, the district reported an unduplicated pupil percentage of 82.04%, representing students who are English learners, foster youth, or eligible for free or reduced-price meals (CDE).

As shown in Figure 1, the district has experienced an overall decline in noncharter school enrollment over the past decade, with enrollment stabilizing in 2025-26.

Oakland Unified School District Historical Noncharter School Enrollment, 2014-15 – 2025-26

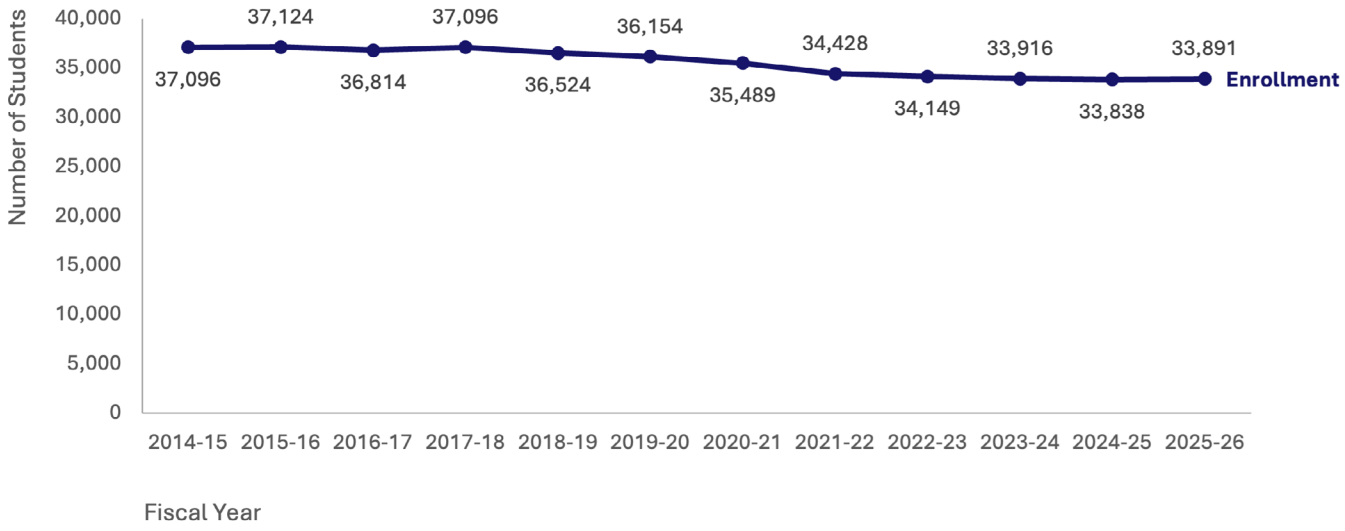

Figure 1. A line graph showing the district's historical enrollment, which declined from 37,096 students in 2014-15 to 33,891 in 2025-26, a decrease of 3,205 students or approximately 8.6%.

Source: Adapted from "Enrollment Multi-Year Summary by Grade" (DataQuest).

The district operates 87 schools, programs, and early learning centers, including 46 elementary schools, 3 TK-8 schools, 11 middle schools, 3 schools serving grades 6-12, 6 comprehensive high schools, 7 alternative high schools, 1 independent study program, 1 home and hospital program, 1 young adult program and 8 early learning centers. In addition, 24 charter schools serve 9,593 students (DataQuest). The district authorizes and oversees 19 of these 24 charter schools but does not operate any charter schools. The district has six labor unions and bargaining units representing its employees.

State Receivership, Emergency Appropriation & Financial Distress Funding

On March 27, 2003, the district's governing board requested an emergency loan from the state due to cash insolvency. The district's insolvency resulted primarily from systemic failures in communication, human resources, finance, facilities management and governance, compounded by longstanding structural imbalances and challenges. As the district acknowledged on its website, "There's a laundry list of reasons and perspectives, but the bottom line is [our] spending outran [our] revenue."

On May 30, 2003, the governor signed Senate Bill (SB) 39 (Chapter 14, Statutes of 2003), placing Oakland Unified School District under state receivership and authorizing an emergency appropriation of up to $100 million. On June 4, 2003, the district requested $65 million to address its negative cash position and fund its June 2003 payroll. The district subsequently requested the remaining $35 million from the state in June 2006.

Under Assembly Bill (AB) 1840 (Chapter 426, Statutes of 2018), the district received a total of $26.531 million in Financial Distress Funding during the 2019-20, 2020-21 and 2021-22 fiscal years to address a portion of its projected operating deficit (CDE). Receipt of the funding was contingent on the district completing activities specified in the budget act for each year an appropriation was made. The Financial Distress Funding apportionments do not require repayment.

From 2003 through 2009, the district operated under a state-appointed administrator who exercised the powers of both the superintendent and the board. In June 2009, governance authority was returned to the district's board and board-appointed superintendent, ending the state administrator's role. Between 2009 and 2025, the district resumed local control but remained subject to fiscal oversight by a state trustee, later a county trustee under AB 1840.

The trustee reported to the county superintendent and acted as an advisor to the governing board and superintendent, with authority to stay or rescind any actions of the board that were inconsistent with the fiscal recovery plan. The trustee served in this capacity until June 2025, when the district repaid its state loan (CDE) and established adequate fiscal systems and controls, thereby exiting receivership.

Current Position

The district submitted its 2025-26 Second Interim Budget Report with a qualified certification, indicating that it may not meet its financial obligations for the current and two subsequent fiscal years. On April 16, 2026, the Alameda County Superintendent of Schools responded by concurring with and accepting the district's qualified certification and simultaneously issuing a written notice of going concern under Education Code 42127.6. The county superintendent cited the qualified certification, an incomplete fiscal picture, and multiple areas of uncertainty related to the district's finances, leadership and planning.

Although the district had previously met the criterion on multiple occasions to merit an FHRA, an FHRA was not conducted while the district remained under receivership because its fiscal risks were understood by the county trustee assigned to the district.

On April 28, 2026, the Alameda County Superintendent of Schools and FCMAT discussed conducting an FHRA. On August 21, 2026, the district entered into an agreement with FCMAT to conduct it.

FCMAT performed a fiscal health risk analysis to determine the district's risk of insolvency, using financial data from the 2025-26 Second Interim Report as the basis for the analysis because it was the most current financial report at the time the going concern notice was issued. When feasible, FCMAT supplemented responses throughout the report, as annotated, with subsequent financial information from the following:

- 2025-26 End-of-Year Projection Report, also commonly referred to as a Third Interim Report, based on information as of April 30, 2026 and approved by the board on May 27, 2026.
- 2025-26 Estimated Actuals and 2026-27 Adopted Budget Report, approved by the board on June 24, 2026.
- 2025-26 Unaudited Actuals Report, approved by the board on September 9, 2026.

Appendix A provides a summary comparison of the district's 2025-26 General Fund financial information through unaudited actuals, as well as the 2026-27 adopted budget.

Fiscal Health Risk Analysis Guidelines

FCMAT entered into a study agreement with the Oakland Unified School District on August 21, 2026. The study team conducted virtual fieldwork on August 25-27, including interviews with district staff, data collection and document review. Following fieldwork, the team continued to analyze the documents and data collected. This report presents the team's findings and conclusions resulting from these activities.

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. In writing its reports, FCMAT uses the Associated Press Stylebook and its own short internal style guide, which emphasize plain language, capitalize relatively few terms, and strive for conciseness, clarity and simplicity.

Study Team

The team was composed of the following members:

Andrea Ward, CFE FCMAT Intervention Specialist	Jennifer Nerat, CFE FCMAT Intervention Specialist
Elizabeth Dearstyne FCMAT Intervention Specialist	Cassady Clifton FCMAT Technical Writer

Each team member reviewed the draft report to confirm its accuracy and to achieve consensus on the analysis.

Fiscal Health Risk Analysis
For TK-12 School Districts

FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Dates of fieldwork: August 25-27, 2026

School District: Oakland Unified School District

Summary

The Oakland Unified School District continues to face significant fiscal challenges related to its budget development, monitoring and updating practices; ongoing structural deficit; inability to maintain the minimum reserve for economic uncertainties without broadly applied adjustments; and approval of new collective bargaining agreements before completing the planning and implementation of previously identified budget solutions. Recent changes in key leadership positions have further contributed to instability in these areas.

Over the years, the district's governing board has developed multiple fiscal recovery and stabilization plans, often introducing new plans before fully implementing existing ones. This pattern has contributed to instability in the district's budget development and monitoring processes, limited its ability to conduct meaningful analysis before making major financial decisions, and reduced transparency. As discussed below, this pattern persisted during the period under review and remains a significant concern.

Following the district's exit from receivership, the interim superintendent asked the board to provide direction by October 8, 2025 to guide development of a new financial stabilization plan. On October 8, the board adopted resolution No. 2526-0177, as amended, directing district staff to develop at least three scenarios for board review in December. On November 19, the board received an update that included Scenarios 1 and 2, provided revised direction for the development of additional scenarios and extended the deadline for the detailed budget plan to January 2026. On December 10, the board approved the 2025-26 First Interim Report with a qualified certification, reviewed Scenarios 3 and 4, and ultimately adopted Scenario 3.

The district's chief business official departed in mid-December. The district subsequently engaged Hazard, Young, Attea and Associates (HYA), a fiscal consultant, to work with remaining district staff to develop the detailed budget adjustment plan and provide fiscal guidance in January 2026. The leadership transition delayed development of the details supporting Scenario 3 while prior projections were reviewed.

On January 28, the district presented a revised plan to the board, *The Financial Stabilization Implementation Plan: Protecting Equity, Maintaining Local Control, and Prioritizing Students*, which included proposed expenditure reductions and funding reallocations. However, rather than incorporating the detailed budget adjustments associated with the Scenario 3 or January 28 plans, the district relied on a broad adjustment category in the multiyear projection included in its 2025-26 Second Interim Report. In June 2026, the board subsequently approved the *Financial Stabilization Implementation Plan Progress Update and Path Forward*.

The district received an FHRA risk score of 47.7%, placing it in the high-risk category. The highest-risk areas identified by the FHRA were budget monitoring and updates; collective bargaining agreements; fund balance and reserve for economic uncertainty; budget development and adoption; general fund-current year; deficit spending (unrestricted general fund); and leadership and stability.

The FHRA identified significant concerns regarding the reliability of the district's financial management processes and the information used to support fiscal decision-making. Appendix A provides a comparison of the district's budget figures throughout 2025-26, including subsequent financial information from the end-of-year projection (commonly referred to as the Third Interim Report), estimated actuals included in the 2026-27 adopted budget, and unaudited actuals.

During 2025-26, the district was subject to significant changes in development of its fiscal stabilization and recovery plan, experienced turnover in key leadership positions, and made a substantial shift in budget strategy. Each of these factors independently had the potential to disrupt development and implementation of a coherent fiscal stabilization and recovery plan. Collectively, these factors contributed to fluctuations in the district's budget and financial projections throughout the fiscal year, resulting in inconsistent information being presented to the governing board and hindering its ability to make informed financial decisions.

District Fiscal Solvency Risk Level: High

About the Analysis

The Fiscal Crisis and Management Assistance Team (FCMAT) developed the Fiscal Health Risk Analysis (FHRA) to help evaluate a school district's fiscal health and risk of insolvency in the current and two subsequent fiscal years.

The FHRA consists of 20 sections, each including specific questions related to essential functions and processes. These sections and questions are based on FCMAT's extensive work since the inception of Assembly Bill 1200 in 1991 and represent common indicators of fiscal risk or potential insolvency observed in school districts that have neared insolvency and required external assistance. Each analysis section affects fiscal stability, and neglecting any of these areas will ultimately lead to the district's fiscal failure. The analysis aims to determine the district's level of risk at the time of evaluation.

A higher number of "No" responses in the analysis indicates an increased risk of insolvency or other fiscal issues for the district. Not all sections or questions carry equal weight; some areas pose a higher risk and thus have a greater impact on the district's fiscal stability. To help the district, narratives are provided for each "No" response, explaining the reasoning behind the response and outlining the actions needed to achieve a "Yes" in the future.

Identifying issues early is the key to maintaining fiscal health. Diligent planning allows school districts to better understand their financial objectives and implement strategies that sustain fiscal efficiency and long-term solvency. School districts should consider completing the FHRA annually to assess their fiscal health and track their progress.

Areas of High Risk

The following sections on this page and the next two pages repeat certain questions and answers found in the "Fiscal Health Risk Analysis Questions" section later in this report. These sections identify conditions that create a significant risk of fiscal insolvency. A "No" response to any of these questions will supersede all other scoring and elevate the district's overall risk level.

Budget and Fiscal Status: Is district currently *without* the following?

	Yes	No
Disapproved budget	✓	☐
Negative interim report certification	✓	☐
Three consecutive qualified interim report certifications	☐	✓
Downgrade of an interim certification by the county superintendent	✓	☐
"Lack of going concern" designation.	☐	✓

Material Weakness Questions

		Yes	No	N/A
2.5	**Has the district's budget been approved unconditionally by September 15th by the county superintendent of schools in the current and two prior fiscal years**	☐	✓	☐
3.4	**Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with EC 42142?**	✓	☐	☐

3.6	**Has the district addressed any deficiencies the county superintendent of schools has identified in its oversight letters to the district in the most recent and two prior fiscal years?**	☐	✓	☐
4.3	**Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known?**	☐	✓	☐
4.4	**If the district's cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to meet its cash flow needs for the current and subsequent year?**	☐	☐	✓
5.2	**Has the district fulfilled, and does it have evidence showing fulfillment of, its oversight responsibilities in accordance with EC 47604.32?**	✓	☐	☐
5.3	**Are all charters authorized by the district going concerns and not in fiscal distress?**	✓	☐	☐
6.3	**Does the district accurately quantify the effects of collective bargaining agreements and include complete disclosure documents that show the impact on its budget and multiyear projections?**	✓	☐	☐
6.4	**Based on the presettlement analysis, did the district identify related costs or savings, and did it identify ongoing revenue sources or expenditure reductions to support the agreement in the current and subsequent years?**	☐	✓	☐
7.2	**If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection sufficient transfers from the unrestricted general fund to cover any projected negative fund balance?**	☐	✓	☐
8.3	**If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency?**	☐	✓	☐
10.5	**Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable factors?**	✓	☐	☐
11.2	**Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects?**	✓	☐	☐
12.1	**Is the district able to maintain the minimum reserve for economic uncertainties in the current year (including Fund 01 and Fund 17) as defined by the State Standards and Criteria for Fiscal Solvency?**	✓	☐	☐
12.2	**Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years?**	☐	✓	☐
12.3	**If the district is not able to maintain the minimum reserve for economic uncertainties, does the district's multiyear projection include a board-approved plan to restore the reserve?**	☐	✓	☐
19.1	**Does the district account for all positions and costs (including substitutes, overtime, stipends, and employer-paid benefits) in position control?**	☐	✓	☐

Score Breakdown by Section

Because the score is not calculated by category, category values provided are subject to minor rounding and are provided for information only.

1.	Annual Independent Audit Report	0.3%
2.	Budget Development and Adoption	3.8%
3.	Budget Monitoring and Updates	4.0%
4.	Cash Management	2.6%
5.	Charter Schools	0.0%
6.	Collective Bargaining Agreements	4.0%
7.	Contributions and Transfers	3.0%
8.	Deficit Spending (Unrestricted General Fund)	3.6%
9.	Employee Benefits	0.6%
10.	Enrollment and Attendance	1.6%
11.	Facilities	0.2%
12.	Fund Balance and Reserve for Economic Uncertainty	4.0%
13.	General Fund - Current Year	3.8%
14.	Information Systems and Data Management	1.0%
15.	Internal Controls and Fraud Prevention	3.4%
16.	Leadership and Stability	3.6%
17.	Multiyear Projections	3.0%
18.	Non-Voter-Approved Debt and Risk Management	1.0%
19.	Position Control	3.0%
20.	Special Education	1.1%
Score		**47.7%**

Fiscal Health Risk Analysis Questions

1. Annual Independent Audit Report

		Yes	No	N/A
1.1	**Has the district recorded findings from the most recent and prior two years' audits without negatively affecting its fiscal health?**	✓	☐	☐
1.2	**Has the audit report for the most recent fiscal year been completed and presented to the board within the statutory timeline per Education Code (EC) 41020?**	☐	✓	☐

The 2022-23 audit report was presented to the board on February 14, 2024, after the statutory January 31 deadline.

1.3	**Were the district's most recent and prior two audit reports free of findings of material weakness?**	☐	✓	☐

The 2022-23 audit report identified material weaknesses in internal controls over federal and state award programs.

1.4	**Has the district corrected all audit findings from the most recent and prior two audits?**	✓	☐	☐

2. Budget Development and Adoption

		Yes	No	N/A
2.1	**Does the district develop and use written budget assumptions and multiyear projections that are reasonable, are aligned with the county superintendent of schools' instructions, and have been clearly articulated?**	☐	✓	☐

In its 2025-26 adopted budget, the district provided written budget assumptions for cost-of-living adjustments (COLAs), step-and-column increases, enrollment and average daily attendance (ADA), health and welfare benefits, and California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) contribution rates. However, the multiyear projection included "Other Adjustments" reductions of $78 million in 2026-27 and $72.6 million in 2027-28 to meet the statutory 2% minimum reserve for economic uncertainties requirement. The multiyear projection did not identify the specific budgetary actions associated with these adjustments.

Subsequent to the 2025-26 second interim reporting period, the district's 2026-27 adopted budget included similar written assumptions for COLA, step-and-column increases, enrollment and ADA, health and welfare benefits, and CalSTRS and CalPERS. Its multiyear projection continued to rely on "Other Adjustments" reductions, including $30 million in 2027-28 and $10 million in 2028-29. The multiyear projection did not identify the specific budgetary actions associated with these adjustments.

2.2	**Does the district use a budget development method other than a prior-year rollover budget and if so, does that method include tasks such as reviewing prior year estimated actuals by major object code and removing one-time revenues and expenses?**	✓	☐	☐
2.3	**Does the district use position control data for budget development?**	✓	☐	☐
2.4	**Does the district calculate its Local Control Funding Formula (LCFF) revenue correctly?**	✓	☐	☐

2.5 Has the district's budget been approved unconditionally by September 15th by the county superintendent of schools in the current and two prior fiscal years? . . . . . ☐ ✓ ☐

The district's budget was conditionally approved by September 15 in each of the past three years. Subsequent to the 2025-26 second interim reporting period, the district's 2026-27 budget was also conditionally approved on September 15, 2026.

2.6 Does the budget development process include input from staff, administrators, the governing board, the community, and the budget advisory committee (if there is one)? . . ✓ ☐ ☐

2.7 Does the district budget and expend restricted funds before unrestricted funds? . . . . ☐ ✓ ☐

The district does not consistently spend restricted funds before using unrestricted funds. As shown in Figure 2, the district maintained substantial restricted fund balances while its unrestricted ending fund balance declined. The district's combined unrestricted and restricted ending fund balance reached a high of $309 million in 2023-24, consisting of $118.2 million in unrestricted funds and $190.8 million in restricted funds. By 2025-26, the combined ending fund balance is projected to decline to $148.4 million, consisting of $32.6 million in unrestricted funds and $115.8 million in restricted funds.

District's Historical and Projected Unrestricted and Restricted General Fund Ending Fund Balances, 2021-22 – 2025-26 Second Interim

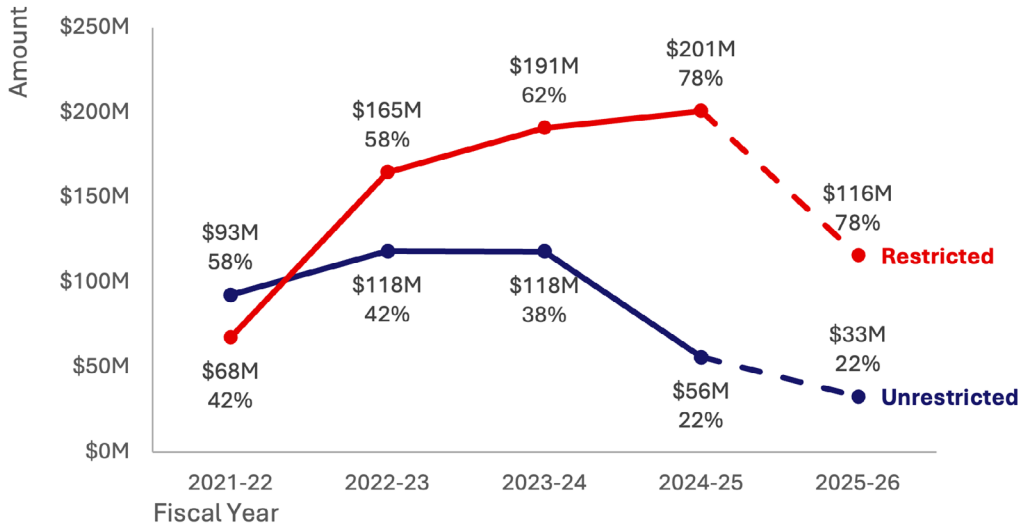

Figure 2. A line graph showing the district's historical and projected unrestricted and restricted General Fund ending balances from 2021-22 through the 2025-26 second interim projection.

Sources: Adapted from the district's unaudited actuals reports for 2021-22 through 2024-25, and 2025-26 Second Interim Report.

Restricted ending fund balances increased statewide following the influx of one-time restricted state and federal funding in response to the COVID-19 pandemic. As these temporary funding programs have ended or are nearing expiration, restricted ending fund balances would generally be expected to decline. However, the district projects that restricted funds will comprise 78% of its total ending fund balance at the end of 2025-26.

The district's projected 2025-26 second interim restricted ending fund balances show significant balances remaining in several state programs, including the Expanded Learning Opportunities Program (ELO-P) and Learning Recovery Emergency Block Grant. However, as noted in recent correspondence from the Alameda County Superintendent of Schools, the district has shifted its budget management approach to prioritize the use of restricted resources for eligible ongoing expenditures before using unrestricted funds. If implemented consistently, this approach should reduce restricted ending fund balances over time and alleviate the financial stress on the unrestricted balances.

2.8	**Have the district's Local Control and Accountability Plan (LCAP) and budget been adopted within the statutory timelines established by EC 42103 and filed with the county superintendent of schools no later than five days after adoption or by July 1, whichever occurs first, for the current and prior fiscal year?**	✓	☐	☐
2.9	**Has the district refrained from including carryover funds in its adopted budget?**	☐	✓	☐

The district routinely estimates current-year carryover balances during development of the subsequent year's budget and includes those amounts as available resources in the upcoming fiscal year. However, recognizing estimated carryover funds before the prior year's books are closed and audited may overstate available resources and result in expenditures being committed against funds that may not ultimately materialize. Although the district reduces its current-year budget by the estimated carryover amount, differences between estimated and actual carryover balances may result in an overstatement or understatement of the unrestricted General Fund balance.

2.10	**Other than objects in the 5700s and 7300s, does the district avoid using negative expense or contra expenditure accounts in its budget?**	✓	☐	☐
2.11	**Does the district have and follow a documented standard procedure for evaluating both the proposed acceptance of grants and other restricted funds and the potential multiyear impact on the district's unrestricted general fund?**	☐	✓	☐

Although the district provided evidence of a written process and procedure for evaluating grants, staff interviews indicated that the procedure is not consistently followed and that some staff were unaware of its existence.

2.12	**Does the district adhere to a budget calendar that includes statutory due dates, major budget development tasks and deadlines, and the staff members and departments responsible for completing them?**	✓	☐	☐

3. Budget Monitoring and Updates

		Yes	No	N/A
3.1	**Are actual revenues and expenses consistent with the most current budget?**	✓	☐	☐
3.2	**Are budget revisions posted in the financial system at each interim reporting period, at a minimum?**	✓	☐	☐
3.3	**Are clearly written and articulated budget assumptions that support budget revisions communicated to the board at each interim reporting period, at a minimum?**	☐	✓	☐

The district's 2025-26 First Interim Presentation to the board included commonly reported budget assumptions, such as COLA, step-and-column increases, enrollment and ADA, health and welfare benefits, and CalSTRS and CalPERS. The presentation also communicated major changes in the unrestricted and restricted General Fund

budgets since budget adoption. However, the multiyear projection included "Other Adjustments" reductions of $103.56 million in 2026-27 and $90.12 million in 2027-28 to meet the minimum reserve for economic uncertainties requirements in each projected year: 2% as required by statute and 3% as required locally. The multiyear projection did not identify the specific budgetary actions associated with these adjustments. In addition, the district projected that it would not meet the 2% and 3% minimum reserve requirements in the current year.

The format and level of detail provided in the district's 2025-26 Second Interim Presentation changed significantly from the first interim reporting period. The accompanying board memo outlined the timeline of the recent board actions to address the district's structural deficit, noting that some of the budget-balancing solutions had been incorporated into the multiyear projection and that a subsequent update would be provided at third interim. The presentation did not include the detailed assumptions provided at first interim; the primary assumption update identified was revised COLA projections for 2025-26, 2026-27 and 2027-28. Instead, the presentation primarily displayed high-level financial information from the Standardized Account Code Structure (SACS) forms, including total revenues, expenditures and other financing sources/uses, beginning and ending fund balances, and the net increase or decrease in fund balance. Although a table showed the dollar differences between the first and second interim 2025-26 budget data, the presentation did not identify the major assumption changes underlying those revisions. The multiyear projection continued to include "Other Adjustments" reductions, updated to $36 million in 2026-27 and $56.7 million in 2027-28, to meet the minimum reserve for economic uncertainties requirements in each projected year. The multiyear projection did not identify the specific budgetary actions associated with these adjustments.

3.4 Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with EC 42142? . . . . . ✓ ☐ ☐

3.5 Do the district's responses fully explain the variances identified in the SACS Criteria and Standards Review form? . . . . . ☐ ✓ ☐

The explanations in the SACS Criteria and Standards forms varied in their level of detail between the 2025-26 First and Second Interim reports. For example, Criteria 6C. Comparison of District Total Operating Revenues and Expenditures to the Standard Percentage Range identified two unmet standards: one related to revenues and the other to operating expenditures. At the first interim reporting period, the district attributed the variances to updated revenue estimates, carryover funding and related discretionary expenditure spending. Although this provided some explanation, a more transparent response would have identified the major programs and other significant changes contributing to the variance. At the second interim reporting period, however, the district repeated across multiple unmet standards a general statement that it was working toward solvency and addressing its structural deficit rather than explaining the specific changes in the financial projections that resulted in each unmet standard.

3.6 Has the district addressed any deficiencies the county superintendent of schools has identified in its oversight letters to the district in the most recent and two prior fiscal years? . . . . . ☐ ✓ ☐

In the county superintendent's review letter for the district's 2025-26 First Interim Report, the county superintendent recommended that the district present the board with a proposal to address the fiscal conditions underlying the determination that the district may not be able to meet its financial obligations. In the review letter for the district's 2025-26 Second Interim Report, the county superintendent noted that the district appeared to have pursued budget reductions without first obtaining board adoption of a fiscal solvency plan, indicating weaknesses in its processes and procedures. The county superintendent continues to monitor the district's progress in developing and implementing a detailed fiscal stabilization plan.

3.7 Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure? . . . . . ✓ ☐ ☐

3.8 Does the district encumber funds for salaries and benefits and adjust those encumbrances as needed? . . . . . ✓ ☐ ☐

3.9 For the most recent and two prior fiscal years, have the district's interim financial reports and unaudited actuals been adopted and filed with the county superintendent of schools within the timelines established in Education Code? . . . . . ☐ ✓ ☐

According to the county superintendent, the district failed to adopt and/or file 5 of the 10 required financial reports by their statutory deadlines during the three-year period ending with the 2025-26 second interim reporting period. These reports include the first interim, second interim, end-of-year projections (third interim), and unaudited actuals. Table 1 identifies the five reports submitted after the applicable statutory deadlines, including two that were also adopted late, and compares each report's due date with its adoption and submission dates.

Subsequent to the 2025-26 second interim reporting period, the district submitted its 2025-26 Third Interim Report within the timeline established by the Education Code.

Table 1. Financial Reports Submitted After Statutory Deadlines, 2023-24 – 2024-25

Fiscal Year	Reporting Period	Due Date	Adopted Date	Submitted Date
2023-24	Second Interim	3/15/2024	3/13/2024	3/17/2024
	End-of-Year Projection (Third Interim)	6/1/2024	6/5/2024	6/10/2024
2024-25	First Interim	12/15/2024*	12/11/2024	12/16/2024
	End-of-Year Projection (Third Interim)	6/2/2025	6/4/2025	6/6/2025
	Unaudited Actuals	9/15/2025	9/10/2025	9/16/2025

Source: Adapted from Alameda County Superintendent of Schools data.

Note: December 15, 2024 was a Sunday.

4. Cash Management

		Yes	No	N/A
4.1	**Are accounts held by the county treasurer reconciled with the district's and county office of education's (COE) reports monthly?**	✓	☐	☐
4.2	**Does the district reconcile all bank (cash and cash equivalent) accounts with each statement in a timely manner?**	☐	✓	☐
	The district did not provide evidence demonstrating that all bank accounts are reconciled to bank statements in a timely manner.			
4.3	**Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known?**	☐	✓	☐
	The cash flow projection included with the district's 2025-26 Second Interim Report forecasted General Fund cash flow for only the current fiscal year. The district subsequently extended its cash flow forecast through 2026-27 as part of the Third Interim Report. However, the district's 2026-27 Adopted Budget Report again included a General Fund cash flow projection for only a single fiscal year, 2026-27.			
4.4	**If the district's cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to meet its cash flow needs for the current and subsequent year?**	☐	☐	✓
4.5	**Does the district have sufficient cash resources in its other funds to support its current and projected obligations in those funds?**	✓	☐	☐
4.6	**If the district uses interfund borrowing, is it complying with EC 42603?**	☐	✓	☐
	The district did not provide evidence demonstrating compliance with EC 42603 requirements for interfund borrowing.			
4.7	**If the district is managing cash in any fund(s) through external borrowing, does the district's cash flow projection include repayment based on the terms of the loan agreement?**	☐	☐	✓

5. Charter Schools

		Yes	No	N/A
5.1	**Does the district have a board policy, memorandum of understanding (MOU), or other written document(s) regarding charter oversight?**	✓	☐	☐
5.2	**Has the district fulfilled, and does it have evidence showing fulfillment of, its oversight responsibilities in accordance with EC 47604.32?**	✓	☐	☐
5.3	**Are all charters authorized by the district going concerns and not in fiscal distress?**	✓	☐	☐
5.4	**Has the district identified specific employees in its various departments (e.g., human resources, business, instructional, and others) to be responsible for oversight of all approved charter schools?**	✓	☐	☐
5.5	**Does the district monitor charter school audits for timeliness, completeness, and exceptions?**	✓	☐	☐

6. Collective Bargaining Agreements

		Yes	No	N/A
6.1	**Has the district settled with all its bargaining units for the past two fiscal years?**	✓	☐	☐
6.2	**Has the district settled with all its bargaining units for the current year?**	✓	☐	☐
6.3	**Does the district accurately quantify the effects of collective bargaining agreements and include complete disclosure documents that show the impact on its budget and multiyear projections?**	✓	☐	☐
6.4	**Based on the presettlement analysis, did the district identify related costs or savings, and did it identify ongoing revenue sources or expenditure reductions to support the agreement in the current and subsequent years?**	☐	✓	☐

The district's presettlement analysis for multiple 2025-26 settlement agreements indicated that the ongoing costs of the agreements would require budget-balancing solutions to remain affordable over the long term. However, the analyses did not identify ongoing revenue sources or expenditure reductions necessary to offset those costs.

6.5	**In the current and prior two fiscal years, has the total cost of the district's bargaining agreement settlements, including step-and-column increases, been at or under the funded cost-of-living adjustment (COLA)?**	☐	✓	☐

During 2025-26, the district approved settlements with certain bargaining units that included ongoing compensation increases above the funded statutory COLA. For example, one settlement provided a 14% ongoing compensation increase compared with the 2025-26 statutory COLA of 2.3%.

6.6	**If settlements have not been reached in the past two years, has the district identified resources to cover the costs of the district's proposal(s)?**	☐	☐	✓
6.7	**Did the district comply with public disclosure requirements under Government Codes 3540.2 and 3547.5, and EC 42142?**	☐	✓	☐

A review of the district's most recent public disclosures related to collective bargaining agreements identified several instances of noncompliance with statutory requirements.

The board approved the agreement with the Service Employees International Union on February 26, 2026; however, the required public disclosure of collective bargaining agreement form was not presented to the board until May 13, 2026. As a result, the district did not comply with Government Code (GC) 3547.5.

The district also did not consistently comply with GC 3540.2, which requires a school district with a qualified or negative certification to provide the county office of education with proposed collective bargaining agreements at least 10 working days before board approval to allow for review and comment. In several instances, the district did not provide the county office with agreement details within the required timeframe.

Additionally, the district did not provide evidence demonstrating compliance with EC 42142, which requires a school district, within 45 days of adopting a collective bargaining agreement, to forward to the county superintendent any current-year budget revisions necessary to fulfill the terms of the agreement.

6.8 Did the superintendent and CBO certify the public disclosure of collective bargaining agreement before board approval? . . . . . ☐ ✓ ☐

The public disclosure presented to the board for the most recent agreement with the Building and Construction Trades Council of Alameda County, dated October 25, 2023, did not include the signature of the superintendent or CBO.

In addition, as noted in item 6.7, the district's most recent collective bargaining agreement with the Service Employees International Union was approved by the board on February 26, 2026, but the required AB 1200 disclosure was not presented to the board until May 13, 2026. Although the disclosure was signed by the superintendent and CBO, it was presented after the board had already approved the collective bargaining agreement.

6.9 Is the governing board's action consistent with the superintendent's and CBO's certification? . . . . . ✓ ☐ ☐

7. Contributions and Transfers

	Yes	No	N/A
7.1 Does the district have an active, board-approved plan to eliminate, reduce or control any contributions/transfers from its unrestricted general fund to other restricted programs and funds?	☐	✓	☐

As of the 2025-26 Second Interim Report, the district did not have a board-approved plan to eliminate, reduce or control any contributions or transfers. Subsequent to the second interim reporting period, on June 24, 2026, the board approved the *Financial Stabilization Implementation Plan Progress Update and Path Forward*, which included a 10% reduction in the unrestricted General Fund contribution to the special education program.

7.2 If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection sufficient transfers from the unrestricted general fund to cover any projected negative fund balance? . . . . . ☐ ✓ ☐

The district's unaudited actuals reports for 2022-23, 2023-24 and 2024-25 establish a pattern of deficit spending in the Adult Education Fund and Self-Insurance Fund. The 2025-26 Second Interim Report projects continued deficit spending and depletion of the fund balance in each fund, indicating that additional resources, potentially including transfers from the unrestricted General Fund, will be necessary to sustain operations in future years.

However, the General Fund multiyear projection included in the 2025-26 Second Interim Report did not contain any projected transfers to either fund. The only interfund transfer reflected in the projection was a $3 million annual transfer from the General Fund to the Deferred Maintenance Fund in 2025-26, 2026-27 and 2027-28. As a result, the multiyear projection may be understating costs in future years if additional interfund transfers are necessary.

As shown in Figure 3 on the following page, recurring deficit spending has reduced the Adult Education Fund ending balance from approximately $1.0 million in 2022-23 to a projected $27,000 at the end of 2025-26.

District's Historical and Projected Adult Education Fund Ending Balance and Deficit Spending, 2022-23 – 2025-26 Second Interim

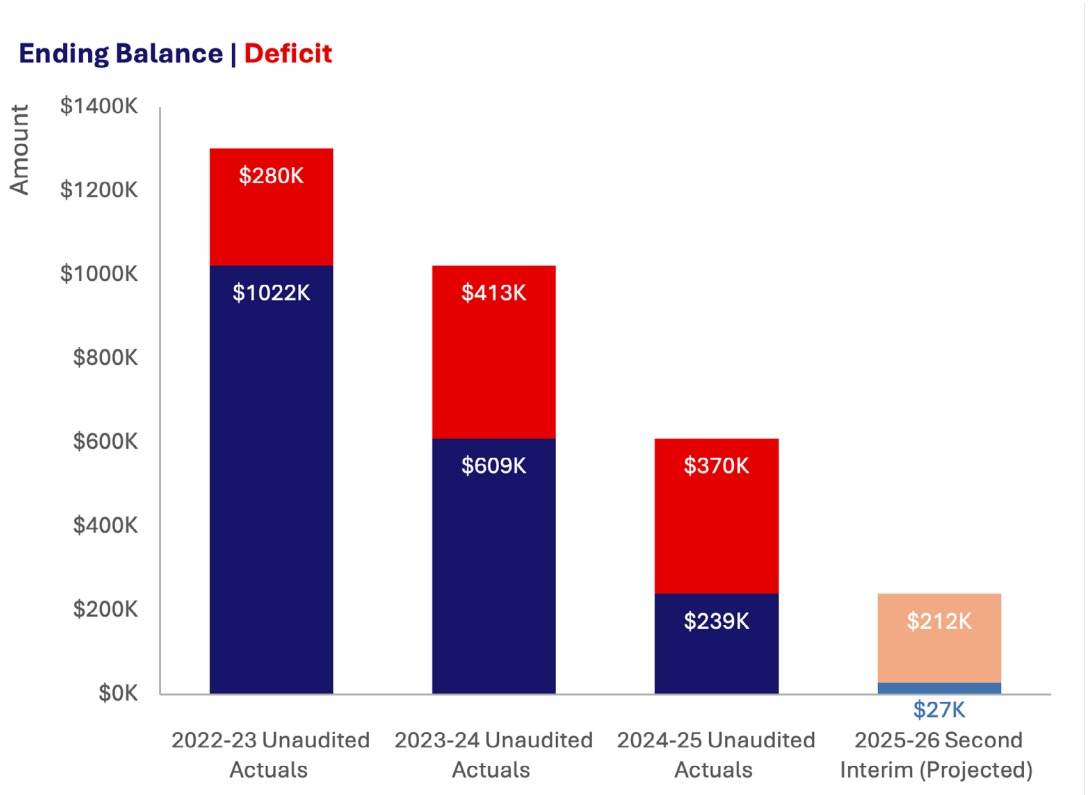

Figure 3. A bar graph showing the decline in the Adult Education Fund ending fund balance associated with recurring deficit spending from 2022-23 through the 2025-26 second interim reporting period.

Sources: Adapted from the district's unaudited actuals reports for 2022-23 through 2024-25 and 2025-26 Second Interim Report.

Figure 4 on the following page shows a similar pattern in the Self-Insurance Fund. Its ending fund balance declined from approximately $17 million in 2022-23 to $2 million in 2024-25, despite a $2 million transfer into the fund in 2024-25. The 2025-26 Second Interim Report projects further deficit spending and depletion of the remaining fund balance.

District's Historical and Projected Self-Insurance Fund Ending Balance, Deficit Spending, and Transfer In, 2022-23 – 2025-26 Second Interim

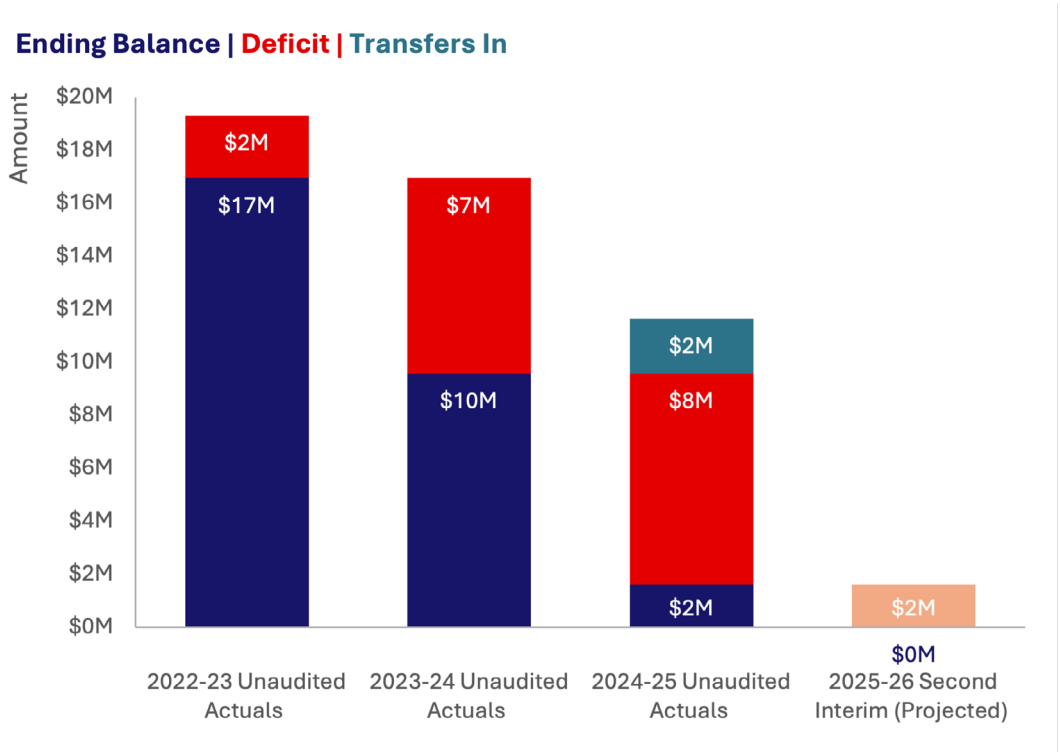

Figure 4. A bar graph showing the decline in the Self-Insurance fund ending fund balance associated with recurring deficit spending from 2022-23 through the 2025-26 Second Interim reporting period.

Sources: Adapted from the district's unaudited actuals reports for 2022-23 through 2024-25 and 2025-26 Second Interim Report.

Subsequent to the 2025-26 second interim reporting period, the district reported the following transfers out from the unrestricted General Fund:

- **2025-26 End-of-Year Projection (Third Interim) and Estimated Actuals:** The district projected transfers of $84,954 to the Adult Education Fund, $2,260,429 to the Self-Insurance Fund and $3 million to the Deferred Maintenance Fund.
- **2025-26 Unaudited Actuals:** The district reported actual transfers of $128,022 to the Adult Education Fund, $2,237,711 to the Self-Insurance Fund and $3 million to the Deferred Maintenance Fund.
- **2026-27 Adopted Budget:** The district projected no transfer to the Adult Education Fund, a $2,982,095 transfer to the Self-Insurance Fund and $1 million to the Deferred Maintenance Fund.

Figure 5 on the following page summarizes the district's projected and actual transfers from the General Fund to the Adult Education, Self-Insurance and Deferred Maintenance funds across these reporting periods.

District's Projected and Actual Transfers Out from the General Fund and Transfers In to Other Funds, 2025-26 Second Interim – 2026-27 Adopted Budget

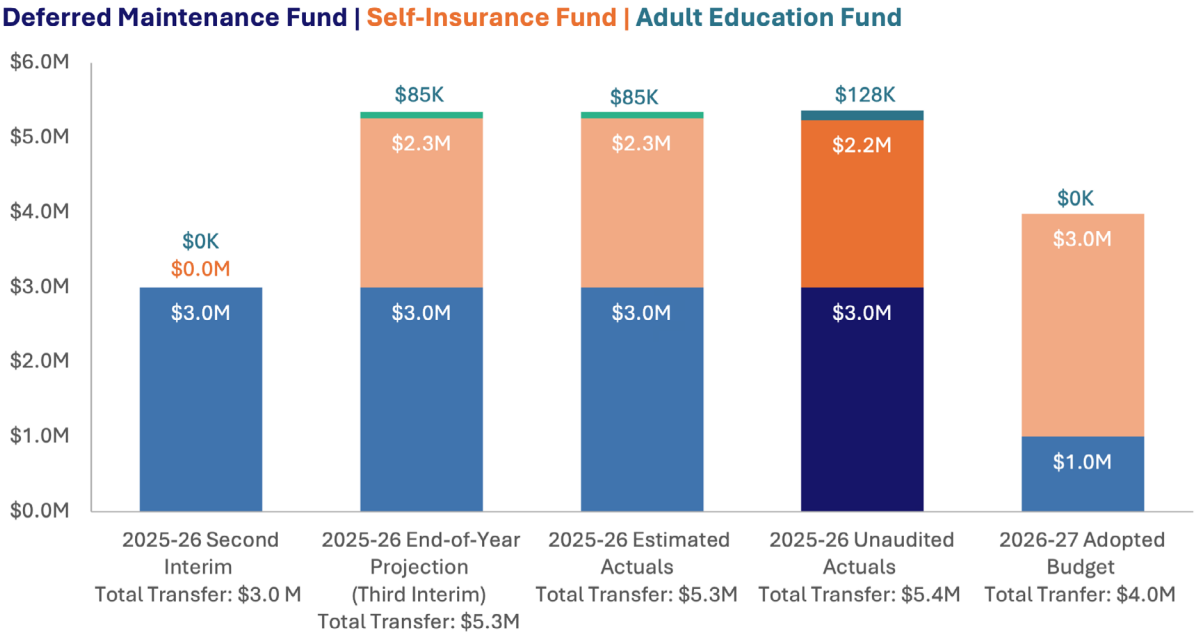

Figure 5. A bar graph showing the subsequent event change in transfers out of the General Fund to the Deferred Maintenance Fund, Self-Insurance Fund and Adult Education Fund from 2025-26 Second Interim through the 2025-26 Unaudited Actuals and 2026-27 Adopted Budget reporting period.

Sources: Adapted from the district's 2025-26 Second Interim Report, 2025-26 End-of-Year Projection Report, 2026-27 Adopted Budget Report and 2025-26 Unaudited Actuals Report.

7.3 If any contributions or transfers were required for restricted programs and/or other funds in either of the two prior fiscal years, and there is a need in the current year, did the district budget for them at reasonable levels? . . . . . ☐ ✓ ☐

As of the 2025-26 Second Interim Report, the district had not budgeted a transfer to the Self-Insurance Fund, despite having transferred $2,063,940 to the fund in 2024-25. The district's 2025-26 unaudited actuals, released after the second interim reporting period, reflected transfers of $2,237,711 to the Self-Insurance Fund and $128,022 to the Adult Education Fund.

However, the General Fund multiyear projection included in the 2025-26 Second Interim Report did not account for transfers to either fund. The only interfund transfer reflected in the projection was a $3 million annual transfer from the General Fund to the Deferred Maintenance Fund in 2025-26, 2026-27 and 2027-28. As a result, the multiyear projection may understate costs in future years if additional interfund transfers are necessary.

8. Deficit Spending (Unrestricted General Fund)

		Yes	No	N/A
8.1	**Is the district avoiding deficit spending in the current fiscal year?**	☐	✓	☐

The district's 2025-26 Second Interim Report projects $20.6 million in unrestricted General Fund deficit spending for the current year.

8.2	**Is the district projected to avoid deficit spending in both of the two subsequent fiscal years?**	☐	✓	☐

In the General Fund multiyear projection included in the 2025-26 Second Interim Report, the district projects increases in the unrestricted fund balance of $557,074 in 2026-27 and $323,436 in 2027-28. However, these projections rely on "Other Adjustments" reductions of $36 million and $56.7 million, respectively. The multiyear projection did not identify the specific budgetary actions associated with these adjustments. If these reductions are not achieved, the district will deficit spend in both subsequent fiscal years. Additionally, the concerns identified in items 7.2 and 7.3 may contribute to deficit spending in future years.

8.3	**If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency?**	☐	✓	☐

Over the years, the board has developed multiple fiscal recovery and stabilization plans, often introducing new plans before fully implementing existing ones. The frequency of these plans and subsequent revisions make it difficult to monitor progress and ensure accountability. As of the 2025-26 Second Interim Report, the district approved but had not implemented a board-approved fiscal solvency plan.

On December 10, 2025, the board adopted Scenario 3, which identified an estimated $103.21 million in expenditure reductions and revenue enhancements for implementation in 2025-26 and 2026-27. The former CBO left the district in mid-December, and in January 2026, the district contracted with HYA, a fiscal consultant, to "implement the deficit-reduction strategies in Scenario 3 or propose alternatives." On January 28, 2026, the district introduced a revised plan, the *Financial Stabilization Implementation Plan: Protecting Equity, Maintaining Local Control, and Prioritizing Students*, which reduced the identified solutions to $64.1 million across 2025-26 and 2026-27. Subsequent to the 2025-26 second interim reporting period, in June 2026, the board adopted Resolution No. 2526-0026, approving the *Financial Stabilization Implementation Plan Progress Update and Path Forward*.

8.4	**Has the district decreased deficit spending over the past two fiscal years and is there evidence of this in its unaudited actuals reports?**	☐	✓	☐

The district has not demonstrated a sustained reduction in unrestricted General Fund deficit spending over the past two fiscal years. As shown in Figure 6 on the following page, the district's unrestricted General Fund results have fluctuated significantly in recent years, from an increase in fund balance of approximately $30 million in 2022-23 and an essentially unchanged fund balance in 2023-24 to deficit spending of approximately $61 million in 2024-25. The 2025-26 Second Interim Report projects deficit spending of approximately $21 million, a reduction from the prior year.

District's Historical and Projected Unrestricted General Fund Deficit Spending, 2022-23 – 2025-26

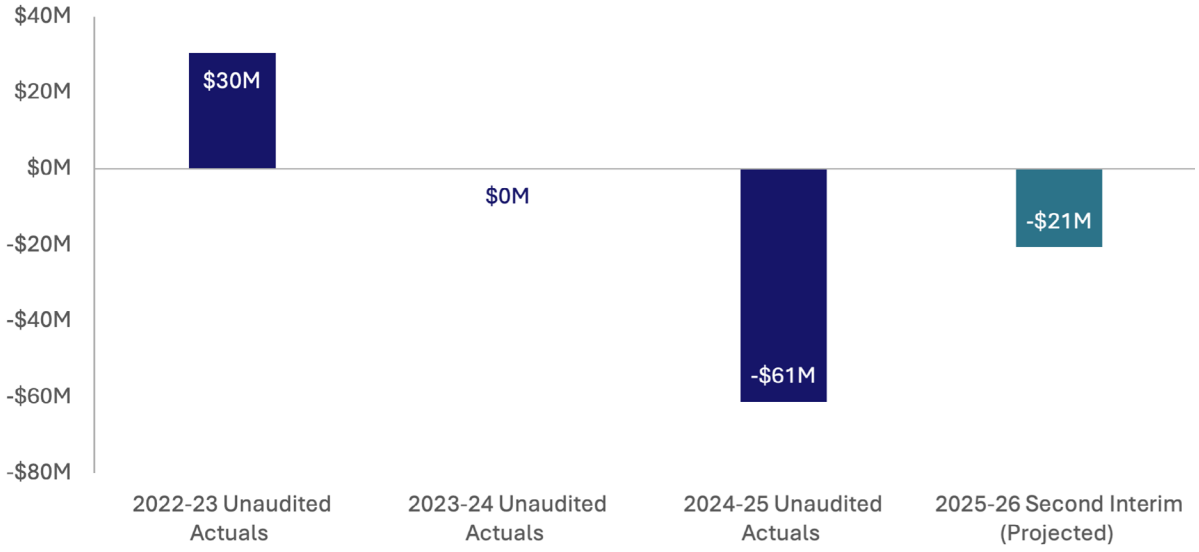

Figure 6. A bar graph showing the district's unrestricted General Fund results from 2022-23 through the 2025-26 Second Interim reporting period, reflecting a significant shift to deficit spending in 2024-25 and continued projected deficit spending in 2025-26.

Sources: Adapted from the district's unaudited actuals reports for 2022-23 through 2024-25 and 2025-26 Second Interim Report.

Subsequent financial reports issued after the 2025-26 Second Interim Report reflected higher unrestricted General Fund deficit spending:

- **2025-26 End-of-Year Projection (Third Interim) and Estimated Actuals:** The district projected unrestricted General Fund deficit spending of $23,546,935.
- **2025-26 Unaudited Actuals:** The district reported unrestricted General Fund deficit spending of $30,036,014.

9. Employee Benefits

		Yes	No	N/A
9.1	**Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board requirements to determine its unfunded liability for other post-employment benefits (OPEB)?**	☐	☐	✓
9.2	**Does the district have a plan to fund its OPEB liabilities for the current and two subsequent years such that the total of annual required service payments (whether legally or contractually required, or locally defined such as pay-as-you-go premiums, trust agreement obligations or a board adopted commitment) are no greater than 2% of the district's unrestricted general fund revenues?**	☐	☐	✓

9.3	**Within the last five years, has the district conducted a verification and determination of eligibility for benefits for all active and retired employees and dependents?**	☐	✓	☐

The district does not routinely reverify benefits eligibility for employees or their dependents after initial enrollment. Dependent eligibility is subsequently reviewed only when a dependent reaches age 26 and is no longer eligible for health care coverage. The district pays 100% of benefit costs for full-time employees and their eligible dependents.

9.4	**Does the district track, reconcile and report employees' compensated leave balances?**	✓	☐	☐
9.5	**Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances?**	✓	☐	☐

10. Enrollment and Attendance

		Yes	No	N/A
10.1	**Has the district's enrollment been increasing or remained stable for the current and two prior years?**	✓	☐	☐
10.2	**Does the district monitor and analyze enrollment and average daily attendance (ADA) data at least monthly through the second attendance reporting period (P-2)?**	✓	☐	☐
10.3	**Does the district track historical enrollment and ADA data to project future trends?**	✓	☐	☐
10.4	**Do schools maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the school and district levels?**	✓	☐	☐
10.5	**Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable factors?**	✓	☐	☐
10.6	**Has the district planned for enrollment losses to any charter schools?**	✓	☐	☐
10.7	**Do all applicable schools and departments review and verify their respective California Longitudinal Pupil Achievement Data System (CALPADS) data and correct it as needed before the report submission deadlines?**	✓	☐	☐
10.8	**Has the district certified its CALPADS data (most recent Fall 1, Fall 2, and end-of-year reports) by the required deadlines?**	☐	✓	☐

The district certified its 2024-25 End-of-Year Submission on August 10, 2025, after both the July 25 certification deadline and the August 8 amendment deadline.

10.9	**Does the district follow established board policy to limit outgoing interdistrict transfers and ensure that only students who meet the required qualifications are approved?**	✓	☐	☐
10.10	**Does the district adhere to the average TK-3 class enrollment limits at each school, the adult-to-student ratio for each TK class, and the credentialing requirements for teachers assigned to TK classes as defined in the Education Code?**	☐	✓	☐

According to Finding 2025-002 of the district's most recent independent audit, the district failed to comply with the transitional kindergarten class size and adult-to-pupil ratio requirements. Average transitional kindergarten class enrollment was 23.5 students, exceeding the maximum of 20 students, and the average adult-to-pupil ratio was 1:11.5, exceeding the maximum ratio of 1:10.

11. Facilities

		Yes	No	N/A
11.1	**If the district participates in the state's School Facility Program, has it made the required contribution to its Routine Restricted Maintenance Account?**	✓	☐	☐
11.2	**Does the district have sufficient and available resources to cover all contracted obligations for capital facilities projects?**	✓	☐	☐
11.3	**Does the district properly track and account for facility-related projects?**	✓	☐	☐
11.4	**Does the district use its facilities fully (districtwide) in accordance with the Office of Public School Construction's loading standards?**	☐	✓	☐

Current enrollment uses approximately 60% of the district's facility capacity identified in the 2026 Facilities Master Plan, based on classroom loading standards established by the Office of Public School Construction.

11.5	**Does the district include facility needs (maintenance, repair, and operating requirements) when adopting a budget?**	☐	✓	☐

The district's maintenance budget process is not supported by a comprehensive facilities maintenance plan and is driven by minimum compliance requirements rather than by a documented schedule informed by an assessment of facility and system needs.

11.6	**Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues?**	✓	☐	☐
11.7	**If the district passed a Proposition 39 general obligation bond, has it met the requirements for audit, reporting, and a citizens' bond oversight committee?**	✓	☐	☐
11.8	**Does the district have a board-approved long-range facilities master plan completed within the last five years that reflects its current and projected facility needs?**	✓	☐	☐

12. Fund Balance and Reserve for Economic Uncertainties

		Yes	No	N/A
12.1	**Is the district able to maintain the minimum reserve for economic uncertainties in the current year (including Fund 01 and Fund 17) as defined by the State Standards and Criteria for Fiscal Solvency?**	✓	☐	☐
12.2	**Is the district able to maintain the minimum reserve for economic uncertainties in the two subsequent years?**	☐	✓	☐

The district's 2025-26 Second Interim Report projects that it will meet the minimum reserve for economic uncertainties requirement in the two subsequent years. However, these projections depend on "Other Adjustments" reductions of $36 million in 2026-27 and $56.7 million in 2027-28. The multiyear projection did not identify the specific budgetary actions associated with these adjustments.

Subsequent to the 2025-26 Second Interim Report, the district's 2026-27 adopted budget projects that it will meet the minimum reserve requirement in 2026-27 and both subsequent fiscal years. However, the multiyear projection continues to rely on "Other Adjustments" reductions of $30 million in 2027-28 and $10 million in 2027-28. In addition, projected expenditures for books and supplies fluctuate significantly, from approximately $82,000 in 2026-27 to $47.5 million in 2027-28 and $12.3 million in 2028-29.

12.3 If the district is not able to maintain the minimum reserve for economic uncertainties, does the district's multiyear projection include a board-approved plan to restore the reserve? . . . . . ☐ ✓ ☐

As discussed previously, the adoption and revision of multiple plans make it difficult to track their financial effects in the multiyear projection. As of the 2025-26 Second Interim Report, the district's multiyear projection included $92.7 million in unrestricted "Other Adjustments" across the 2027-28 and 2028-29 fiscal years. The multiyear projection did not identify the specific budgetary actions associated with these adjustments.

On December 10, 2025, the board adopted Scenario 3, which identified an estimated $103.21 million in expenditure reductions and revenue enhancements to be implemented in 2025-26 and 2026-27. On January 28, 2026, the district introduced a revised plan, the *Financial Stabilization Implementation Plan: Protecting Equity, Maintaining Local Control, and Prioritizing Students*, which identified $64.1 million in one-time and ongoing solutions across 2025-26 and 2026-27. However, the detailed actions identified in these plans were not incorporated into the multiyear projection included in the 2025-26 Second Interim Report.

In the review letter for the district's 2025-26 Second Interim Report, the county superintendent expressed concern that major decisions were being implemented before sufficient analysis had been completed to reasonably determine their fiscal effects and incorporate those effects into the district's budget.

12.4 Is the district's projected unrestricted fund balance stable or increasing in the two subsequent fiscal years without unsubstantiated revenue increases or expenditure reductions? . . . . . ☐ ✓ ☐

If the district does not implement the expenditure reductions identified in item 12.2 or address the concerns identified in items 7.2 and 7.3, its unrestricted General Fund balance is projected to decline significantly and fall below the minimum reserve for economic uncertainties requirement in both subsequent fiscal years of the 2025-26 Second Interim Report. This condition persists in the 2026-27 adopted budget, which also relies on the expenditure reductions identified in item 12.2 to maintain the minimum reserve requirement in the subsequent fiscal years.

12.5 If the district has unfunded or contingent liabilities or one-time costs other than post-employment benefits, does the unrestricted general fund balance include sufficient assigned or committed reserves above the recommended reserve level to cover these costs? . . . . . ☐ ✓ ☐

The Criteria and Standards section of the district's 2025-26 Second Interim Report identifies contingent liabilities that may require contributions from the General Fund to the Self-Insurance Fund. Staff interviews indicated that these liabilities are related to current and future legal claims for which the fiscal impact is unknown. The district did not provide evidence demonstrating that unrestricted General Fund reserves have been assigned or committed to address these liabilities.

13. General Fund – Current Year

		Yes	No	N/A
13.1	**Does the district ensure that one-time revenues do not pay for ongoing expenditures?** . .	☐	✓	☐

Under current budgeting practices, the business office provides each school with site allocations for expenditures determined at the school level. These allocations may include one-time and carryover funding, which some schools use to increase staffing in the budget year.

In addition, the district has two active parcel taxes that provide funding for educator and other student support staff compensation for specified periods. Measure G1, passed by voters on November 8, 2016, has a 12-year term, and Measure H, passed on November 8, 2022, has a 14-year term.

		Yes	No	N/A
13.2	**Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the prior year statewide average?**	☐	✓	☐

The district's 2025-26 Second Interim Report indicates that salaries and benefits account for 88.4% of the unrestricted General Fund expenditures, exceeding the 2024-25 statewide average of 86.0% (Ed-Data).

Subsequent to the 2025-26 Second Interim Report, the district's 2025-26 estimated actuals projected salaries and benefits at 97.0%, while the 2025-26 unaudited actuals reported 95.4%.

Figure 7 on the following page compares the district's salaries and benefits as a percentage of unrestricted General Fund expenditures with the prior-year statewide average.

District Unrestricted General Fund Salaries and Benefits as a Percentage of Expenditures Compared with Prior-Year Statewide Average, 2022-23 – 2026-27

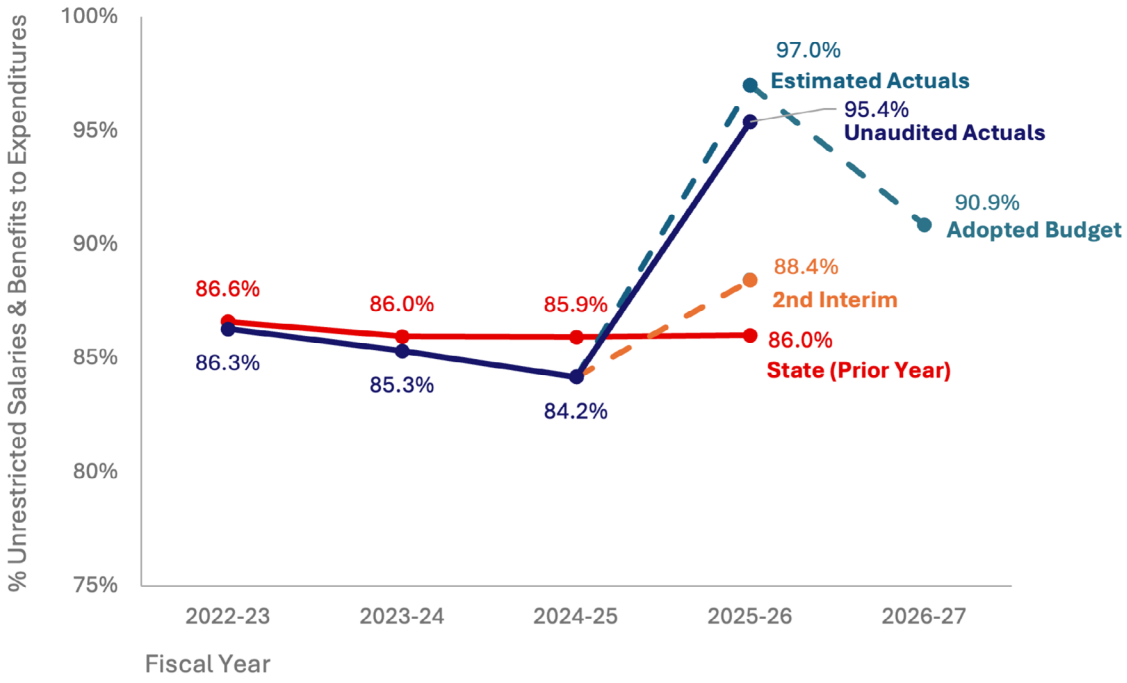

Figure 7. A line graph comparing the district's salaries and benefits as a percentage of unrestricted General Fund expenditures with the prior-year statewide average. The district's percentage was below the comparison statewide average from 2022-23 through 2024-25 but exceeded it beginning with the 2025-26 Second Interim projection.

Sources: Adapted from Ed-Data and the district's unaudited actuals reports for 2022-23 through 2025-26, 2025-26 Second Interim Report and 2026-27 Adopted Budget Report.

13.3 Is the percentage of the district's general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below that of the prior two years? . . . . . ☐ ✓ ☐

In the 2025-26 Second Interim Report, salaries and benefits accounted for 88.4% of the district's unrestricted General Fund expenditure budget, an increase from 85.3% in 2023-24 and 84.2% in 2024-25, as reported in the respective unaudited actuals. Subsequent to the 2025-26 Second Interim Report, this percentage increased further. The district's 2025-26 estimated actuals projected salaries and benefits at 97.0% of unrestricted General Fund expenditures, while the 2025-26 unaudited actuals reported 95.4%.

Figure 8 on the following page shows the significant increase in salaries and benefits as a percentage of unrestricted General Fund expenditures beginning in 2025-26.

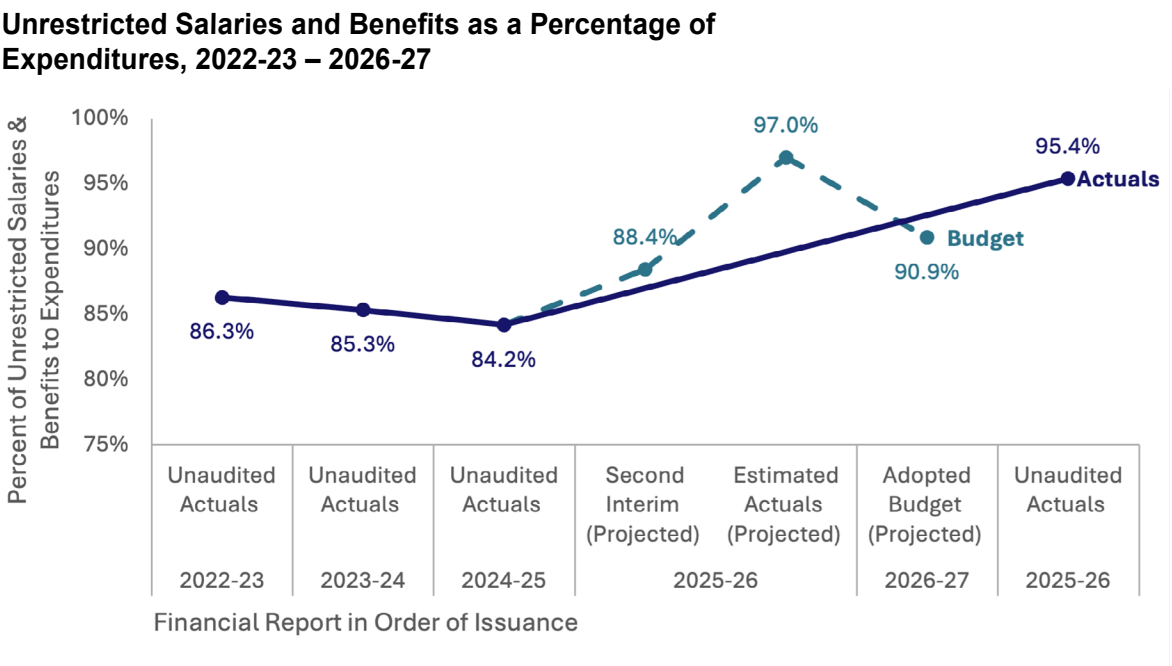

Figure 8. A line graph showing salaries and benefits as a percentage of unrestricted General Fund expenditures, which increased substantially beginning in 2025-26 and reached 95.4% in the 2025-26 unaudited actuals.

Sources: Adapted from the district's unaudited actuals reports for 2022-23 through 2025-26, 2025-26 Second Interim Report and 2026-27 Adopted Budget Report.

13.4	**If the district has received any uniform complaints or legal challenges regarding local use of supplemental and concentration grant funding in the current or prior two years, is the district addressing the complaint(s)?**	☐	☐	✓
13.5	**For positions supported with one-time or restricted funding, does the district either ensure that these funds are sufficient to pay for these staff or have a plan to pay for the positions with unrestricted funds?**	☐	✓	☐

When restricted or one-time funding is insufficient to support a position in a subsequent fiscal year, the business office works with school site administrators during the budget development process to identify other eligible restricted funding sources or reduce or eliminate the position. The district did not provide evidence demonstrating that its multiyear projections include unrestricted General Fund resources to support positions when one-time or restricted funding is no longer available or sufficient.

13.6	**Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time?**	✓	☐	☐
13.7	**Does the district account for all program costs, including the maximum allowable indirect costs, for each restricted resource and other funds?**	☐	✓	☐

The district does not consistently charge the maximum allowable indirect cost rate to applicable programs, which reduces the amount of program funding available to recover General Fund administrative costs. As shown in Table 3 on the following page, the district budgeted no indirect costs for six resources in the 2025-26 Second Interim Report, although allowable indirect cost rates ranged from 1.00% to the CDE-approved 2025-26 local educational agency rate of 3.46%.

Table 3. Resources with Budgeted Indirect Cost Rates Below Allowable Rates, 2025-26

Resource Code	Resource	Allowable Rate	Budgeted Rate
3345	Special Ed: IDEA Preschool Staff Development, Part B, Sec. 619	3.46%	0.00%
6054	Early Education: Universal Prekindergarten (UPK) Planning & Implementation Grant Program – Early Education Teacher Development Grant	3.46%	0.00%
6770	Arts and Music in Schools (AMS) – Funding Guarantee and Accountability Act (Proposition 28)	1.00%	0.00%
7311	Classified School Employee Professional Development Block Grant	3.46%	0.00%
8150	Ongoing & Major Maintenance: Restricted Maintenance Account (RMA)	3.46%	0.00%
8210	Student Activity Funds	3.46%	0.00%

Source: Adapted from the district's 2025-26 Second Interim Report.

		Yes	No	N/A
13.8	**Are all balance sheet accounts in the general ledger reconciled at least at each interim reporting period and at year-end close?**	☐	✓	☐

The district did not provide evidence demonstrating that all balance sheet accounts in the general ledger are reconciled at least at each interim reporting period and at year-end close. Although staff reported that the balance sheet accounts are reviewed at the interim reporting periods and year-end close, actual balance sheet activity reflected in the 2025-26 Second Interim SACS Cashflow Worksheet is not consistent with this practice.

14. Information Systems and Data Management

		Yes	No	N/A
14.1	**Does the district use an integrated financial and human resources system?**	✓	☐	☐
14.2	**Does the district use the system(s) to provide key financial and related data, including personnel information, to help the district make informed decisions?**	☐	✓	☐

The district's financial processes rely heavily on decisions made at the department and school levels, outside the business office. Administrators primarily use a locally developed one-pager budget tool to collect adopted budget information from schools and departments outside the financial system. Business office training focuses largely on use of this tool rather than on how sites and departments can access and use current budget information directly from the financial system.

14.3	**Has the district accurately identified students who are eligible for free or reduced-price meals, English learners, and foster youth, in accordance with the LCFF and its LCAP?**	✓	☐	☐
14.4	**Is the district using the same financial system as its COE?**	✓	☐	☐

14.5	**If the district is using a separate financial system from its COE, is there an automated interface that allows data to be sent and received by both the district's and COE's financial systems?**	☐	☐	✓
14.6	**If the district is using a separate financial system from its COE, has the district provided the COE with direct access so the COE can provide oversight, review and assistance?**	☐	☐	✓

15. Internal Controls and Fraud Prevention

		Yes	No	N/A
15.1	**Does the district have controls that limit access to its financial system and include multiple levels of authorization?**	✓	☐	☐
15.2	**Are the district's financial system's access and authorization controls reviewed and updated upon employment actions (e.g., resignations, terminations, promotions, or demotions) and at least annually?**	☐	✓	☐

Staff indicated that system access and authorization controls are updated in response to employment actions, such as employee terminations. However, FCMAT's review of current user accounts identified several individuals with access and/or authorization privileges whose names did not appear on the district's current organizational chart.

The district did not provide evidence demonstrating that it has a process to review system access and authorization controls at least annually.

15.3	**Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?:**			
	• **Accounts payable (AP).**	✓	☐	☐
	• **Accounts receivable (AR).**	✓	☐	☐
	• **Purchasing and contracts.**	✓	☐	☐
	• **Payroll.**	✓	☐	☐
	• **Human resources (i.e., duties related to position control and payroll processes).**	✓	☐	☐
15.4	**Are beginning balances for the new fiscal year posted and reconciled with the ending balances for each fund from the prior fiscal year?**	✓	☐	☐
15.5	**Does the district review and work to clear prior year accruals throughout the year?**	☐	✓	☐

The district did not provide documentation demonstrating that prior-year accruals are routinely reviewed and cleared throughout the year. Staff indicated that accruals are reviewed during the interim reporting periods; however actuals activity reported in the 2025-26 Second Interim SACS Cashflow Worksheet was not consistent with this practice.

15.6	**Has the district reconciled and closed the general ledger (books) within the time prescribed by the county superintendent of schools?**	✓	☐	☐

15.7 Does the district have processes and procedures to discourage and detect fraud? . . . . ☐ ✓ ☐

The district has adopted several board policies (BPs) that establish standards intended to promote an organizational culture that discourages fraud, including:

- BP 3400 Management of District Assets/Accounts.
- BP 3430 Investing.
- BP 9270 Conflict of Interest.
- BP 4119.21 Professional Standards.

Additional following board policies and administrative regulations (ARs) set direction, standards and authority for processes intended to prevent and detect fraud, including:

- BP 3460 Financial Reports and Accountability.
- BP 3400 Management of District Assets/Accounts.
- AR 3400 Management of District Assets/Accounts.
- BP 3462 Internal Audit.

Although these policies and regulations are publicly available on the district's website, staff interviews indicated limited awareness of their existence and could not demonstrate that the related processes and procedures had been consistently implemented or communicated. As a result, the district could not demonstrate that these policies and regulations are functioning as intended to discourage and detect fraud.

15.8 Does the district have a process for collecting reports of possible fraud (such as an anonymous fraud reporting hotline) and for following up on such reports? . . . . . ☐ ✓ ☐

The district does not have a clearly established process for reporting suspected fraud and ensuring appropriate follow-up. Although AR 3400, Management of District Assets/Accounts, establishes staff responsibilities and procedures for responding to suspected fraud, staff interviews indicated that employees were unaware of the regulation and their responsibilities under it.

15.9 Does the district have an internal audit process? . . . . . ☐ ✓ ☐

Board Policy 3462, Internal Audit, establishes an internal audit function to "provide an internal auditing activity as a means of supplying management and personnel at all levels with information to control the operations of which they are responsible." However, the district does not have an internal audit department or internal auditor as contemplated by the board policy.

16. Leadership and Stability

	Yes	No	N/A
16.1 Does the district have a chief business official who has been in this position with the district for more than two years?	☐	✓	☐

In 2025-26, the district's Adopted Budget and First Interim reports were prepared by the former CBO, who left the district in mid-December 2025 before preparation of the Second Interim Report. The chief fiscal officer subsequently prepared the Second Interim Report. In April 2026, the district appointed a deputy superintendent of business and operations, with the chief fiscal officer reporting to that position.

16.2	**Does the district have a superintendent who has been in this position with the district for more than two years?**	☐	✓	☐

The superintendent was appointed to serve on an interim basis for the 2025-26 school year in June 2025 and was appointed to the permanent position for the 2026-27 school year in May 2026.

16.3	**Does the superintendent schedule and hold meetings regularly with all members of their administrative cabinet?**	✓	☐	☐
16.4	**Is training on financial management and budget provided to school and department administrators who are responsible for budget management?**	☐	✓	☐

The Business Department provides training on the annual budget development process, including use of a one-pager budget tool for departments and school administrators. Training covers timelines, budget development expectations, and completion of required documents, with Business Department staff available to provide additional support as needed. However, many school and department administrators expressed a desire for additional training and support on the ESCAPE system, budget development and management practices, and strategies for maximizing restricted state and federal funding while ensuring appropriate use and compliance with program requirements.

16.5	**Does the governing board adopt and revise policies and administrative regulations annually?.**	✓	☐	☐
16.6	**Are newly adopted or revised policies and administrative regulations implemented, communicated, and available to staff?.**	✓	☐	☐
16.7	**Do all board members attend training on the budget and governance at least every two years?**	☐	✓	☐

Interviews indicated that board members are encouraged, but not required by board policy, to attend budget and governance training. Consequently, not all board members attend such training at least once every two years.

16.8	**Is the superintendent's evaluation performed according to the terms of the contract?**	☐	☐	✓
16.9	**Is the district avoiding relying on consultants to prepare financial reports (e.g. SACS) or other primary fiscal activities?**	✓	☐	☐

17. Multiyear Projections

		Yes	No	N/A
17.1	**Has the district developed multiyear projections that include detailed assumptions aligned with industry standards?**	☐	✓	☐

The district's 2025-26 Second Interim Report and board presentation lacked detail on the assumptions used to prepare the report beyond noting updated COLA amounts. Additionally, the multiyear projections rely on "Other Adjustments" reductions of $36.0 million in 2026-27 and $56.7 million in 2027-28 to balance the budget in the out years. The multiyear projection did not identify the specific budgetary actions associated with these adjustments. Although the district has discussed budget-balancing actions in separate board presentations, the projections do not identify how the fiscal effects of those actions will be reflected in specific budget categories.

17.2	**To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation that includes multiyear considerations?**	✓	☐	☐

17.3	**Does the district use its most current multiyear projection when making financial decisions?**	☐	✓	☐

Although the district prepares and updates multiyear projections, it has not used them effectively to guide recent financial decisions. As of the 2025-26 Second Interim Report, the multiyear projections showed a structural deficit in the unrestricted General Fund. Despite this, the district approved additional ongoing obligations, including employee compensation increases in 2026, without implementing measures to address the deficit. These actions indicate that the district disregarded its own projections and took action that worsened its fiscal condition.

Additionally, the Alameda County Superintendent of Schools has noted for several years that the district needs to address its structural deficit. The district routinely presents a budget that meets the statutory reserve for economic uncertainties requirement only through "Other Adjustments" reductions (see item 17.4) and has a pattern of initiating, modifying and discontinuing major planning efforts that undermine its long-term fiscal stability. The multiyear projection did not identify the specific budgetary actions associated with these adjustments.

17.4	**If the district uses a broad adjustment category in its multiyear projection (such as line B10, B1d, B2d Other Adjustments, in the SACS Form MYP/MYPI), is there a detailed list of what is included in the adjustment amount and are the adjustments reasonable?**	☐	✓	☐

The district included negative adjustments of $36.0 million in 2026-27 and $56.7 million in 2027-28 without supporting budget analysis detail.

18. Non-Voter-Approved Debt and Risk Management

		Yes	No	N/A
18.1	**Are the sources of repayment for non-voter-approved debt {such as certificates of participation (COPs), bridge financing, bond anticipation notes (BANS), revenue anticipation notes (RANS) and others} stable, predictable, and other than the unrestricted general fund?**	☐	☐	✓
18.2	**If the district has issued non-voter-approved debt, has its credit rating remained stable or improved during the current and two prior fiscal years?**	☐	☐	✓
18.3	**If the district is self-insured, has it completed an actuarial valuation as required and does it have a plan to pay for any unfunded liabilities?**	☐	✓	☐

The district is self-insured for dental, workers' compensation, and property and general liability. It maintains self-insured retentions of $500,000 per workers' compensation claim and $250,000 per property and general liability claim, with excess coverage provided by its insurance carriers.

Fund 67, Self-Insurance Fund, pays dental claims and insurance premiums for workers' compensation and general liability claims within the retention levels. Recurring deficit spending required a $2.06 million transfer from the unrestricted General Fund in the prior fiscal year, raising concerns about the fund's ability to support its ongoing costs and adequately fund existing and future liabilities.

18.4	**If the district has non-voter-approved debt (such as COPs, bridge financing, BANS, RANS and others), is the total of annual debt service payments no greater than 2% of the district's unrestricted general fund revenues?**	☐	☐	✓

19. Position Control

		Yes	No	N/A
19.1	**Does the district account for all positions and costs (including substitutes, overtime, stipends, and employer-paid benefits) in position control?**	☐	✓	☐
	The district accounts for all regular positions through position control but does not include daily substitute or overtime costs.			
19.2	**Does the district analyze and adjust staffing based on staffing ratios and enrollment?**	✓	☐	☐
19.3	**Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim financial reporting periods?**	✓	☐	☐
19.4	**Does the district identify a budget source for each new position before the position is authorized by the governing board?**	☐	✓	☐
	When the existing budget can support a new position, a specific funding source is not identified or presented to the board for approval.			
19.5	**Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted?**	☐	✓	☐
	Staff interviews indicated that new positions may be posted without prior board approval when sufficient budget authority exists. In these cases, the board subsequently ratifies the positions through the personnel report on the consent agenda. When sufficient budget authority is not available, board approval is required before the position is established and posted.			
19.6	**Do managers and staff responsible for the district's human resources, payroll and budget functions meet at least monthly to discuss issues and improve processes?**	✓	☐	☐

20. Special Education

		Yes	No	N/A
20.1	**For special education classrooms and support services, does the district use staffing ratios that align with statutory requirements and industry standards, and are students' support needs also considered? If so, are those needs documented and evaluated at each budget cycle?**	✓	☐	☐
20.2	**Does the district access all available funding sources for costs related to special education (e.g., state excess cost pool, legal fees, mental health)?**	✓	☐	☐
20.3	**Does the district use appropriate tools to help it make informed decisions about whether to add services (e.g., special circumstance instructional assistance process and form, transportation decision tree)?**	✓	☐	☐
20.4	**Does the district budget and account correctly for all costs related to special education (e.g., transportation, due process hearings, indirect costs, nonpublic schools and/or nonpublic agencies)?**	☐	✓	☐
	As of the 2025-26 Second Interim Report, the current-year unrestricted General Fund contribution to Special Education Resource 6500 was budgeted at approximately $7.3 million below the prior-year actual of $127.9 million, despite a historical trend of increasing contributions. This raises concerns that the budget may be insufficient			

and may understate anticipated expenditures. Staff interviews also indicated that nonpublic school and nonpublic agency costs are typically underbudgeted and realized at the end of the fiscal year.

20.5	**Does the district monitor contributions from the unrestricted general fund and adjust to trends in the special education program?**	☐	✓	☐

The district did not provide documentation or analysis demonstrating that it monitors contributions and adjusts them in response to trends in the special education program.

20.6	**Is the district's rate of identification of students as eligible for special education at or below the countywide and statewide average rates?**	☐	✓	☐

The district identifies 18.1% of its students as eligible for special education, compared with 13.5% countywide and 14.8% statewide (DataQuest).

20.7	**Does the district analyze whether it will meet the maintenance of effort requirement at each interim financial reporting period?**	✓	☐	☐

Risk Score, 20 numbered sections only:	**47.7%**

Key to Risk Score from 20 numbered sections only:

High Risk: 40% or more

Moderate Risk: 25-39.9%

Low Risk: 24.9% and lower

District Fiscal Solvency Risk Level, all FHRA factors:	**High**

(The existence of any condition from the "Budget and Fiscal Status" section, and/or a material weakness, will supersede the score above because it elevates the district's risk level.)

Appendices

Appendix A — General Fund Budget and Unaudited Actuals Comparison

Appendix B — Study Agreement

Appendix A — General Fund Budget and Unaudited Actuals Comparison

The following tables provide a comparative summary of the district's 2025-26 General Fund financial information through unaudited actuals, as well as the 2026-27 adopted budget. The data is adapted from the following district reports:

- **2025-26 Adopted Budget Report**, approved by the board on June 25, 2025.
- **2025-26 First Interim Report**, based on information as of October 31, 2025, and approved by the board on December 10, 2025.
- **2025-26 Second Interim Report**, based on information as of January 31, 2026, and approved by the board on March 11, 2026.
- **2025-26 End-of-Year Projection Report**, commonly referred to as the Third Interim Report, based on information as of April 30, 2026, and approved by the board on May 27, 2026.
- **2025-26 Estimated Actuals and 2026-27 Adopted Budget Report**, approved by the board on June 24, 2026.
- **2025-26 Unaudited Actuals Report**, approved by the board on September 9, 2026.

The reports are presented in two groups, those within scope of this FHRA and those issued subsequent to the study period. The 2025-26 Second Interim Report serves as the basis for the FHRA. Percentage changes between reporting periods are provided to show fluctuations in the district's financial position throughout the year.

Some fluctuations are expected as part of the normal budget update cycle. For example, revenues and staffing costs are commonly updated at the first interim reporting period after prior-year carryover has been determined, state and federal grants have been awarded, and actual staffing and enrollment information is available following the start of the school year. However, significant changes between later reporting periods, such as estimated actuals and unaudited actuals, may indicate opportunities to improve local budgeting practices and forecasting practices. Similarly, significant variances between unaudited actuals and the subsequent year's adopted budget should be supported by identifiable actions or changes in assumptions. Significant unexplained variances between reporting periods reduce the reliability of financial projections and complicate the board's ability to make informed, sound financial decisions.

Table A-1. Comparative Summary of 2025-26 General Fund Reported Budget Activity through Second Interim Report

Description	Object Code	(A) 2025-26 Adopted Budget	(B) % Change Col A & C	(C) 2025-26 First Interim	(D) % Change Col C & E	(E) 2025-26 Second Interim
A. REVENUES						
1) LCFF Sources	8010-8099	495,800,305.00	0.45%	498,018,041.00	-1.17%	492,180,923.00
2) Federal Revenue	8100-8299	63,713,670.45	18.59%	75,559,657.09	0.67%	76,063,557.33
3) Other State Revenue	8300-8599	161,457,695.12	14.95%	185,591,463.07	0.77%	187,027,439.67
4) Other Local Revenue	8600-8799	85,563,732.48	7.68%	92,137,753.51	14.08%	105,106,867.69
5) TOTAL, REVENUES		**806,535,403.05**	**5.55%**	**851,306,914.67**	**1.07%**	**860,378,787.69**
B. EXPENDITURES						
1) Certificated Salaries	1000-1999	271,908,325.97	4.19%	283,307,177.26	-1.03%	280,401,468.08
2) Classified Salaries	2000-2999	139,746,905.31	5.58%	147,547,497.26	0.24%	147,904,701.57
3) Employee Benefits	3000-3999	240,467,459.33	2.09%	245,492,228.35	-1.45%	241,936,073.98
4) Books and Supplies	4000-4999	57,648,281.40	23.86%	71,401,252.36	-10.69%	63,768,576.05
5) Services and Other Operating Expenditures	5000-5999	200,744,881.84	6.92%	214,641,019.92	-0.17%	214,283,981.50
6) Capital Outlay	6000-6999	2,057,877.68	461.30%	11,550,857.98	-8.91%	10,521,677.54
7) Other Outgo (excluding Transfers of Indirect Costs)	7100-7299 7400-7499	5,937,683.21	12.49%	6,679,289.61	0.76%	6,730,014.49
8) Other Outgo - Transfers of Indirect Costs	7300-7399	-2,104,928.28	21.64%	-2,560,347.17	0.76%	-2,579,830.26
9) TOTAL, EXPENDITURES		**916,406,486.46**	**6.73%**	**978,058,975.57**	**-1.54%**	**962,966,662.95**
C. EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)		**-109,871,083.41**	**15.36%**	**-126,752,060.90**	**-19.06%**	**-102,587,875.26**
D. OTHER FINANCING SOURCES/USES						
1) Interfund Transfers						
a) Transfers In	8900-8929	-	-	-	-	-
b) Transfers Out	7600-7629	3,000,000.00	0.00%	3,000,000.00	0.00%	3,000,000.00
2) Other Sources/Uses						
a) Sources	8930-8979	15,000.00	0.00%	15,000.00	0.00%	15,000.00
b) Uses	7630-7699	-	-	-	-	-
3) Contributions						
a) Unrestricted Resources	8980-8999	-100,485,615.57	-0.53%	-99,952,013.57	14.34%	-114,288,915.31
b) Restricted Resources	8980-8999	100,485,615.57	-0.53%	99,952,013.57	14.34%	114,288,915.31
4) TOTAL, OTHER FINANCING SOURCES/USES		**-2,985,000.00**	**0.00%**	**-2,985,000.00**	**0.00%**	**-2,985,000.00**
E. NET INCREASE/DECREASE IN FUND BALANCE (C + D4)		**-112,856,083.41**	**14.96%**	**-129,737,060.90**	**-18.63%**	**-105,572,875.26**

Table A-2. Comparative Summary of 2025-26 and 2026-27 General Fund Reported Budget Activity subsequent to 2025-26 Second Interim Report

Description	Object Code	(E) 2025-26 Second Interim	(F) % Change Col E & G	(G) 2025-26 End of Year Projection (Third Interim)	(H) % Change Col G & I	(I) 2025-26 Estimated Actuals	(J) % Difference Col I & K	(K) 2025-26 Unaudited Actuals	(L) 2026-27 Adopted Budget
A. REVENUES									
1) LCFF Sources	8010-8099	492,180,923.00	-0.17%	491,330,444.00	0.00%	491,330,444.00	0.80%	495,283,853.58	504,582,961.00
2) Federal Revenue	8100-8299	76,063,557.33	2.00%	77,582,600.02	0.00%	77,582,600.02	-31.49%	53,148,083.18	62,446,145.75
3) Other State Revenue	8300-8599	187,027,439.67	1.20%	189,269,702.85	0.00%	189,269,702.85	-5.39%	179,063,444.82	189,179,639.35
4) Other Local Revenue	8600-8799	105,106,867.69	6.05%	111,467,362.27	0.00%	111,467,362.27	-0.38%	111,039,807.32	93,080,165.24
5) TOTAL, REVENUES		**860,378,787.69**	**1.08%**	**869,650,109.14**	**0.00%**	**869,650,109.14**	**-3.58%**	**838,535,188.90**	**849,288,911.34**
B. EXPENDITURES									
1) Certificated Salaries	1000-1999	280,401,468.08	6.27%	297,984,361.09	0.00%	297,984,361.09	-2.83%	289,558,313.78	282,785,277.32
2) Classified Salaries	2000-2999	147,904,701.57	3.58%	153,204,906.15	0.00%	153,204,906.15	1.60%	155,653,305.98	145,301,544.73
3) Employee Benefits	3000-3999	241,936,073.98	3.79%	251,103,633.85	0.00%	251,103,633.85	-2.00%	246,072,285.65	247,903,454.52
4) Books and Supplies	4000-4999	63,768,576.05	-34.33%	41,878,487.47	0.00%	41,878,487.47	-31.04%	28,880,644.89	27,596,807.72
5) Services and Other Operating Expenditures	5000-5999	214,283,981.50	0.42%	215,175,220.82	0.00%	215,175,220.82	-10.05%	193,553,080.92	175,325,258.24
6) Capital Outlay	6000-6999	10,521,677.54	-8.57%	9,619,836.23	0.00%	9,619,836.23	-24.77%	7,237,457.00	1,609,463.01
7) Other Outgo (excluding Transfers of Indirect Costs)	7100-7299 7400-7499	6,730,014.49	-0.31%	6,709,262.49	0.00%	6,709,262.49	-11.84%	5,915,074.64	5,935,801.00
8) Other Outgo - Transfers of Indirect Costs	7300-7399	-2,579,830.26	-8.86%	-2,351,313.20	0.00%	-2,351,313.20	-6.35%	-2,201,909.76	-4,490,609.65
9) TOTAL, EXPENDITURES		**962,966,662.95**	**1.08%**	**973,324,394.90**	**0.00%**	**973,324,394.90**	**-5.00%**	**924,668,253.10**	**881,966,996.89**
C. EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)		**-102,587,875.26**	**1.06%**	**-103,674,285.76**	**0.00%**	**-103,674,285.76**	**-16.92%**	**-86,133,064.20**	**-32,678,085.55**
D. OTHER FINANCING SOURCES/USES									
1) Interfund Transfers									
a) Transfers In	8900-8929	-	New	8,826,312.00	0.00%	8,826,312.00	-100.00%	-	-
b) Transfers Out	7600-7629	3,000,000.00	78.18%	5,345,383.86	0.00%	5,345,383.86	0.38%	5,365,732.96	3,982,095.00

Description	Object Code	(E) 2025-26 Second Interim	(F) % Change Col E & G	(G) 2025-26 End of Year Projection (Third Interim)	(H) % Change Col G & I	(I) 2025-26 Estimated Actuals	(J) % Difference Col I & K	(K) 2025-26 Unaudited Actuals	(L) 2026-27 Adopted Budget
2) Other Sources/Uses									
a) Sources	8930-8979	15,000.00	0.00%	15,000.00	0.00%	15,000.00	-55.20%	6,719.52	-
b) Uses	7630-7699	-	-	-	-	-	-	-	-
3) Contributions									
a) Unrestricted Resources	8980-8999	-114,288,915.31	21.77%	-139,169,375.18	0.00%	-139,169,375.18	0.68%	-140,119,535.95	-147,322,061.71
b) Restricted Resources	8980-8999	114,288,915.31	21.77%	139,169,375.18	0.00%	139,169,375.18	0.68%	140,119,535.95	147,322,061.71
4) TOTAL, OTHER FINANCING SOURCES/USES		**-2,985,000.00**	**-217.12%**	**3,495,928.14**	**0.00%**	**3,495,928.14**	**-253.29%**	**-5,359,013.44**	**-3,982,095.00**
E. NET INCREASE/DECREASE IN FUND BALANCE (C + D4)		**-105,572,875.26**	**-5.11%**	**-100,178,357.62**	**0.00%**	**-100,178,357.62**	**-8.67%**	**-91,492,077.64**	**-36,660,180.55**

Table A-3. Comparative Summary of 2025-26 General Fund Reported Fund Balance Activity through Second Interim Report

Description	Object Code	(A) 2025-26 Adopted Budget	(B) % Change Col A & C	(C) 2025-26 First Interim	(D) % Change Col C & E	(E) 2025-26 Second Interim
E. NET INCREASE/DECREASE IN FUND BALANCE (C + D4)		**-112,856,083.41**	**14.96%**	**-129,737,060.90**	**-18.63%**	**-105,572,875.26**
F. FUND BALANCE, RESERVES						
1) Beginning Fund Balance						
a) As of July 1 - Unaudited	9791	208,500,617.19	23.07%	256,605,498.59	0.00%	256,611,056.70
b) Audit Adjustments	9793	-	-	-	New	-2,674,631.07
c) As of July 1 - Audited (F1a + F1b)		208,500,617.19	23.07%	256,605,498.59	-1.04%	253,936,425.63
d) Other Restatements	9795	-	-	-	-	-
e) Adjusted Beginning Balance (F1c + F1d)		**208,500,617.19**	**23.07%**	**256,605,498.59**	**-1.04%**	**253,936,425.63**
Adjusted Unrestricted Beginning Balance		57,269,245.76	-2.49%	55,845,233.22	-4.79%	53,170,602.15
Adjusted Restricted Beginning Balance		151,231,371.43	32.75%	200,760,265.37	0.00%	200,765,823.48
2) Ending Balance, June 30 (E + F1e)		**95,644,533.78**	**32.65%**	**126,868,437.69**	**16.94%**	**148,363,550.37**
Unrestricted Ending Balance, June 30		26,675,204.24	-28.65%	19,033,045.16	71.21%	32,587,121.08
Restricted Ending Balance, June 30		68,969,329.54	56.35%	107,835,392.53	7.36%	115,776,429.29
Components of Ending Fund Balance						
a) Nonspendable						
Revolving Cash	9711	150,000.00	0.00%	150,000.00	0.00%	150,000.00
Stores	9712	-	-	-	-	-
Prepaid Items	9713	-	-	-	-	-
All Others	9719	-	-	-	-	-
b) Restricted	9740	68,969,329.54	56.35%	107,835,392.53	7.36%	115,776,429.29
c) Committed						
Stabilization Arrangements	9750	-	-	-	-	-
Other Commitments	9760	-	-	-	-	-
d) Assigned						
Other Assignments	9780	-	-	-	New	3,407,899.03
e) Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	26,196,022.40	-28.11%	18,832,823.11	53.87%	28,979,000.00
Unassigned/Unappropriated Amount	9790	329,181.84	-84.74%	50,222.05	0.00%	50,222.05

Table A-4. Comparative Summary of 2025-26 and 2026-27 General Fund Reported Fund Balance Activity subsequent to 2025-26 Second Interim Report

Description	Object Code	(E) 2025-26 Second Interim	(F) % Change Col E & G	(G) 2025-26 End of Year Projection (Third Interim)	(H) % Change Col G & I	(I) 2025-26 Estimated Actuals	(J) % Difference Col I & K	(K) 2025-26 Unaudited Actuals	(L) 2026-27 Adopted Budget
E. NET INCREASE/DECREASE I N FUND BALANCE (C + D4)		**-105,572,875.26**	**-5.11%**	**-100,178,357.62**	**0.00%**	**-100,178,357.62**	**-8.67%**	**-91,492,077.64**	**-36,660,180.55**
F. FUND BALANCE, RESERVES									
1) Beginning Fund Balance									
a) As of July 1 - Unaudited	9791	256,611,056.70	0.00%	256,611,056.70	0.00%	256,611,056.70	0.00%	256,611,056.70	153,758,068.01
b) Audit Adjustments	9793	-2,674,631.07	0.00%	-2,674,631.07	0.00%	-2,674,631.07	0.00%	-2,674,631.07	-
c) As of July 1 - Audited (F1a + F1b)		253,936,425.63	0.00%	253,936,425.63	0.00%	253,936,425.63	0.00%	253,936,425.63	153,758,068.01
d) Other Restatements	9795	-	-	-	-	-	New	7,694,176.59	-
e) Adjusted Beginning Balance (F1c + F1d)		**253,936,425.63**	**0.00%**	**253,936,425.63**	**0.00%**	**253,936,425.63**	**3.03%**	**261,630,602.22**	**153,758,068.01**
Adjusted Unrestricted Beginning Balance		53,170,602.15	0.00%	53,170,602.15	0.00%	53,170,602.15	17.30%	62,367,413.58	29,623,667.16
Adjusted Restricted Beginning Balance		200,765,823.48	0.00%	200,765,823.48	0.00%	200,765,823.48	-0.75%	199,263,188.64	124,134,400.85
2) Ending Balance, June 30 (E + F1e)		**148,363,550.37**	**3.64%**	**153,758,068.01**	**0.00%**	**153,758,068.01**	**10.65%**	**170,138,524.58**	**117,097,887.46**
Unrestricted Ending Balance, June 30		32,587,121.08	-9.09%	29,623,667.16	0.00%	29,623,667.16	9.14%	32,331,399.61	37,620,436.07
Restricted Ending Balance, June 30		115,776,429.29	7.22%	124,134,400.85	0.00%	124,134,400.85	11.01%	137,807,124.97	79,477,451.39
Components of Ending Fund Balance									
a) Nonspendable									
Revolving Cash	9711	150,000.00	-100.00%	-	New	147,228.18	1.88%	150,000.00	150,000.00
Stores	9712	-	-	-	-	-	-	-	-
Prepaid Items	9713	-	-	-	New	77,279.80	311.08%	317,681.73	-
All Others	9719	-	-	-	-	-	-	-	-
b) Restricted	9740	115,776,429.29	7.22%	124,134,400.85	0.00%	124,134,400.85	10.92%	137,689,106.51	79,477,451.39
c) Committed									

Description	Object Code	(E) 2025-26 Second Interim	(F) % Change Col E & G	(G) 2025-26 End of Year Projection (Third Interim)	(H) % Change Col G & I	(I) 2025-26 Estimated Actuals	(J) % Difference Col I & K	(K) 2025-26 Unaudited Actuals	(L) 2026-27 Adopted Budget
Stabilization Arrangements	9750	-	-	-	-	-	-	-	-
Other Commitments	9760	-	-	-	-	-	-	-	-
d) Assigned									
Other Assignments	9780	3,407,899.03	-97.02%	101,629.63	-100.00%	-	New	4,241,688.75	7,523,081.07
e) Unassigned/Unappropriated									
Reserve for Economic Uncertainties	9789	28,979,000.00	1.87%	29,522,037.53	-0.43%	29,396,387.36	-5.63%	27,740,047.59	29,947,355.00
Unassigned/Unappropriated Amount	9790	50,222.05	-100.00%	-	New	2,771.82	-100.00%	-	-

Appendix B — Study Agreement

FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
FOR TRIGGERED FISCAL HEALTH RISK ANALYSIS

This study agreement, hereinafter referred to as Agreement, is made and entered into by and between the Fiscal Crisis and Management Assistance Team, hereinafter referred to as the Team or FCMAT, and the Oakland Unified School District, hereinafter referred to as the Client; collectively, FCMAT and Client are hereinafter referred to as the Parties. This Agreement shall become effective from the date of execution hereof by FCMAT.

1. BASIS OF AGREEMENT

FCMAT provides a variety of services to local education agencies (LEAs) as authorized by Education Code (EC) 42127.8(d) and 84041. In accordance with state budget act provisions, FCMAT will study the Client's fiscal health because the county superintendent of schools designated the Client as a lack of going concern in accordance with EC 42127.6.

FCMAT will assign professionals to conduct the study. The professionals will include FCMAT staff and may include professionals from county offices of education, school districts, charter schools, community colleges, other public agencies or private contractors. All professionals assigned shall work under the direction of FCMAT. All work shall be performed in accordance with the terms and conditions of this Agreement.

FCMAT will notify the Client's county superintendent of schools of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

Prepare an analysis using the 20 factors in FCMAT's Fiscal Health Risk Analysis (FHRA) and identify the Client's specific risk rating for fiscal insolvency.

B. Services and Products to be Provided

1. Orientation Meeting
   The Team will conduct an orientation session at the Client's location to brief the Client's management and supervisory personnel on the Team's procedures and the purpose and schedule of the study. This orientation meeting is normally held at the beginning of fieldwork for the study.

2. Fieldwork
   The Team will conduct fieldwork at the Client's office and/or school site(s), or other locations as needed. Limited fieldwork may also be conducted remotely via telephone or videoconferencing services, in addition to the Public Safety Considerations outlined in Section 13 below.

V01092024

3. Exit Meeting
   The Team will hold an exit meeting at the conclusion of the fieldwork to inform the Client of the status of the study. The exit meeting will include a review of the scope of work; outstanding items, including documents, data and interviews not yet received or held; and the estimated timeline for a draft report. The meeting will not memorialize details regarding findings because the Team's conclusions may change after a complete analysis is finished. Exceptions to this will be findings of immediate health and safety concerns for students or staff, and other time-sensitive items that include the potential for risk or exposure to loss.

4. Exit Letter
   Approximately five business days after the exit meeting, the Team will issue an exit letter briefly memorializing the topics discussed in the exit meeting.

5. Draft Report
   An electronic copy of a preliminary draft report will be delivered to the Client's point of contact identified below for review and comment.

6. Final Report
   An electronic copy of the final report will be delivered to the Client's point of contact and to the Client's county superintendent of schools following completion of the study. FCMAT's work products are public and all final reports are published on the FCMAT website.

7. Board Presentation
   Presentations to the Client's board will be made depending on the Client's risk rating. If the risk rating is low, the board presentation is optional and will be considered at the request of the Client. If the risk rating is moderate or high, the Team will make a board presentation at the Client's first regularly scheduled board meeting following the issuance of the final report. If the Team is unable to present at the first regularly scheduled board meeting following the issuance of the final report, the Team will make a board presentation at a regularly scheduled board meeting that is mutually agreeable to the Parties.

3. PROJECT PERSONNEL

The personnel assigned to the study will be led by a FCMAT staff person (job lead) and will include at least one other professional. FCMAT will notify the Client of the assigned personnel when the fully executed copy of this Agreement is returned to the Client.

FCMAT will communicate to the Client any changes in assigned project personnel.

4. PROJECT COSTS

Pursuant to the state budget act, costs for the study will be covered by a specific state appropriation for this purpose. FCMAT will not charge the Client for any costs.

5. RESPONSIBILITIES OF THE CLIENT

A. Return current organizational chart(s) that show the Client's management and staffing structure with the signed copy of this Agreement. Organizational charts should be relevant to the scope of this Agreement.

B. Provide private office or conference room space for the Team's use during fieldwork.

C. Provide for a Client employee to upload all requested documents and data to FCMAT's online SharePoint repository per FCMAT's instructions. Provide FCMAT with the name and email of the person who will be responsible for collecting and uploading documents requested by FCMAT with the signed copy of this Agreement.

D. Provide documents and data requested on the Team's initial and supplementary document request list(s) by the date requested.

All documents and data provided shall be responsive to FCMAT's request, in quality condition, readable and in a usable form. With few exceptions, documents and data requested are public records and records maintained by LEAs in the routine course of doing business. Some data requested may require exporting LEA financial system reports to Microsoft Excel or another usable format agreed to by FCMAT.

All documents shall be provided to FCMAT in electronic format, labeled as instructed by FCMAT. Upon approval of this Agreement, access will be provided to FCMAT's online SharePoint repository, to which the Client will upload all requested documents and data.

E. Ensure appropriate senior-level staff are available for the orientation and exit meetings.

F. Facilitate access to requested board members, officers and staff for interviews.

G. Facilitate access to requested information and facilities to include, but not be limited to, files, sites, classrooms and operational areas for observation.

H. Review a draft of the report and return it to FCMAT by the date FCMAT requests with any comments regarding the accuracy of the report's data or the practicability of its recommendations. The Team will review this feedback in a timely manner and make any adjustments it deems necessary before issuing the final report.

I. Return the requested evaluation survey to FCMAT as described below.

6. PROJECT SCHEDULE

Time is of the essence. The Parties acknowledge that the goal of the scope and objectives of the study under this Agreement is to produce a timely and thorough report that adds value for the Client. This goal is especially important given that the Client has experienced an event described under Basis of Agreement that may indicate fiscal distress. To accomplish this goal, the Parties agree to communicate and mutually agree to honor established time commitments. These commitments include the Client providing requested documents, setting and keeping interview appointments and returning comments on the draft report consistent with the established project schedule.

The following project schedule milestones will be established by FCMAT upon receipt of a signed Agreement from the Client:

ACTION	TIMELINE
FCMAT provides Client with a draft Agreement.	Draft Agreements are usually provided within 20 business days of the Client's triggered event.
Client returns partially executed Agreement to FCMAT along with the applicable organizational chart and the name and email of the person who will be responsible for collecting and uploading documents requested by FCMAT.	Draft Agreements are valid for 30 business days.
FCMAT returns a fully executed Agreement to the Client and identifies the project schedule and the lead and other personnel assigned to the job.	Within five business days of the Client's return of the signed Agreement.
Client uploads initial requested documents and data to FCMAT's online SharePoint repository.	Within five business days of the Client's receipt of the FCMAT document and data request list.
Fieldwork	Mutually agreed upon; usually, to commence within five business days of FCMAT's receipt of requested documents and data.
Orientation meeting	First day of fieldwork
Exit meeting	Last day of fieldwork
Follow up fieldwork, if needed (e.g., rescheduled interview, additional interviews).	Mutually agreed upon; usually, within five business days of FCMAT's request.
Client uploads supplemental documents and data to FCMAT's online SharePoint repository.	Within two business days of the Client's receipt of FCMAT's supplemental document and data request(s).
Draft report submitted to the Client.	To be determined, usually, within four weeks of the conclusion of fieldwork and receipt of all documents and data requested.
Client comments on draft report	Within five business days of FCMAT providing a draft report to the Client.

The Client acknowledges that project schedule deadlines build upon and are contingent on each previous deadline. Missed deadline dates will affect future deadline dates and ultimately the timing of the final report. For example, if the Client does not provide requested documents and data by the specified date, the fieldwork may not be able to proceed as originally planned.

FCMAT acknowledges that the Client has an educational program to administer, is balancing many priorities, and in some cases may have records management difficulties, staffing capacity issues, staff on various types of leave, or other circumstances, all of which will affect the project schedule.

The Parties commit to regular communication and updates about the study schedule and work progress. FCMAT may modify the usual timelines as needed.

7. COMMENCEMENT, TERMINATION AND COMPLETION OF WORK

FCMAT will commence work as soon as it has assembled an available and appropriate study team, taking into consideration other jobs FCMAT has previously undertaken, assignments from the state, and higher priority assignments due to fiscal distress. The Team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the Client and any other related parties from which, in the Team's judgment, it must obtain information. Once the Team has completed its fieldwork, it will proceed to prepare a report. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a final report once fieldwork has been completed.

FCMAT may terminate this Agreement at any time if the Client fails to cooperate with the requested project schedule, provide requested documents and data and/or make staff available for interviews as requested by FCMAT. If FCMAT terminates the Agreement, FCMAT will issue a management letter in lieu of the final report explaining the reasons why FCMAT terminated the Agreement and reporting on any FHRA elements for which data was collected and a conclusion could be reached.

8. INDEPENDENT CONTRACTOR

FCMAT is an independent contractor and is not an employee or engaged in any manner with the Client. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the Client in any manner without prior express written authorization from an officer of the Client.

9. RECORDS

The Client understands and agrees that FCMAT is a state agency and all FCMAT reports are public records and are published on the FCMAT website. Supporting documents and data in FCMAT's possession may also be public records and will be made available in accordance with the provisions of the California Public Records Act.

FCMAT has a records retention policy and practice, and every effort will be made to maintain records related to this Agreement in accordance with this policy.

10. CONTACT WITH PUPILS

Pursuant to EC 45125.1, representatives of FCMAT will have limited contact with pupils. The Client shall take appropriate steps to comply with EC 45125.1.

11. INSURANCE

During the term of this Agreement, FCMAT shall maintain liability insurance of not less than $1 million unless otherwise agreed upon in writing by the Client, automobile liability insurance in the amount required by California state law, and workers' compensation as required by California state law. Upon the request of the Client and receipt of the signed Agreement, FCMAT shall provide certificates of insurance, with the Client named as additional insured, indicating applicable insurance coverages.

12. HOLD HARMLESS

FCMAT shall hold the Client, its board, officers, agents, and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of FCMAT's board, officers, agents and employees undertaken under this Agreement. Conversely, the Client shall hold FCMAT, its board, officers, agents, and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of the Client's board, officers, agents and employees undertaken under this Agreement.

13. PUBLIC SAFETY CONSIDERATIONS

Whether due to public health considerations, extreme weather conditions, road closures, other travel restrictions or interruptions, shelter-at-home orders, LEA closures or other related considerations, at FCMAT's sole discretion, the Scope of Work, Project Costs, Responsibilities of the Client, and Project Schedule (Sections 2, 4, 5 and 6 herein) and other provisions herein may be revised. Examples of such revisions may include, but not be limited to, the following:

A. Orientation and exit meetings, interviews and other information-gathering activities may be conducted remotely via telephone, videoconferencing, or other means. References to fieldwork shall be interpreted appropriately given the circumstances.

B. Activities performed remotely that are normally performed in the field shall be billed hourly as if performed in the field (excluding out-of-pocket costs that can otherwise be avoided).

C. The Client may be relieved of its duty to provide conference and other work area facilities for the Team.

14. FORCE MAJEURE

Neither party will be liable for any failure or delay in the performance of this Agreement due to causes beyond the reasonable control of the party, except for payment obligations by the Client.

15. EVALUATION

In the interest of continuous improvement, FCMAT will provide the Client with an evaluation survey at the conclusion of the services. FCMAT appreciates the Client's honest assessment of the Team's services and process. The Client shall return the evaluation survey within 10 business days of receipt.

16. CLIENT CONTACT PERSON

The Client's contact person designated below shall be the primary contact person for FCMAT to use in communicating with the Client on matters related to this Agreement. At any time when this Agreement or FCMAT's process requires that FCMAT send information, document request lists, draft report or final report, or when FCMAT makes other requests for the Client to act upon, this is the person whom FCMAT will contact. The Client may change the contact person upon written notice to FCMAT's job lead assigned to the study.

Name: Denise Saddler, Interim Superintendent

Telephone: (510) 879-8000

Email: denise.saddler@ousd.org and superintendent@ousd.org

17. SIGNATURES

Each individual executing this Agreement on behalf of a party hereto represents and warrants that he or she is duly authorized by all necessary and appropriate action to execute this Agreement on behalf of such party and does so with full legal authority.

For Client:

Digitally signed by Denise Saddler
Date: 2026.08.21 13:00:51 -07'00'

Denise Saddler, Interim Superintendent — Date
Oakland Unified School District

For FCMAT:

Michael H. Fine
Digitally signed by Michael H. Fine
Date: 2026.08.21 15:32:54 -07'00'

Michael H. Fine, — Date
Chief Executive Officer
Fiscal Crisis and Management Assistance Team