

**ANNUAL BUDGET REPORT:**  
July 1, 2008 Single Budget Adoption

This budget was developed using the state-adopted Criteria and Standards. It was filed and adopted subsequent to a public hearing by the governing board of the school district.  
(Pursuant to Education Code sections 33129 and 42127)

Budget available for inspection at:

Public Hearing:

Place: Santa Barbara School District

Date: June 24, 2008

Place: Santa Barbara School District

Date: June 24, 2008

Time: 7:00 p.m.

Adoption Date: June 24, 2008

Signed: \_\_\_\_\_

Clerk/Secretary of the Governing Board  
(Original signature required)

Contact person for additional information on the budget reports:

Name: Eric D. Smith

Telephone: (805) 963-4331

Title: Deputy Superintendent

E-mail: esmith@sbsdk12.org

**Criteria and Standards Review Summary**

The following summary is automatically completed based on data provided in the Criteria and Standards Review (Form 01CS). Criteria and standards that are "Not Met," and supplemental information and additional fiscal indicators that are "Yes," may indicate areas of potential concern for fiscal solvency purposes and should be carefully reviewed.

| CRITERIA AND STANDARDS |                          |                                                                                                                                                          | Met | Not Met |
|------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| 1                      | Average Daily Attendance | Budgeted (funded) ADA has not been overestimated by more than the standard for the prior fiscal year, or two or more of the previous three fiscal years. | X   |         |
| 2                      | Enrollment               | Enrollment has not been overestimated by more than the standard for the prior fiscal year, or two or more of the previous three fiscal years.            | X   |         |
| 3                      | ADA to Enrollment        | Projected second period (P-2) ADA to enrollment ratio is consistent with historical ratios for the budget and two subsequent fiscal years.               |     | X       |
| 4                      | Revenue Limit            | Projected change in revenue limit is within the standard for the budget and two subsequent fiscal years.                                                 | X   |         |

| <b>CRITERIA AND STANDARDS (continued)</b> |                                       |                                                                                                                                                                                                    | <b>Met</b> | <b>Not Met</b> |
|-------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|
| 5                                         | Salaries and Benefits                 | Projected ratios of total unrestricted salaries and benefits to total unrestricted general fund expenditures are consistent with historical ratios for the budget and two subsequent fiscal years. |            | X              |
| 6a                                        | Other Revenues                        | Projected operating revenues (e.g., federal, other state, and other local) are within the standard for the budget and two subsequent fiscal years.                                                 |            | X              |
| 6b                                        | Other Expenditures                    | Projected operating expenditures (e.g., books and supplies, and services and other operating) are within the standard for the budget and two subsequent fiscal years.                              |            | X              |
| 7a                                        | Deferred Maintenance                  | If applicable, required deferred maintenance facilities funding is included in the budget.                                                                                                         | X          |                |
| 7b                                        | Ongoing and Major Maintenance Account | If applicable, required contribution to the ongoing and major maintenance account (i.e., restricted maintenance account) is included in the budget.                                                | X          |                |
| 8                                         | Deficit Spending                      | Unrestricted deficit spending, if any, has not exceeded the standard for two or more of the last three fiscal years.                                                                               | X          |                |
| 9                                         | Fund Balance                          | Unrestricted general fund beginning balance has not been overestimated by more than the standard for two or more of the last three fiscal years.                                                   | X          |                |
| 10                                        | Reserves                              | Projected reserves (e.g., designated for economic uncertainties, unappropriated amounts) meet minimum requirements for the budget and two subsequent fiscal years.                                 | X          |                |

| <b>SUPPLEMENTAL INFORMATION</b> |                                                      |                                                                                                                                                                                                                      | <b>No</b> | <b>Yes</b> |
|---------------------------------|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|
| S1                              | Contingent Liabilities                               | Are there known or contingent liabilities (e.g., financial or program audits, litigation, state compliance reviews) that may impact the budget?                                                                      | X         |            |
| S2                              | Using One-time Revenues to Fund Ongoing Expenditures | Are there ongoing general fund expenditures in excess of one percent of the total general fund expenditures that are funded with one-time resources?                                                                 | X         |            |
| S3                              | Using Ongoing Revenues to Fund One-time Expenditures | Are there large non-recurring general fund expenditures that are funded with ongoing general fund revenues?                                                                                                          | X         |            |
| S4                              | Contingent Revenues                                  | Are any projected revenues for the budget or two subsequent fiscal years contingent on reauthorization by the local government, special legislation, or other definitive act (e.g., parcel tax, forest reserves)?    | X         |            |
| S5                              | Contributions                                        | Have contributions from unrestricted to restricted resources, or transfers to or from the general fund to cover operating deficits, changed by more than the standard for the budget or two subsequent fiscal years? |           | X          |
| S6                              | Long-term Commitments                                | Does the district have long-term (multiyear) commitments or debt agreements?                                                                                                                                         |           | X          |
|                                 |                                                      | <ul style="list-style-type: none"> <li>If yes, have annual payments for the budget or two subsequent fiscal years increased over prior year's (2007-08) annual payment?</li> </ul>                                   |           | X          |

| <b>SUPPLEMENTAL INFORMATION (continued)</b> |                                                |                                                                                        | <b>No</b> | <b>Yes</b> |
|---------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------|-----------|------------|
| S7a                                         | Postemployment Benefits<br>Other than Pensions | Does the district provide postemployment benefits other than pensions (OPEB)?          |           | X          |
|                                             |                                                | • If yes, are they lifetime benefits?                                                  | X         |            |
|                                             |                                                | • If yes, do benefits continue beyond age 65?                                          |           | X          |
|                                             |                                                | • If yes, are benefits funded by pay-as-you-go?                                        |           | X          |
| S7b                                         | Other Self-insurance Benefits                  | Does the district provide other self-insurance benefits (e.g., workers' compensation)? |           | X          |
| S8                                          | Status of Labor Agreements                     | Are salary and benefit negotiations still open for:                                    |           |            |
|                                             |                                                | • Certificated? (Section S8A, Line 1)                                                  | X         |            |
|                                             |                                                | • Classified? (Section S8B, Line 1)                                                    |           | X          |
|                                             |                                                | • Management/supervisor/confidential? (Section S8C, Line 1)                            | X         |            |

| <b>ADDITIONAL FISCAL INDICATORS</b> |                                                   |                                                                                                                                                                                                                                      | <b>No</b> | <b>Yes</b> |
|-------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|
| A1                                  | Negative Cash Flow                                | Do cash flow projections show that the district will end the budget year with a negative cash balance in the general fund?                                                                                                           | X         |            |
| A2                                  | Independent Position Control                      | Is personnel position control independent from the payroll system?                                                                                                                                                                   |           | X          |
| A3                                  | Declining Enrollment                              | Is enrollment decreasing in both the prior fiscal year and budget year?                                                                                                                                                              |           | X          |
| A4                                  | New Charter Schools Impacting District Enrollment | Are any new charter schools operating in district boundaries that are impacting the district's enrollment, either in the prior fiscal year or budget year?                                                                           | X         |            |
| A5                                  | Salary Increases Exceed COLA                      | Has the district entered into a bargaining agreement where any of the budget or subsequent fiscal years of the agreement would result in salary increases that are expected to exceed the projected state cost-of-living adjustment? | X         |            |
| A6                                  | Uncapped Health Benefits                          | Does the district provide uncapped health benefits for current or retired employees?                                                                                                                                                 | X         |            |
| A7                                  | Independent Financial System                      | Is the district's financial system independent from the county office system?                                                                                                                                                        |           | X          |
| A8                                  | Fiscal Distress Reports                           | Does the district have any reports that indicate fiscal distress? If yes, provide copies to the COE, pursuant to EC 42127.6(a).                                                                                                      | X         |            |
| A9                                  | Change of CBO or Superintendent                   | Have there been personnel changes in the superintendent or chief business official (CBO) positions within the last 12 months?                                                                                                        |           | X          |

**ANNUAL CERTIFICATION REGARDING SELF-INSURED WORKERS' COMPENSATION CLAIMS**

Pursuant to E.C. Section 42141, if a school district, either individually or as a member of a joint powers agency, is self-insured for workers' compensation claims, the superintendent of the school district annually shall provide information to the governing board of the school district regarding the estimated accrued but unfunded cost of those claims. The governing board annually shall certify to the county superintendent of schools the amount of money, if any, that it has decided to reserve in its budget for the cost of those claims.

To the County Superintendent of Schools:

(  ) Our district is self-insured for workers' compensation claims as defined in Education Code Section 42141(a):

|                                                       |               |
|-------------------------------------------------------|---------------|
| Total liabilities actuarially determined:             | \$ _____      |
| Less: Amount of total liabilities reserved in budget: | \$ _____      |
| Estimated accrued but unfunded liabilities:           | \$ _____ 0.00 |

(  ) This school district is self-insured for workers' compensation claims through a JPA, and offers the following information:  
SISC I - SELF-INSURED SCHOOLS OF CALIFORNIA

(  ) This school district is not self-insured for workers' compensation claims.

Signed \_\_\_\_\_  
Clerk/Secretary of the Governing Board  
(Original signature required)

Date of Meeting: Jun 24, 2008

For additional information on this certification, please contact:

Name: Eric D. Smith

Title: Deputy Superintendent

Telephone: (805) 963-4331

E-mail: \_\_\_\_\_