



SANTA BARBARA SCHOOL DISTRICTS FISCAL SOLVENCY PLAN

April 14, 2009

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Table of Contents

Introduction	3
Solvency plan components	6
Mid-year reductions fiscal year 2008-09	8
Cost reductions and revenue enhancements for fiscal year 2009-2010	9
Potential administrative and administrative support reductions	14
Potential program reductions	15
Additional analysis and long term health	19
Considered but would probably not yield cost savings	21
Exhibit A cost reductions and revenue enhancements fiscal year 2009-10 table	24
Exhibit B tier three flexibility estimates	26
Exhibit C property rentals (civic center fee schedule)	27

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INTRODUCTION

Twice each year, the Santa Barbara School Districts Board of Education is asked to certify interim financial reports regarding the districts' financial position and submit them to the Santa Barbara County Education Office for review and analysis. For each interim report, the districts must certify one of the following: **Positive**: that the districts can meet the current year and subsequent two-year obligations; **Qualified**: that the districts may not be able to meet the current year and subsequent two-year obligations; or **Negative**: that the districts cannot meet the current year and subsequent two-year obligations.

Multi-year financial projections are used to demonstrate whether the districts' interim reports will be certified positive, qualified or negative. These projections rest on a series of assumptions, including but not limited to, forecasted levels of state funding, forecasted increases in personnel expense, and assumptions regarding the future demographic composition of the districts. In the event that some of the assumptions do not materialize as expected, the multi-year financial projection could change as well.

On December 9, 2008, the board was presented with its First Interim Financial Report. At that time, the districts self certified the report as "positive", meaning that we were able to demonstrate that we could meet our current and subsequent two year fiscal obligations. Similarly, on March 10, 2009, the board was presented with the Second Interim Financial Report that was also certified positive. Yet perhaps more importantly, the Second Interim Financial Report reflected a combined unrestricted reserve of 7.61 percent making the districts' fiscal recovery ostensibly complete.

However, on the heels of our fiscal recovery, the Governor unveiled his proposed budget for fiscal year 2009-10. The Governor's budget identifies an unprecedented \$41.6 billion gap, inclusive of a \$2 billion reserve. Three quarters of the gap is attributed to the collapse in state revenues (about \$14.5 billion in the current year and \$16.3 billion projected for fiscal year 2009-10) with the remainder attributed to higher case load costs and general fund costs necessary to backfill lost property taxes due to the decline in the housing and credit markets.

This falloff in economic activity is also reflected in the employment market, which is expected to fall three straight years through 2010. Currently, California suffers from one of the highest unemployment rates in the nation at 8.4 percent; one year ago, the state's unemployment rate stood at 5.9 percent. Between 2007 and 2010, the state is projecting that the state will lose almost 380,000 jobs, a decline of 2.5 percent. Keep in mind that the state's population is expected to continue to grow even during the recession, which makes the competition for jobs even more fierce. As in prior economic downturns, one of the chief reasons for the shortfall in 2008-09 general fund revenues is the state's heavy reliance on the personal income tax and the steeply progressive nature of this tax. Personal income tax revenues are expected to fall short by \$8.9 billion in the current year. In California, because of the steeply progressive design of income tax rates, the highest one percent of income earners contributes almost one-half of the personal income tax. These taxpayers also derive a disproportionate share of their income from capital gains, and these gains are expected to plummet from \$127 billion statewide in 2007 to \$57 billion in 2008, resulting in a drop in capital gains tax revenues of \$6.3 billion.

In October, we reported that the state legislature had to attack the budget problem quickly and aggressively, making permanent improvements through major programmatic reductions and revenue increases. Finally, after months of political gridlock, a budget deal was brokered. While the cuts to K-12 education in the state's 17 month budget deal are not as traumatic as the cuts proposed in the Governor's January proposal, there remain severe cuts nonetheless. The details are as follows:

Current Year Cuts (2008-09) in State Education Budget

Total cuts to K-12 in the current year would be about \$2.3 billion, with the .68 percent Cost of Living Allowance (COLA) being repealed and a further cut to revenue limits of \$944 million (about \$160 per average daily attendance (ADA) or about \$2.2 million for our districts—far less than the \$4.3 million originally envisioned in the Governor's December budget proposal). In addition, there would be a separate \$944 million cut to certain categorical programs. Categorical programs are treated differently by being considered three separate ways:

- ***Those programs that will receive no cuts and are not subject to program flexibility:***
Included in this category are Economic Impact Aid, Child Development, QEIA, K-3 Class Size Reduction (K-3 CSR), Special Education, Home-to-School Transportation, Proposition 49 After School Programs, and Child Nutrition.
- ***Those programs that will be subject to a 15 percent cut, but are not subject to program flexibility:***
Included in this category are Adults in Correctional Facilities, Apprenticeship Programs, English Language Acquisition Program, Foster Youth, K-12 High Speed Network, Partnership Academies, State Testing, Ag Vocational Education, Charter School Facility Grants, and Multi-track Year Round Education.
- ***Those programs that are subject to a 15 percent cut and are subject to the program flexibility provisions:***
Everything not listed above is included in this category. This list of programs includes, but is not limited to, Adult Education, ROC/Ps, Instructional Materials, Supplemental Counseling, Professional Development, Deferred Maintenance, GATE, etc. If the program is not listed in the first two bullets, it is included in this provision.

Program Flexibility

Programs not explicitly excluded from the flexibility provisions (i.e. those listed in the first two bullets above) are subject to the Governor's flexibility proposal. This means that school districts will be able to use funds from these programs in any way. Program flexibility will begin immediately in the current year and continue through the 2012-13 fiscal year.

Also included in the flexibility provisions is the ability to tap into 2007-08 ending balances for use in the current year and 2009-10 (this does not include tapping into 2008-09 ending balances). School districts would also be able to reduce their contribution to routine restricted maintenance to one percent, and there would be no deferred maintenance match.

Budget Year Cuts (2009-10)

There will be no COLA provided in 2009-10 to revenue limits and categorical programs. Additionally, there will be \$265 million in cuts to the revenue limit (about \$45 per ADA or \$616,995 for our districts—versus the \$2,111,494 originally envisioned in the Governor’s December proposal) and another across-the-board cut to categorical programs of \$265 million. The cuts to categorical programs will be allocated in 2009-10 the same way as in the current year (see current year reference above) and will amount to an additional cut of about five percent. Additionally, the budget eliminates the High Priority Schools.

Revenue Limit Deficits

With the actions described above, the school district revenue limit deficit factor would be 7.844 percent in 2008-09 and 13.094 percent in 2009-10. For county office revenue limits, the deficit factor would be 7.839 percent in the current year and 13.360 percent in 2009-10.

Mandates

There is no provision proposed to change, repeal, or suspend any K-12 education mandates.

2007-08 Categorical Ending Balances

With some major exceptions, the state authorizes school districts to transfer categorical ending fund balances that accrued as of June 30, 2008, (2007-08 fiscal year) to any educational purpose. The exceptions to this transfer authority include the following programs:

- Special Education
- QEIA
- EIA
- Targeted Instructional Improvement Grants (TIIG)
- Instructional Materials
- California High School Exit Exam (CAHSEE)
- Supplemental Instruction
- Home-to-School Transportation

Reserve for Economic Uncertainties

The legislature rejected the Governor's proposal to reduce the minimum reserve requirement by one-half (from 3.0 percent to 1.5 percent for most districts). School districts will be required to maintain the statutory minimum reserve for the current and subsequent two fiscal years.

Recognizing that the state’s fiscal condition is expected to deteriorate before it gets better, staff has prepared the attached Fiscal Solvency Plan which lays the foundation for sustaining fiscal solvency on a multi-year basis.

SOLVENCY PLAN COMPONENTS

The plan is the best work to-date given the unknown factors from the Governor's January budget. The plan also represents our attempt to comprehensively address suggestions made for expenditure reductions and/or revenue enhancement from stakeholders. However, our analysis has been limited by the personnel resources necessary to examine every line item of every budget and by timelines imposed on the districts by external forces.

PLAN ASSUMPTIONS:

The cost savings identified in this document are based on the following assumptions:

- That the average total compensation (medical and statutory benefits) for classroom teachers is estimated to be, in FY 2009-10, \$85,000.
- Classified personnel total compensation (medical and statutory benefits) is calculated at the approximate actual cost of the identified position.
- Estimated cost savings have been rounded.
- Cost savings are identified as ongoing unless explicitly identified as one time.
- For the purposes of the plan, expenditure reductions and revenue enhancements are both construed as cost savings.
- Only the cost savings to the unrestricted general fund is quantified, even though some cost savings may accrue to the restricted general fund.
- Cost savings are identified by district. Cost savings that are not identified by district pertain to jointly funded and are assumed to be split seventy percent (70%) secondary and thirty percent (30%) elementary.
- The plan already presumes that there will be a reduction of approximately 11.5 and 11.0 certificated full time equivalents, respectively, to account for declining enrollment over the 2009-10 and 2010-10 fiscal years.
- Certain items contained in the plan are negotiable and will require the cooperation of our employee associations to implement. In the event the board approves these recommendations and we fail to negotiate their implementation, the board will need to adopt additional measures to reduce expenditure and/or enhance revenues equal to the dollar value of those items that could not be negotiated.
- Education Code Section 35110 enables the districts to report their financials combined. However, the Santa Barbara County Education Office requires that each district demonstrate that it meets the three percent (3%) recommended minimum reserve for economic uncertainties. As such, cost savings have been identified by the district.
- No Measure H or Measure I funds are being used to offset expenditure reductions. However, it is anticipated that these funds will be charged indirect cost as was originally contemplated in the development of the measure.
- Revenue limit and state categorical deficits are applied in accordance with the School Services of California Financial Dartboard.
- No federal stimulus money is contemplated in the plan.
- Restricted ending balances are anticipated to be swept from the restricted to the unrestricted ending balances where permissible.
- The transfer of tier three categorical funding sources from the restricted to the unrestricted side of the budget are identified in Exhibit B.

DIRECT AND INDIRECT SUPPORT COSTS

It is highly recommended that the board develop a consistent policy of charging to all restricted and unrestricted funds consistent rates for direct and indirect costs. Over the years the definitions of what is chargeable by state accounting requirements have not been consistently applied, and some funds or grants have even been exempted, including local donations. Consequently, through adoption of the plan, it is recommended that the following guidelines be adopted and charged to all funds permitted by law:

Direct Costs:

These are costs clearly identifiable by program service and relate to the delivery of the instructional program, i.e., principals, school secretaries, personnel in pupil support services, teacher salaries, textbooks, bus drivers, duplicating costs by program users.

Indirect Support:

Costs associated in this category are those remaining that cannot be easily identifiable by program user, or direct instructional support. As an example, the processing of paychecks, accounting services, personnel, data processing, purchasing, risk management, etc. The indirect rate varies each year depending on inflation, enrollment, and employee work force.

CASH MANAGEMENT

The state is currently experiencing a severe cash crisis. As a result, the state budget proposes that \$2.6 billion in K-12 apportionment and K-3 CSR cash payments be deferred from April 2009 until July 2009, thereby crossing fiscal years.

Symptomatic of organizations that experience continuing deficit spending is dwindling cash availability. An entity that continues to spend more than it receives depletes its cash resources. This is the circumstance for the State of California.

The state budget calls for the issuance of a Reimbursement Anticipation Warrant (RAW) in July 2009, which would allow a portion of the 2008-09 shortfall to be repaid in 2010-11. However, the current condition of the credit markets makes it impossible to issue a RAW today. Moreover, the state would have to have in place a balanced budget and a plausible plan for the repayment of the RAW for it to receive acceptance from Wall Street.

Currently both school districts receive the majority of the general purpose through the state revenue limit. Revenue limit funds are distributed on a somewhat monthly basis throughout the year. Property taxes are received from the citizens in December and April and then distributed to districts soon after that. Payrolls for most districts start in July and increase significantly in September when teachers return to the school. As a result, low cash periods occur in November, December, March and April, because property taxes have not been received. As of the First Interim Report, the districts are projected to start fiscal year 2008-09 with cash resources across all funds in the elementary district of \$13,168,385.78 and \$19,584,834.27 in the secondary district. However, given the reality of mid year cuts, the state's cash shortage and its implications for school funding, and the dismal outlook for fiscal year 2009-10, the districts have curtailed its spending to increase its cash position.

Low cash periods can be managed through cash-flow analysis and utilizing alternative cash resources. School districts in California have traditionally managed low or negative cash periods through short term financing (issuing Tax Revenue Anticipation Notes, which are known as TRANs) or borrowing from other funds within the districts. TRANs have been the alternative of choice in the past for the districts as well as most school districts throughout the state. This is because of the advantage of the spread between interest cost and interest earnings on the available dollars borrowed.

MID YEAR REDUCTIONS FISCAL YEAR 2008-09

CHARGE CLASSIFIED SALARIES TO FEDERAL PL 94-142 FUNDS

In order to maximize the allowable exclusions to the PERS reduction to the revenue limit, and in turn increase revenue limit funding, it is appropriate to budget the maximum amount of classified salaries against federal funds subject to supplanting restrictions (i.e. federal PL 94-142 funds). Although this practice is considered an industry standard, it has not been implemented previously in the districts.

Savings elementary: \$21,794	Savings secondary: \$21,688	Total: \$43,482
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SUSPEND DEFERRED MAINTENANCE CONTRIBUTION FOR FY 08-09

The state budget affords districts the latitude to suspend their contribution to the deferred maintenance on a two year basis. Because there is a significant amount of carryover in the elementary districts deferred maintenance fund, it is feasible to suspend the contribution to the deferred maintenance fund for the 2008-09 fiscal year. We do not anticipate, however, being able to suspend our contribution to the secondary district's deferred maintenance fund without seriously jeopardizing the ongoing maintenance of our capital facilities.

Savings elementary: \$195,202	Savings secondary: \$	Total: \$195,202
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COST REDUCTIONS AND REVENUE ENHANCEMENTS FISCAL YEAR 2009-2010

A. CHARGE CLASSIFIED SALARIES TO FEDERAL PL 94-142 FUNDS

In order to maximize the allowable exclusions to the PERS reduction to the revenue limit, and in turn increase revenue limit funding, it is appropriate to budget the maximum amount of classified salaries against federal funds subject to supplanting restrictions (i.e. federal PL 94-142 funds) Although this practice is considered an industry standard, it has not been implemented previously in the districts.

Savings elementary: \$21,794	Savings secondary: \$21,688	Total: \$43,482
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B. DISCONNECT UNNECESSARY LOCAL TELEPHONE LINES

After analysis of usage patterns and physical site surveys, staff determined that 26 local telephone lines could be terminated without adversely impacting operations. Annual cost savings will be \$4,995 in the secondary district and \$2,140 in the elementary district.

Staff will continue to perform usage and site audits and terminate lines as warranted.

Savings elementary: \$2,140	Savings secondary: \$4,995	Total: \$7,135
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C. CHARGE LOCAL DONATION ACCOUNTS INDIRECT COST RATE

Donations from private contributors are managed by the business office of the districts. The business office is responsible for the budgeting, accounting and disbursement of these proceeds. Board policy is to charge all restricted funds and accounts the state approved indirect cost rate to reimburse the districts for the cost of doing business. Indirect costs are charged to all state and federal programs, but not to local donation accounts. Because it takes as much effort to account for location donation accounts as it does for state and federal programs, it is appropriate to charge these funds an indirect cost rate.

Savings elementary: \$109,248	Savings secondary: \$63,549	Total: \$172,797
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D. INSTITUTE PARENT PAY TRANSPORTATION

The districts' currently offer home to school transportation for our elementary students. Information obtained from Student Transportation of America indicates that our elementary rider-ship is roughly 533. As of the First Interim Report, the home to school transportation program in the elementary district required a \$146,064 contribution from the unrestricted general fund.

In accordance with Education Code Section 39800, the governing board of any school district that provides home to school transportation may require all or some of the parents and guardians to pay a portion of the transportation costs. The governing board may establish the rate of the fee; however, in no instance shall the rate be greater than the statewide average non-subsidized cost of providing this transportation to a pupil on a publicly owned or operated transit system.

The current maximum allowable rates below are expressed on a "cost per passenger trip" basis:

Cost per passenger trip:	\$4.03
Daily round trip cost:	\$8.06

School districts have had varying success in the implementation of parent pay transportation programs. However, there are at least two important considerations when opting to implement a parent pay fee program. The first is that parent pay fees plus the districts state home to school transportation apportionment cannot exceed the districts approved home to school transportation expense on an annual basis. The second is estimating the amount of rider ship that will be exempt from the fees on the basis of indigence. Indigence is generally measured using free and reduced -price lunch program and/or proof of receipt of Temporary Assistance to Needy Families (TANF). Special education students are exempt from parent pay fees under federal law.

Given that 65 percent of the elementary district qualifies for free and reduced lunch, it is likely that this percentage would be applicable to home to school transportation ridership, and that a significant proportion of the rider ship’s parents would be exempt from fees.

If we assume that 65 percent of the 533 elementary students who ride the bus will be exempt from the fee, then we can project that 35 percent (or roughly 187 students) would be subject to parent pay fees. If we divide the amount of the current contribution from the unrestricted general fund to home to school transportation (i.e. \$146,064) by the 187 students, the amount of the fee would need to be \$783 per year per student per year.

Savings elementary: \$146,064	Savings secondary: \$	Total: \$146,064
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E. RECOGNIZE LICENSED CHILDREN’S INTITUTIONS (LCI) SPECIAL EDUCATION FUNDING (ONGOING)

Up through fiscal year 2003-04, under the AB 602 Special Education Funding model, the state reimbursed 100 percent of a non public school/agency’s tuition for serving students residing in LCI and foster homes. An unintended consequence of this model is that it provided an incentive to serve these students in their most restrictive environment. In 2004, the funding model was changed so that each Special Education Local Plan Area (SELPA) would receive funding for the number of beds in each group home, based on the home’s rate classification level. This change resulted in significant increases in funding for some SELPAs and significant decreases in funding to others. For fiscal year 2009-10, the districts are expected to receive the following ongoing funding amounts through our SELPA:

Savings elementary: \$88,502	Savings secondary: \$156,850	Total: \$245,352
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F. REDUCE WIRELESS TELEPHONE SERVICE (ONGOING)

The district currently has 206 wireless telephone users. The largest user groups are located at San Marcos High School and Dos Pueblos High School. It is recommended that 36 devices be eliminated at these sites, leaving each site with 10 devices, which should be a sufficient number to maintain critical communications. In the elementary district, it is recommended that six wireless devices with low levels of use be eliminated. The estimated annual cost savings of these reductions is \$10,400 in the secondary district, and \$2,600 in the elementary district.

Savings elementary: \$2,600	Savings secondary: \$10,400	Total: \$13,000
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G. PROPERTY RENTALS (Civic Center Act)

It is advantageous for the citizens of our community to use school district property to provide support and enjoyment to our students and citizens. However, when activities provided by these groups and organizations require financial support from the school system, then the instructional program is compromised. The board revised the districts' fee schedule in October of 2007, but the discovery that our rental agreements and leases are far below market value requires further study and modification. A new fee schedule reflecting a 10 percent increase and 20 percent increase for direct fee for the use of pools is attached as Exhibit C.

Savings elementary: \$3,438	Savings secondary: \$33,896	Total: \$37,334
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H. CONTINUE LEASE OF ORTEGA STREET CAMPUS

Last year, the board adopted fiscal recovery plan charged staff to examine the lease of real property located at 720 Santa Barbara Street. Subsequent to the plan's adoption, Antioch University approached us regarding a temporary lease of 4,235 square feet on the ground floor of the former site of the Santa Barbara Community Academy. Representatives from Antioch University and the districts met several times in order to craft the framework for a proposed lease agreement. Under the terms of the agreement, Antioch leased 4,235 square feet of the ground floor at a rate of \$1.65 per square foot per month. The term of the original lease was nine months. It is now in our best interest to memorialize this lease on an ongoing and twelve month basis.

Savings elementary: \$	Savings secondary: \$85,635	Total: \$85,635
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I. HAVE PUBLIC PAY FOR SPORTS EVENT PARKING

By calculating the approximate annual cost of facilities repairs to school parking lots, driveways, and gates, we can charge for parking during large sporting events, such as football, basketball and soccer, in which the community participates. Although we recognize that this may result in some spectators choosing to park in adjacent neighborhoods rather than pay the fees, we nonetheless feel that charging a nominal fee parking is in the best financial interests of the districts.

Savings elementary: \$	Savings secondary: \$25,000	Total: \$25,000
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J. CHARGE ASSOCIATED STUDENT BODY (ASB) BOOKKEEPERS TO ASB FUND

Associated Student Body organizations have tremendous flexibility and discretion in how they may use their funds, but the general rule is that the funds need to be used to purchase goods and services that promote the general welfare, morale and educational experiences of the students. Although some may argue that the districts have always paid for the salary and benefits of ASB bookkeepers out of the unrestricted general fund in the past, it is important to note that if not for the existence of the ASB, there would be no need for this position. In this regard, it is appropriate to charge the ASB for the related costs of accounting for their funds.

Savings elementary: \$	Savings secondary: \$194,993	Total: \$194,993
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K. ELIMINATE OUTSIDE MANDATED COSTS PREPARATION CONSULTANT

The Governor's original budget proposed deferring all mandates, with the exception of the inter-district and intra-district transfers and the CAHSEE. In the event that state mandates are not suspended, the deputy superintendent will assume these duties.

Savings elementary: \$32,600	Savings secondary: \$35,700	Total: \$68,300
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L. ELIMINATE OUTSIDE MEDICAL ADMINISTRATIVE ACTIVITIES CLAIM PREPARATION CONSULTANT

The districts currently contact with an outside provider to claim Medical Administrative Activities (MAA) revenue from the federal government. Federal regulations were expected to end this program in fiscal year 2007-08, however, the Obama administration's American Recovery and Reinvestment Act included an extension of the moratorium suspending these regulations until July 1, 2009.

Savings elementary: \$15,000	Savings secondary: \$35,000	Total: \$50,000
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M. SUSPEND DEFERRED MAINTENANCE CONTRIBUTION FOR FISCAL YEAR 2009-10

The state budget affords districts the latitude to suspend their contribution to the deferred maintenance on a two year basis. Because there is a significant amount of carryover in the elementary districts deferred maintenance fund, it is feasible to suspend the contribution to the deferred maintenance fund for the 2009-10 fiscal year. We do not anticipate, however, being able to suspend our contribution to the secondary district's deferred maintenance fund without seriously jeopardizing the ongoing maintenance of our capital facilities.

Savings elementary: \$216,000	Savings secondary: \$	Total: \$216,000
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N. REDUCE INDEPENDENT AUDITOR FEES

Per the board's direction, staff circulated a request for proposals for a new independent audit firm, effective for the audit of the 2008-09 fiscal year. The new fee schedule that was negotiated by the districts is significantly less than the fee schedule for the audit of the 2007-08 fiscal year.

Savings elementary: \$6,285	Savings secondary: \$14,665	Total: \$20,950
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O. RECOGNIZE RATE REDUCTION FOR PROPERTY AND LIABILITY INSURANCE FOR FISCAL YEAR 2009-10

Last February the board approved the change of carriers for property and liability insurance from Southern California Relief to Self Insured Schools of California (SISC) II. SISC II recently notified us that the premium for 2009-10 will be reduced by \$47,138.28 for the 2009-10 fiscal year.

Savings elementary: \$14,141	Savings secondary: \$32,997	Total: \$47,138
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P. RECYCLE/HAUL TRASH FOR MONEY

Stepping up the districts recycling efforts goes hand in hand with evaluating whether it makes sense for the districts to become their own waste hauler. The City of Santa Barbara currently contracts with two firms to haul solid waste for its customers, including the Santa Barbara School Districts. The city's proposed rate structure will provide an incentive (i.e. lower rates) for those who can divert the vast majority of their waste stream to recycling and will provide a disincentive (i.e. higher rates) for those who do not. Currently, our school sites that are within the city's boundaries divert 44 percent of their trash to recycling. By increasing this percentage to 66 percent, we can achieve a savings of \$65,800.92 in the general fund.

Savings elementary: \$19,740	Savings secondary: \$46,060	Total: \$65,800
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Q. POWER MANAGEMENT

The elementary and secondary school districts own around 3,000 computers with close to 1,000 in computer labs. Unfortunately, many of these computers are left on for hours when not in use and all too often they are left on overnight or over the weekend. Using software applications that can recognize when computers are inactive or left on during hours when nobody is present and then power them down, we could save anywhere from \$25 per computer per year to \$75 per computer per year. With over 3,000 computers in our two districts, the savings should be around \$75,000 per year if we purchase a power management program. Currently we are investigating two companies where under a rebate program from Southern California Edison, we will be able to purchase these programs for a nominal cost or potentially for free.

Savings elementary: \$22,500	Savings secondary: \$52,500	Total: \$75,000
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POTENTIAL ADMINISTRATIVE AND ADMINISTRATIVE SUPPORT REDUCTIONS

R. REDUCE ASSISTANT PRINCIPAL (AP) ASSIGNMENTS AT JUNIOR HIGH SCHOOLS

Currently, AP assignments are staffed at a student enrollment ratio of 500:1. We can reduce two (2) positions by 20-40 percent time out of the unrestricted fund and redistribute the cost proportionally through other funding. One (1) assistant principal has requested a partial leave of absence for 40 percent time and we will leave this percentage unfilled for 2009-2010.

Savings elementary: \$	Savings secondary: \$77,666	Total: \$77,666
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S. ELIMINATE SIX TEACHER ON SPECIAL ASSIGNMENT POSTIONS (TOSAS)

Currently, we have one elementary and five secondary teachers performing duties as administrative support staff for special assignments for district office programs and at two high school sites. These positions will be eliminated and employees will return to the classroom.

Savings elementary: \$77,808	Savings secondary: \$303,083	Total: \$380,891
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T. ELIMINATE ADMINISTRATIVE STIPENDS FOR SPECIAL ASSIGNMENTS

Eliminate two (2) stipends from administrative positions for undertaking interim duties of a higher nature. One of the positions will also return to the Board Policy 4000 mile travel rate from a temporary increase to the 6000 mile rate.

Savings elementary: \$	Savings secondary: \$11,670	Total: \$11,670
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U. ELIMINATE EXPENSE OF LEASED CLASSROOMS AND ADMINSTRATIVE SUPPORT FOR HOME SCHOOL SANTA BARBARA (HSSB)

Currently, three classrooms are leased from Hope School District to house the kindergarten through sixth grade classrooms for HSSB. The annual cost of these three classrooms is \$29,000.

Following the school board's action to no longer enroll inter-district transfer students, with the exception of students of district employees and a limited few with approved exemptions, there will be classroom space available to house the HSSB students. In addition, HSSB is now well established and no longer requires the same level of administrative support, reducing the cost of operation by approximately \$10,000.

Savings elementary: \$39,000	Savings secondary: \$	Total: \$39,000
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POTENTIAL PROGRAM REDUCTIONS

V. STAFF ALL COMPREHENSIVE HIGH SCHOOLS AT PARITY

The cost of staffing San Marcos High School (SMHS) is higher than the cost of staffing Dos Pueblos High School (DPHS) and Santa Barbara High School (SBHS) for the same number of students. The projected enrollment next fall for SMHS is currently 1,803 students. The traditional staffing formula used for many years for DPHS and SBHS for 1,803 students at the student-to-teacher ratio of 35:1 provided by the certificated contract would yield 60.8 FTE teaching positions. Applying the formula to SMHS for 1,803 students at the student-to-teacher ratio of 31:1 provided by the certificated contract would yield 68.6 FTE teaching positions. The difference of 7.8 FTEs will cost an additional \$663,000 for staffing SMHS over the cost of staffing the other high schools for the same number of students. The additional allotment is paid from the unrestricted general fund. We worked with SBTA for a number of months last year before reaching a compromise for the 2008-09 fiscal year. However this compromise was only in force for one year. We now feel strongly that parity must be achieved and sustained on an ongoing basis. We have worked with the Santa Barbara Teachers Association (SBTA) to achieve this goal.

Savings elementary: \$	Savings secondary: \$663,000	Total: \$663,000
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W. ELIMINATE NINTH GRADE CLASS SIZE REDUCTION—ENGLISH

The Morgan-Hart Class Size Reduction Act allocates funds to school districts for participating high schools to reduce class size in grade nine English and one other course required for graduation (mathematics, science, or social studies). With the advent of categorical flexibility and tier three programs, there is no longer the requirement that school districts offer this program in English prior to offering it in Math. As a result, it is possible to reduce or eliminate 9th grade class in English and still apply for funding in Math. Industry standard is to require restricted program to be self-contained rather than require assistance from the unrestricted general fund. Eliminating ninth grade class size reduction would result in an ongoing savings of \$240,074.

Savings elementary: \$	Savings secondary: \$240,074	Total: \$240,074
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X. ELIMINATE SECONDARY ASSEMBLY BILL (AB) 1802 COUNSELORS

Note: Revisions are underlined

The intent of AB 1802 funding was to increase the number of school counselors for the seventh through twelfth grade students. The focus has been on students who have failed or are at risk of failing the CAHSEE, or at risk of not graduating. Funding for this program provided for two extra counselors at each high school and one at each junior high. Categorical flexibility contained in the state budget allows school districts to suspend program requirements for some state categorical funding, including funding for AB 1802 counseling. The AB1802 funds received for the 2008-09 school year was \$600,434. This reflects the 15.4 percent reduction due to mid year cuts. Carry over of monies from AB1802 has allowed ten of the AB1802 counselors to be fully funded for the 2008-09 school year. These monies will be taking a 4.5 percent reduction for the 2009-10 school year which comes to a total of \$573,414.47. The actual cost of the three counselors the district is maintaining is \$303,313.20. This dollar amount does not reflect any increase to their salary or benefits should one occur. This leaves a savings of \$270,101.27

Savings elementary: \$	Savings secondary: \$270,101	Total: \$270,101
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Y. ELIMINATE SECOND GRADE GIFTED AND TALENTED EDUCATION (GATE) IDENTIFICATION ASSESSMENT

Currently, the Santa Barbara Elementary School District begins GATE identification at the end of the second grade with identified students having the options beginning in third grade to participate in GATE

programs at their attendance area school, or apply for an intra-district transfer to another district school or the district's self-contained classroom program at Washington Elementary School. All of the districts (Goleta, Hope, Montecito and Cold Spring) whose students feed into the Santa Barbara High School Districts begin GATE identification at the end of third grade. There is some question about the validity and reliability of identifying students as early as second grade. In addition, the district criteria for diversity in the GATE program are not met until the end of third grade, based on CST scores. The approximate cost of the second grade consumable tests, along with cost of the administration and scoring of the tests is approximately \$3500 per year.

Over the last few years, the number of second grade students who qualify for GATE identification has not been large enough to fill the third grade GATE class at Washington to its capacity of 20 students. This has caused an approximate annual expense of \$26,700. The current year enrollment is an anomaly.

The total approximate annual cost of maintaining second grade identification for third grade GATE is: \$30,200.

Savings elementary: \$30,200	Savings secondary: \$	Total: \$30,200
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Z. ELIMINATE ALL CLASSIFIED EMPLOYEE STIPENDS NOT CONTAINED IN COLLECTIVE BARGAINING AGREEMENTS.

The districts currently spend a substantial amount of money for classified stipends. Classified employees currently do not have negotiated bargaining unit stipends but have been assigned additional assignments based on amounts independently arrived at by site administrators. We are currently in negotiations with the California School Employee Association to establish stipends that reflect equity among classified employees. We anticipate that the final agreement will potentially yield a savings of \$ 41,561 from what has been expended in the 2008-2009 school year.

Savings elementary: \$12,468	Savings secondary: \$29,093	Total: \$41,561
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Aa. CAP THE CO-CURRICULAR STIPENDS CONTAINED IN COLLECTIVE BARGAINING AGREEMENT

The co-curricular activity list contained in the certificated agreement mainly impacts the secondary schools. It is suggested that the district place a cap on the number of staff the district will pay for each negotiated certificated co-curricular stipend out of the unrestricted fund. Each site would have to work with other funds they receive via ASB, donations, or other means to pay for activities that are in excess of the recommended district cap. Based on the personnel office recommended number of people allowed for each activity, the cap should be maxed at \$56,687 for each junior high school (total \$226,748) and \$203,029 for each high school (total \$609,087) (not counting La Cuesta High School). The district also has responsibility for some stipends that would not be assigned to the school sites, but paid by the district. These stipends are elementary AVID, district AVID liaison and PAR programs. This should be maxed at \$69,420. The total amount of the cap just for the negotiated co-curricular list should be approximately \$905,255. This total cap amount could be further impacted by any potential reduction for discontinuing freshman athletic programs as stated in the item below. By limiting the number of employees paid from the general fund for negotiated co-curricular activities would yield a potential total savings of \$75,426.

Savings elementary: \$	Savings secondary: \$75,426	Total: \$75,426
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Bb. DISCONTINUE FRESHMAN ATHLETICS AT EACH HIGH SCHOOL

Other districts in the state have considered, as a potential cost savings measure, discontinuing freshman athletics at the high school level. District employees currently working with freshman athletic programs are paid a stipend based on the co-curricular activities list in the certificated contract.

The personnel office lists shows that each high school can field approximately 17 coaches for freshman level athletic teams. If the freshman athletic program is discontinued the district would be able to suspend the amount of money used for this area and would yield a savings of \$ 61,980. If discontinued, the cap on the co-curricular activities listed in the item above would be lowered for the high school by this amount dropping the cap to 207,500 each.

Savings elementary: \$	Savings secondary: \$61,980	Total: \$61,980
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Cc. REDUCE CLASSIFIED SUPPORT STAFF PROPORTIONAL TO ENROLLMENT DECLINE

In 2008-2009, as a cost savings to the districts, we implemented parity at .75 FTEs per site for elementary school health assistants. The 2008-2009 agreement included a further implementation to reduce current year-round school health assistants to nine (9)-month or 182 day work schedules for the 2009-2010 school year.

By reducing those secondary school health assistant positions with more than six hours to a .75 FTE and reducing 12 month school health assistants to nine (9) months or 182 days, the districts can achieve further costs savings.

Savings elementary: \$23,000	Savings secondary: \$20,507	Total: \$43,507
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Dd. REQUIRE STUDENTS TO MAKE UP ABSENCES FOR TRUANCY AND/OR DISCIPLINE WITH SATURDAY SCHOOL

Currently only SBHS is operating Saturday school for the purposes of recapturing ADA. As of March 14, 2008, the school had cleared 146 full day cuts at a current year funding rate of \$36.85 for a total of \$5,380.10 in recaptured ADA. Other secondary sites do operate Saturday schools, primarily for the purposes of truancy makeup and/or discipline. Staff is currently collecting data on how to expand Saturday school offerings at each site in order to recoup lost ADA. We estimate an additional savings of \$6,300 if a Saturday school model for recapturing ADA was implemented at DPHS and SMHS.

Savings elementary: \$	Savings secondary: \$6,300	Total: \$6,300
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Ee. INCREASE K-3 CLASS SIZE TO 25:1 AVERAGE

When K-3 CSR was introduced in 1996, it was funded based on the average cost to implement class-size reduction. Over time, most districts have found that, as compensation costs have risen, class-size reduction funding has not kept pace with the increase cost to operate the program. The original implementation of the K-3 CSR program required districts to implement the program first at first grade, then second and then either kindergarten or third grade.

The state’s proposed 2009-10 budget includes flexibility authorization that would suspend program requirements on all state categorical funding, including K-3 CSR, until fiscal year 2012-13. By moving to a class size average of 23:1 for K-3 we would reduce staffing by 15 full time equivalents. However, since we would also take a penalty reduction on the revenue side, the cost savings are much less than the dollar value of 15 full time equivalents lost through a normal reduction in force. Also, we are currently overstaffed in the K-3 level at a class size average of 18:1. It is assumed that those positions will be attrited. Moving to an average class size of 23:1 would yield a savings of \$403,630.

Moving to an average class size staffing ratio of 20.45:1 would yield a savings of \$215,252. Moving to an average class size staffing ratio of 21.45:1 would yield a savings of \$392,949. Moving to an average class size of 24:1 would yield a savings of \$522,267. Moving to an average class size of 25:1 would yield a savings of \$539,632.

Savings elementary: \$539,632	Savings secondary: \$	Total: \$539,632
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Ff. REQUIRE ALL CERTIFICATED ADMINISTRATORS TO SUBSTITUTE THREE DAYS A YEAR

In an effort to curtail substitute costs for certificated staff it has been brought forward that all certificated administrators could substitute at schools as a part of a cost savings measure. We currently have forty-three (43) administrators with teaching credentials both at the school sites and district office. If each administrator was a substitute for three (3) days at the going substitute rate of \$105 a day, the district would yield a savings of \$13,545.

Savings elementary: \$4,063	Savings secondary: \$9,481	Total: \$13,544
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ADDITIONAL ANALYSIS AND LONG TERM HEALTH

It is a requirement that we demonstrate to the Santa Barbara County Education Office that we identify potential areas for reduction in order to give assurances that we can maintain solvency in future years. However, time to develop these additional recommendations requires meeting with our unions, staff and community. Thus, more specific details regarding positions, programs and implementation strategies cannot be presented at this time. But, unless the assumptions used in the multi-year projection change dramatically, the following reductions may be necessary to balance our budget over the next two years.

CREATE A MAINTENANCE ASSESSMENT DISTRICT

The Landscaping and Lighting Act of 1972 enables school districts to form benefit assessment districts (i.e. maintenance assessment districts) for the purposes of financing the costs and expenses of landscaping and lighting public areas. A maintenance assessment district is based on the concept of assessing only those properties that benefit from improvements financed, either directly, or indirectly through increased property values. Because it is considered a benefit assessment, a 1972 Act assessment is not subject to Proposition 13 limitations. Generally, maintenance assessment districts can be used to install and maintain landscaping, statues, fountains, general lighting, traffic lights, recreational and playground courts and equipment, and public restrooms. Additionally, the Act allows acquisition of land for open space, and the construction of community facilities.

By law (Prop. 13), benefit assessments cannot be based on the value of property. Instead, each district establishes a benefit formula and each parcel in the service area is assessed according to the benefit it receives from the services and improvements. Proposition 218, called "The Right to Vote on Taxes Act", was formed in part to counteract concerns surrounding 1972 Act Districts. Under Proposition 218, to increase an existing assessment, the agency must give written notice to all affected property owners, hold a public hearing and an assessment ballot vote. A majority vote is required to approve the rate increase. Assessments that pay for ongoing services can continue so long as services are provided.

If a maintenance assessment district was created to fund our grounds operation, we could legally charge to the assessment districts the cost of salary and benefits for our grounds keepers, as well as their supplies.

Savings elementary: \$269,327	Savings secondary: \$1,242,214	Total: \$1,511,541
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CONTRACT OUT GROUNDS MAINTENANCE

As an alternative to creating maintenance assessment district, the district could explore contracting out for grounds maintenance. However, this change would have to be negotiated with our classified employee association before it could be implemented.

SB 1419 (Alarcon, D-Sylmar), which limits the flexibility school agencies and community colleges have to choose between permanent employees or contractors to provide services. Prior to the passage of SB 1419, school districts could select the high-value low-cost producer of services without regard to whether the service would be provided by a contractor or by in-house labor. Under SB 1419, the default position is that the district must hire in-house employees unless it can prove that it meets one of several exceptions:

- New functions for which the legislature authorizes independent contractors' services are not available or can not be satisfactorily performed by district employees
- The services are incidental to a purchase or lease contract
- The goals of the district can not be accomplished through the regular hiring process
- An emergency condition exists

INSTALL SOLAR PANELS ON ROOFS

The installation of solar panels will require a one time investment of capital funds. Since the districts' bond funds are already oversubscribed, the district would have to borrow to fund this investment. Although the installation of solar panels at specific schools may not be feasible at this time, it is something the districts will continue to evaluate in the future.

ALIGN THE CALENDAR TO MAXIMIZE APPORTIONMENT FROM THE STATE

The districts can review ADA trends on a site by site basis. For those sites that are experiencing declining ADA between March 15 and April 15, we could cut off the Second Principal (P-2) reporting period as close as possible to March 15th and minimize the affects of declining ADA. Conversely if school sites experience an increase in ADA, we could cut off P-2 as close as possible to April 15. Application of Education Code Section 37201 enables the P-2 cut-off date to be moved between March 15 and April 15 by permitting the school calendar to include part or all of the winter break in defining a school month. If it is advantageous, you can even go back one year and amend your attendance reports retroactively to change the P-2 cut-off date and maximize ADA (however, this would require independent auditor approval). It is important to note that maximizing ADA is only advantageous for revenue limit districts. As the elementary district moves toward basic aid funding status, there is no incentive to generate increased apportionment.

MAKE ACCOUNTS PAYABLE PAYMENTS ELECTRONICALLY

Currently, we do not have the technological capability to transmit accounts payable warrants directly to our vendors. However, we are in discussions with proprietors of our financial system, California Education Computer Consortium, to see if this is a feature that can be added in the future.

CLEAR SOME OF DISTRICT OFFICE ENTITIES OUT OF 150 WING AT SANTA BARBARA JUNIOR HIGH SCHOOL AND LEASE SPACE TO ANTIOCH OR SOME OTHER ENTITY

The Surplus Facilities Committee has studied whether the district office could relocate back to the Santa Barbara Junior High School location. Since it does not appear that this is feasible, the Committee should analyze whether moving some of the district programs currently housed there could relocate to satellite locations.

CONSIDERED BUT WOULD PROBABLY NOT YIELD COST SAVINGS IN THE SHORT TERM

The administration received numerous suggestions to reduce expenditures and/or enhance revenues. Each was carefully considered. However, many of the suggestions were discarded, either because they focused on negotiable items between the districts and their employee associations, could not be accomplished absent changes in current law, or could result in unintended consequences, including but not limited, to a decreased level of funding elsewhere in the districts. The following items were considered but discarded:

SELL REAL PROPERTY OF COLLATERALIZE REAL PROPERTY TO FUND THREE PERCENT RESERVE REQUIREMENT

Education Code Section 17462 restricts the fund derived from the sale of real property to capital outlay and/or deferred maintenance. In the event the districts sold one or more pieces of real property, the proceeds from the sale could not be used to fund the reserve for economic uncertainties.

CLOSE AN ELEMENTARY SCHOOL

Education Code 17388 requires that the board appoint an advisory committee to advise the board regarding the disposition of property prior to its sale or lease. This committee, commonly referred to as a 7-11 committee (because it must contain at least 7 members and not more than 11) is required to do all of the following prior to the sale or lease of district surplus property:

- (a) Review the projected school enrollment and other data as provided by the district to determine the amount of surplus space and real property.
- (b) Establish a priority list of use of surplus space and real property that will be acceptable to the community.
- (c) Cause to have circulated throughout the attendance area a priority list of surplus space and real property and provide for hearings of community input to the committee on acceptable uses of space and real property, including the sale or lease of surplus real property for child care development purposes pursuant to Section 17458.
- (d) Make a final determination of limits of tolerance of use of space and real property.
- (e) Forward to the district governing board a report recommending uses of surplus space and real property.

Although there had been initial discussions regarding closing one or more of the elementary schools in the district, it now appears that the declining enrollment pattern in the elementary district has flattened out. Moreover, last year's action of the Hope School District Board of Education to discontinue inter-district requests resulted in an unanticipated "bump" to elementary enrollment.

INSTALL CELLULAR PHONE TOWERS

Some school districts have entered into ground leases with cellular phone companies where cellular phone towers are installed on district property in exchange for remuneration. These towers are subject to local ordinances and require Division of State Architect approval. Generally, school districts shy away from the installation of cellular towers due to public perception of health problems. California Public Utilities Commission Decision 95-11-017 states that current research on cellular facilities makes it difficult to conclude that a health and safety problem exists; however it is also unclear that health and safety problems do not exist.

INCREASE BUS CAPACITY OR CHANGE ELEMENTARY BOUNDARIES TO REDUCE TRANSPORTATION COST

Home to School Transportation only requires a \$146,064 contribution from the unrestricted general fund. This encroachment may be reduced by increasing bus capacity (generally a function of routing) or through the implementation of parent pay fees (previously discussed and recommended above).

INSTITUTE SHORT TERM INDEPENDENT STUDY IN SECONDARY SCHOOLS

Independent study is currently an option available to all of the sites as per our board policies. However, in the past when this option has been made available, it has not been very successful. Some of the obstacles to successful implementing a short term independent study program are having the teachers complete the master agreement before the students start independent study and planning far enough ahead to provide the students with the equivalent amount of work as provided in the seat base program. It is also our experience, that many times the work could not be completed because the parents could not provide the adequate support when the students needed assistance.

INCREASE MAA BILLING AND PROVIDE INCENTIVE FOR SITES TO PARTICIPATE

The Federal Government's Medical Administrative Activities program is scheduled to expire at the end of fiscal year 2009. As a result, there is no compelling reason to roll out an incentive program when funding will be discontinued. We remain positive about implementing some form of incentive program that would redistribute funds to the site based on the performance of the site, we have yet to identify a stable funding source that

SEND PAY STUBS ELECTRONICALLY TO EMPLOYEES

We are required by federal law to provide an employee with a hard copy of their pay stub.

PROVIDE LOW INTEREST LOANS TO EMPLOYEES

We have investigated whether it would be financially viable to offer low interest loans to some employees on the basis of hardship. Although we are not sure whether providing a loan would be considered compensation, and would be subject to the collective bargaining process, we do know that there are probably more questions than answers when attempting to set up such a program. Chief among these questions are 1) who is eligible; 2) what is an eligible purpose; 3) what is the duration; 4) what is the interest rate and 5) what does the district receive as collateral during the life of the loan?

SELL ADD SPACE ON BUSES, FOLDERS AND SCHOOL MATERIALS

Advertising on school buses is not allowable under the California Code of Regulations (CCR) Title 13, Section 1256.5(f). In California, it is the California Highway Patrol that monitors and assesses the compliance of statutes regarding the school bus equipment and the drivers of school buses-certifications. Advertising on school folders and materials would result in competition between the district and student and parent groups that traditionally rely on such fund raisers to generate revenue for their organizations.

IMPLEMENT FOUR DAY WORK WEEK OR 980 PLAN

Education Code Sections 45132 and 45133 set forth a means to implement a four day ten hour work week or a nine hour day 80 per two week schedule. We have analyzed the costs benefits of each and have determined that neither option would result in a significant cost savings to the districts.

Generally, in school districts that operate large home to school transportation networks or have high utility costs due to extreme temperatures, these alternative work schedules can result in costs savings. However, since neither air conditioning costs nor school bussing represent a substantial expense to the districts; it is not likely that moving to an alternate schedule would save money.

CONSOLIDATE ENGLISH LANGUAGE DEVELOPMENT SERVICES AT ON ONE COMPREHENSIVE HIGH SCHOOL

Currently, categorical funds for English Language Development are allocated to each of the three high schools. By allocating all of these resources to a single high school, and embracing a “Welcome Center” concept, the resources could be used more efficiently. However, since these resources consist of federal categorical dollars, the delivery of these services in this manner would not result in a cost savings to the unrestricted general fund.

ELIMINATE ATHLETIC TRAINERS AT EACH COMPREHENSIVE HIGH SCHOOL

The district currently spends \$167,288 on athletic trainers, one for each of the comprehensive high schools. Although not all high schools in California have athletic trainers, a compelling argument can be made that athletic trainers help to reduce risk by preventing and treating student injuries.

ELIMINATE THE DISTRICT’S CONTRIBUTION TO THE MARJORIE LUKE THEATER FOR THEATER (MLT) EMPLOYEE BENEFITS

Note: Revisions are underlined

The district entered into a five year memorandum of understanding (MOU) with the Community Youth Performing Arts Center (CYPAC) on January 31, 2006. As part of the MOU, the district agreed to pay for the two theater employee benefits package. The district has budgeted \$24,303 from the general fund for the benefits. Also in the MOU is the theaters commitment to reimburse the district for theater employee wages. Last year, the MLT reimbursed the district \$115,542.92. Santa Barbara Junior High School uses the theater 54 percent of the time and it would cost the district to manage the theater for use. In addition the CYPAC MOU would have to be renegotiated.

ELIMINATE THE DISTRICTS’ CONTRIBUTION TO THE CAFETERIA FUND

Education code sections 49550 and 49552 require that districts provide at least one nutritionally adequate meal each school day, free of charge or at a reduced price, for students whose families meet federal eligibility criteria. In February 2009, 5,198 district students were eligible for free meals and 1,764 students were eligible for reduced price meals; and as unemployment rates increase so do the eligibility numbers. The federal Child Nutrition and Women, Infants and Children Reauthorization Act of 2004 mandates that districts participating in the federal nutrition program adopt a policy on student wellness by the beginning of the 2006 school year. As a result, the Santa Barbara Superintendent’s Nutrition Advisory Council was formed to develop recommendations to the districts’ Board of Education for a wellness policy. The districts wellness policy calls for unprocessed food and fresh fruit and vegetables.

COST REDUCTIONS AND REVENUE ENHANCEMENTS FISCAL YEAR 2009-2010

	DESCRIPTION	ELEMENTARY	SECONDARY	TOTAL
A	Charge classified salaries to Federal PL 94-142 funds	\$21,794	\$21,688	\$43,482
B	Disconnect unnecessary local telephone line	\$2,140	\$4,995	\$7,135
C	Charge local donation accounts indirect cost rate	\$109,248	\$63,549	\$172,797
D	Institute parent pay transportation	\$146,064	-	\$146,064
E	Recognize licensed children's institutions	\$88,502	\$156,850	\$245,352
F	Reduce wireless telephone service (ongoing)	\$2,600	\$10,400	\$13,000
G	Property rentals (Civic Center Act)	\$3,438	\$33,896	\$37,334
H	Continue lease of Ortega Street campus	-	\$85,635	\$85,635
I	Have public pay for sports event parking	-	\$25,000	\$25,000
J	Charge Associated Student body Bookkeepers (ASB) to ASB funds	-	\$194,993	\$194,993
K	Eliminate outside mandated costs preparation consultant	\$32,600	\$35,700	\$68,300
L	Eliminate outside Medical Administrative Activities claim preparation consultant	\$15,000	\$35,000	\$50,000
M	Suspend deferred maintenance contribution for fiscal year 2009-10	\$216,000	-	\$216,000
N	Reduce independent auditor fees	\$6,285	\$14,665	\$20,950
O	Recognize rate reduction for property and liability insurance for fiscal year 2009-10	\$14,141	\$32,997	\$47,138
P	Recycle/haul trash for money	\$19,740	\$46,060	\$65,800
Q	Power management	\$22,500	\$52,500	\$75,000
R	Reduce assistant principal assignments at junior high schools	-	\$77,666	\$77,666
S	Eliminate six teacher on special assignment positions	\$77,808	\$303,083	\$380,891
T	Eliminate administrative stipends for special assignments	-	\$11,670	\$11,670
U	Eliminate expense of leased classrooms and administrative support for Home School Santa Barbara	\$39,000	-	\$39,000

COST REDUCTIONS AND REVENUE ENHANCEMENTS FISCAL YEAR 2009-2010

	DESCRIPTION	ELEMENTARY	SECONDARY	TOTAL
V	Staff all comprehensive high schools at parity	-	\$663,000	\$663,000
W	Eliminate ninth grade Class Size Reduction	-	\$240,074	\$240,074
	Eliminate secondary Assembly Bill 1802 counselors			
	• Counseling ratio of 450:1 reduces the savings to \$196,005			
X	• Counseling ratio of 400:1 reduces the savings to \$134,346	-	\$240,074	\$240,074
Y	Eliminate second grade Gifted and Talented Education identification assessment	\$30,200	-	\$30,200
Z	Eliminate all classified employee stipends not contained in collective bargaining agreements	\$12,468	\$29,093	\$41,561
Aa	Cap the co-curricular stipends contained in collective bargaining agreement	-	\$75,426	\$75,426
Bb	Discontinue freshman athletics at each high school	-	\$61,980	\$61,980
Cc	Reduce classified support staff proportional to enrollment decline	\$23,000	\$20,507	\$43,507
Dd	Require students to make up absences for truancy and/or discipline with Saturday school	-	\$6,300	\$6,300
	Increase K-3 class size to 25:1 average			
	• 20.45:1 yields a savings of \$215,252			
	• 21.45:1 yields a savings of \$392,949			
	• 23:1 yields a savings of \$403,630			
	• 24:1 yields a savings of \$522,267			
Ee	• 25:1 yields a savings of \$539,632	\$539,632	-	\$539,632
Ff	Require all certificated administrators to substitute three days a year	\$4,063	\$9,481	\$13,544
	Total	\$1,426,223	\$2,552,282	\$3,978,505

Tier Three Flexibility Estimate

Exhibit B

	2008-09			4.50%	2009-10			2010-11	
	Revenue	15%	Revised Revenue		Revised Revenue	30%	0.70%	30%	
CalSAFE	371,770	57,253	314,517	14,153	300,364	90,109	302,467	90,740	
Community Based English Tutoring (CBET)	81,047	12,481	68,566	3,085	65,480	19,644	65,939	19,782	
School Safety Block Grants (Carl Washington)	377,464	58,129	319,335	14,370	304,964	91,489	307,099	92,130	
Arts and Music Block Grant	273,791	42,164	231,627	10,423	221,204	66,361	222,752	66,826	
CAHSEE Intervention Grants	207,842	32,008	175,834	7,913	167,922	50,377	169,097	50,729	
Instructional Materials Fund	1,152,944	177,553	975,391	43,893	931,498	279,449	938,019	281,406	
PAR	73,261	11,282	61,979	2,789	59,190	17,757	59,604	17,881	
Pupil Retention Block Grant	617,195	95,048	522,147	23,497	498,650	149,595	502,141	150,642	
Professional Development Block Grant	165,272	25,452	139,820	6,292	133,528	40,058	134,462	40,339	
Targeted Instructional Improvement Block Grant	305,654	47,071	258,583	11,636	246,947	74,084	248,675	74,603	
School and Library Improvement Block Grant	1,266,889	195,101	1,071,788	48,230	1,023,557	307,067	1,030,722	309,217	
	4,893,128	753,542	4,139,586	186,281	3,953,305	1,185,991	3,980,978	1,194,293	
Fifty % for Salaries and Supplies			2,069,793						
Seventy % for Salaries and Supplies					2,767,313		2,786,684		
Sweep of Fund Balance			2,000,000						

Fiscal Solvency Plan (draft changes to AR 1330)

Community Relations

AR 1330

USE OF SCHOOL FACILITIES

Schedule of Fees for Use of School Property

- A ~~\$25.00~~ \$28 application fee is required of all permits applications. This fee is refundable if the application is not approved.
- As a condition of auditorium use for rehearsal and/or a performance which requires the use of stage lighting and sound systems, the applicant must satisfy the site administration that the group has staff or has hired a person or persons with sufficient demonstrated knowledge and expertise to operate the sound and light equipment. At certain sites, as a condition of approval, a site theater manager for specialty services assistance may be required.
- Specialty Services Assistance (kitchen, etc.) is \$36.00 per hour in addition to below fees.
- Applicable custodial fees are \$25.00 per hour in addition to fees noted below. (Custodial fees are charged only when sites submit overtime pay requests.)
- All fees are per hour unless noted otherwise.

	Location	Direct Fee	Fair Market
Classroom	All	\$10.00 \$11	\$40.00 \$44
Auditorium	Elementary	\$25.00 * \$28	\$60.00 \$66
	<i>*For recreation league use, \$50 \$55 per team per season</i>		
	La Colina/Goleta Valley	\$50.00 \$55	\$100.00 \$110
	La Cumbre	\$75.00 \$83	\$150.00 \$165
	High School	\$100.00 \$110	\$200.00 \$220
Cafeteria	Elementary	\$20.00 \$22	\$50.00 \$55
	Elementary w/kitchen	\$40.00 \$44	\$70.00 \$77
	Secondary	\$35.00 \$39	\$70.00 \$77
	Secondary w/kitchen	\$55.00 \$61	\$110.00 \$121
Athletic Field	Adult Use	\$20.00 \$22	\$40.00 \$44
	Elementary age	\$5.00 ** \$6	\$20.00 \$22
	<i>**For recreation league use, \$100 \$110 per team per season</i>		
	Secondary age		\$10.00 *** \$11
\$40.00 \$44			<i>***For recreation league use, \$200 \$220 per team per season</i>

Exhibit C

Swimming Pool (Lifeguard services are not provided but are required)	25 yd x 25 m	\$25.00 \$30	\$150.00 \$165
	25 yd x 38 m	\$38.00 \$45	\$225.00 \$250
	25 yd x 50 m	\$50.00 \$60	\$300.00 \$330
	Additional with lights	\$25.00 \$28	\$50.00 \$55

Direct fee will be pro-rated for use by more than one organization during the same time period.

Parking Lot	\$10.00 \$11	\$25.00 \$28
	or \$60.00 \$66 per day	or \$150.00 \$165 per day

Outdoor Basketball Courts (group of courts per site)	\$5.00 **** \$6	\$25.00 \$28
	or \$30.00 \$33 per day	or \$150.00 \$165 per day
	****For recreation league use, \$25 \$28 per team per season	

Outdoor Tennis Courts (group of courts per site)	\$10.00 ***** \$11	\$50.00 \$55
	or \$60.00 \$66 per day	or \$300.00 \$330 per day
	*****For recreation league use, \$50 \$55 per team per season	

Band or Specialty Room	\$25.00 \$28	\$50.00 \$55
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High School Gymnasium	\$50.00 \$55	\$100.00 \$110
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La Cumbre Track	\$10.00 \$11	\$40.00 \$44
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High School Stadium	\$50.00 \$55	\$200.00 \$220
Additional with lights	\$100.00 \$110	\$200.00 \$220
Additional amount for DPHS and SMHS tracks	\$25.00 ***** \$28	\$100.00 \$110
	*****Track can be rented w/o stadium for practice	

Regulation: **SANTA BARBARA SCHOOL DISTRICTS**
 Adopted: July 10, 2007 Santa Barbara, California
 Revised: October 30, 2007; June 24, 2008