

**Santa Barbara County Education Office**  
4400 Cathedral Oaks Road, P.O. Box 6307, Santa Barbara, California 93160-6307  
(805) 964-4711 • FAX: (805) 964-3041 • Direct Dial: 964-4710 plus extension  
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*Administrative Services*

August 21, 2009

TO: Santa Barbara School Districts

ATTENTION: Board Members, Santa Barbara School Districts

FROM: Gary Pickavet, Assistant Superintendent   
Administrative Services

SUBJECT: **Approval of Fiscal Year 2009-10 Adopted Budget  
(Single Budget Adoption)**

As required by Education Code Section 42127, our office has reviewed your district's 2009-10 Adopted Budget and multi-year projections. As a result of our analysis, your budget is approved as submitted.

As part of our in-depth analysis, however, we noted an area of concern that we must bring to the board's attention. Santa Barbara School Districts are deficit spending at a rate that will result in a 1.98% reserve level in 2010-11, below the state minimum of 3%, and 1.16% in 2011-12, which is significantly below the state minimum. This concern is exacerbated by the recent signing by Governor Arnold Schwarzenegger of an education funding revision that will result in an additional cut to school district revenue limits of approximately \$250 per ADA in 2009-10.

We have met with the Santa Barbara School Districts' business office staff regarding our concerns and they have informed us of their plan to present to the board updated multi-year projections that show the impact of the recent state education funding cuts. In addition, they will be working with you to create a plan of additional expenditure reductions that will enable the districts to submit the First Interim Report showing that the districts will meet the state reserve level and maintain adequate reserves for economic uncertainty for the current and subsequent two years.

In the challenging and ever-changing fiscal climate in California, our office appreciates the Santa Barbara School Districts' board and staff's continued efforts to keep the school districts operating in a fiscally responsible manner and serving the students of your districts in the face of a significant reduction in funding.

Thank you very much. If you have any questions, please feel free to contact me.

c Dr. Brian Sarvis, District Superintendent  
Eric Smith, Deputy Superintendent, Business Services