

Santa Barbara School Districts

“Excellence for All ”



2007-2008 Budget for Adoption and 2006 -2007 Estimated Actuals

June 29, 2007



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Budget Development Overview

Each year in California, the adoption of the state's budget marks the most important decision regarding the amount of revenues K–12 schools will receive. In general, the budget process follows a schedule prescribed by law and includes:

- Early January: California's governor presents his budget proposal.
- "May Revision" adjusts the proposal based mainly on April income tax returns.
- End of June: The final state budget is due

The Unaudited actual revenues and expenditures for 2006-07 will be presented to the Board as soon as the books are closed, scheduled for August 15, 2007.

Within 45 days of the Governor signing the 2007-08 Budget Act, a revised summary of its impact on our adopted budget must be provided to the Board.

Until the State adopts its final budget it is difficult to predict its final impact on the budget of the Santa Barbara School Districts'.

We have built this budget on data provided in the May Revise and the best information available from our financial system as of June 25, 2007.

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Included in this Budget

- \$2.5 Million in Board approved budget reductions from April 24, 2007
- \$2.0+ Million in additional budget reductions by business staff
- 1% Increase to Employer Cap to Health and Welfare
- \$934,000 reserve for GASB 45 liability of \$18MM
- Step and Column increases for all staff
- Revenue projections based on continuing declining enrollment
- Staffing synchronized to Position Control and Personnel
- Revenue estimates based on conservative expectations (No MAA receivable)
- 1.5% estimated increase for property taxes
- Slight decrease in Workers Compensation rates based on improved Ex Mod

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Not Included in this Budget

- Impact of final accounting adjustments from closing of books
- Impact of any changes resulting from the final State Budget
- Final school site and districts’ “realities”
- Unknown personnel changes and other possible 1st Interim adjustments
- Costs of any contracts or agreements made outside of the business office
- Costs of any site or locally funded positions
- Accrued vacation of ±\$200,000
- Revenue receivables for MAA and Mandated Costs
- Categorical Program “final” expenditures will be determined by 1st Interim
- Revenue receivables for local donations
- 2006-2007 Categorical Program carryover expenditures

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Budget Summary

- Budget reductions have had a positive impact on district finances
- Ending Balance (EB) includes 3.0% reserves for both ESD and HSD
- Positive ending cash balance; no inter-fund borrowing
- No transfer of monies between HSD and ESD
- TRAN in place for State delay of final 2006-2007 apportionment
- Reserve for future commitments/encroachments included in EB
- Reserve for future Technology Development included in EB
- Reserve for GASB 45 included in EB
- Heightened budget monitoring; identify new cost reductions
- Nutrition Services (NS) is a “restaurant chain” with student customers
- NS to produce monthly Profit and Loss Statements for each location

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The Budget is the result of the tireless efforts of these amazing people

Bob Wolfe	Shirley Corpuz
Patty Pimentel	Alma Flores
Lourdes Hensley	Romy Pacaoan
Gary Pickavet, Jr.	Gary James
Ann Peak	Debi Badger
Tracy Gregante	Karla Preciado
Nick Sebastian	Nancy Dow

**And Melissa Borjorquez for the
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presentation!**

My Deepest Thanks, ed

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