

SANTA BARBARA UNIFIED SCHOOL DISTRICT

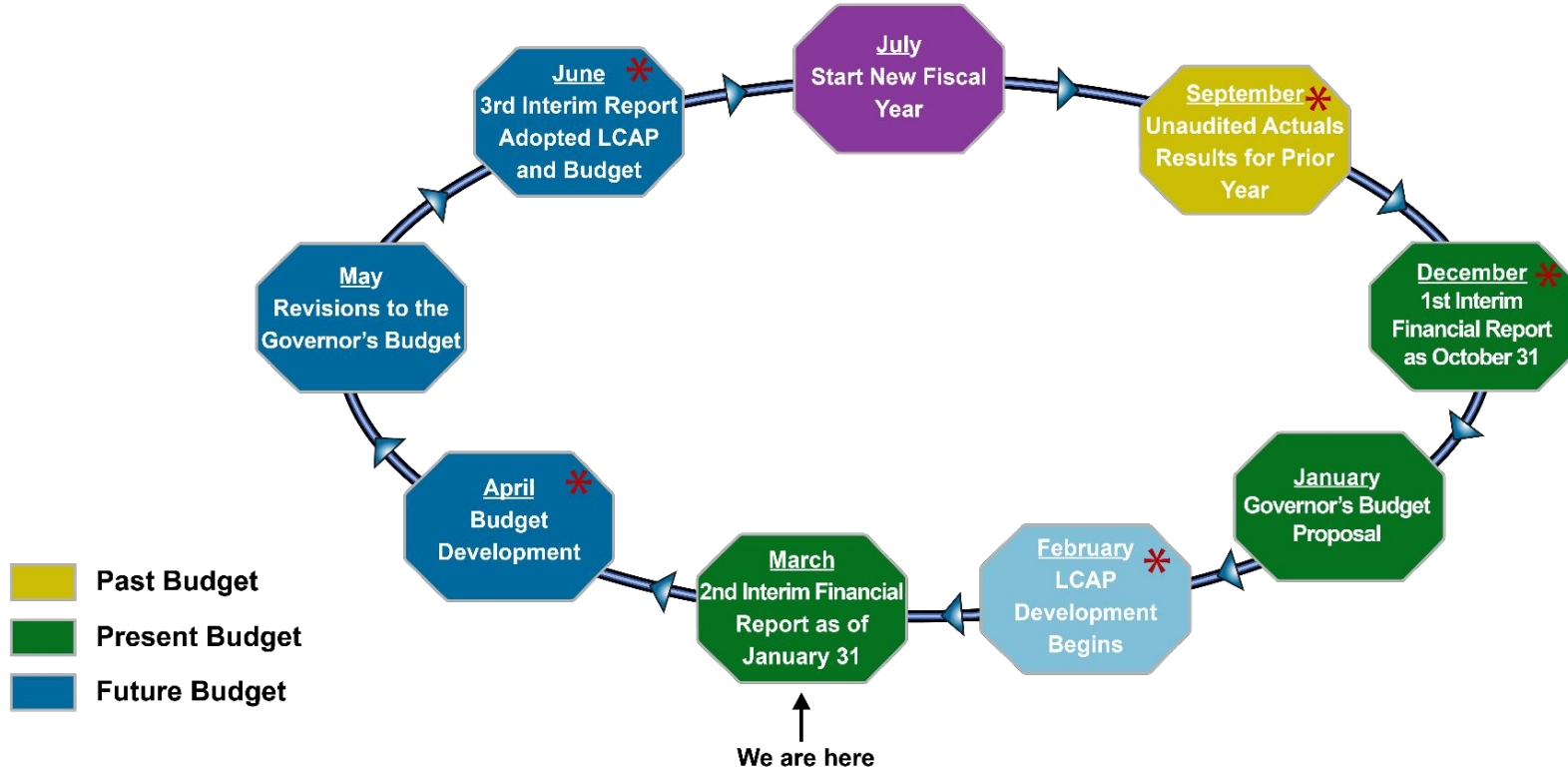
# 23-24 Second Interim Budget

March 12, 2024





# Annual Budget/Financial Cycle



# What is a Second Interim Budget Update?

- Second Interim

Changes to First Interim

Updated revenue

Expenditures through January

- 23-24 Adopted Budget

Based on May Revise

Approved by School Board on 6-27-23

Final State Budget Approved July 10

- First Interim

Changes to Adopted budget

Actuals through October.



# What Changed from First Interim?



## Updates in Property Tax Funding:

- Property taxes revenue for the District reduced due to increase In-Lieu of Property taxes paid to Charter schools based on updated Principal Apportionment calculation by the State

Note: Official numbers are reported to districts August 2024.

## Main Drivers for Changes in Expenditures:

- Reduction of contribution for Special Education
- Increase in substitute costs
- Increases in overtime for vacant positions/staff on leave

# GENERAL FUND REVENUES

In 23-24, Santa Barbara Unified is expected to receive **\$227,946,271** of funding in General Fund Unrestricted and Restricted funds\* from the following sources:

Federal =	<b>\$17,583,248</b>
State =	<b>\$25,732,934</b>
Local Revenue =	<b>\$17,473,784</b>
Property taxes =	<b>\$167,156,305</b>

\*Restricted means that the funds have to be used for specific purposes (examples: Special Education, Learning Recovery, ESSER, Titles 1,2,3,4)

\*Unrestricted means that we have more leeway in how the funds are used for the education of students. LCAP are included in the Unrestricted budget which are funds earmarked for Unduplicated Students.

# GENERAL FUND EXPENSES

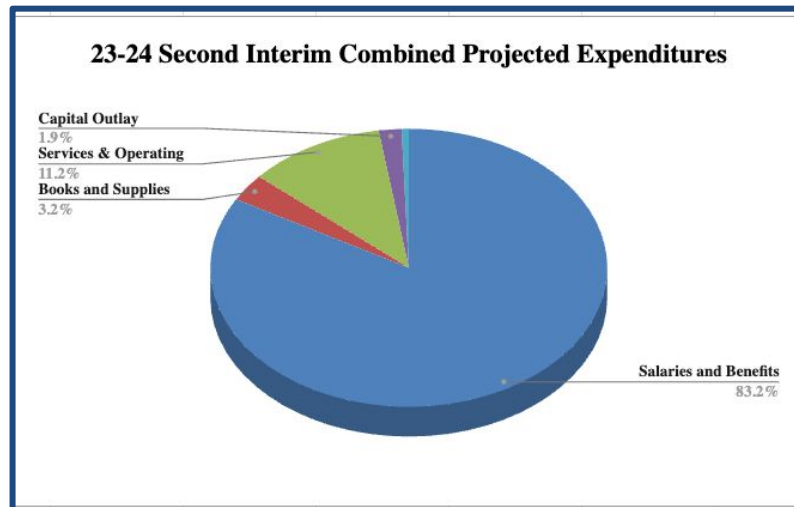
**Salaries and Benefits = \$186,241,947** SBUSD spends **83%+** of Unrestricted Expenditures on salaries and benefits. (Doesn't include negotiations for 24-25)

**Books and Supplies = \$13,538,931** textbooks, materials, class supplies, custodial supplies.

**Services and Operating = \$28,430,097** for insurance, utilities, agreements for mental health services, operational costs, transportation for students and athletics, dues and memberships, conferences, consulting services such as mathematics assessments, and communication platforms.

**Capital Outlay/Other Outgo/Transfers = \$9,251,359** equipment, land/building improvements, contributions to mandated underfunded programs such as Child Development, and Special Education.

Estimated Expenditures 2023-24			
	Unrestricted	Restricted	Combined
Salaries and Benefits	124,267,197	61,974,750	186,241,947
Books and Supplies	4,769,904	8,769,027	13,538,931
Services & Operating	16,679,740	11,750,357	28,430,097
Capital Outlay	2,791,184	1,705,280	4,496,464
Other Outgo/Transfers/Uses	865,674	3,889,221	4,754,895
<b>Total</b>	<b>149,373,699</b>	<b>88,088,635</b>	<b>237,462,334</b>



# MULTI-YEAR PROJECTION

## Unrestricted and Restricted Combined

		Unaudited Actuals			ESTIMATED: Multi-Year Projections		
		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	<b>Total Budget</b>						
1	<i>Property Tax Growth</i>	4.14%	4.48%	8.7%	5.64%	5.00%	5.00%
2	Beginning Fund Balance/Audit Adj	18,581,628	30,245,931	37,351,377	53,663,365	44,147,302	41,922,493
7	Total Revenue	200,663,053	212,299,222	242,869,005	227,946,271	226,066,897	234,929,053
12	Total Expenditures	187,249,424	205,193,775	226,376,704	237,462,334	228,291,706	230,387,321
13	Net Income(Loss)	13,413,629	7,105,447	16,492,301	(9,516,063)	(2,224,809)	4,541,732
14	Total Ending Balance	<b>31,995,256</b>	<b>37,351,377</b>	<b>53,843,678</b>	<b>44,147,302</b>	<b>41,922,493</b>	<b>46,464,225</b>
	<b>Breakdown of Ending Fund Balance</b>						
15	Restricted	9,334,985	11,220,765	28,984,587	23,191,881	19,861,445	16,382,052
16	Unrestricted	<b>22,660,271</b>	<b>26,130,612</b>	<b>24,859,091</b>	<b>20,955,421</b>	<b>22,061,048</b>	<b>30,082,172</b>
	<b>Components of Unrestricted Ending Fund Balance</b>						
17	Assigned Fund Balance	2,262,347	813,527	2,224,477	1,390,954	-	-
18	State Recommended 3% Reserve	5,617,483	6,155,813	6,791,301	7,123,870	6,848,751	6,911,620
20	<b>Total Unrestricted Ending Fund Balance</b>	<b>22,660,271</b>	<b>26,130,612</b>	<b>24,859,091</b>	<b>20,955,421</b>	<b>22,061,048</b>	<b>30,082,172</b>
21	General Fund Unrestricted Reserve	<b>10.89%</b>	<b>12.34%</b>	<b>10.00%</b>	<b>8.24%</b>	<b>9.66%</b>	<b>13.06%</b>
	<b>Special Reserve Fund 17</b>						
	Beginning Fund Balance	14,102,535	14,175,181	13,750,076	13,974,130	14,224,130	14,374,130
25	Special Reserve Ending Balance	14,175,181	13,750,076	13,974,130	14,224,130	14,374,130	14,474,130
26	Special Reserve %	7.57%	6.70%	6.17%	5.99%	6.30%	6.28%
27	<b>Total Available Reserves - by Percent</b>	<b>18.46%</b>	<b>19.04%</b>	<b>16.17%</b>	<b>14.23%</b>	<b>15.96%</b>	<b>19.34%</b>
28	<b>Total Available Reserves - by Amount</b>	<b>36,835,452</b>	<b>39,880,688</b>	<b>38,833,221</b>	<b>33,788,597</b>	<b>36,435,178</b>	<b>44,556,302</b>

# MULTI-YEAR PROJECTION

Cost of Tentative Agreements with Bargaining Units					
	Object Codes	Tentative Agreements	24-25	25-26	Total
<b>SBTA</b>	1000's and 3000's	*Class Size Reductions (57 teachers)	\$6,200,000	\$6,200,000	\$12,400,000
	3000's	*District to pay 75% Healthcare Premium	\$3,081,422	\$427,812	\$3,509,234
<b>CSEA</b>	3000's	*District to pay 75% Healthcare and Dental Premium	\$1,065,309	\$387,847	\$1,453,156
	1000's	Increased Hrly Compensation for Specific Salary Ranges	\$254,000	\$254,000	\$508,000
	3000's	*Increased Family Illness Leave to take care of ill immediate family member	Minimal cost	Minimal cost	
	3000's	*Additional bereavement days leave for employees who lose a spouse, domestic partner, or child	Minimal cost	Minimal cost	
	<b>Total Cost Increase for TA's</b>			<b>\$10,600,731</b>	<b>\$7,269,659</b>
Cost of SBUSD Proposals with Bargaining Units					
<b>SBTA</b>	Current District Proposals				
	Salary Increases		9% = \$9M	4% = \$4M	13% = \$13M
	Salary Enhancements		\$1.1M	\$0.5M	\$1.6M
	<b>Total with TAs</b>		<b>\$20.7M</b>	<b>\$11.8M</b>	<b>\$32.5M</b>

Note: Negotiations between the District and CSEA is ongoing. As of 3/6/24, no proposals have been exchanged regarding overall salary increases.



## Labor Negotiations

As of this report, negotiations with SBTA have gone to impasse for contracts starting in the 24-25 school year. Mediation is currently occurring. SBUSD is in negotiations with CSEA for the contracts starting in 24-25.

## Proposition 28 Voter approved Arts Funding

- Approved by voters in 2022 to provide funding to support arts and music in schools
- The allocation from CDE will be **\$1.98M** for SBUSD schools allocated on a monthly basis.
- Current Arts and Music teachers **cannot** be paid with these funds as it will be considered supplanting.

## Arts, Music, Instruction Block Grant

Grant has been received and is earmarked for Arts, Music, Instruction and Discretionary expenses. The Strategic Arts plan was reported to the Board in December. Sites are creating local plans for implementation Arts and Music. Curriculum and operational costs can be included in the expenditure plan that will need to be approved by the Board.

# Questions?

