Santa Barbara Unified

Fast Fiscal Facts

Second Interim Budget Report









www.sbunified.org

720 Santa Barbara Street, Santa Barbara, CA 93109



Santa Barbara Unified
Every child, every chance, every day.



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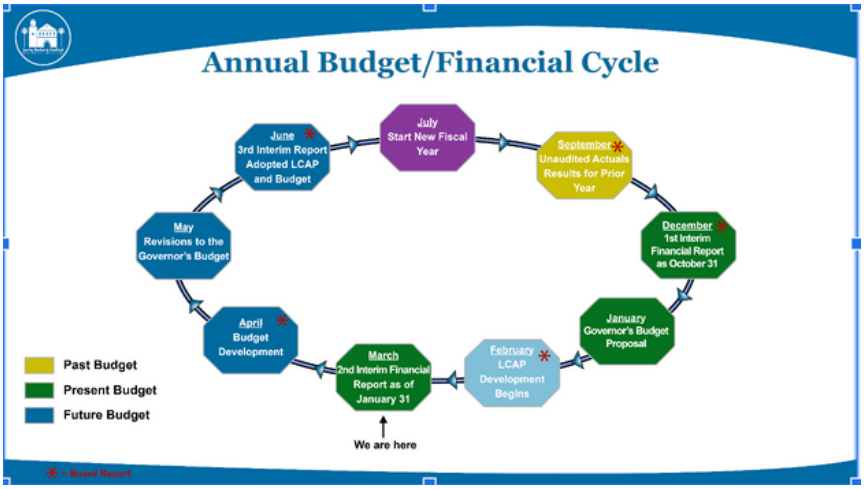
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A Message From

The Assistant Superintendent of Business Services

The Fast Fiscal Facts for the Second Interim Budget Report has been created as a reference to improve the understanding of the District's budget. Our goal is to assist our educational partners in understanding the District's financial commitments aligned with the instructional programs.

This report is called the "Second Interim Budget Report". It is presented as a check-in to show where the District stands after the first half of the Fiscal Year. It includes updates to both spending and projections to incoming funding and actual expenditures through January. The graphic below shows the cycle of the fiscal year all school districts follow.



The Second Interim Report reflects a point-in-time view of SBUSD's budget along with a multi-year projection (MYP). This MYP is a snapshot view of the District budget that includes prior budget years, current year, and subsequent years, or "the out years" as we call them. The MYP also shows the ending fund balance and resulting beginning fund balance each year, as well as the District reserve account balances.

An important point to note is that these multi-year projections are based on assumptions that may change when actual revenues are received at the conclusion of tax season, expenditures spent, and any potential changes caused by discussions in labor negotiations.

Maintaining a strong fiscal budget is important to improve outcomes and experiences for **12,200+ students in grades TK - 12** in our **22** schools and charters at Santa Barbara Unified.

We are grateful for our educational partners who continue to support our students and help us to uplift every child, every chance, every day.

Sincerely,

Kimberley Hernandez

GENERAL FUND REVENUES

State Aid

- Attendance drives funding received under the LCFF
  - Demographics drive supplemental and concentration grants
- Property tax changes increase or decrease state aid, not revenues
- Attendance increases result in increased total revenues
- For total revenues, Attendance matters; property tax doesn't

Community Funded

- Changes in Attendance/demographics don't greatly affect unrestricted revenues
  - But they do affect funds outside LCFF
- Changes in property taxes increase or decrease unrestricted revenues
- Attendance increases result in lower per-pupil revenues
- For total revenues, property taxes matter; Attendance doesn't
  - Local Control and Accountability Plan (LCAP) demands same actions from community-funded as it does for state-funded school districts

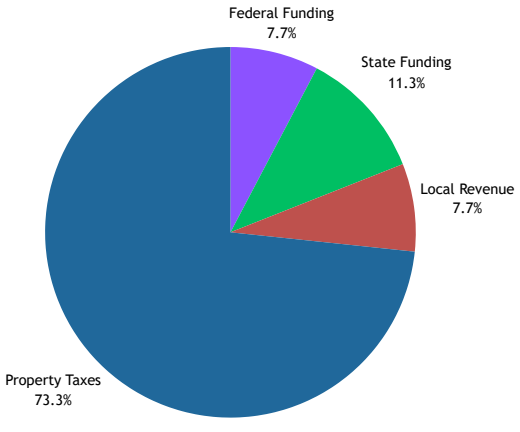
In 23-24, Santa Barbara Unified is a Community- Funded District. It is expected to receive **$227,946,271** of funding from the following sources:

Federal Funding = **$17,583,248**
Federal funding comes from federal grants and programs such as Title I, Child Nutrition and Individuals with Disabilities Education Act (IDEA), followed by other programs.

State Funding = **$25,732,934**
State funding come primarily from personal and corporate income and retail sales taxes, as well as taxes on tobacco products, alcoholic beverages, and lotteries

Local Revenue = **$17,473,784**
Local school revenue comes from cities, counties, or civic use fees. Local revenue also includes charitable donations.

Property Taxes = **$167,156,305**
Because we receive more funding in our property taxes than we would receive from the State in the traditional Local Control Funding Formula (LCFF), the State allows us to keep our property taxes and not receive LCFF. This means SBUSD is a Community Funded, or Basic Aid, District.



GENERAL FUND EXPENSES

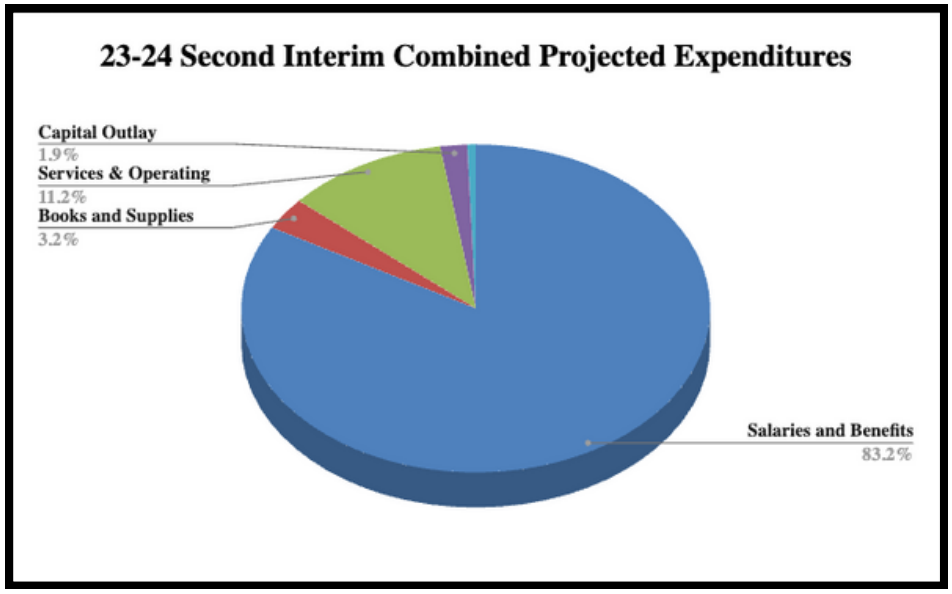
Estimated Expenditures 2023-24			
	Unrestricted	Restricted	Combined
Salaries and Benefits	124,267,197	61,974,750	186,241,947
Books and Supplies	4,769,904	8,769,027	13,538,931
Services & Operating	16,679,740	11,750,357	28,430,097
Capital Outlay	2,791,184	1,705,280	4,496,464
Other Outgo/Transfers/Uses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

Salaries and Benefits = $186,241,947
SBUSD spends **83%** of total Unrestricted Expenditures on salaries and benefits.

Books and Supplies = $13,538,931 on textbooks, materials, classroom supplies, and custodial supplies.

Services and Operating = $28,430,097 for insurance, utilities, agreements for mental health services, operational costs, bus transportation for students and athletics, dues and memberships, travel and conference, housekeeping, consulting services such as mathematics assessments, and communication platforms such as Parent Square and the website.

Capital Outlay + Other Outgo/Transfers = $9,251,359 on equipment, land improvements, building, contributions to funds such as Child Development, and Special Ed and other underfunded programs.



MULTI-YEAR PROJECTION

Unrestricted and Restricted Combined

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

This plan has two grant monies that will be distributed over the next two to three years for specific programs like arts, tutoring, and mitigating learning loss. As planned expenditures are allocated, reserves will decrease.

Items Not in Second Interim Budget

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.