



DID YOU KNOW?

SB Unified is Community Funded

Santa Barbara Unified's funding structure is unique for a District its size and community. Due to its property tax base being higher than other regions in California, the District is "Community Funded". This means property taxes are the largest source of revenues, which is not based on attendance like other Districts. Below is a quick summary of the difference between "Community Funded" vs "State Aid".

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

While Santa Barbara Unified is Community Funded, it has fallen back into State Aid in prior years.

In 23-24, Santa Barbara Unified is a Community- Funded District. It is expected to receive \$227,649,319 of funding from the following sources:

Federal Funding = \$17,743,460

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 = \$ 25,738,030

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 = \$17,011,524

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.

District Revenue Projections

Santa Barbara Unified is a Community-funded District, meaning we receive revenue largely from local property taxes instead of the state. As such, the District receives its funding in three lump sum payments each year. The District uses the County Assessor's projections of property taxes for the District revenue for the entire year, which can be different than what we ultimately receive when the final lump arrives in the summertime. There have been times when the Assessor's projections were overstated, and the true funding the District received was less than what had been projected all year. This means District budgets are built on assumptions. Typically, the rise in property taxes is 4% to 5% a year. Some years it is more, and some years it is less.

Due to SB Unified not receiving a consistent monthly revenue, there are times when the District needs funds from the reserve to cover costs until the next payment is received. To meet this need, the District's Board of Trustees has a standing policy to keep 10% reserves, which is greater than the 3% required by the state. If the District did not have these funds, it would need to take out a loan to temporarily cover expenses. Although this option has been used in the past, the interest does cost the District money, so it is not the preferred method.

Additionally, once reserves are used, they are gone, so they should not be used to pay for ongoing expenses like salaries and benefits.

