

2025-26 PROPOSED ADOPTED BUDGET



Steven Torres

Associate Superintendent
Administrative Services

Santa Barbara County Board
of Education Meeting

June 12, 2025

SANTA BARBARA COUNTY BOARD OF EDUCATION



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Associate Superintendent, Administrative Services

BUDGET OBJECTIVES



Our budget communicates our priorities. We continually adjust, monitor, and evaluate our budgets so we can serve our purpose to connect:

- ❑ Students with specialized services and deliver direct instruction.
- ❑ Educators with professional development and career growth.
- ❑ Local school districts and charter schools to services and support that are essential for planning, operations, and fiscal integrity.



OVERVIEW OF COE BUDGETS

2025-26 BUDGET TIMELINE



**ADOPTED
BUDGET**

6/30/25

Revenue Projections

- May Revision
- P2 Reporting

Expenditure Projections

- Manager Meetings
- Estimated Actuals

**1ST
INTERIM**

12/15/25

Revenue Projections

- Enacted Budget
- P-Annual Reporting (2024-25)

Expenditure Projections

- Spending through 10/31/25

2ND INTERIM

3/15/26

Revenue Projections

- P1 Reporting

Expenditure Projections

- Manager Meetings
- Spending through 1/31/26

**UNAUDITED
ACTUALS**

10/15/26

Revenue Projections

- P-Annual Reporting (2025-26)

Expenditure Projections

- Spending through 6/31/26

DIFFERENCES IN COE & DISTRICT BUDGETS



COE

Small percentage of funding is unrestricted

District

Majority of funding is unrestricted and majority of expenses are staff

COE

Multiple Management positions leading countywide work and services

District

More teachers and staff directly serving students

COE

Many fee for services, contracted work, or excess cost billing for programs

COE LOCAL CONTROL FUNDING FORMULA (LCFF)



Operations Grant provides funding for oversight responsibilities

LEA Support provides funding for conducting differentiated assistance and LCAP support activities with districts and charter

Alternative Education Grant provides funding for juvenile court and community schools

Base Rate Funding is provided to COE's operating a juvenile court school and county community school

EXCESS PROPERTY TAXES



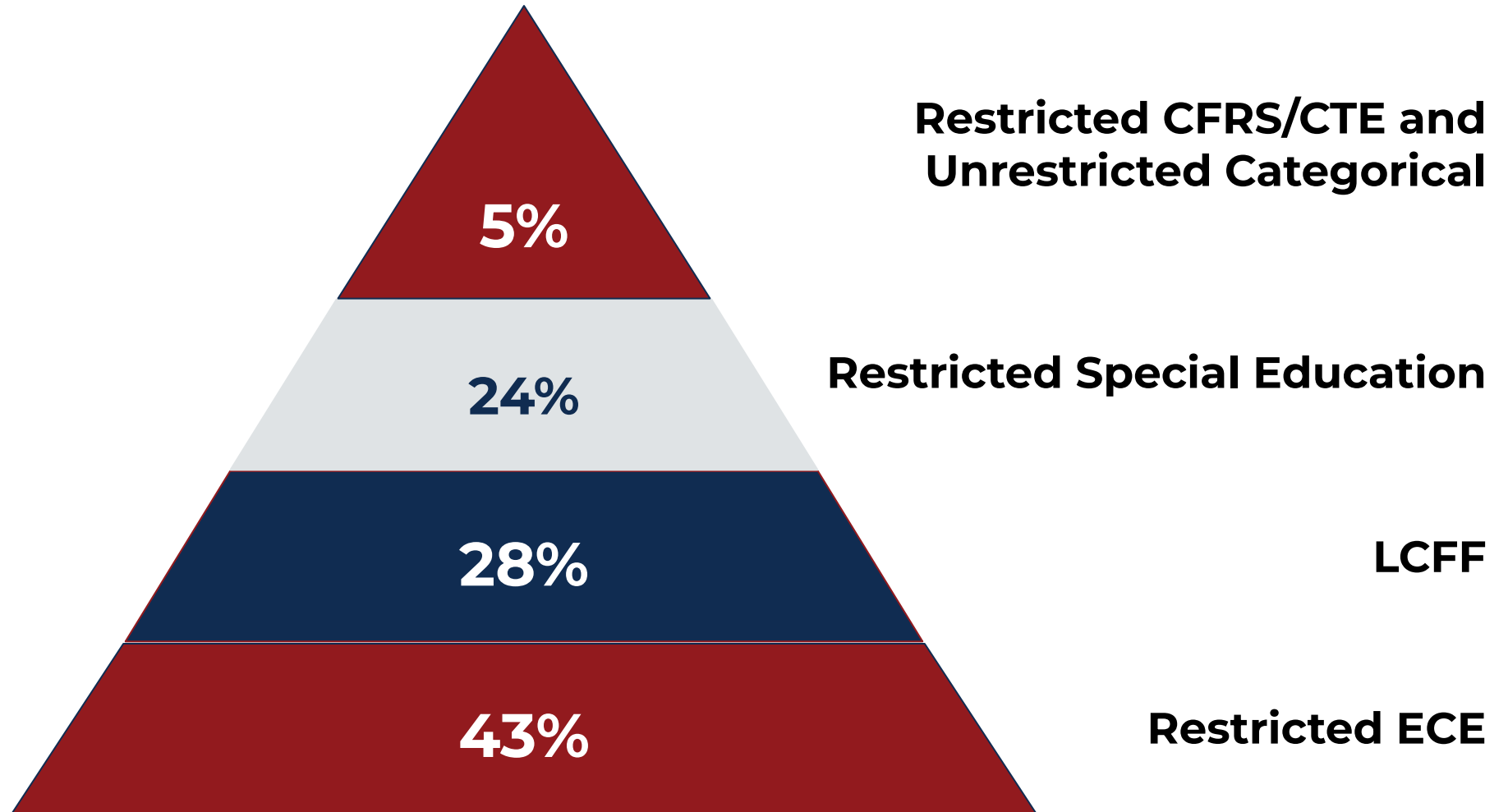
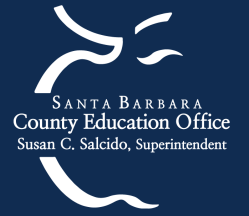
LCFF Funded

- Local property taxes do not reach the LCFF entitlement
- The state provides additional funding to reach the LCFF entitlement

Community Funded

- Local property taxes exceed LCFF entitlement
- Local district keeps excess property taxes
- COE's return excess property taxes to the state to fund trial courts

SBCEO REVENUE SOURCES



RESTRICTED AND UNRESTRICTED FUNDS



Restricted Funds

- Federal Revenues (i.e. Title I)
- Special Education
- Child Nutrition
- Medi-Cal Administrative Activities
- One-Time Funds (i.e. ESSER)
- Child Development Funds
- Program Funds (i.e. CTE)

Unrestricted Funds

- LCFF Sources
- Lottery
- Education Protection Account

INCREASED COSTS AND EMPLOYER CONTRIBUTIONS



CalSTRS

Fiscal Year	Contribution Rate
2014-15	8.9%
2023-24	19.1%
2024-25	19.1%
2025-26	19.1%
2026-27	19.1%
2027-28	19.1%

CalPERS

Fiscal Year	Contribution Rate
2014-15	11.8%
2023-24	26.7%
2024-25	27.1%
2025-26	26.8%
2026-27	27.5%
2027-28	28.5%
2028-29	28.2%



**2025-26 PROPOSED
ADOPTED BUDGET**

OVERVIEW OF STATE BUDGET



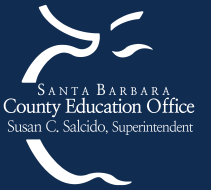
The May Revision includes a state budget shortfall of \$12 billion for the 2025-26 fiscal year. There are various solutions (i.e. the use of reserve funds, funding reductions, and deferrals) being presented to help mitigate the deficit.

The May Revision reflects changing national conditions that economists consider to be a “growth recession”. Tariffs and downgraded personal income tax revenues result in \$5.2 billion lower revenue in 2025-26.

The May Revision increased the Prop 98 Guarantee by \$2.9 billion over the Budget Act of 2024 forecast. However, this is less than the January projections.

The 2.3% COLA in the May Revision is a reduction from January’s proposal of 2.43%. The COLA is applied to the Local Control Funding Formula (LCFF) and some of the other educational programs funded outside of LCFF.

SBCEO REVENUE CHANGES



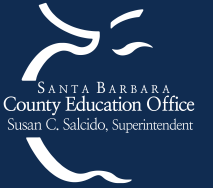
Changes in Revenue

- ❑ Total decrease of \$14.2 million
- ❑ Unrestricted General Fund = \$0.2 million
- ❑ Restricted General Fund = \$5.2 million
- ❑ Child Development Fund = \$8.8 million

Revenue Assumptions

- ❑ Increase LCFF by the estimated cost-of-living adjustment (2.3%)
- ❑ Remove expired one-time COVID-19 federal, state, and local grants
- ❑ Decrease funding for Differentiated Assistance
- ❑ Transfer property taxes in excess of the LCFF entitlement to the state (\$8.5 million)

SBCEO EXPENDITURE CHANGES



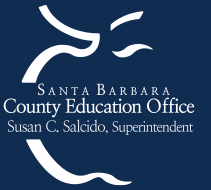
Changes in Expenditures

- ❑ Total decrease of \$6.9 million
- ❑ Unrestricted General Fund = \$2.5 million (increase)
- ❑ Restricted General Fund = \$4.7 million
- ❑ Child Development Fund = \$4.7 million

Expenditure Assumptions

- ❑ Include a 4% increase for all staff
- ❑ Include increases to employer costs for pensions and health benefits
- ❑ Reduce expenditures with the expiration of one-time grants
- ❑ Budget facilities projects in the deferred maintenance and facilities funds

ADOPTED BUDGET FORMAT



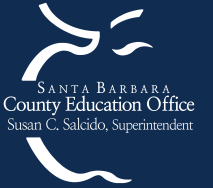
Standardized Account Code Structure (SACS)

A uniform statewide financial reporting format

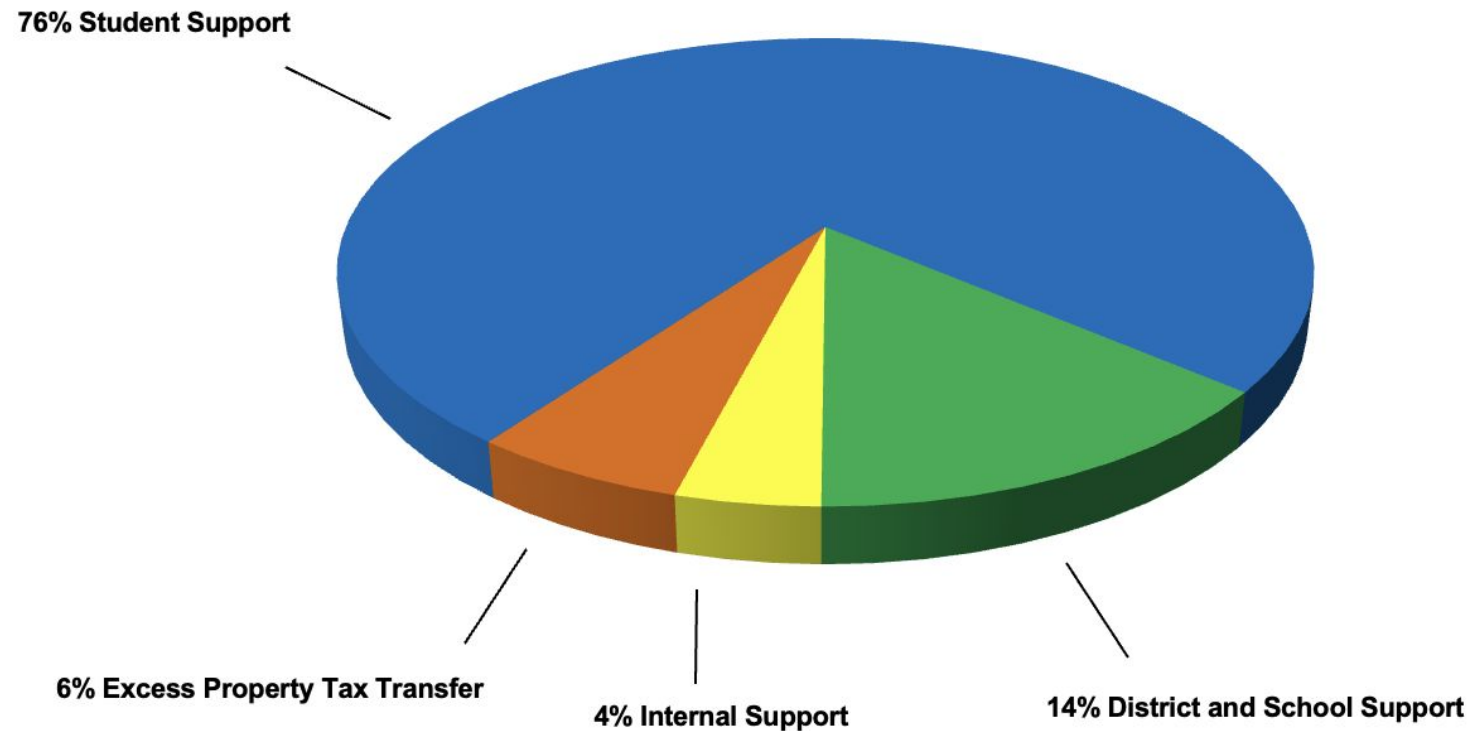
SACS Funding Codes and Accounting

Establishes the General Fund and Child Development Fund as separate accounting entities

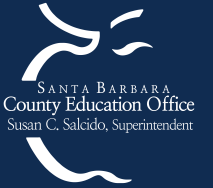
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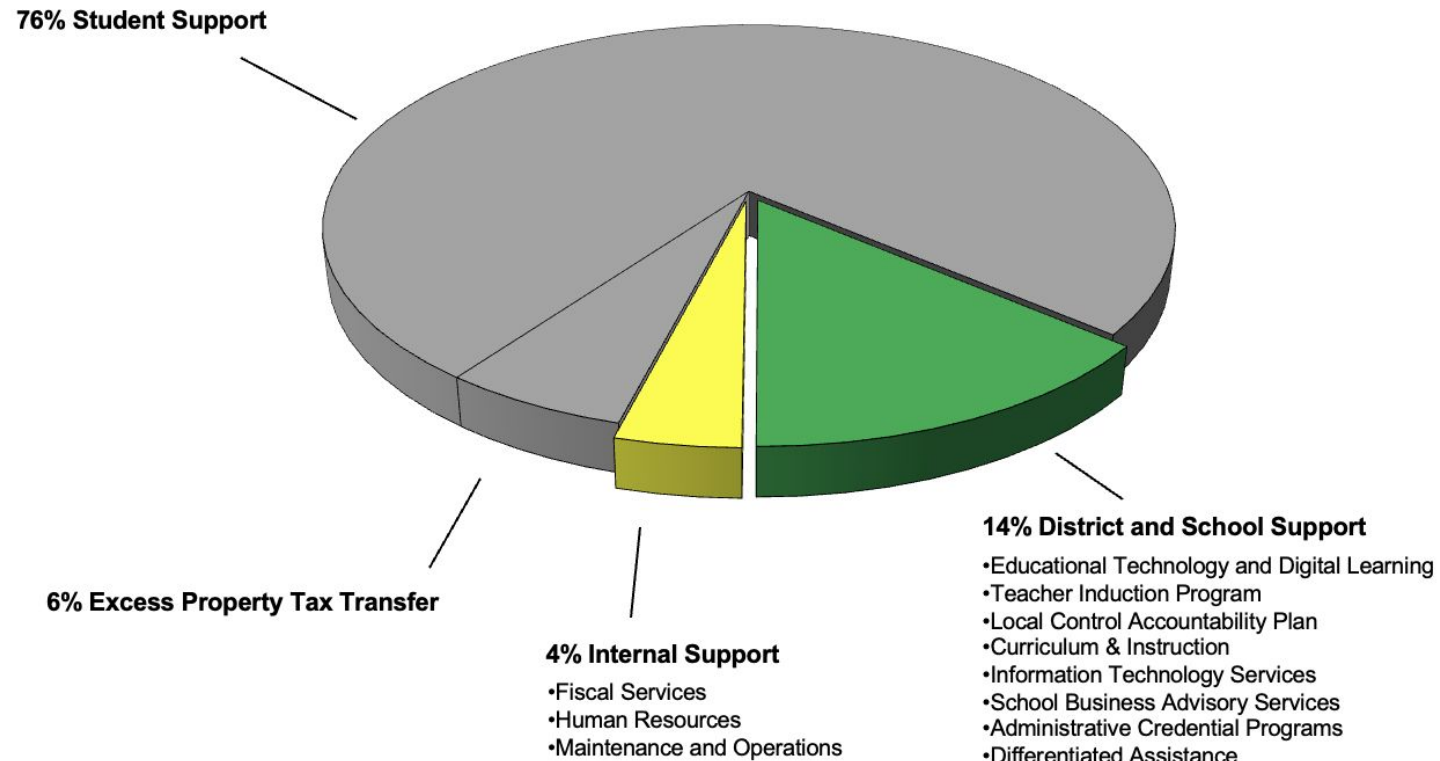
Combined General Fund and Child Development Fund Support Services Budgeted Expenditures



2025-26 PROPOSED ADOPTED BUDGET



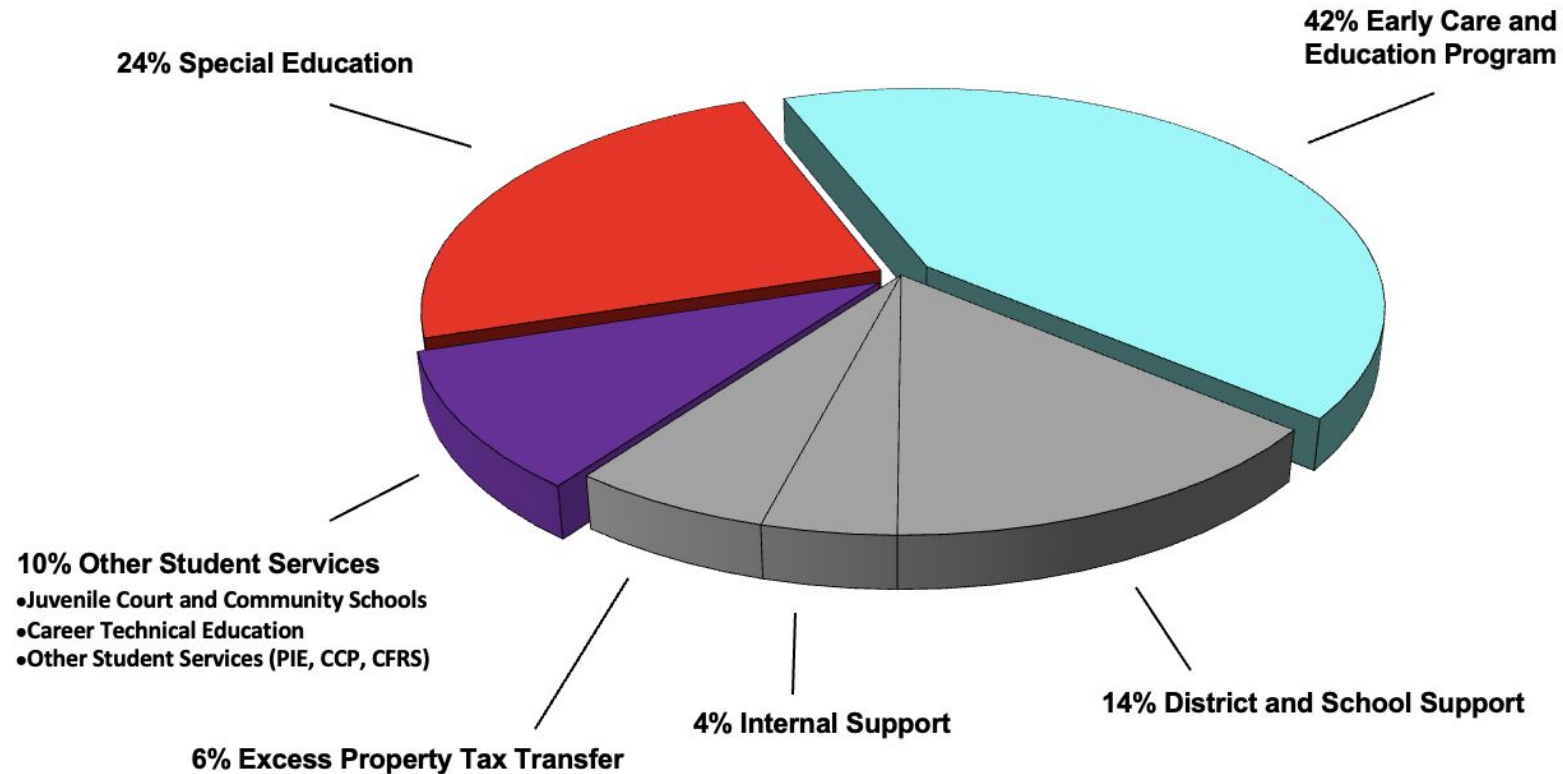
Combined General Fund and Child Development Fund Internal and District and School Support Budgeted Expenditures (19%)



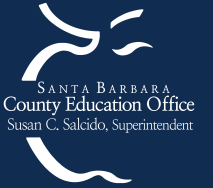
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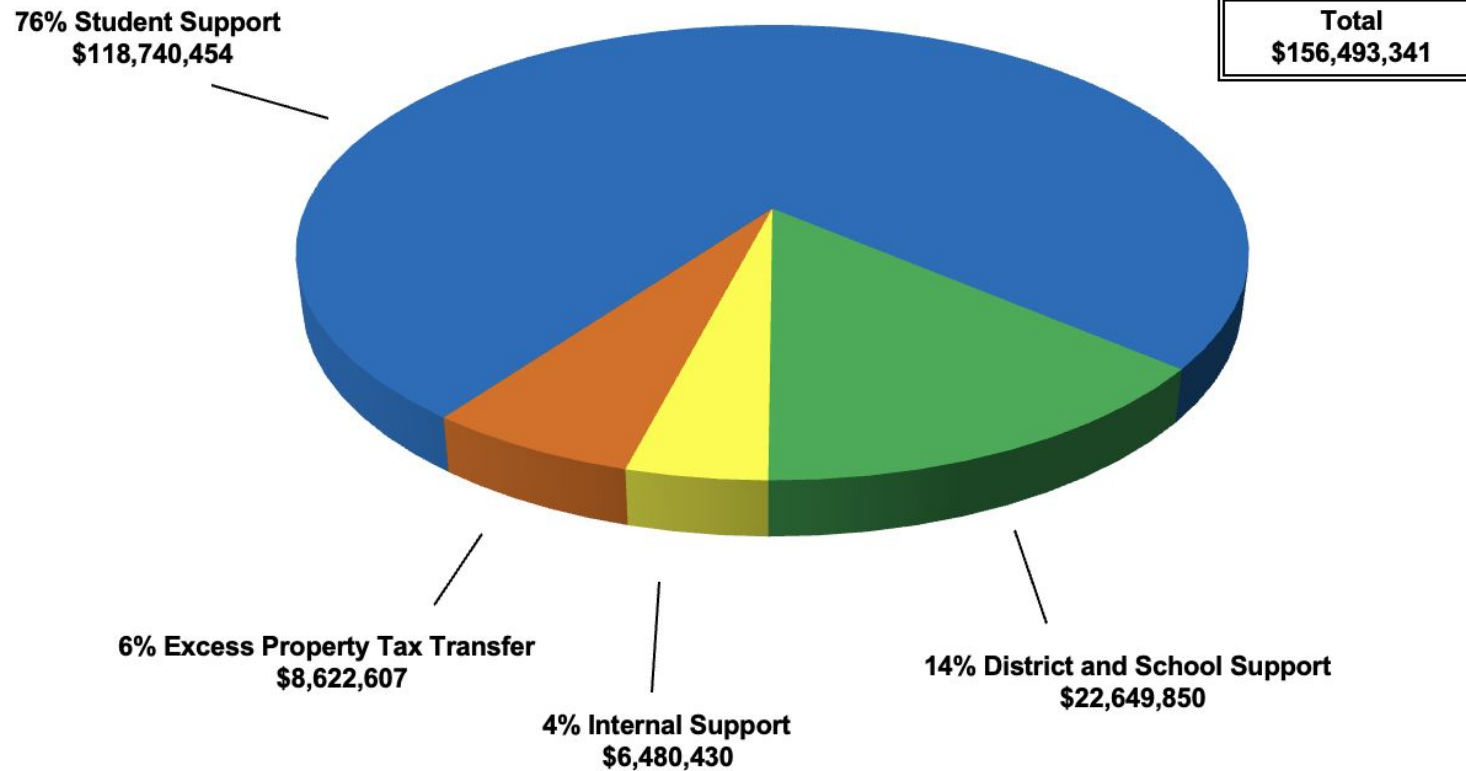
Combined General Fund and Child Development Fund Student Support Services Budgeted Expenditures (76%)



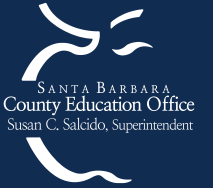
2025-26 PROPOSED ADOPTED BUDGET



Combined General Fund and Child Development Fund Support Services Budgeted Expenditures



2025-26 PROPOSED ADOPTED BUDGET



Combined General Fund and Child Development Fund

Two-Year Comparison

	2024/25 Estimated Actuals	2025/26 Proposed Budget
Beginning Balance	36,449,765	45,690,028
Revenue	172,502,680	158,196,353
Expense	163,262,417	156,493,341
Ending Balance (a)	45,690,028	47,393,040

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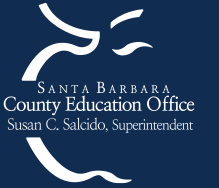


Separated General Fund and Child Development Fund

Two-Year Comparison

	<i>General Fund - Unrestricted</i>		<i>General Fund - Restricted Programs</i>		<i>Child Development Fund</i>	
	<i>2024/25 Estimated Actuals</i>	<i>2025/26 Proposed Budget</i>	<i>2024/25 Estimated Actuals</i>	<i>2025/26 Proposed Budget</i>	<i>2024/25 Estimated Actuals</i>	<i>2025/26 Proposed Budget</i>
Beginning Balance	13,501,022	16,855,756	18,165,429	19,804,904	4,783,314	9,029,368
Revenue	33,503,197	33,232,921	63,627,877	58,422,090	75,371,606	66,541,342
Expense	30,148,463	32,814,965	61,988,402	57,333,641	71,125,552	66,344,735
Ending Balance (a)	16,855,756	17,273,712	19,804,904	20,893,353	9,029,368	9,225,975

MULTIYEAR PROJECTIONS



Santa Barbara County Office of Education
Santa Barbara County

Budget, July 1
County School Service
Multiyear Projections
Unrestricted/Restricted

42 10421 000000
Form MYP
G8BMKHM7G3(2025-26)

Description	Object Codes	2025-26 Budget (Form 01) (A)	% Change (Cols. C-A/A) (B)	2026-27 Projection (C)	% Change (Cols. E-C/C) (D)	2027-28 Projection (E)
E. AVAILABLE RESERVES						
1. County School Service Fund						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	8,420,382.00		8,165,248.00		7,234,445.00
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
d. Negative Restricted Ending Balances (Negative resources 2000-9999)	979Z			0.00		0.00
2. Special Reserve Fund - Noncapital Outlay (Fund 17)						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	17,012,247.00		17,012,247.00		17,012,247.00
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
3. Total Available Reserves - by Amount (Sum lines E1a thru E2c)		25,432,629.00		25,177,495.00		24,246,692.00
4. Total Available Reserves - by Percent (Line E3 divided by Line F3c)		28.21%		26.77%		25.25%

QUESTIONS?



THANK YOU!