2026-27 PROPOSED ADOPTED BUDGET



Steven Torres

Associate Superintendent
Administrative Services

Santa Barbara County Board of Education Meeting

June 11, 2026

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Associate Superintendent, Administrative Services

BUDGET OBJECTIVES

Santa Barbara County Education Office
Susan C. Salcido, Superintendent

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

2026-27 BUDGET TIMELINE

Santa Barbara County Education Office
Susan C. Salcido, Superintendent

ADOPTED BUDGET
6/30/26

Revenue Projections
- ❑ May Revision
- ❑ P2 Reporting

Expenditure Projections
- ❑ Manager Meetings
- ❑ Estimated Actuals

1ST INTERIM
12/15/26

Revenue Projections
- ❑ Enacted Budget
- ❑ P-Annual Reporting (2025-26)

Expenditure Projections
- ❑ Spending through 10/31/26

2ND INTERIM
3/15/27

Revenue Projections
- ❑ P1 Reporting

Expenditure Projections
- ❑ Manager Meetings
- ❑ Spending through 1/31/27

UNAUDITED ACTUALS
10/15/27

Revenue Projections
- ❑ P-Annual Reporting (2026-27)

Expenditure Projections
- ❑ Spending through 6/30/27

DIFFERENCES IN COE & DISTRICT BUDGETS

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COE	District	COE	District	COE
Small percentage of funding is unrestricted	Majority of funding is unrestricted and majority of expenses are staff	Multiple Management positions leading countywide work and services	More teachers and staff directly serving students	Many fee for services, contracted work, or excess cost billing for programs

COE LOCAL CONTROL FUNDING FORMULA (LCFF)

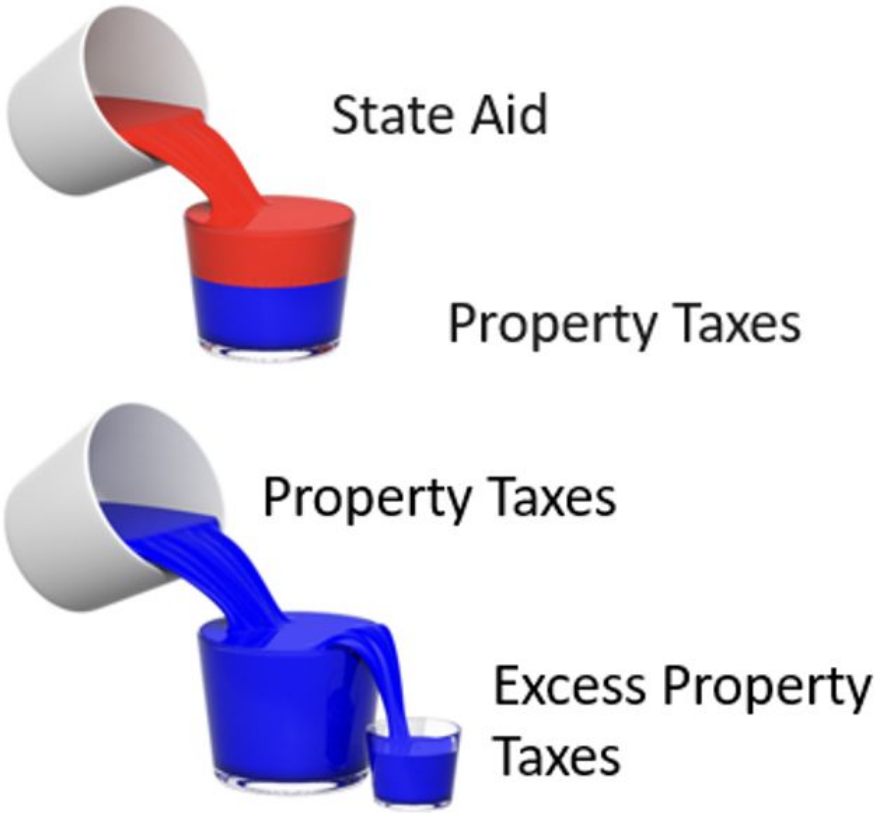
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LCFF is 17% of Total Revenue

Operations Grant provides funding for COE oversight responsibilities and is based on number school districts and the ADA in the county	**70%**
Alternative Education Grant provides funding for COE to operate juvenile court and community schools and is based on the ADA for those programs	**9%**
Differentiated Assistance Funding is based on the number of of districts and charters in DA and supports COE capacity to assist districts in improving student outcomes	**8%**
Additional State Aid to Meet Minimum Guarantee is based on the amount received in 2012-13 prior to the transition to LCFF	**13%**

EXCESS PROPERTY TAXES

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LCFF Funded

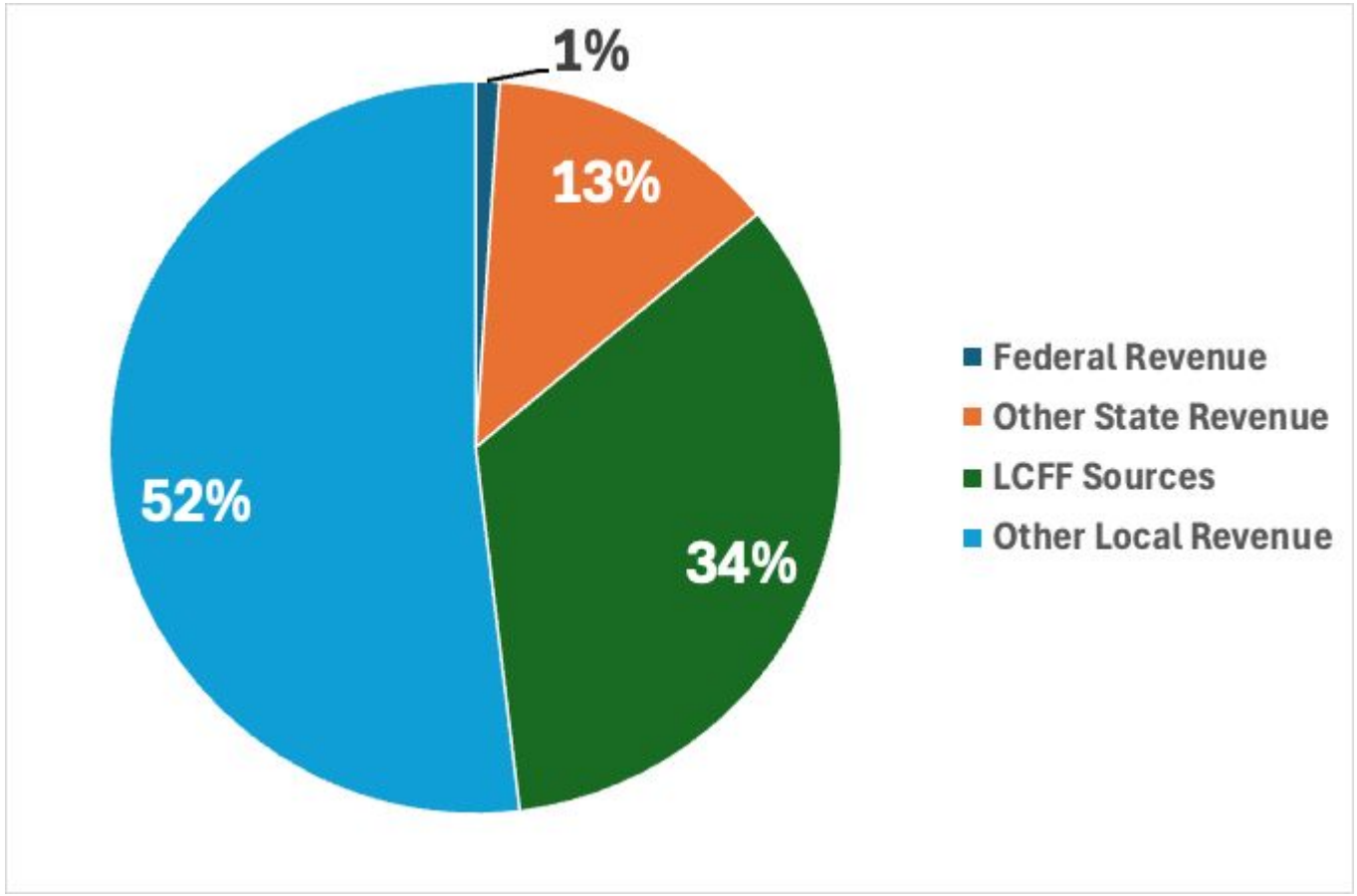
- Local property taxes do not reach the LCFF entitlement
- The state provides additional funding to reach the LCFF entitlement

Community Funded

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

SBCEO REVENUE SOURCES - FUND 01

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Federal Revenue Examples - 1%

- Title I (Restricted)
- Special Education IDEA (Restricted)
- McKinney Vento (Restricted)

Other State Revenue Examples - 13%

- Special Education (Restricted)
- Lottery (Unrestricted/Restricted)
- CTE Grants (Restricted)
- Equity Multiplier (Restricted)

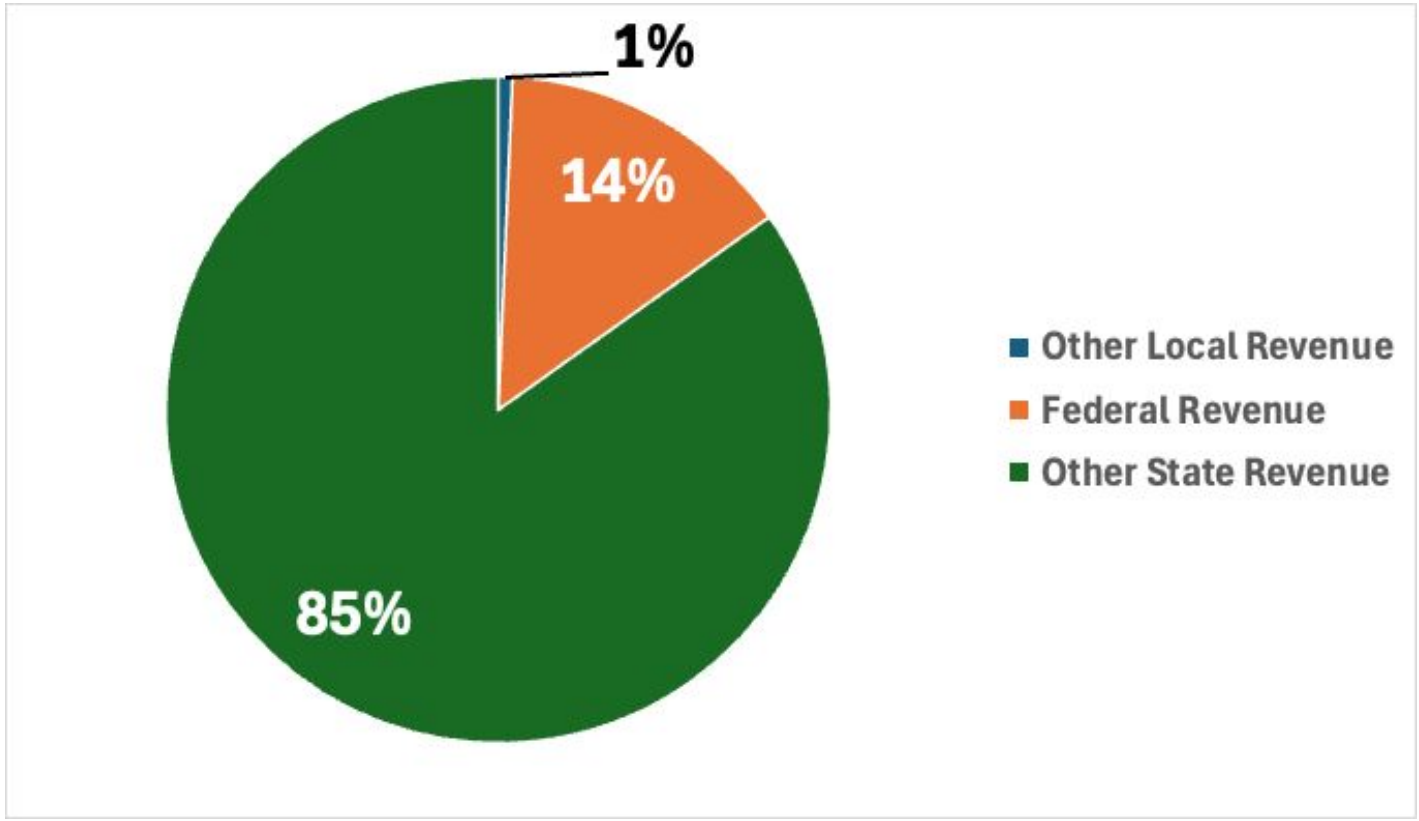
Other Local Revenue Examples - 52%

- Interest (Unrestricted)
- Children's Creative Project (Restricted)
- Partners in Education (Restricted)
- Health Linkages Grants (Restricted)

Fund 01 is 49% of Total Revenue

SBCEO REVENUE SOURCES - FUND 12

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Other Local Revenue Examples - 1%

- Interest
- Local Grants

Federal Revenue Examples - 14%

- Child Nutrition
- Alternative Payment Program

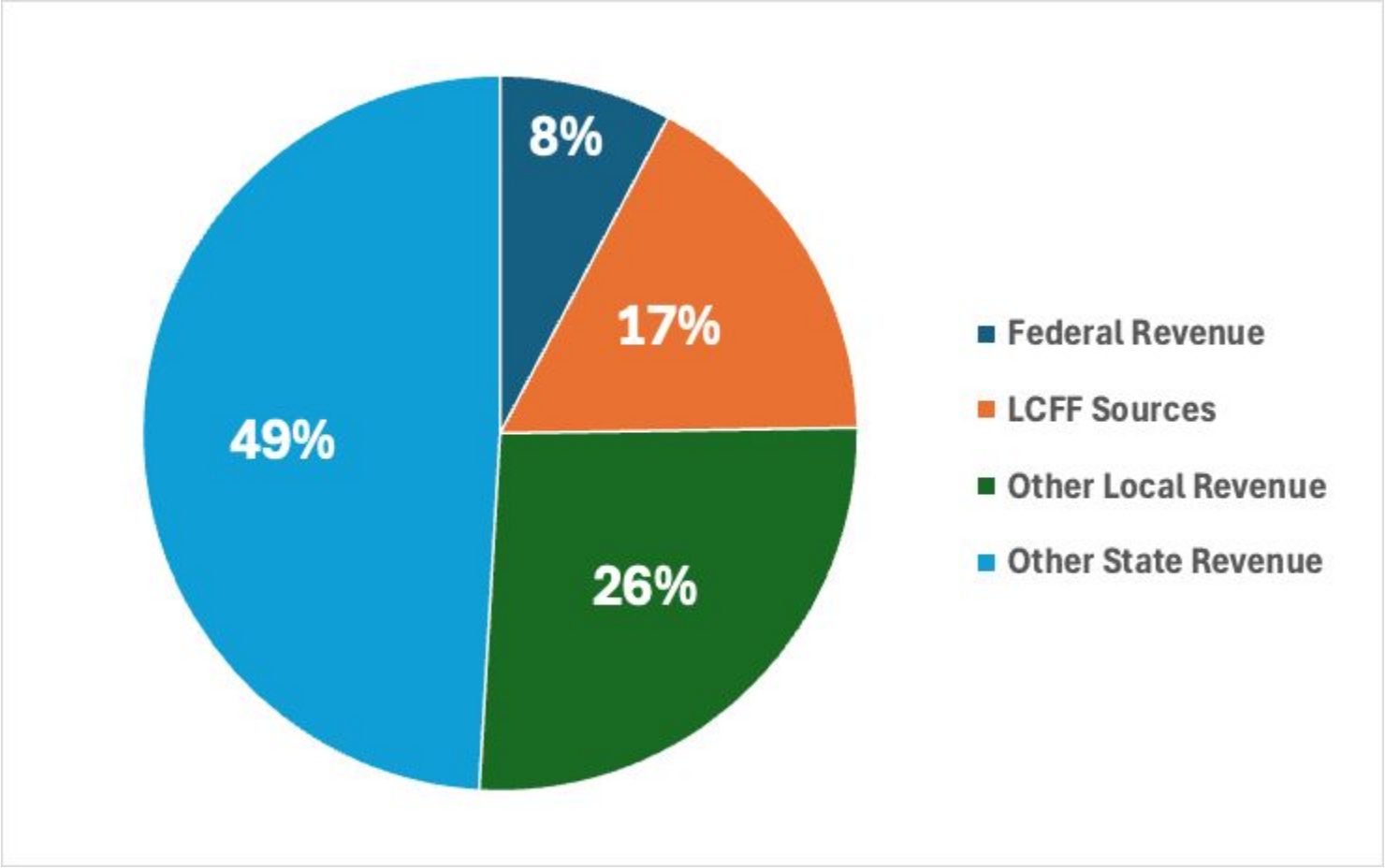
Other State Revenue Examples - 85%

- Alternative Payment Program
- State Preschool

Fund 12 is 51% of Total Revenue

SBCEO REVENUE SOURCES - COMBINED

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2026-27 PROPOSED ADOPTED BUDGET

OVERVIEW OF STATE BUDGET

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The May Revision includes a balanced state budget through June of 2028. There is an increase of $16.5 billion in revenue from the Big Three sources and a $1.8 billion reduction in General Fund spending.

The May Revision cautions about the risks to the state budget in outyears. Concerns remain about the "AI bubble" and the reliance on revenue from the top 1% of income earners. Federal actions also continue to impact public education.

The May Revise increased the Prop 98 Guarantee by $6.4 billion over the three-year budget window. Part of the increase will be used to pay the Prop 98 settle-up for 2024-25 and to make a deposit in the Prop 98 Rainy Day Fund.

The 4.31% super-COLA in the May Revision is an increase from January's proposal of 2.41% and the current statutory COLA of 2.87%. The super-COLA is applied only to the Local Control Funding Formula (LCFF) while other categorical programs will receive the statutory COLA.

SBCEO REVENUE CHANGES

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Changes in Revenue

- ❏ Total decrease of just over $10 million
- ❏ Unrestricted General Fund remains the same
- ❏ Restricted General Fund decrease of $1.7 million
- ❏ Child Development Fund decrease of $8.3 million

Revenue Assumptions

- ❏ Increase LCFF by the super-COLA (4.31%)
- ❏ Increase other categorical programs by statutory COLA (2.87%)
- ❏ 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 ($9.0 million)

SBCEO EXPENDITURE CHANGES

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Changes in Expenditures

- ❏ Total decrease of $3.9 million
- ❏ Unrestricted General Fund increase of $500,000
- ❏ Restricted General Fund decrease of $200,000
- ❏ Child Development Fund decrease of $4.2 million

Expenditure Assumptions

- ❏ Include a 4% increase for all staff
- ❏ Include adjustments to employer costs for health benefits (10%) and pensions (19%/STRS and 27%/PERS)
- ❏ Reduce expenditures with the expiration of one-time grants
- ❏ Budget facilities projects in the deferred maintenance and facilities funds

ADOPTED BUDGET FORMAT

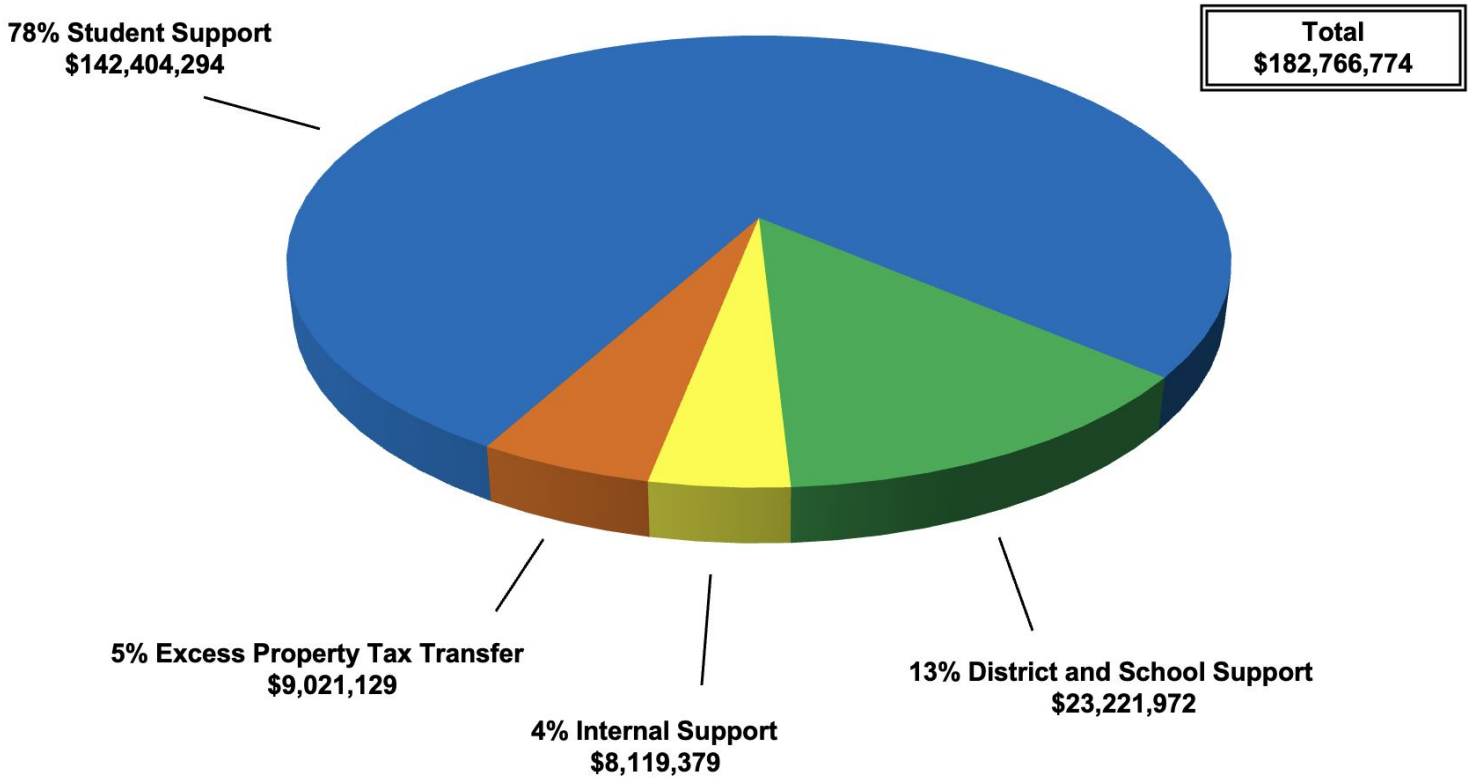
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Standardized Account Code Structure (SACS)	SACS Funding Codes and Accounting
A uniform statewide financial reporting format	Establishes the General Fund and Child Development Fund as separate accounting entities

2026-27 PROPOSED ADOPTED BUDGET

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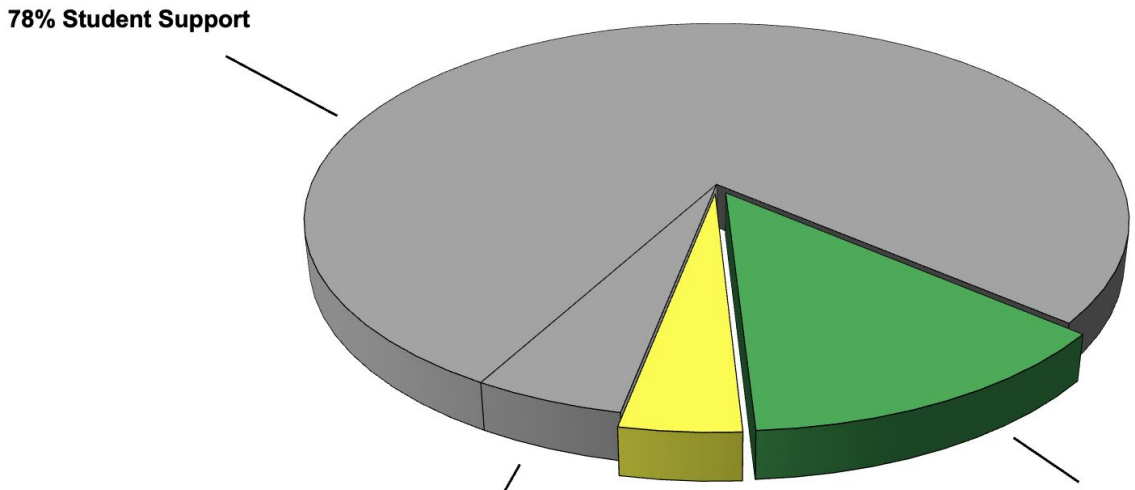
Combined General Fund and Child Development Fund Support Services Budgeted Expenditures



2026-27 PROPOSED ADOPTED BUDGET

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Combined General Fund and Child Development Fund
Internal and District and School Support Budgeted Expenditures

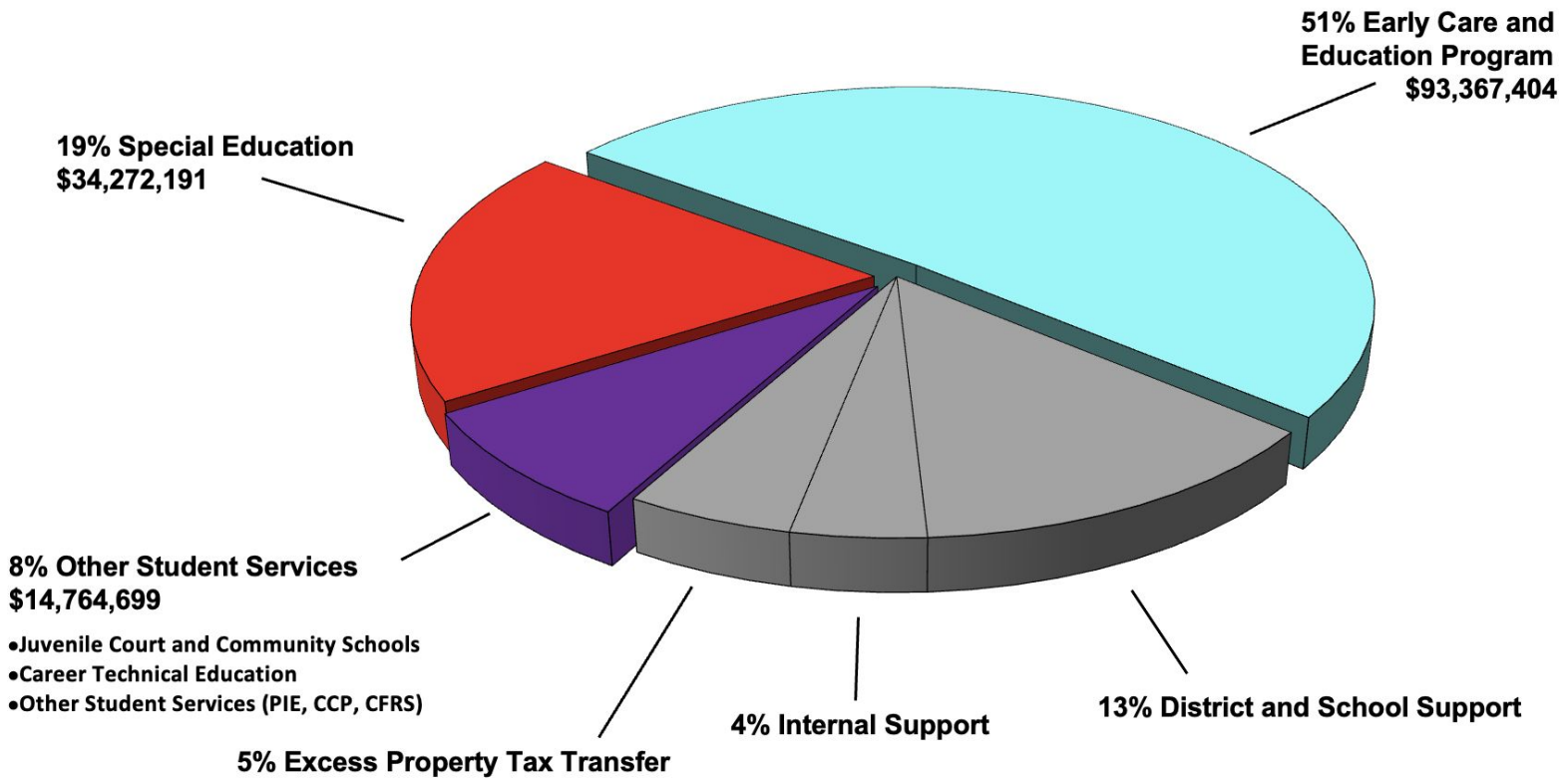


17%
$31,341,351

2026-27 PROPOSED ADOPTED BUDGET

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Combined General Fund and Child Development Fund
Student Support Services Budgeted Expenditures (78%)

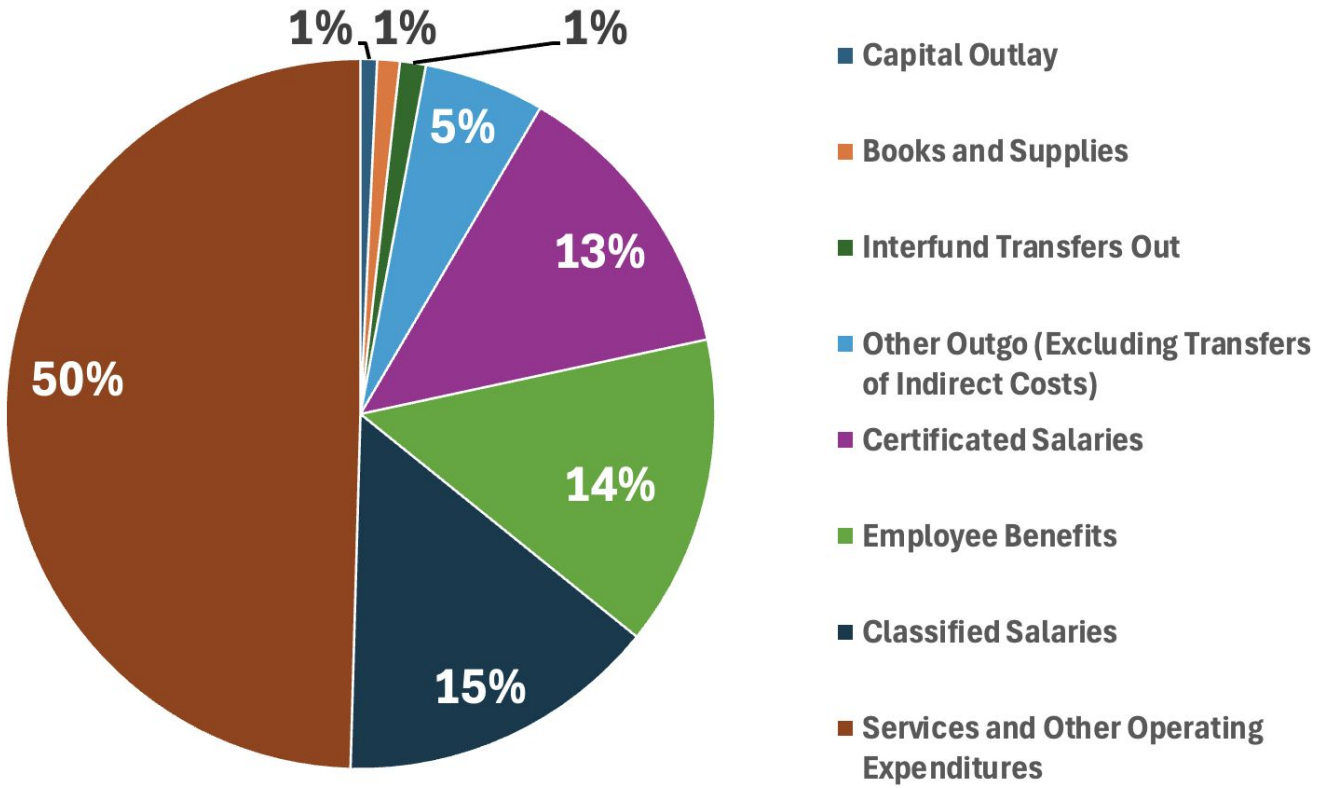


78%
$142,404,294

2026-27 PROPOSED ADOPTED BUDGET

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Combined General Fund and Child Development Fund Budgeted Expenditures by Type



Capital Outlay - 1%
- Subscription Assets (EHR, FS)
- One-time equipment purchases

Interfund Transfers Out - 1%
- Transfer to Special Reserve for Capital Outlay

Other Outgo - 5%
- Excess Property Tax Transfer
- GASB 96 Right to Use Subscription Liability

Services and Other Operating - 50%
- Utilities and Telecommunications
- Insurance
- Services and Maintenance Contracts
- Alternative Payment Program Providers

2026-27 PROPOSED ADOPTED BUDGET

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Combined General Fund and Child Development Fund
Two-Year Comparison

	2025-26 Estimated Actuals	*2026-27 Proposed Budget*
Beginning Balance	**48,105,417**	**57,744,331**
Revenue	196,374,598	186,001,362
Expense	186,735,684	182,766,774
Ending Balance (a)	**57,744,331**	**60,978,919**

2026-27 PROPOSED ADOPTED BUDGET

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Separated General Fund and Child Development Fund
Two-Year Comparison

	General Fund - Unrestricted		*General Fund - Restricted Programs*		*Child Development Fund*	
	2025/26 ***Estimated Actuals***	2026/27 ***Proposed Budget***	2025/26 ***Estimated Actuals***	2026/27 ***Proposed Budget***	2025/26 ***Estimated Actuals***	2026/27 ***Proposed Budget***
Beginning Balance	**18,917,586**	**22,578,362**	**21,027,418**	**22,936,338**	**8,160,413**	**12,229,631**
Revenue	36,874,045	36,591,315	57,831,937	56,084,295	101,688,616	93,325,752
Expense	33,213,269	33,674,764	55,923,017	55,724,606	97,599,398	93,367,404
Ending Balance (a)	**22,578,362**	**25,494,913**	**22,936,338**	**23,296,027**	**12,229,631**	**12,187,979**

MULTIYEAR PROJECTIONS

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Susan C. Salcido, Superintendent

Santa Barbara County Office of Education
Santa Barbara County

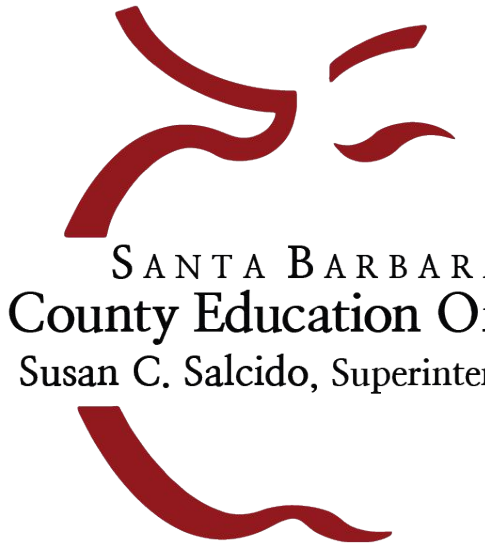
Budget, July 1
County School Service
Multiyear Projections
Unrestricted/Restricted

42 10421 0000000
Form MYP
H8BEEFPG7A(2026-27)

Description	Object Codes	2026-27 Budget (Form 01) (A)	% Change (Cols. C-A/A) (B)	2027-28 Projection (C)	% Change (Cols. E-C/C) (D)	2028-29 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	16,438,002.00		19,131,957.00		21,457,237.00
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	18,349,792.00		18,349,792.00		18,349,792.00
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
3. Total Available Reserves - by Amount (Sum lines E1a thru E2c)		34,787,794.00		37,481,749.00		39,807,029.00
4. Total Available Reserves - by Percent (Line E3 divided by Line F3c)		38.91%		40.82%		41.72%

QUESTIONS?

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THANK YOU!