



Budget Workshop

January 20, 2015

Disclaimer

- The FY 2015 information provided in this presentation is based upon the FY 2014-2015 General Appropriations Bill (H.4701) as ratified on June 4, 2014.
- FY 2016 projections are preliminary and are subject to change.
- FY 2014 135 Day Average Daily Membership (ADM) = 16,320.85
- FY 2014 135 Day Weighted Pupil Units (WPU) = 20,501.45
- FY 2015 projected WPU (new weightings) = 22,058.62
- FY 2015 45 Day ADM = 16,420.01
- FY 2015 45 Day WPU = 21,933.30

“Our greatest natural resource is
the minds of our children.”

-Walt Disney (1901-1966)

What is a Budget?

- “Simple Definition”: a school budget describes a district’s **plan** for the upcoming year as related to anticipated revenues and expenditures.
- Should convey your values and priorities
- A tool for monitoring actual results
- Provides a foundation for the next year

High Level Overview

- **General Fund** – The principal operating fund of the District
- **Special Revenue & EIA Funds** – account for State and Federal funds which are allocated for specific programs or initiatives.
- **Debt Service** – accounts for the payment of interest and principal on long-term general obligation debt.
- **School Building Fund** – accounts for the construction, repair, renovation, and acquisition of school facilities. Can include capital equipment.
- **Food Service Fund** – accounts for the USDA's approved school breakfast and lunch programs.

Where do the funds come from?

The Basic Building Blocks

- Local Revenue
- State Revenue
- Federal Revenue
- Other Financing Sources

Expenditures

- Salaries and Benefits Approx. 90%
- Fixed Cost Approx. 5 %
 - Utilities
 - Contracts
- Other Approx. 5 %
 - Instructional Supplies
 - Staff Development
 - Other Supplies

Local Revenue

- Outside the issuance of General Obligation Bonds, this is the **major** source of revenue that the District has the ability to raise.
- Major Source: Property Taxes
- Since 2008, owner occupied homes are not taxed for school operations.

Property Tax Relief (ACT 388)

- Applicable to General Fund
- Residential owner/occupied exemption from taxes on school operations
- Funded from:
 - Tier I: The 1995 \$100,000 Exemption
 - Tier II: The \$50,000 Homestead Exemption
 - Tier III: The additional penny sales tax
- For 2007-08, Districts to receive dollar for dollar reimbursement from the State
- For any subsequent year, Districts will receive the “base” established in 2007-08 plus a portion of the total additional funding available that will grow by the statewide inflation rate and population growth

State Revenue

- Education Finance Act (EFA)
- Fringe Benefit Employer Contributions
- Education Improvement Act (EIA)
- Education Lottery Act
- ACT 388 (Reimbursement for Local Property Tax Relief)

Federal Revenue

Major Sources

- School Food Service Programs
- Title I
- Individuals with Disabilities Education Act (IDEA)

Proceeds from General Obligation Bonds

- Applicable to School Building Fund
- Used to construct, renovate, repair, and equip school facilities
- Types
 - Referendum
 - 8% Constitutional Debt



Recap of FY 2015 General Fund Budget

Effects of State Funding Change for School District 5 of Lexington and Richland Counties

- Categorical Funding for High Achieving Students and Students At-Risk of School Failure will become formula based (EFA).
- School District 5 of Lexington and Richland Counties percent of Weighted Pupil Units (WPU's) and state funding from EFA will be smaller.
- With the projected increase in the Base Student Cost (BSC), School District 5 does not expect significant new funding.
- Other projected State funding increases are non-recurring.

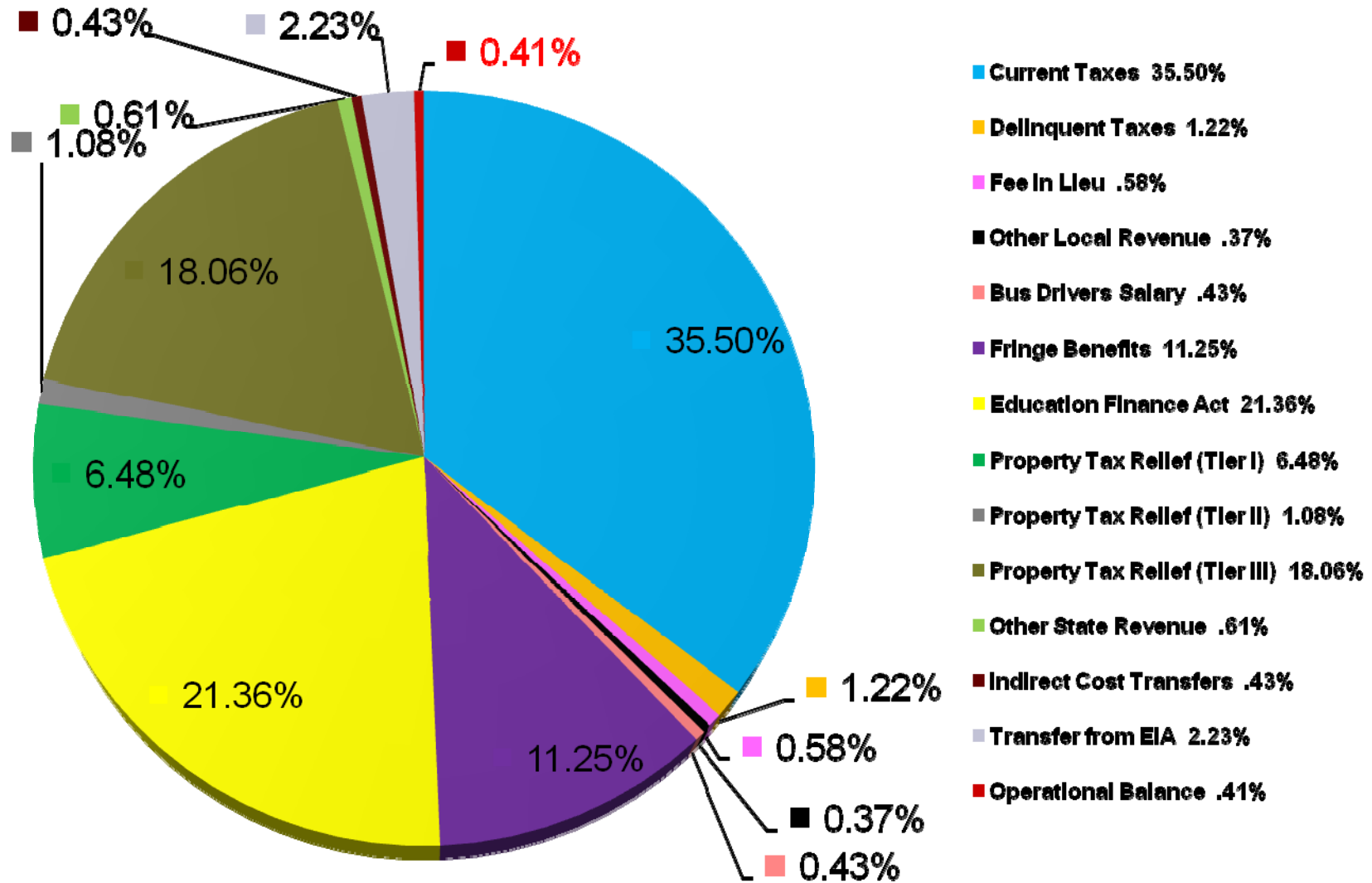
FY 2015 Proposed Expenditure Changes

\$4,899,900 (3.09%)

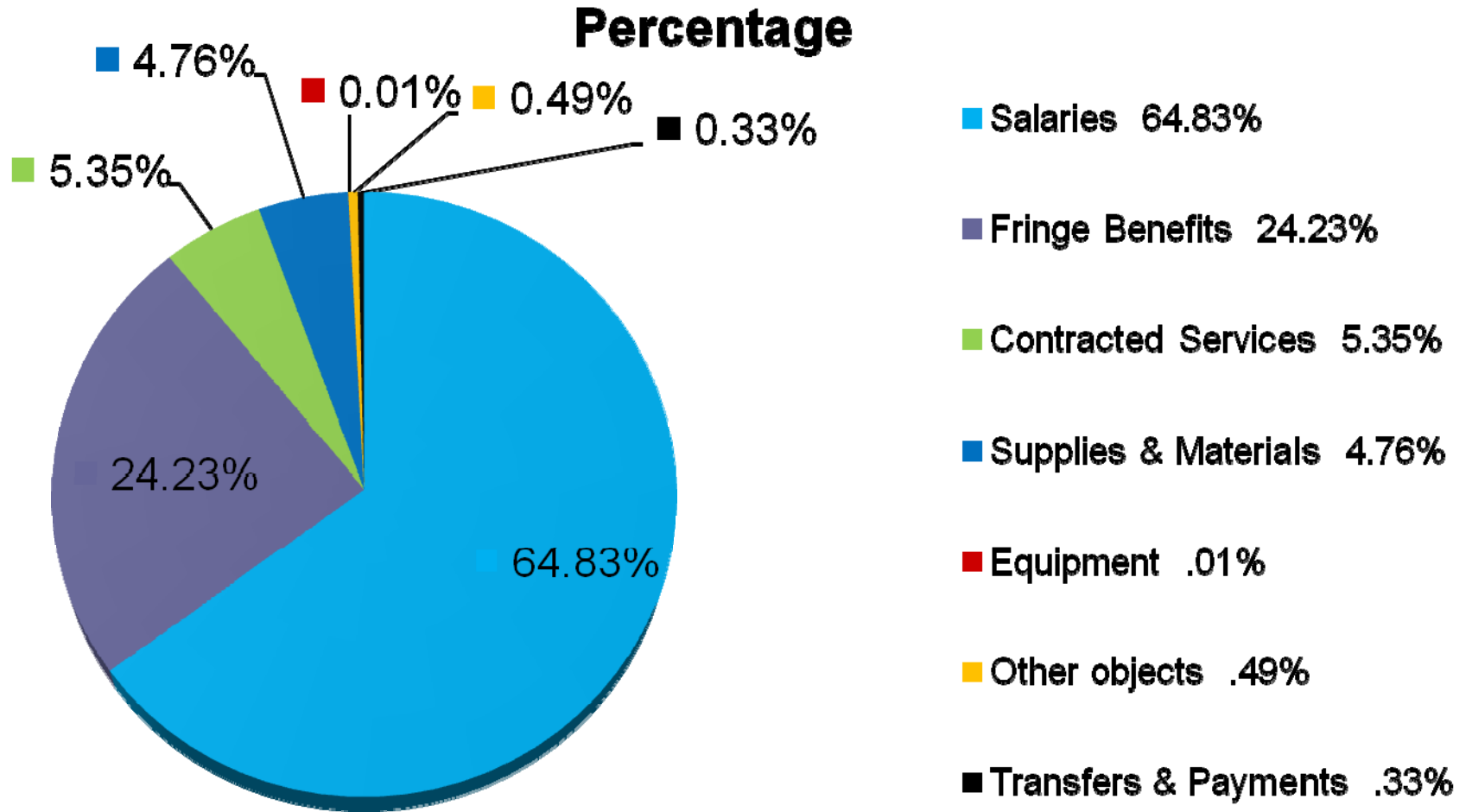
■ School Resource Officer FY 2014 startup funding	(\$387,207)
■ District Printing Services	(\$59,000)
■ 4K (7 classrooms) startup funding	(\$98,000)
■ Categorical Funding Change (Reading Coaches)	(\$407,000)
■ Teachers (5.0)	\$350,000
■ Technology Integration Specialists (TIS) (3.0)	\$210,000
■ Information Resource Technicians (2.0)	\$70,348
■ Principal and Admin Asst. for new middle school (1/2 yr.)	\$90,000
■ AF JROTC Funding Loss (IHS & DFHS)	\$21,000
■ Utilities and Maintenance	\$507,900
■ Communications (offset by E-rate)	\$200,000
■ Categorical Funding Loss (High Achieving & Students At-Risk)	\$2,130,572
■ One time use of Carryforward funds	(\$870,000)
■ HR Interpretive Services	\$9,000
■ Homebound Services	\$17,000
■ AdvancEd	\$11,000
■ Step Increases, Health & Dental increase, Retirement increase, Teacher Credential changes and misc. *	\$3,104,287

*subject to change based upon terminations, new hires, etc.

FY 2015 Projected General Fund Revenue



FY 2015 Projected General Fund Expenditures



Calculation for FY 2015 Allowable Millage Increase
Section 6-1-230 of the SC Code of Laws

Consumer Price Index (CPI) *	1.46%
Lex/Rich 5 Population Growth *	1.37%
Allowable Percentage Increase *	2.83%
FY 2014 Millage Rate	229.27
FY 2015 Millage Increase Cap	6.5

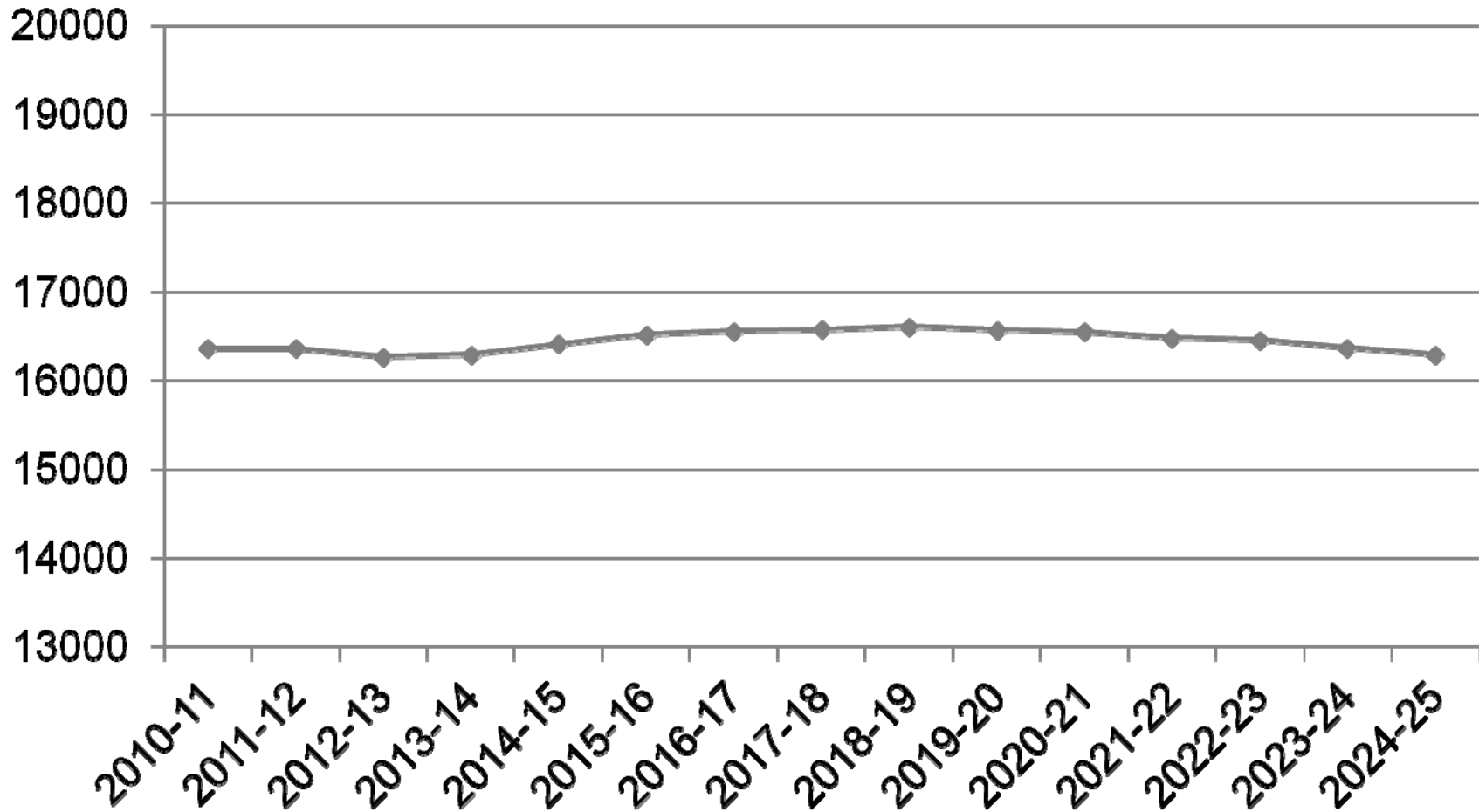
* Source: SC Budget & Control Board - Division of Research & Statistics

FY 2015 Increased Millage Calculation

■ Projected Shortfall	\$2,168,248
■ Estimated value of 1 mill	\$ 230,851
■ Estimated value 6.5 mills	\$ 1,500,534
■ Remaining Amount	\$ 667,714

K – 12 Enrollment Forecast*

*Source: McKibben Demographic Research



Cost of Living Allowance (COLA)

- The impact to the district's General Fund for each 1% COLA is approximately \$1,500,000.

FY 2016 Budget Considerations

■ One time use of carryforward funds in FY 2015	\$870,000
■ Projected FY 2015 use of Operational Balance	\$667,714
■ Annualization of Health and Dental Benefits FY 2015 increase	\$315,000
■ Projected cost of step increase for district employees (including benefits)	\$3,600,000
■ Projected operational costs for the Chapin Intermediate/Chapin Middle Schools reconfiguration and SHHS additional grade	\$2,100,000
■ Projected start up costs for Chapin Middle School (non-recurring)	\$200,000



Questions ?