



FY 2015-2016
Proposed General Fund Budget

May 18, 2015

Disclaimer

- The information provided in this presentation is based upon the FY 2015-2016 General Appropriations Bill (H.3701) as approved by the Senate Finance Committee on April 29, 2015.
 - The State budget projections are based upon FY 2014-2015 enrollment as of the 45th day of school.
 - All projections are subject to change as H.3701 progresses through the SC General Assembly and updated enrollment figures become available.
 - FY 2014-2015 Appropriated Base Student Cost (BSC) = \$2,120
 - FY 2014-2015 Actual BSC (Capped @ 45th Day)= \$2,109
 - FY 2014-2015 45 Day Average Daily Membership (ADM) = 16,420.05
 - FY 2014-2015 45 Day Weighted Pupil Units (WPU) = 21,851.45
 - FY 2015-2016 Projected BSC = \$2,220
-

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

-Walt Disney (1901-1966)

FY 2015-2016 Budget Considerations

\$4,415,532 (2.70%)

■ Increase for SRO's (RCSD grant for CMS – request reduced \$150K)	\$ 150,000
■ Loss of K-5 Enhancement Funding	\$ 385,000
■ Use of nonrecurring carry forward funds in FY 2015	\$ 782,000
■ Increased Utilities – New CMS and anticipated rate increases	\$ 507,460
■ Shift on-going technology license agreements from capital budget (\$578,000)	\$ 0
■ CIS/CMS additional FTE's (11)	\$ 630,375
■ SHHS additional FTE's (2.0)	\$ 138,000
■ Reduction in travel, food and membership budgets	(\$ 147,581)
■ Salary Increases (step and teacher credential) and fringe benefits increases, all extra-curricular and co-curricular supplements frozen at FY 2015 levels.*	\$1,970,278

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

What we're doing to control costs...

- July 1, 2015 implementation of an integrated Fund Accounting, HR Enterprise Resource Planning (ERP) System to streamline business processes, increase efficiencies and reduce costs for the district.
 - Contracted with outside staffing agency to provide teacher substitutes.
 - Researching ways to maximize potential rebates available to the district through electronic payments and procurement card (Pcard) use.
 - Perform Energy Audits and enacted other energy saving measures including proper shutdown procedures for weekends/holidays.
 - In-depth analysis of district staffing requirements to make school staffing consistent across the district and minimize the need for additional FTE's.
 - Implemented new procedures defining expectations for employees who receive a salary supplement for extra-curricular and/or co-curricular duties.
 - All extra-curricular and co-curricular salary supplements frozen at current levels.
 - Implemented new procedures for separating supplemental agreements from teacher contracts.
 - Reduced all travel, food and membership budgets.
 - Incorporated energy efficient LED lighting at new CMS to minimize electricity and labor costs.
 - Planning for future replacement of lighting throughout the district.
 - Studying alternatives to reduce contracted services costs.
-

FY 2015-2016

Projected General Fund Revenue - Local

Category	Amount	Percent of Budget
Local Revenue		
Current Taxes	56,067,254	34.43%
Delinquent Taxes	1,808,329	1.11%
Fee in Lieu of Taxes	999,300	.61%
Other Local Revenue	709,000	.44%
Total Local Revenue	\$59,583,883	36.59%

FY 2015-2016

Projected General Fund Revenue - State

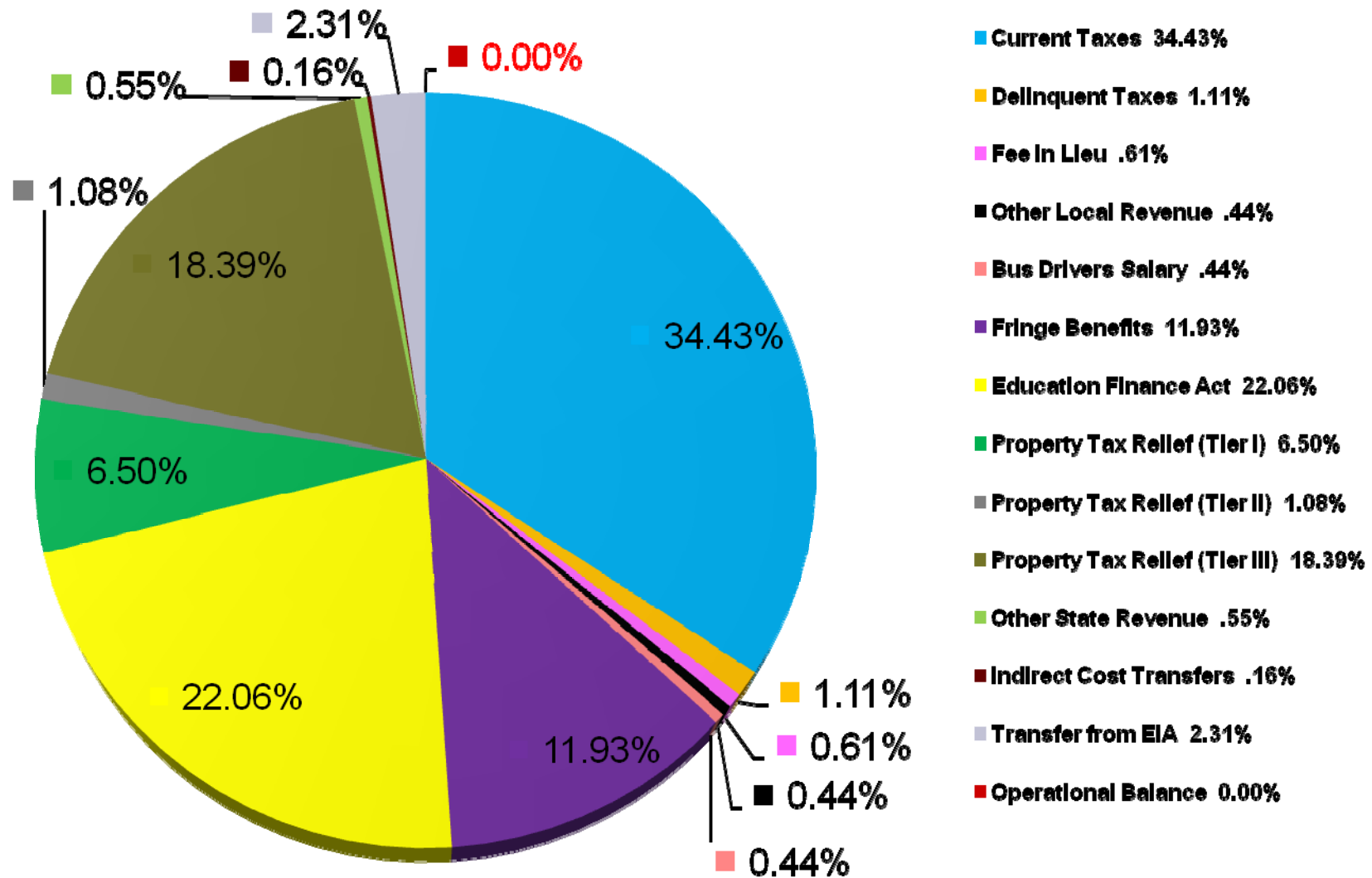
Category	Amount	Percent of Budget
State Revenue		
Bus Drivers Salaries & W/C	708,632	.44%
State Fringe Benefits	19,427,603	11.93%
Educational Finance Act (EFA)	35,927,552	22.06%
Property Tax Relief Tier I *	10,580,071	6.50%
Property Tax Relief Tier II *	1,758,200	1.08%
Property Tax Relief Tier III	29,939,069	18.39%
Other State Revenue	898,350	.55%
Total State Revenue	\$99,239,477	60.94%
* Frozen at current levels		

FY 2015-2016

Projected General Fund Revenue - Other

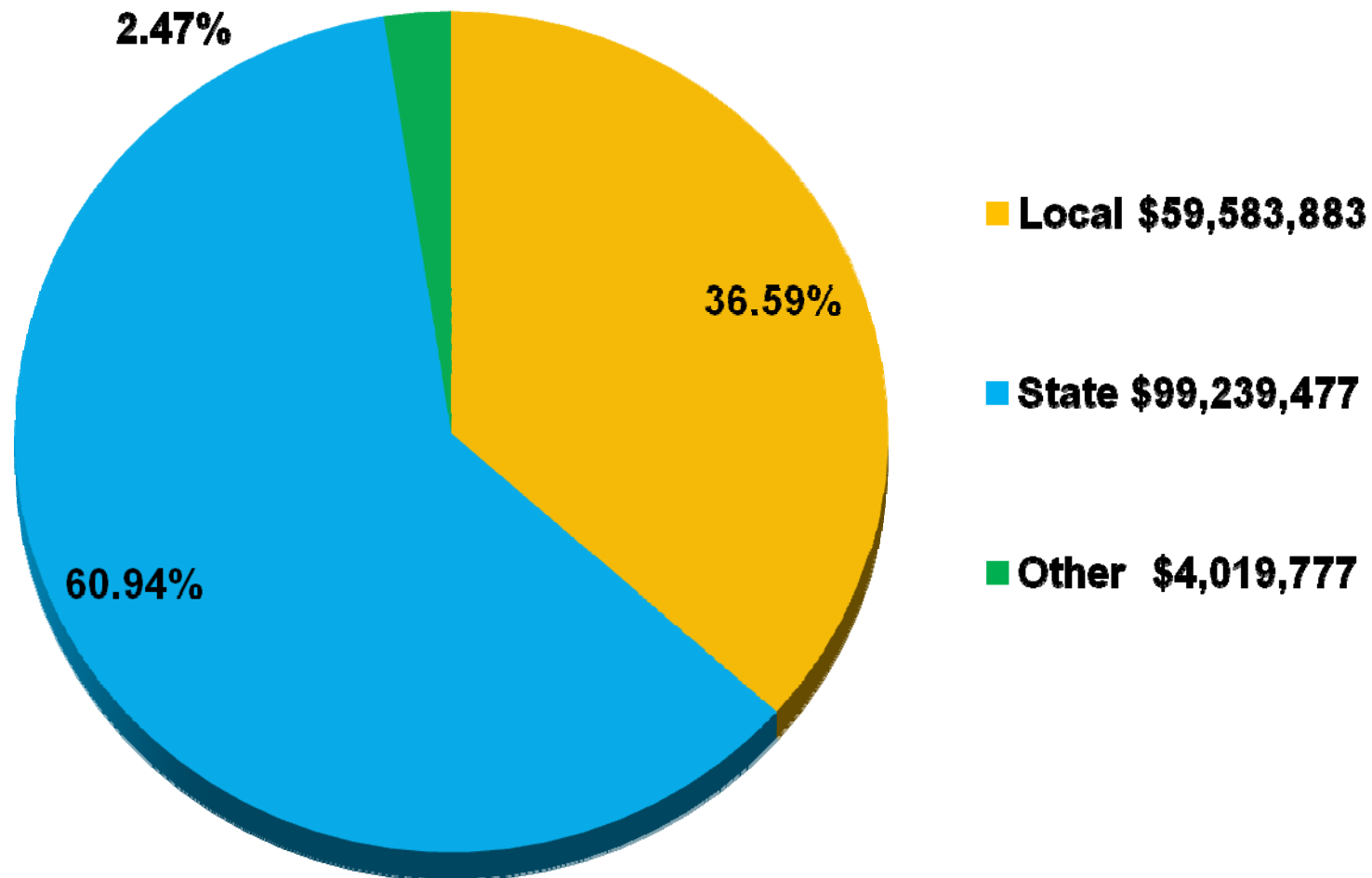
Category	Amount	Percent of Budget
Transfers from Other Funds		
Indirect Cost	265,000	.16%
Transfer From EIA (Teacher Salary and Benefits)	3,754,777	2.31%
Total Transfer from Other Funds	\$4,019,777	2.47%
Total Revenue	\$162,843,137	
Total Funds Available	\$162,843,137	100.00%

Projected General Fund Revenue



Projected General Fund Revenue

By Source

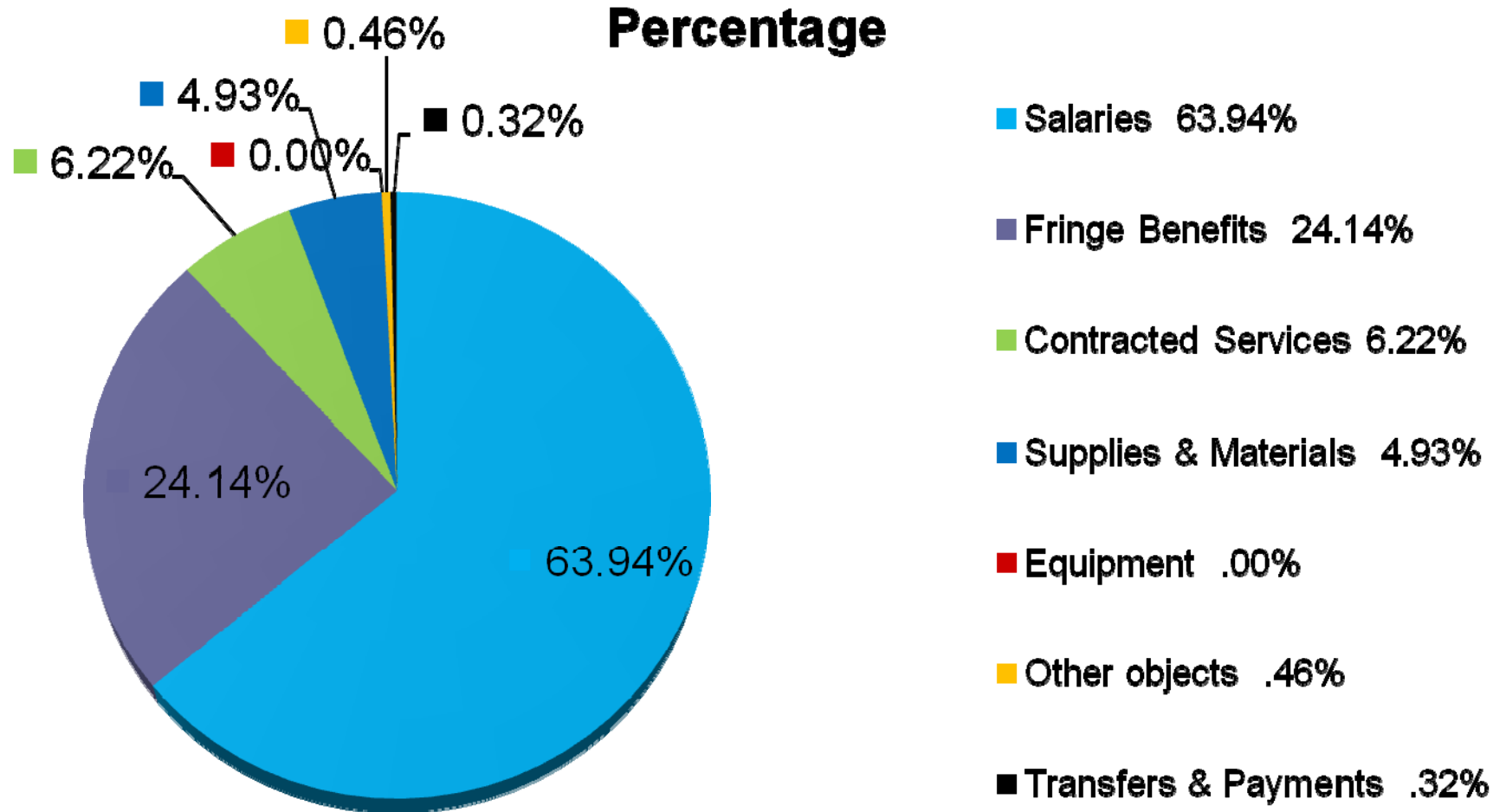


FY 2015-2016

Projected General Fund Expenditures

Category	Dollars	Percent of Budget
Salaries	107,276,369	63.94%
Fringe Benefits	40,493,309	24.14%
Contracted Services	10,428,590	6.22%
Supplies & Materials	8,263,285	4.93%
Equipment & Improvements	6,660	.00%
Other Objects	772,495	.46%
Transfers & Payments	531,745	.32%
Total Expenditures*	167,772,453	100.00%
* Slight difference due to rounding		

FY 2015-2016 Projected General Fund Expenditures



Projected State Funding Changes Directly Impacting D5 General Fund Budget

Comparison of Current FY 2014- 2015 State Allocations to Projected FY 2015-2016 State Allocations

<u>Program</u>	<u>Projected Change</u>
■ Student Health and Fitness Funding (\$115,772)	\$1,188 decrease
■ Reading Coach Funding (approx. \$408,000)	No increase
■ Employer Contributions (approx. \$14.5 million)	\$370,000 increase
■ Retiree Insurance (approx. \$4.5 million)	No increase
■ Education Finance Act aka BSC (approx. \$34.1 million)	\$1.8 million increase
■ TSS and Fringe (approx. \$3.5 million)	\$104,300 increase
■ K-5 Enhancement Lottery Funding (approx. \$474,000)	Deleted
■ 6-8 Enhancement Lottery Funding (approx. \$45,000)	Deleted

Net Effect of Funding Changes

Based upon FY 2014-2015 45 Day Average Daily Membership, School District Five of Lexington & Richland Counties can expect an increase in State Funding of approximately \$1.8 million.

General Fund Salary and Fringe Increases

Current FY 2014-2015 GF Salary and Fringe Benefits Budget Increased to Reflect Step Increase
For Illustrative Purposes Only

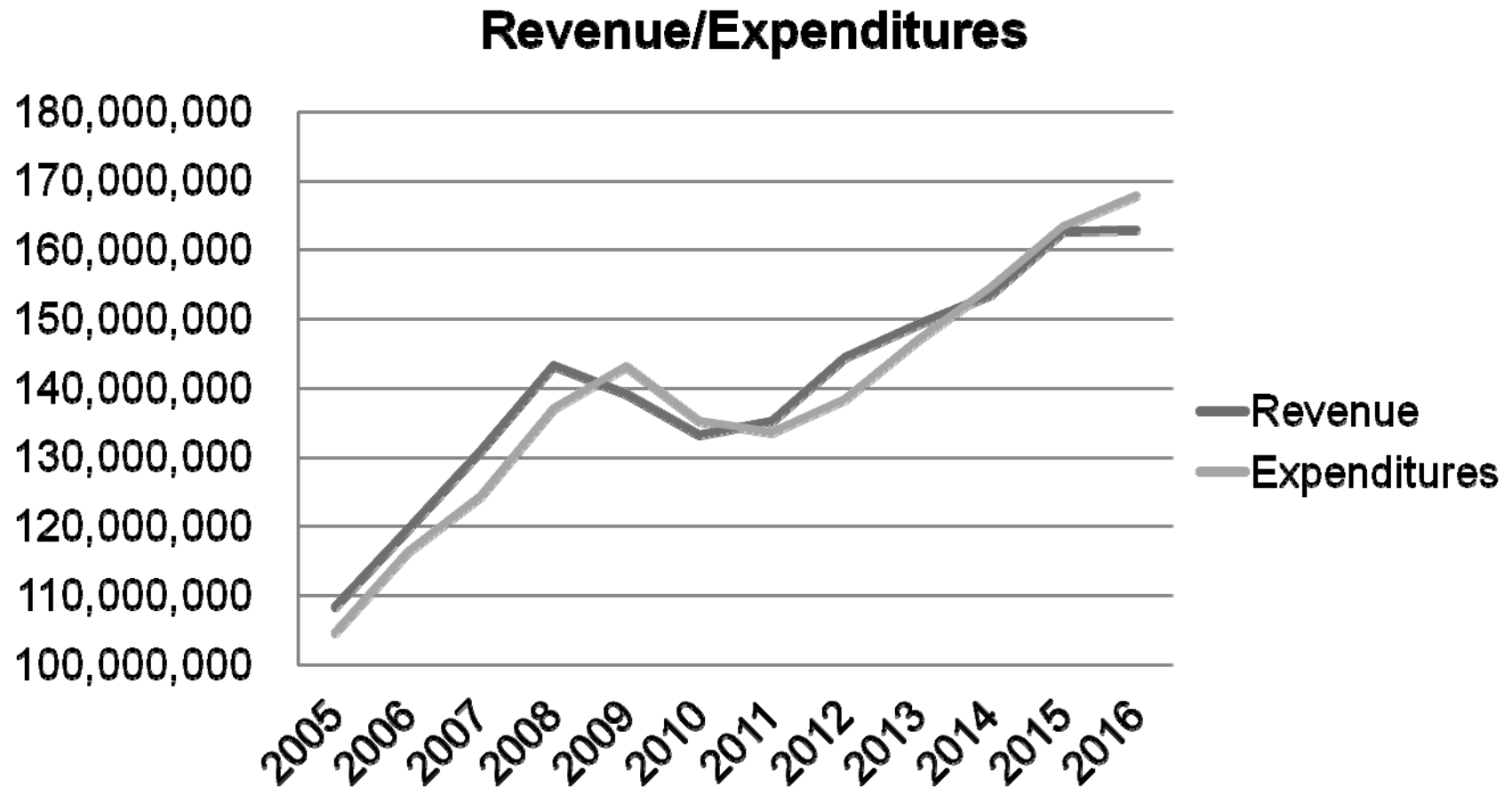
FY 2014-2015 to FY 2015-2016

<u>Account</u>	<u>Amount Budgeted</u>	<u>% Increase</u>	<u>Change</u>
Salaries	\$105,858,711	1.50%	\$1,587,881
Fringe Benefits	39,572,919	2.25%	890,391
Total	\$145,431,630		\$2,478,272

The Problem With The Math

- State Revenue is currently projected to increase by \$1.8 million.
 - Salary and Fringe costs currently projected to increase by \$2.5 million.
 - Even without other projected cost increases for FY 2015-2016, funding is not keeping pace with state required expenditures.
-

Revenue and Expenditure Trend



Calculation for FY 2015-2016 Allowable Millage Increase

Section 6-1-230 of the SC Code of Laws

Consumer Price Increase (CPI) *	1.62%
Lex/Rich 5 Population Growth *	1.08%
Allowable Percentage Increase *	2.70%

FY 2014-2015 Millage Rate	235.80
FY 2015-2016 Millage Increase Cap	6.4

* Source: SC Revenue And Fiscal Affairs Office

Operational Millage History FY 2011-2012 Thru FY 2014-2015 And Compounded Consequence Of Not Maximizing Millage As Allowed by 6-1-320 (Act 388)

A	D	E	F	G	H	I	J	K	L	M
FISCAL YEAR	ACTUAL CHANGE IN OPERATIONAL MILLAGE (mills)	ACTUAL OPERATIONAL MILLAGE (mills)	MILLAGE RATE INCREASE LIMITATION (%) 6-1-320	ACTUAL MILLAGE INCREASE LIMITATION (MILLS) 6-1-320	BUDGETED MILL VALUE	BUDGETED INCREASE (\$)	ALLOWABLE MILLAGE INCREASE LIMITATION (MILLS) 6-1-320	ALLOWABLE OPERATIONAL MILLAGE (mills)	ALLOWABLE INCREASE (\$) J*H	CUMULATIVE EFFECT OF NOT MAXIMIZING MILLAGE
2011-2012	8.17	221.97	3.82%							
2012-2013*	0.00	221.97	4.18%	9.30	\$ 218,543	\$ -	9.30	231.27	\$ 2,032,450	\$ 2,032,450
2013-2014	7.30	229.27	3.29%	7.30	\$ 224,830	\$ 1,641,259	7.61	238.57	\$ 1,710,683	\$ 2,101,874
2014-2015	6.53	235.80	2.83%	6.50	\$ 230,851	\$ 1,507,457	6.75	245.07	\$ 1,558,598	\$ 2,153,015
2015-2016**	TBD	TBD	2.70%	6.40	\$ 236,926	\$ 1,516,326	6.62	251.47	\$ 1,567,713	\$ 2,204,402
* Millage was not increased **Assuming max millage limit for FY 2016 <i>Italics = estimate</i>									TOTAL	\$ 8,491,741

FY 2016 Millage Calculation

■ Estimated value of 1 mill	\$ 236,926
■ Estimated value 6.4 mills (current year cap)	\$ 1,516,329
■ Estimated value 9.3 mills (catch up from FY 2012-2013)	\$ 2,203,416
■ Estimated value 15.7 mills (current cap + catch up)	\$ 3,719,745

Estimated Cost of Millage Increase to Taxpayers
FY 2016 Allowable Increase
6.4 Mills

<u>Category</u>	<u>Assessment Rate</u>	<u>Assessed Value</u>	<u>Mill Value</u>	<u># Mills</u>	<u>Taxpayer Cost</u>
Owner Occupied Homes	4%	\$ 100,000.00	0.001	6.4	Exempt
Motor Vehicle	6%	\$ 20,000.00	0.001	6.4	\$ 7.68
Other Business/Personal Property	6%	\$ 100,000.00	0.001	6.4	\$ 38.40

Estimated Cost of Millage Increase to Taxpayers
FY 2015- 2016 Catch Up Millage From FY 2012-2013
9.3 Mills

<u>Category</u>	<u>Assessment Rate</u>	<u>Assessed Value</u>	<u>Mill Value</u>	<u># Mills</u>	<u>Taxpayer Cost</u>
Owner Occupied Homes	4%	\$ 100,000.00	0.001	9.3	Exempt
Motor Vehicle	6%	\$ 20,000.00	0.001	9.3	\$ 11.16
Other Business/Personal Property	6%	\$ 100,000.00	0.001	9.3	\$ 55.80

Estimated Cost of Millage Increase to Taxpayers
Total Allowable Increase with Catch Up
15.7 Mills

<u>Category</u>	<u>Assessment Rate</u>	<u>Assessed Value</u>	<u>Mill Value</u>	<u># Mills</u>	<u>Taxpayer Cost</u>
Owner Occupied Homes	4%	\$ 100,000.00	0.001	15.7	Exempt
Motor Vehicle	6%	\$ 20,000.00	0.001	15.7	\$ 18.84
Other Business/Personal Property	6%	\$ 100,000.00	0.001	15.7	\$ 94.20

FY 2015-2016 Recap

as of 5/18/2015

- **Projected Revenue =** **\$ 162,843,137**
 - **Projected Expenditures =** **\$ 167,772,453**
 - **Projected Shortfall (no mills) =** **\$ 4,929,316**
 - **Projected Shortfall (6.4 mills) =** **\$ 3,412,987**
 - **Projected Shortfall (9.3 mills) =** **\$ 2,725,900**
 - **Projected Shortfall (15.7 mills) =** **\$ 1,209,571**
-



2025 EDITION | 2025 EDITION | 2025 EDITION | 2025 EDITION | 2025 EDITION
