

FY 2015-2016
Proposed General Fund Budget

June 8, 2015

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

-Walt Disney (1901-1966)

FY 2015-2016 Budget Increase
$3,094,100 (1.89%)

Increases

Increased costs for SRO's	$ 150,000
Loss of categorical funding	1,167,000
Increased Utilities Costs	507,480
CIS/CMS additional FTE's (11)	630,375
SHHS additional FTE's (2.0)	138,000
General Liability insurance increase	30,000
Salary Increases (step and teacher credential) and fringe benefits increases. *	1,982,840
Total Increases	$ 4,605,695

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

Decreases

Reduction in travel, food and membership budgets	$ (147,581)
Eliminated permanent substitute positions (10 FTE's)	(175,000)
Eliminated intramural sports supplements	(27,257)
Reduction of 2 Media specialist positions	(140,000)
Reduction of 1 Media Spec .Asst. position	(35,000)
Will not fill 1 math interventionist vacancy	(70,000)
Redirection of reading interventionist positions	(280,000)
Change lawn mowing cycle from 7 to 10 days	(145,000)
Raising or lowering HVAC set points by 1 degree	(129,000)
10% reduction in supplies and materials accounts	(362,757)
Total Decreases	$ (1,511,595)

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.
- Reduced all supply accounts by 10%.
- 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*	59,786,999	35.92%
Delinquent Taxes	1,808,329	1.09%
Fee in Lieu of Taxes	999,300	.60%
Other Local Revenue	709,000	.43%
Total Local Revenue	**$63,303,628**	**38.03%**
*Includes 15.7 mill increase		

FY 2015-2016
Projected General Fund Revenue - State

Category	Amount	Percent of Budget
State Revenue		
Bus Drivers Salaries & W/C	708,632	.43%
State Fringe Benefits	19,427,603	11.67%
Educational Finance Act (EFA)	35,927,552	21.58%
Property Tax Relief Tier I *	10,580,071	6.36%
Property Tax Relief Tier II *	1,758,200	1.06%
Property Tax Relief Tier III	29,939,069	17.99%
Other State Revenue	898,350	.54%
Total State Revenue	**$99,239,477**	**59.62%**
* 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)	3,642,916	2.19%
Total Transfer from Other Funds	**$3,907,916**	**2.35%**
Total Revenue	**$166,451,021**	
Total Funds Available	**$166,451,021**	**100.00%**

FY 2015-2016
Projected General Fund Expenditures

Category	Dollars	Percent of Budget
Salaries	106,280,747	63.85%
Fringe Benefits	40,330,691	24.23%
Contracted Services	10,598,157	6.37%
Supplies & Materials	7,900,526	4.75%
Equipment & Improvements	6,660	0.00%
Other Objects	802,495	0.48%
Transfers & Payments	531,745	0.32%
Total Expenditures*	**$ 166,451,021**	**100.00%**

* Slight difference due to rounding

PROPOSED GENERAL FUND EXPENDITURES AND OTHER FINANCING USES

COMPARISON FY 2014-2015 TO FY 2015-2016

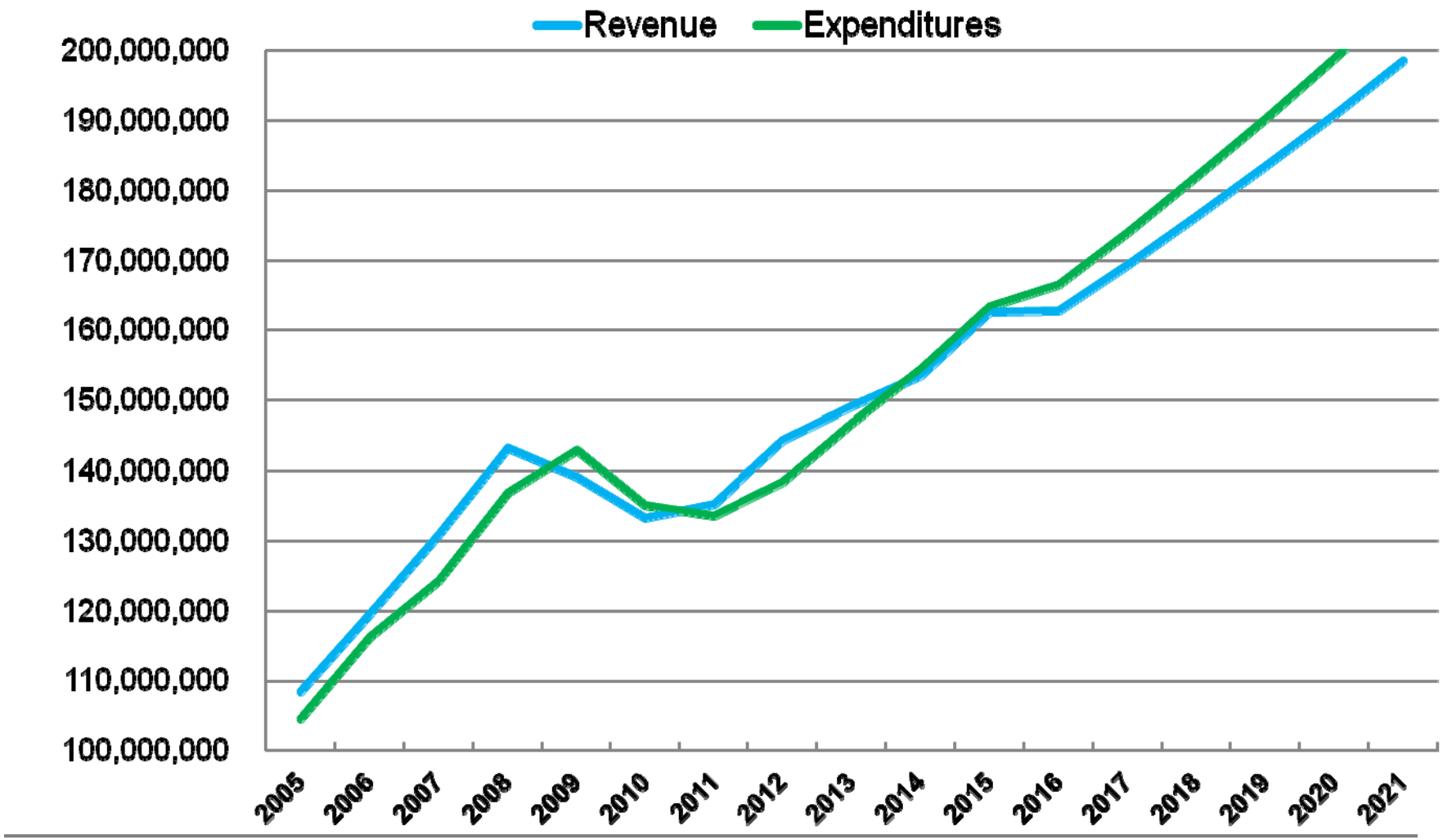
Category	FY 2014-2015 Amended Budget	FY 2015-2016 Proposed Budget	Change	% Change
Salaries	105,858,711	106,280,747	422,036	0.40%
Fringe Benefits	39,572,919	40,330,691	757,772	1.91%
Contracted Services	8,802,432	10,598,157	1,795,725	20.40%
Supplies & Materials	7,770,402	7,900,526	130,124	1.67%
Equipment & Improvements	9,085	6,660	(2,425)	-26.69%
Other Objects	805,626	802,495	(3,131)	-0.39%
Transfers & Payments	537,745	531,745	(6,000)	-1.12%
TOTAL	**$163,356,921**	**$166,451,021**	**$3,094,100**	**1.89%**

Revenue and Expenditure Projected Trend

Assuming 4.06% Growth for Revenue and 4.55% Expenditures

Based on Actual Avg. % Changes from 2006 - 2014

No Millage Increase

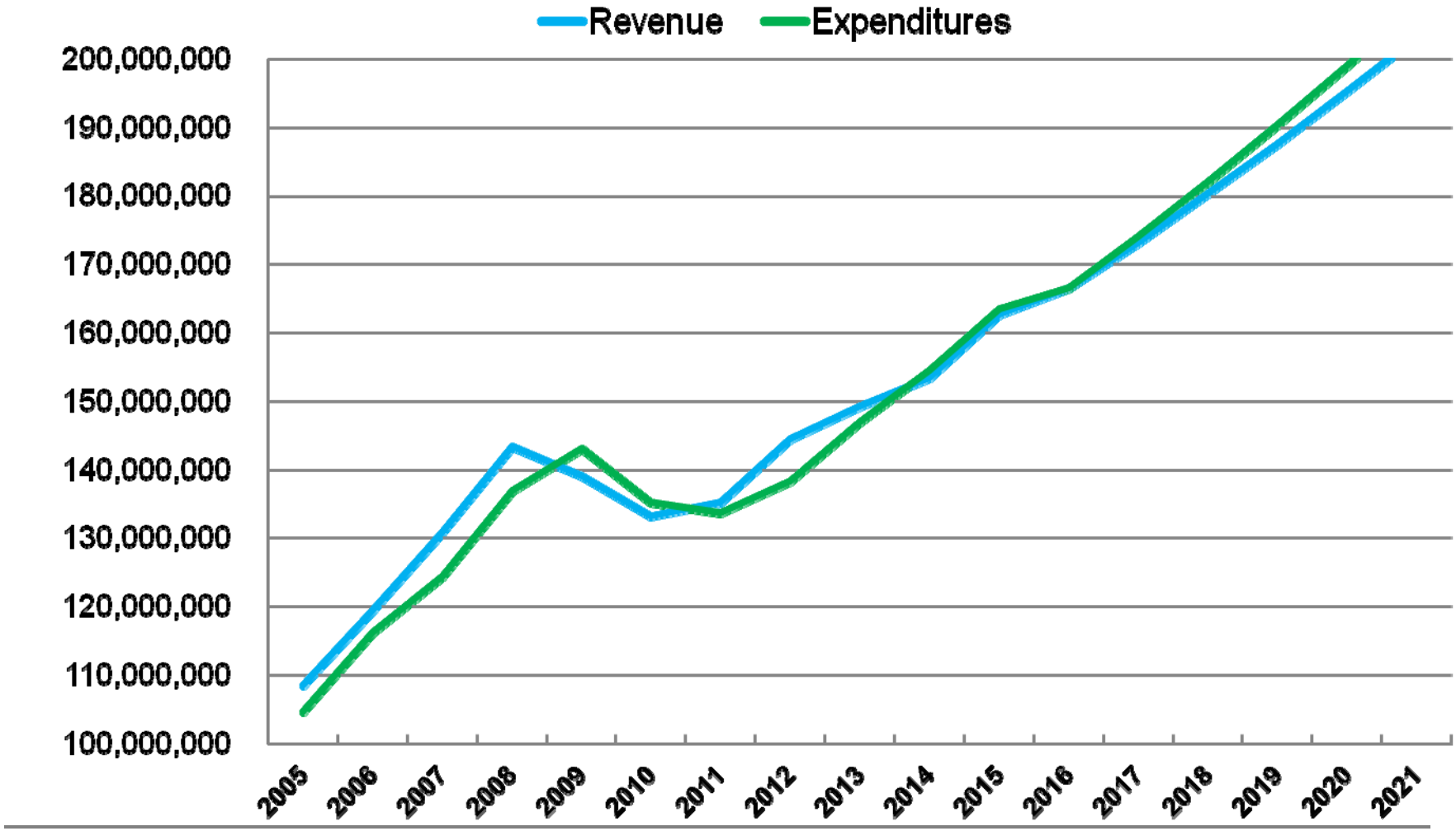


Revenue and Expenditure Projected Trend

Assuming 4.06% Growth for Revenue and 4.55% Expenditures

Based on Actual Avg. % Changes from 2006 - 2014

15.7 Mill Increase



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	B	C	D	E	F	G	H	I
FISCAL YEAR	**ACTUAL CHANGE IN OPERATIONAL MILLAGE (mills)**	**ACTUAL OPERATIONAL MILLAGE (mills)**	**ACTUAL MILLAGE INCREASE LIMITATION (MILLS) 6-1-320**	**BUDGETED INCREASE ($)**	**ALLOWABLE MILLAGE INCREASE LIMITATION (MILLS) 6-1-320**	**ALLOWABLE OPERATIONAL MILLAGE (mills)**	**ALLOWABLE INCREASE ($)**	**COMPOUNDED EFFECT OF NOT MAXIMIZING MILLAGE**
2011-2012	8.17	221.97						
2012-2013	0.00	221.97	9.30	$ -	9.30	231.27	$ 2,032,450	$ 2,032,450
2013-2014	7.30	229.27	7.30	$ 1,641,259	7.61	238.57	$ 1,710,683	$ 2,101,874
2014-2015	6.53	235.80	6.50	$ 1,507,457	6.75	245.07	$ 1,558,598	$ 2,153,015
								$ 6,287,339

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

SC Code of Laws
SECTION 6-1-320. Millage rate increase limitation; exceptions.

(A)(1) Notwithstanding Section 12-37-251(E), a local governing body may increase the millage rate imposed for general operating purposes above the rate imposed for such purposes for the preceding tax year only to the extent of the increase in the average of the twelve monthly consumer price indices for the most recent twelve-month period consisting of January through December of the preceding calendar year, plus, beginning in 2007, the percentage increase in the previous year in the population of the entity as determined by the Office of Research and Statistics of the State Budget and Control Board. If the average of the twelve monthly consumer price indices experiences a negative percentage, the average is deemed to be zero. If an entity experiences a reduction in population, the percentage change in population is deemed to be zero. However, in the year in which a reassessment program is implemented, the rollback millage, as calculated pursuant to Section 12-37-251(E), must be used in lieu of the previous year's millage rate.

(2) There may be added to the operating millage increase allowed pursuant to item (1) of this subsection any such increase, allowed but not previously imposed, for the three property tax years preceding the year to which the current limit applies.

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 (6-1-320 (A)(2) - Catch Up)	$ 2,203,416
Estimated value 15.7 mills (current cap + catch up)	$ 3,719,745

Estimated Cost of Millage Increase to Taxpayers

Category	Assessment Rate	Assessed Value	Cost For 6.4 Mills	Cost For 9.3 Mills	Cost For 15.7 Mills
Owner Occupied Homes	4%	$ 100,000	Exempt	Exempt	Exempt
Motor Vehicle	6%	$ 20,000	$ 7.68	$ 11.16	$ 18.84
Other Business/Personal property	6%	$ 100,000	$ 38.40	$ 55.80	$ 94.20

FY 2015-2016 Recap

as of 6/08/2015

- **Projected Revenue with no millage increase = $ 162,731,276**
- **Projected Expenditures = $ 166,451,021**
- **Projected Shortfall (no mills) = $ 3,719,745**
- **Projected Shortfall (6.4 mills) = $ 2,203,416**
- **Projected Shortfall (9.3 mills) = $ 1,516,329**
- **Projected Shortfall (15.7 mills) = $ 0**

Disclaimer

- The information provided in this presentation is based upon the FY 2015-2016 General Appropriations Bill (H.3701) as approved by the Senate on May 7, 2015.
- The State budget projections are based upon FY 2014-2015 enrollment as of the 135th day of school.
- All state projections are subject to change until H.3701 is ratified by General Assembly.
- All local revenue projections are based upon most current assessment data from Richland and Lexington Counties.
- Slight differences in projections are due to rounding.
- FY 2014-2015 Appropriated Base Student Cost (BSC) = $2,120
- FY 2014-2015 Actual BSC (Capped @ 135th Day)= $2,100.65
- FY 2014-2015 135 Day Average Daily Membership (ADM) = 16,461.08
- FY 2014-2015 135 Day Weighted Pupil Units (WPU) = 22,035.04
- FY 2015-2016 Projected BSC = $2,220


district five
OF LEXINGTON & RICHLAND COUNTIES