FY23-24 General Fund Budget Discussion



Budget Timeline - General Assembly

- January - Executive Budget Released
  - Governor's budget for FY 2024 released on January 6, 2023
- February/ March - House Budget Released
  - House Budget for FY 2024 passed on March 15, 2023
- April - Senate Budget Released (possibly this week)

- May/ June - Final Budget & Vetoes from Governor

FY 2023-2024
Budget Considerations - State Level

- Funded step increase for teachers
- SCRS employer contribution increase - 1%
- Minimum teacher salary for Bachelor's with 0 years $42,500
- Employer health insurance premium increase - 3.7%
- Bus Driver salary increase - 25% to the **State Minimum Bus Driver Salary Schedule**

FY 2023- 2024
Projected General Fund Revenues (Best Case)

	2022-2023 Budget as Approved	2022-2023 Projection as of 4/18/23	2023-2024 Projection	% increase /decrease	
Local Revenues:					
Taxes (calculated at 246.10 mils)	$ 75,738,334	$ 76,516,459	$ 77,137,331	0.81%	AV increases
Other Local Rev (Interest, Tuition, etc)	$ 1,010,000	$ 1,924,544	$ 1,010,000	-47.52%	less investment income and E-Rate rev
State Revenues					
State Aid to Classrooms	$ 80,253,343	$ 80,721,621	$ 88,426,504	9.55%	House Version
Homestead Exemptions (Tier I, II,III)	$ 46,670,909	$ 46,670,909	$ 48,754,338	4.46%	increase in Tier III
PEBA Credit	$ 1,190,410	$ 1,192,418	$ 1,192,418	0.00%	
Other State Revenues	$ 8,448,972	$ 8,326,137	$ 9,206,230	10.57%	Retiree insurance increase
Other Financing Sources					
Transfers (Indirect Cost)	$ 400,000	$ 415,000	$ 400,000	-3.61%	less indirect cost being claimed
Total	$ 213,711,968	$ 215,767,088	$ 226,126,821	4.80%	

FY 2023- 2024
Projected General Fund Revenues (Worst Case)

Local Revenues:	2022-2023 Budget as Approved	2022-2023 Projection as of 4/18/23	2023-2024 Projection	% increase /decrease	
Taxes (calculated at 246.10 mils)	$ 75,738,334	$ 76,516,459	$ 77,137,331	0.81%	AV increases
Other Local Rev (Interest, Tuition, etc)	$ 1,010,000	$ 1,924,544	$ 1,010,000	-47.52%	less investment income and E-Rate rev
State Revenues					
State Aid to Classrooms	$ 80,253,343	$ 80,721,621	$ 80,721,622	0.00%	CY Revenue
Homestead Exemptions (Tier I, II,III)	$ 46,670,909	$ 46,670,909	$ 46,670,909	0.00%	No increase in Tier III
PEBA Credit	$ 1,190,410	$ 1,192,418	$ 1,192,418	0.00%	
Other State Revenues	$ 8,448,972	$ 8,326,137	$ 8,326,136	0.00%	No increase in retiree insurance
Other Financing Sources					
Transfers (Indirect Cost)	$ 400,000	$ 415,000	$ 400,000	-3.61%	less indirect cost being claimed
Total	$ 213,711,968	$ 215,767,088	$ 215,458,416	-0.14%	

FY 2023-2024
Budget Considerations - District Level

- Keep everything the same as FY2023
  - Retirement increase $1.3M
  - Health insurance increase $300k
  - FY23 Positions added - full year cost $250k
  - ESS contract increase full year $220k
  - HVAC contract increase $800k
  - State roll up & magnet positions - $2.2M
- Total Cost to stay the same - $5.1M
- Best case scenario revenue increase less total cost to stay at the current staffing structure = $7.3M remaining for new initiatives

FY 2023-2024
Budget Considerations - District Level

- Additional Considerations
  - Salary Study implementation $9.6M
  - New Special Education positions (10) - $1M
  - Boots on the ground positions -$900k
  - Administrative Assistant Principals at all elementary schools (3) - $340k
- Total additional considerations - $11.8M

FY 2023-2024
Calculation for Allowable Operating Millage Increase

- Section 6-1-320 of the SC Code of Laws

Consumer Price Index (CPI)	8.00%
Population Growth	1.89%
Allowable Percentage Increase	9.89%

FY 2022-23 Operating Millage Rate	246.10 mills
FY 2023-24 Operating Millage Cap	24.34 mills

Allowable but not previously imposed millage lookback (Section 6-1-320(A)(2))	25.57 mills

Total Allowable millage increase	49.91 mills

FY 2023-2024
Calculation for Allowable Operating Millage Increase

Fiscal Year	Mill Cap	Value of Mill @ 95% Collection Rate	Revenue Impact to General Fund	Tax Increase to Taxpayer *
FY 20-21	6.05	$ 296,060	$ 1,792,365	$ 54
FY 21-22	4.85	$ 296,060	$ 1,435,349	$ 44
FY 22-23	14.67	$ 296,060	$ 4,342,478	$ 132
FY23-24	24.34	$ 296,060	$ 7,206,100	$ 219
Cumulative Total			$ 14,776,292	$ 449

**Assumes 6% property (investment property) valued at $150k.*
4% property (owner-occupied primary residences) pays no school operating taxes.

District Five
OF LEXINGTON & RICHLAND COUNTIES

Upcoming dates to remember

- May 8th - 1st reading of FY 2023-2024 budget
- May 11th - *Sine Die* General Assembly
- May 22nd - 2nd and Final reading of FY 2023-2024 budget
  - Public Hearing held prior to Board vote
- June - State budget signed by Governor