# FY23-24 General Fund & Capital Fund Budget First Reading



# 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
  - Senate budget for FY 2024 released on April 19, 2023

- 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
# 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
# Projected General Fund Revenues

| 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 | $ 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 Expenditures

| | | |
|---|---|---|
| Salaries | $137,576,781 | 59.69% |
| Benefits | $64,804,569 | 28.12% |
| Contracted Services | $16,805,633 | 7.29% |
| Supplies & Materials | $9,821,146 | 4.26% |
| Capital Outlay | $59,474 | 0.03% |
| Other Objects | $1,421,075 | 0.62% |
| Total Projected Expenditures | $230,488,678 | 100% |
| **Revenue less Expenditures** | **$(4,361,857)** | |

# Fund Balance Reserve Policy
# Board Policy DFAB

"The district's general fund balance provides operating continuity during the months when minimal taxes are collected and liquidity in other unanticipated events that result in negative cash flow. These may be events such as large adverse legal settlements, temporary structural balance to budget needs, or mid-year budget cuts. ***Fund balance should not be used for recurring budget needs.***"

"Generally ranges from 15-18% of general fund budgeted expenditures."

# Fund Balance Projection

| | |
|---|---|
| Unassigned fund balance 6/30/22 | $38,446,406 |
| FY2023 Budgeted Expenditures | $213,711,968 |
| Fund Balance Percentage | 17.99% |
| | |
| No Change in FB 6/30/23 | $38,446,406 |
| FY2024 Projected Budget (7.85% ^) | $230,488,678 |
| Fund Balance Percentage | 16.68% |
| | |
| No Change in FB 6/30/24 | $38,446,406 |
| FY2025 Projected Budget (5% ^) | $242,013,112 |
| Fund Balance Percentage | 15.89% |

# Future Expenditure Increases

- ESSER Sunset 9/30/2024
  - Personnel - Clinical Counselors (9), Social Worker (1), Nurse (1), Behavior Program Lead, CNA (3) - $1.4M
  - Software - DreamBox Math - $75k
  - Care Solace Support - $65k
  - Misc other - early childhood events, parent's night out, tutoring, summer planning

# 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 - Discussion of FY 2023-2024 budget
- June 12th - 2nd & final reading of FY 2023-2024 budget
  - Public Hearing held prior to Board vote
- June - State budget signed by Governor

# FY 2023-2024 General Fund Budget Proposal #1

- Increase millage to cover current year deficit only:

| | |
|---|---|
| Revenues due to growth | $226,126,821 |
| Millage increase 14.7 mils | $4,352,082 |
| **Total Revenue** | **$230,488,678** |
| **Total Expenditures** | **$230,488,678** |

- 29% use of allowable millage increase Section 6-1-320 of the SC Code of Laws
- Increase for business valued at $150,000 = $132 per year
- Increase for vehicle valued at $30,000 = $26 per year

# FY 2023-2024 General Fund Budget Proposal #2

- Increase millage to cover current year growth and ESSER sunset

| | |
|---|---|
| Revenues due to growth | $226,126,821 |
| Millage increase 19.9 mils | $5,891,594 |
| **Total Revenue** | **$232,018,415** |
| Expected Expenditures | $230,488,678 |
| One-time Expenditures | $1,529,737 |
| **Total Expenditures** | **$232,018,415** |

- 40% use of allowable millage increase per Section 6-1-320 of the SC Code of Laws
- Increase for business valued at $150,000 = $179 per year
- Increase for vehicle valued at $30,000 = $36 per year

District Five
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# FY 2023-2024 Capital Fund Budget

| | |
|---|---|
| **Revenue from bond proceeds** | **$25,000,000** |
| | |
| Expenditures | |
| Irmo High School Construction | $10,000,000 |
| Annual Maintenance Projects | $15,000,000 |
| **Total Expenditures** | **$25,000,000** |