FY23-24 General Fund Detailed Discussion



Understanding Our Budget

Purpose: To provide for the educational programs and priorities for the system and the profile of the SC Graduate (Section 59-1-50)

Board Policy DB Annual Budget: The priorities will be based on -

- **Needs of the district so that all segments of the district programs are treated equitably within available resources**
- **State and/or federal legal requirements for funding of programs**
- **Requirements and regulations of the regional accrediting agency**
- **availability of fiscal and other non-economic resources**
- **Maintenance of approximately two month's operating expenses in the general fund balance from one fiscal year to the next**

Understanding Our Budget - FY 2023

Income

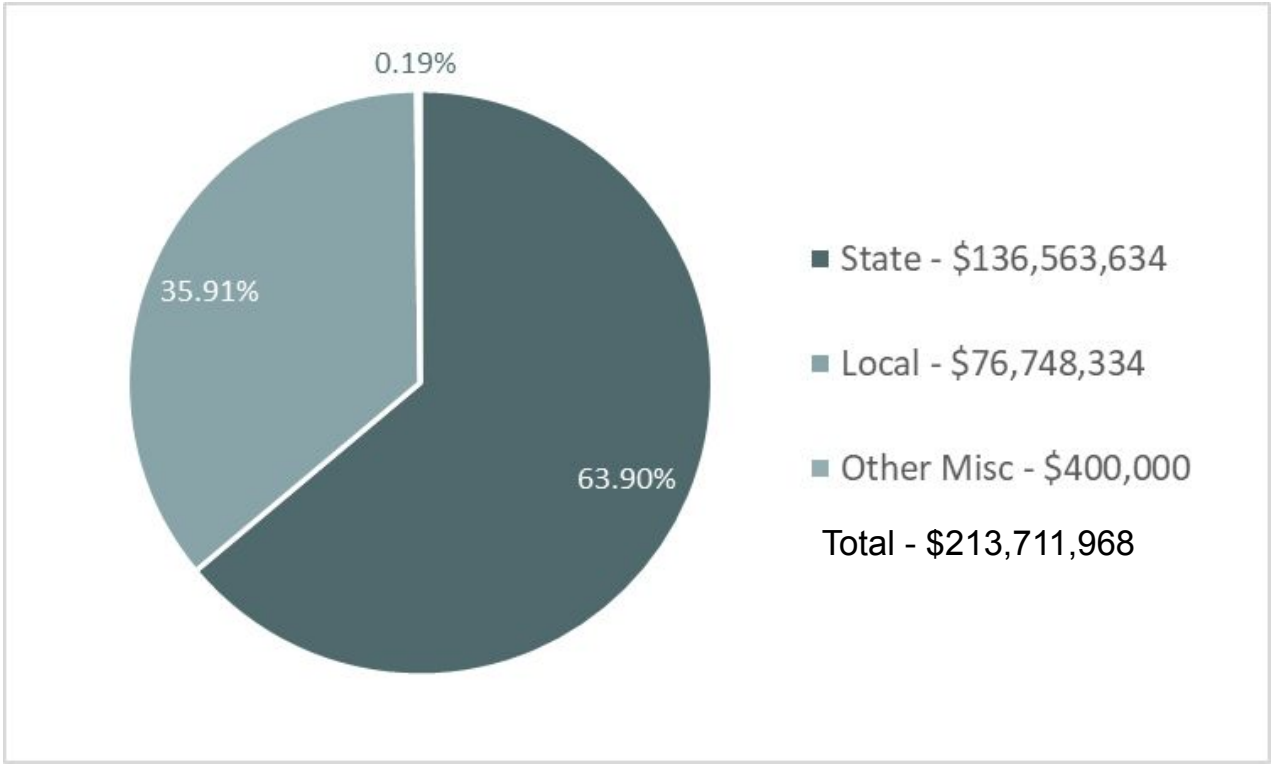


63.90 Cents - State

35.91 Cents - Local

.19 Cents - Federal/Grant

FY 2023 Amended Budget Revenue



State Revenue 101

New Revenue Formula first implemented in FY 23

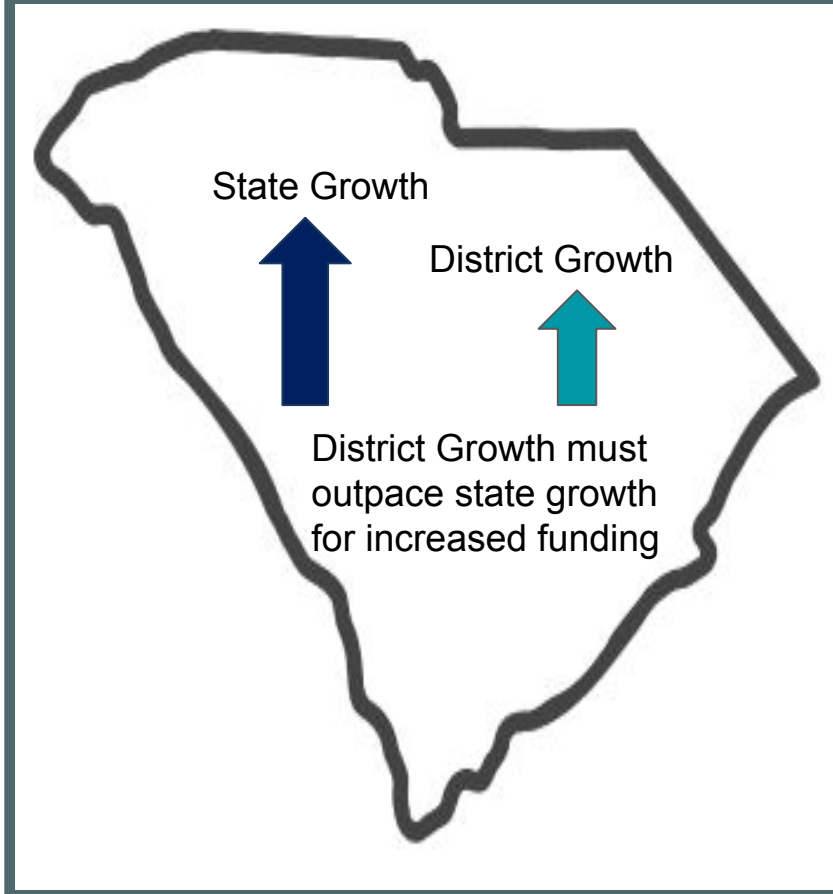
Two major Factors of the new state formula:

(1) Weighted Pupil Units (WPU)
(2) Index of Taxpaying Ability

WPU examples: General Ed = 1.0
Special Ed = 2.6
PIP = +.5

D5LR Index of Taxpaying Ability = .01800
(15th Largest Index out of 77 Districts in the State)

*State Funding is based on the proportionate share of total allocation.
Growth in Student Enrollment does not always mean more funding



Local Revenue 101

Millage – a tax on real estate or other property

Operations Millage-

Salaries, Benefits, Supplies, Utilities, Maintenance



4% Property

Act 388 Exempt



6% Property

Provides FTEs

Debt Service Millage -

Construction, Technology, Equipment and Renovations



4% Property

Provides Construction



6% Property

Provides Construction

District Five OF LEXINGTON & RICHLAND COUNTIES

Understanding Our Budget - FY 2023

Income



63.90 Cents - State

35.91 Cents - Local

.19 Cents - Federal/Grant

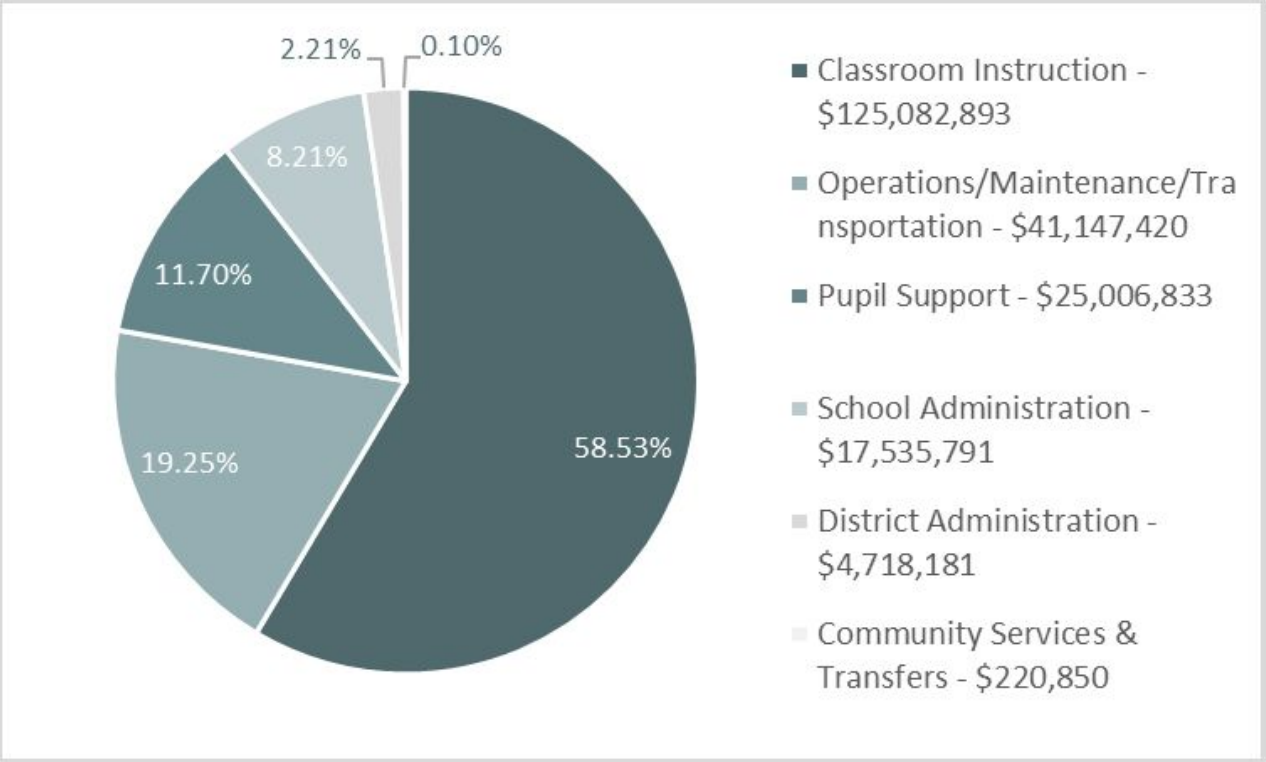
Expenses



87 Cents - Personnel

13 Cents - Supplies, Services & Capital

FY2023 Amended Budget Expenditures



Total - $213,711,968

District Five of Lexington & Richland Counties

FY 2023-2024
Budget Considerations - State Level

- Funded step increase for teachers
- SCRS employer contribution increase - 1%
  - Increase since FY2017 - 7%
- Minimum teacher salary for Bachelor's with 0 years $42,500
  - Increase since FY2017 - 29.15%
- Employer health insurance premium increase - 3.7%
  - Increase since FY2017 - 27.58% - 35.85%
- Bus Driver salary increase - 25% to the **State Minimum Bus Driver Salary Schedule**
  - Increase since FY2017 - 18.4%

FY 2023-2024
Budget Considerations - District Level

- Keep everything the same as FY2023 (as presented 5/8/23)
  - 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**

FY 2023-2024
Budget Considerations - District Level

- Increased costs since 1st reading
  - Property & Casualty and Workers Comp premium increase (17% and 12%, respectively) - $340k
  - Paid Parental Leave - est. impact $200k
  - Health Insurance - based on historical data, employees covering family members see greater than average employer premium increases - est. impact $100k
    - Full Family coverage increase 1/1/23 = 20%
    - Employee + Spouse coverage increase 1/1/23 = 21%
    - Announced average at budget time FY2023 - 18.1%
  - **Increase Costs since first reading $640k**

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

3 Operating Budget Options

Option 1
Implement Full Salary Study, Add Compliance Positions and School Supports, Address ESSER Sunset Services

$232.7 Million
22 Mils

Option 2
Implement Salary Study minus Admin Raise, Add Compliance Positions and School Supports
$232 Million
19.9 Mils



Option 3
Reduce FY23 Budget by 2% to meet State Compliance

$226 Million
0 mils

FY 2023-2024
Budget Considerations - Option 1 Implementation

- Increases already included - $5.7M
- Salary Study Recommendations
  - Move forward July 1 with teacher, bus driver, support, and admin salary scale changes - $9.6M
- New positions related to compliance (11) - $1.1M
- New positions for certified staff and student support (13) - $1M
- CHS portables for fall 2023 - $1.5M

Total Expenditure Increase for Option 1 - $18.9M

Total Millage increase needed 22 mils

FY 2023-2024
Budget Considerations - District Level

- Compliance New Positions
  - Special Education
    - Severe & Profound Teacher (1)
    - SpEd Preschool (3)
    - SpEd Placement Chair (1)
    - Speech Language Pathologist (1)
    - Occupational Therapist (1)
    - Hearing Interpreters (2)
    - Board Certified Behavior Analyst (1)
  - Title 1 Compliance
    - Teacher (1)

FY 2023-2024
Budget Considerations - District Level

- Certified New Positions
  - Foundations Academy Teacher (1)
  - Academic Interventionist (1)
  - World Language Teacher (1)
  - Multilingual Learner Teacher (2)
  - Virtual Education Specialist (1)
  - Coordinator of Special Programs IB (1)
  - Administrative Assistant Principal (3)
- Support New Positions
  - Expectations Coaches (2)
  - Montessori Assistant (1)

FY 2023-2024
Budget Considerations - Option 2 Implementation

- Increases already included - $5.7M
- Salary Study Recommendations
  - Move forward July 1 with teacher, bus driver and support salary scale changes - $8.8M
  - Further review administration recommendations and implement in FY2025
    - Adjust current administration salary scale by 1.5% for FY2024 but no step - $200k
- New positions related to compliance (11) - $1.1M
- New positions for certified staff and student support (13) - $1M
- CHS portables for fall 2023 - $1.5M

Total Expenditure Increase for Option 2 - $18.3M

Total Millage increase needed 19.9 mils



FY 2023-2024
Budget Considerations - District Level

- Compliance New Positions
  - Special Education
    - Severe & Profound Teacher (1)
    - SpEd Preschool (3)
    - SpEd Placement Chair (1)
    - Speech Language Pathologist (1)
    - Occupational Therapist (1)
    - Hearing Interpreters (2)
    - Board Certified Behavior Analyst (1)
  - Title 1 Compliance
    - Teacher (1)

FY 2023-2024
Budget Considerations - District Level

- Certified New Positions
  - Foundations Academy Teacher (1)
  - Academic Interventionist (1)
  - World Language Teacher (1)
  - Multilingual Learner Teacher (2)
  - Virtual Education Specialist (1)
  - Coordinator of Special Programs IB (1)
  - Administrative Assistant Principal (3)
- Support New Positions
  - Expectations Coaches (2)
  - Montessori Assistant (1)

FY 2023-2024
Budget Considerations - Option 3 Implementation

- Revenue without tax increase - $226,126,821
  - Cost Increase - $5.7M
  - Net revenue - $6.7M

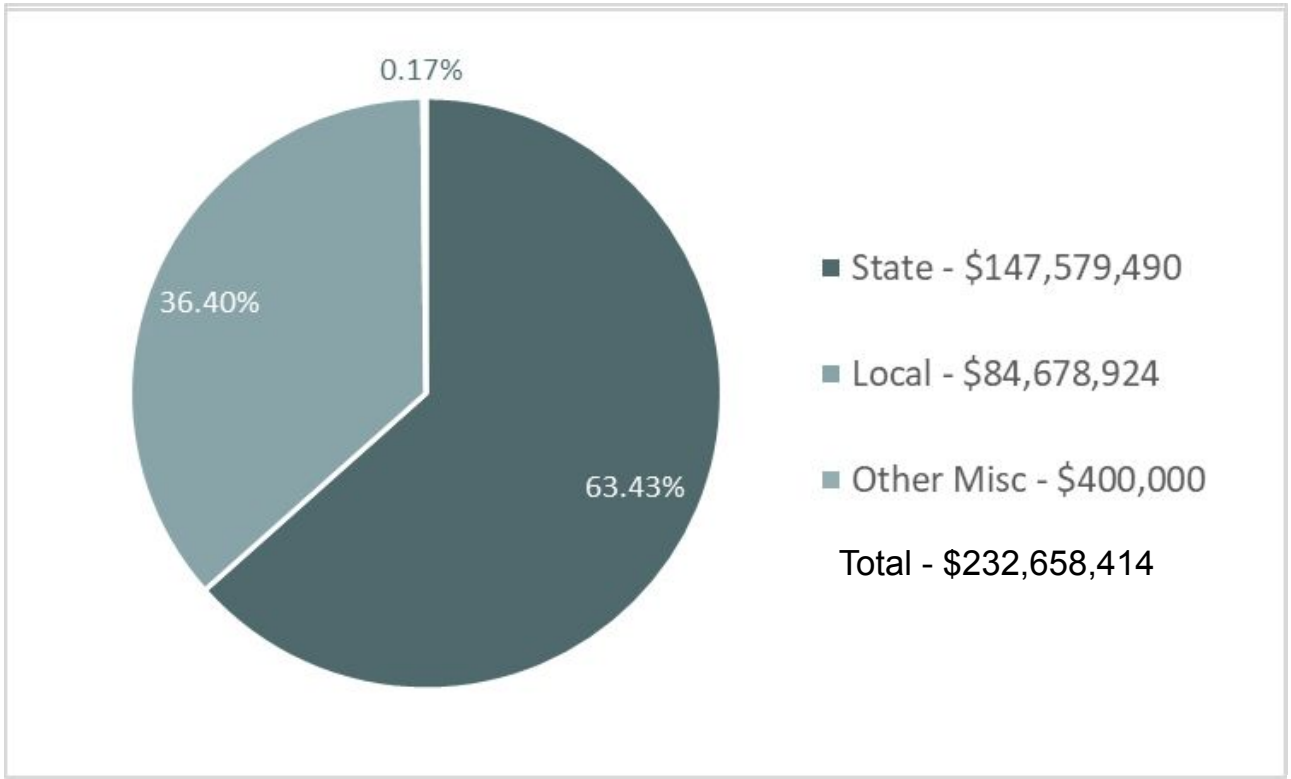
- Salary Study, compliance positions, certified and support positions - min $11.1M, max $11.7M

- ESSER impact in FY2024 - $1.5M

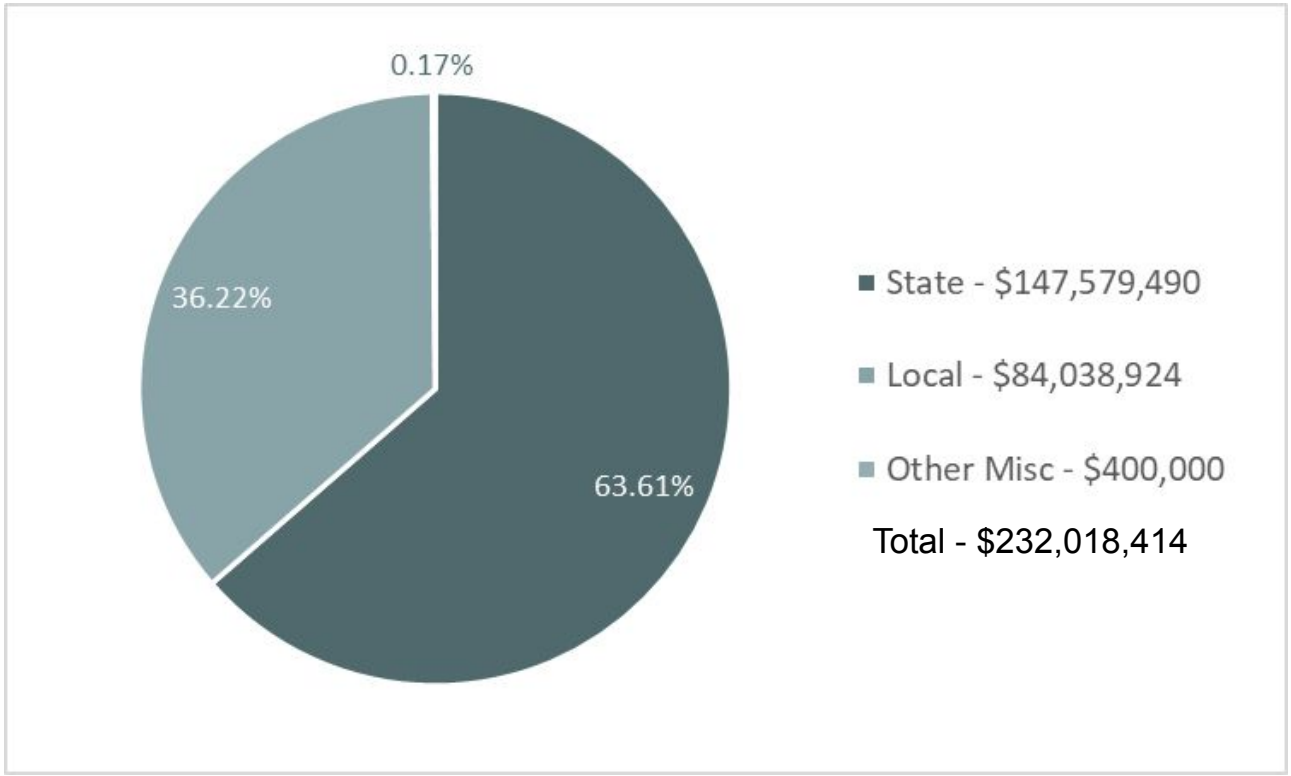
- Reduce existing expenditures by 2%



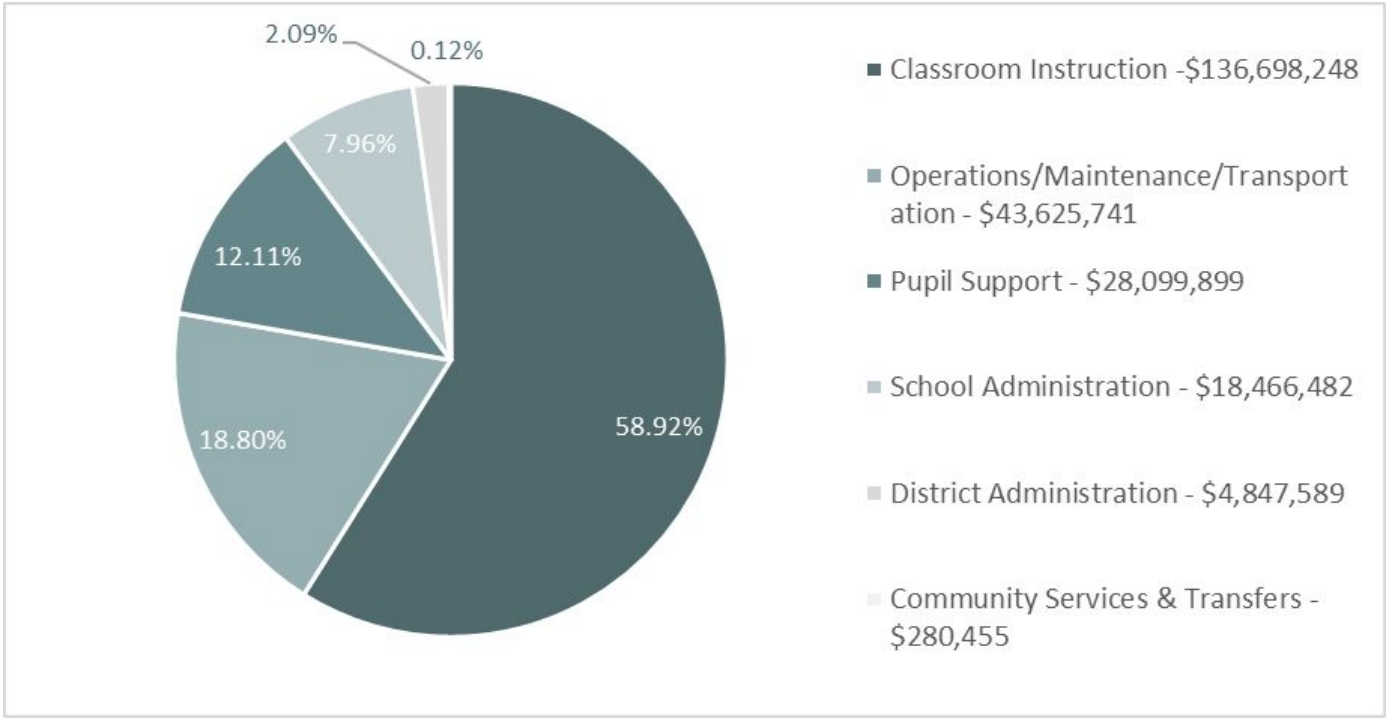
FY2024 Proposed Budget Revenue
22 mil increase - Option 1



FY2024 Proposed Budget Revenue
19.9 mil increase - Option 2



FY2024 Proposed Budget Expenditures
19.9 mil increase - Option 2



Total - $232,018,414

District Five of Lexington & Richland Counties

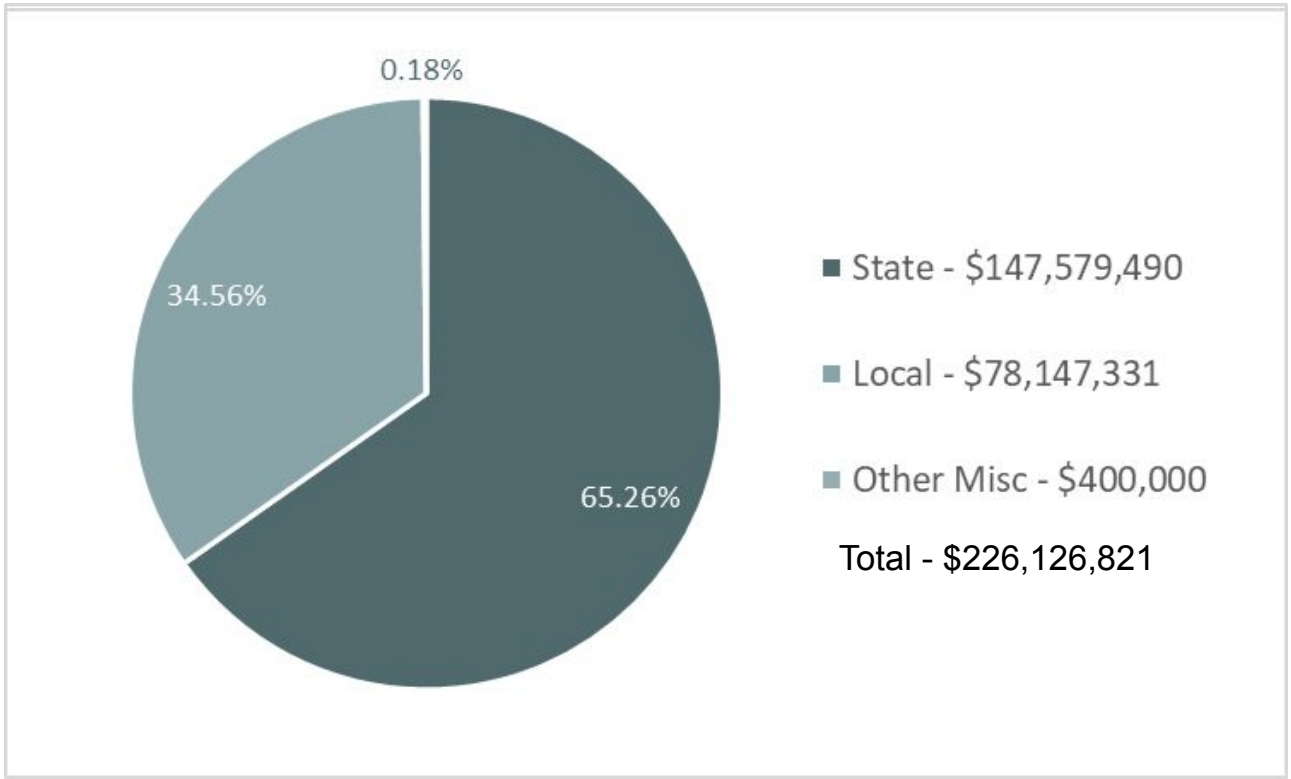
FY 2023- 2024 - Option 2
Projected General Fund Revenues

	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	$ 83,028,925	8.51%	AV/ Millage increases
Other Local Rev (Interest, Tuition, etc)	$ 1,010,000	$ 1,924,544	$ 1,010,000	-47.52%	
State Revenues					
State Aid to Classrooms	$ 80,253,343	$ 80,721,621	$ 88,426,504	9.55%	House/Senate 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	$ 232,018,415	7.53%	

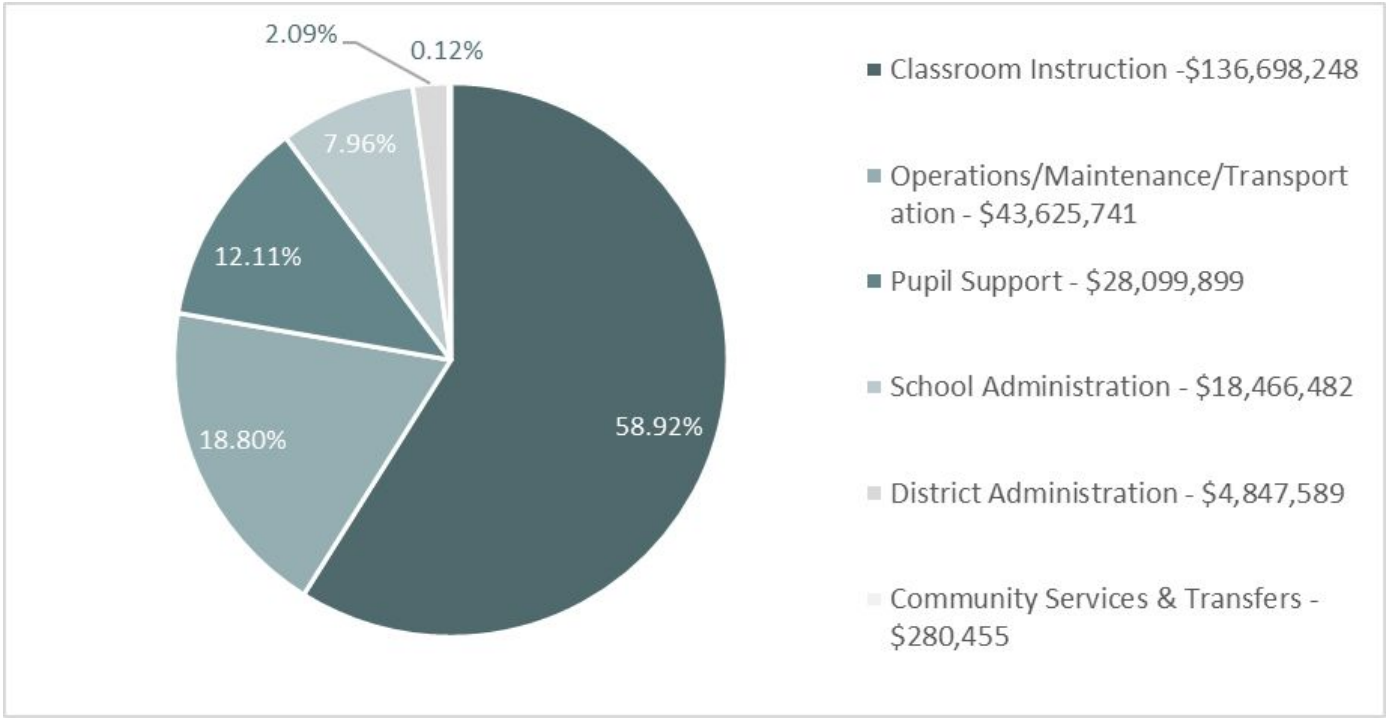
FY 2023-2024 - Option 2
Projected General Fund Expenditures

Salaries	$137,534,511	59.28%
Benefits	$64,831,573	27.94%
Contracted Services	$16,902,633	7.29%
Supplies & Materials	$9,706,146	4.18%
Capital Outlay	$1,559,474	0.67%
Other Objects	$1,484,077	0.64%
Total Projected Expenditures	$232,018,415	100%

FY2024 Proposed Budget Revenue
No Tax increase - Option 3



FY2024 Proposed Budget Expenditures
0 mil increase & 2% Reduction - Option 3



Total - $232,018,414

Cut 2% to balance

District Five
OF LEXINGTON & RICHLAND COUNTIES

FY 2023-2024
Budget Option Comparisons - Taxpayer Impact

- Option 1 - 22 mil increase
  - Increase for business valued at $150,000 = $198 per year
  - Increase for vehicle valued at $30,000 = $40 per year

- Option 2 - 19.9 mil increase
  - Increase for business valued at $150,000 = $179 per year
  - Increase for vehicle valued at $30,000 = $36 per year

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

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