FY23-24 General Fund & Capital Fund Second & Final Reading



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)

Profile of the South Carolina Graduate



World Class Knowledge

- Rigorous standards in language arts and math for career and college readiness
- Multiple languages, science, technology, engineering, mathematics (STEM), arts and social sciences

World Class Skills

- Creativity and innovation
- Critical thinking and problem solving
- Collaboration and teamwork
- Communication, information, media and technology
- Knowing how to learn

Life and Career Characteristics

- Integrity
- Self-direction
- Global perspective
- Perseverance
- Work ethic
- Interpersonal skills

Approved by SCASA Superintendents' Roundtable, SC Chamber of Commerce, and State Board of Education.

transformSC
tomorrow won't wait for our students

AN INITIATIVE OF SOUTH CAROLINA COUNCIL ON COMPETITIVENESS

Understanding Our Budget





NEST

A unique setting for relationship building

Irmo Middle School

Nest Overview

The Nest is a unique setting where teachers are able to focus on small group, meaningful instruction with students. Teachers can celebrate student's strengths and assist in goal setting to enhance their success through their strengths.

Things to Note:

- Dedicated administrator to support Nest Initiative and student success
- Endless opportunities for relationship building
- Team approach & daily common planning
- Intentional Cap on class sizes
- Teacher assistant provided for each group allowing for a ~6:1 ratio in all settings
- Strategic instruction that allows for SEL focus, soft skill building, and SC Ready Power standards

Student Enrollment Data	
Total Number of Students *(enrolled at any time throughout the year)*	40
Total 7th Grade	20
Total 8th Grade	20

Staffing Data	
Certified Staff	4 Teachers 1 SPED 1 AAP
Support Staff	4 TAs
Unfilled positions (22-23)	*1 Special Education*

	FY 22-23
Number of Students	40
Number of Teachers	5
Number of Staff	4
Budget	$607,260

Behavioral Data

The NEST Initiative has proudly served 40 students in the 22-23 school year. The NEST provided fewer opportunities for students to disrupt transition periods and traditional learning environments. Throughout the year, these students have entered for various reasons. These students were more successful during their time in these classes. Some students attained their goals and were dismissed from The Nest Initiative and found success at Irmo Middle School. This allowed for more students to receive the benefits of a Nest placement. The NEST afforded several students the opportunity to learn and grow beyond the behavioral barriers that have been created. The Nest is a vital part of the progression of Irmo Middle School and our vision to Love and Grow our students.

Example: Student B received 22 referrals in his 2021-22 school year and received 3 referrals 2022-23 school year.

Total # of Referrals	**475** *(19.8% of total IMS referrals)*
7th Grade	**282**

The NEST Intervention

The NEST at IHS
Children will meet our expectations when we meet their needs

Vision - To provide an alternative instructional opportunity that meets the social, mental, and behavioral needs of students within the traditional school setting.

Mission - The NEST at IHS will use restorative and trauma-informed practices to address the root causes of negative behavior while reducing suspensions and expulsions and increasing academic engagement, positive student behaviors, and school climate.

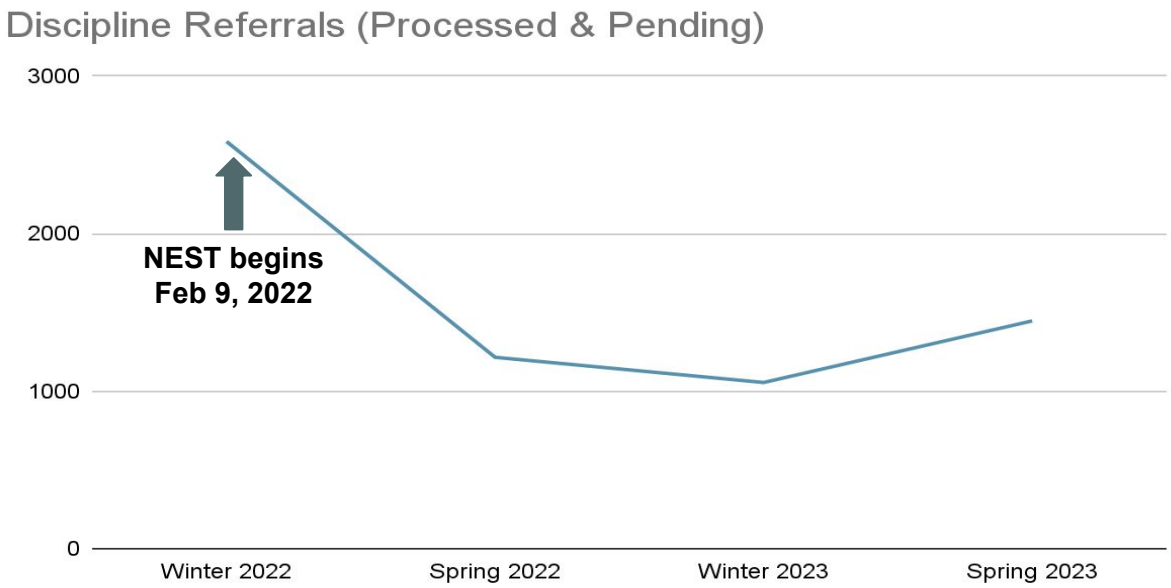
Intended Outcomes -
Stronger relationships between students and school staff
Small group instruction
Individualized instruction
Reduced suspensions and expulsions
Improved conflict resolution skills

Goals -
#1 - To increase instructional time by addressing the behaviors that interrupt teaching and learning

#2 - To improve student communication, problem solving, behavioral, and conflict management skills

#3 - To create alternatives to suspensions and expulsions while addressing the underlying challenges that create negative behaviors

The NEST Results (IHS)



	FY22	FY23
Number of Students	50	14
Number of Teachers	5	2.5
Number of Staff	3	3
Budget	$556,510	$354,380

The NEST at IHS operates on a rolling enrollment model. Students and families will review a contract with school administration before joining The Nest. The terms of the contract are individualized to each student's needs. Students will spend their instructional day in The NEST to include Lunch and physical education.

Strategic Plan Outcomes

LOVE

Objective: Every student feels they are “loved” in our schools.

Performance Goal Area (1)
School Climate
6 Strategies

Performance Goal Area (3)
Teacher Administrator Quality
6 Strategies

&

GROW

Objective: Every student has demonstrated academic growth in our schools.

Performance Goal Area (2)
Student Achievement
6 Strategies

Performance Goal Area (4)
Gifted and Talented
8 Strategies

Understanding Our Budget - FY 2023

Income

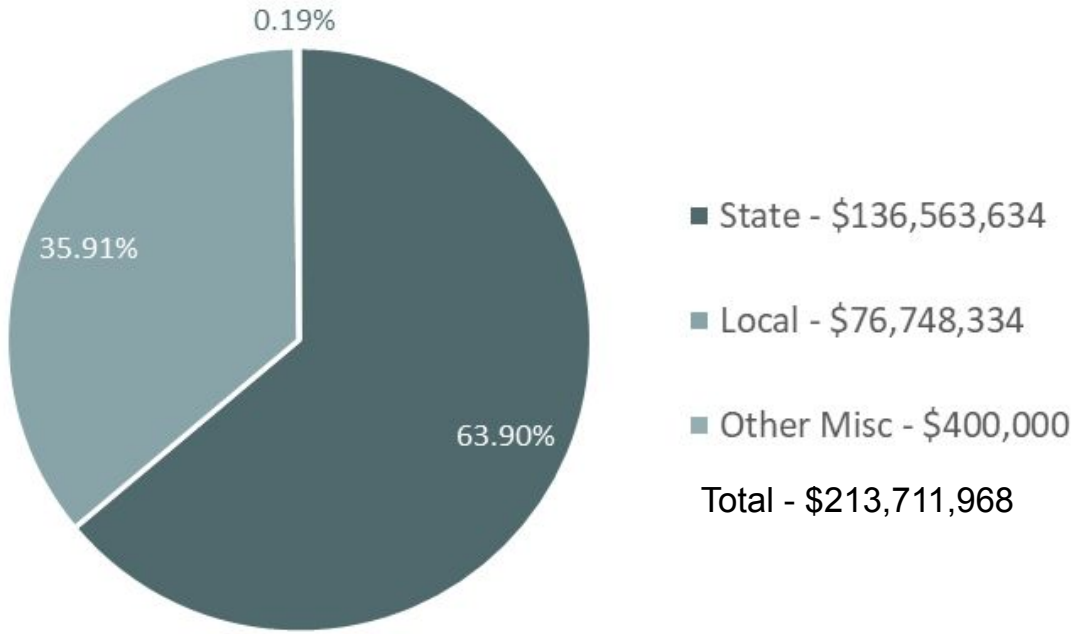


63.90 Cents - State

35.91 Cents - Local

.19 Cents - Federal/Grant

FY 2023 Amended Budget Revenue



Total - $213,711,968

State Revenue 101

New Revenue Formula first implemented in FY 23

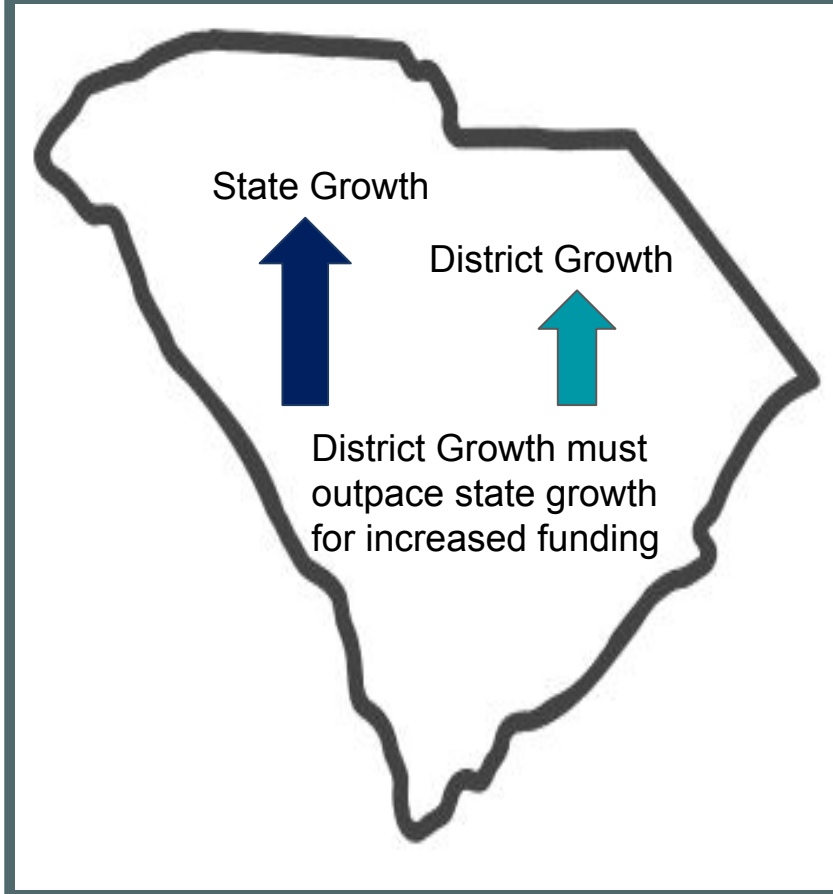
Two major Factors of the new state formula:

(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

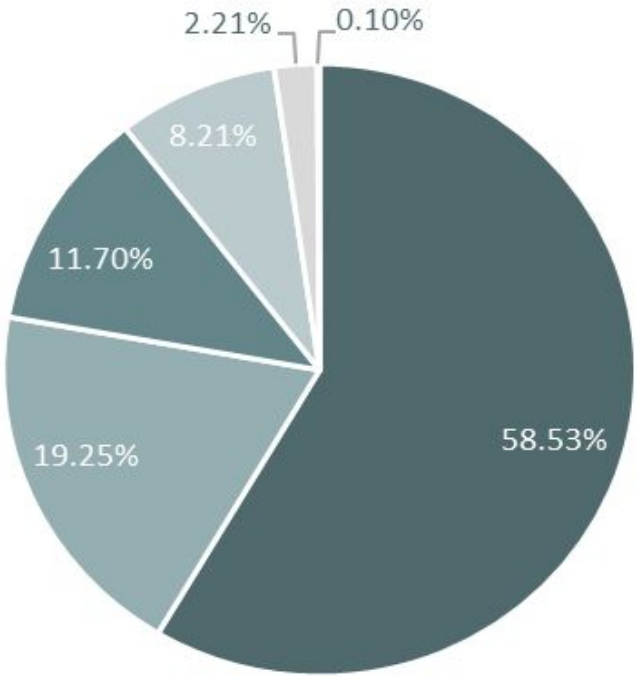
Expenses



87 Cents - Personnel

13 Cents - Supplies, Services & Capital

FY2023 Amended Budget Expenditures



- Classroom Instruction - $125,082,893
- Operations/Maintenance/Transportation - $41,147,420
- Pupil Support - $25,006,833
- School Administration - $17,535,791
- District Administration - $4,718,181
- Community Services & Transfers - $220,850

Total - $213,711,968

District Five of Lexington & Richland Counties

Budget Timeline

- *May 8th - 1st reading of FY 2023-2024 budget*
- *May 11th - Sine Die General Assembly*
- *May 22nd - Detailed 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
Budget Changes

- Original FY2023 Budget - $212,481,590
  - Amended FY2023 Budget ^ $1,230,378
  - State projected FY2024 ^ $11,015,856
  - Local projected FY2024 ^ $1,398,997
  - Total increase over PY due to growth/rollup - **$12,414,853**
- FY2024 Increased Costs
  - Required expenses (Retirement, Insurance, Roll up, etc) ^ $5,672,779
  - Salary Study (Teachers & Support) ^ $8,792,529
  - Admin Step ^ $238,681
  - Compliance Positions ^ $1,087,953
  - Certified & Support Positions ^ $1,056,608
  - CHS Portables ^ $1,500,000
  - Total cost increases - **$18,348,550**

Difference

($5,933,697)

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
Calculation for Allowable Operating Millage Increase

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

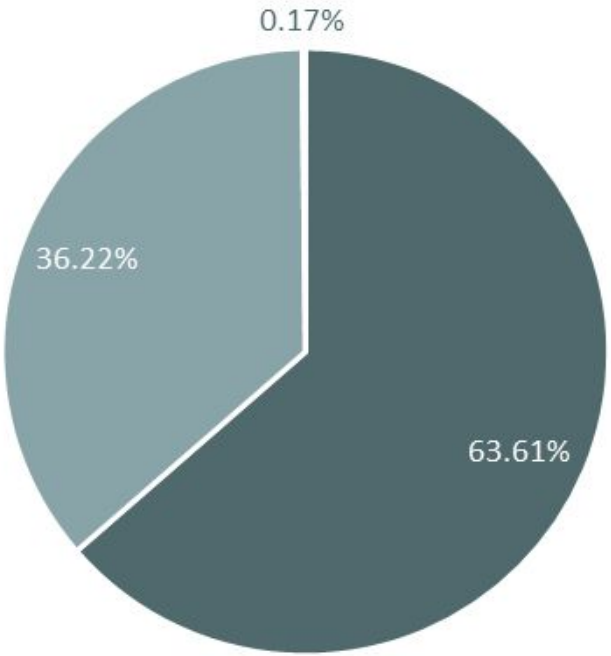
Consumer Price Index (CPI)	8.00%
Population Growth	1.89%
Allowable Percentage Increase	9.89%

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

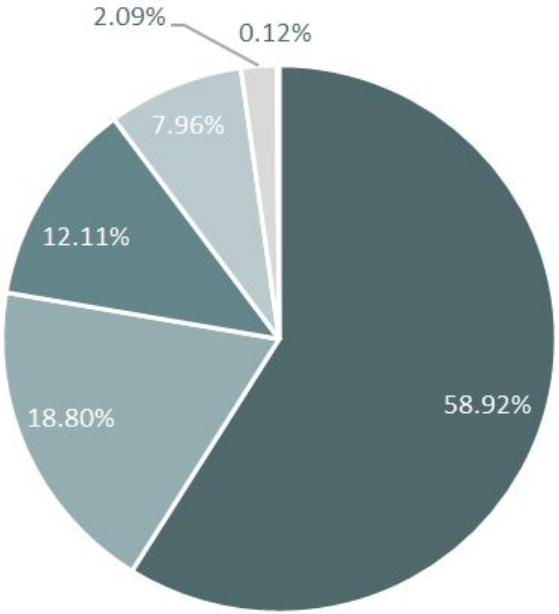
FY2024 Proposed Budget Revenue
19.9 mil increase



- State - $147,579,490
- Local - $84,038,924
- Other Misc - $400,000

Total - $232,018,415

FY2024 Proposed Budget Expenditures
19.9 mil increase



- Classroom Instruction -$136,698,248
- Operations/Maintenance/Transportation - $43,625,741
- Pupil Support - $28,099,899
- School Administration - $18,466,482
- District Administration - $4,847,589
- Community Services & Transfers - $280,455

Total - $232,018,415

District Five
OF LEXINGTON & RICHLAND COUNTIES

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	$ 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
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%

Other FY2024 Funded Items
(no increased cost from prior year)

- NERI Program - New Educator Retention Incentive to continue
  - $2,500 for teachers in their 1-3 years of teaching

- National Board Certification Local Match to continue
  - $5,000 local match

FY 2023-2024 General Fund Budget

- Increase millage 19.9 mils and set operating millage rate at 266.0 for FY2024
  - **Total Revenue** **$232,018,415**
  - **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

Questions/Responses Regarding The Proposed FY 2023-2024 General Fund Budget

- **What total assessed value is being used to project local revenue?**
    - *The next slide shows assessed value information for tax year 2021, 2022 and 2023. The information from tax year 2021 has been finalized from each county. The 2022 information is preliminary information for Lexington County provided by the Auditor's office. Richland County does not provide preliminary information. The administration projected 2% growth for Richland County over the prior year. For tax year 2023, the administration projects 2% growth for both Lexington and Richland counties.*

Assessed Value Projection

Tax Year 2021

	Total Assessed Value	4% Assessed Value	Assessed Value Taxable for LR5	% of AV that is Tax Exempt
Lexington County	355,662,230	166,098,750	189,563,480	46.70%
Richland County	240,043,617	133,770,400	106,273,217	55.73%
	595,705,847	299,869,150	295,836,697	

Tax Year 2022*

	Total Assessed Value	4% Assessed Value	Assessed Value Taxable for LR5	% of AV that is Tax Exempt
Lexington County	370,277,490	172,897,760	197,379,730	46.69%
Richland County**	244,844,489	136,294,379	108,550,110	55.67%
	615,121,979	309,192,139	305,929,840	

*Lexington County provides a preliminary report in March estimating AV, Richland County does not provide a similar report until the end of the fiscal year

** Projected growth est. 2%

Tax Year 2023^

	Total Assessed Value	4% Assessed Value	Assessed Value Taxable for LR5	% of AV that is Tax Exempt
Lexington County	377,683,040	176,355,715	201,327,325	46.69%
Richland County	249,741,379	139,020,267	110,721,112	55.67%
	627,424,419	315,375,982	312,048,437	

^ Projected growth est. 2%

Questions/Responses Regarding The Proposed FY 2023-2024 General Fund Budget

- **The 11 additional positions were for "compliance." Can you share the documentation on that and what the law or regulation is, the calculation ,etc.?**

  *See details for **10** SpEd positions below:*
  - *Severe & Profound SpEd Teacher - SC Board Regulation 43-205*
    - *State mandated ratio 12:1*
  - *SpEd Preschool (3) Teachers - Federal Guideline 34 C.F.R. 300.115 & 300.116*
    - *Midlands average 10:1:1 for 4DD and 10:1:2 for 3DD*
  - *Speech Language Pathologist - SC Board Regulation 43-205*
    - *State mandated ratio 60:1*
    - *Midlands average 45:1*
  - *Occupational Therapist - Federal IDEA Sec. 300.34(c)(6)*
  - *Hearing Interpreters (2) - Federal Guideline 34 C.F.R. Sec. 300.34*
  - *Board Certified Behavior Analyst - Assists and develops teachers to implement Behavior Intervention Plan with students exhibiting aggressive (Tier 3) behaviors*
  - *SpEd Placement Chair (.5) & SpEd Teacher (.5) - SC Board Regulation 43-205*
    - *State resource ratio 33:1*

Questions/Responses Regarding The Proposed FY 2023-2024 General Fund Budget

- **The 11 additional positions were for "compliance." Can you share the documentation on that and what the law or regulation is, the calculation ,etc.? *Cont.***

  *See details below for **1** Title 1 position below:*

  - *The supplement, not supplant provision requires that federal grant funds must add to (or supplement) and not replace (or supplant) other funds (state/local) in providing general educational service. The district is requesting to add a current Title 1 instructional coach to the general fund so that this position can support more than just the Title 1 schools. This would be considered supplanting if the District paid part of the position through Title 1 and part through the general fund.*

Questions/Responses Regarding The Proposed FY 2023-2024 General Fund Budget

- **What is the $3,133,777 budget for Purchased Services account 100.149.3000000.0000.000?**
    - *This is for substitutes. FY22, we spent approximately $2.6M on substitutes. This budget includes $200k additional for paid parental leave and an additional $222k for the daily increases approved for substitutes at budget amendment time.*
- **How much is budgeted for income from student fees? Where is this income in the budget?**
    - *This income hits the pupil activity funds, which are separate from the general fund.*
- **How do the support staff grade levels compare to last year? Last year the levels were 6-27, and this year, they are 100-118.**
    - *Support staff grade levels will remain 6-27 for 2023-2024; however, levels 100-118 were Evergreen's (salary study) proposal for 2023-2024.*

Questions/Responses Regarding The Proposed FY 2023-2024 General Fund Budget

- **Approximately what would be the annual cost if we were to increase our first 3 steps for 3A so that our starting salary for brand new teachers with a bachelor's would be $45,000 and gradually increase up to the current recommendation for step 3? Is this something you would want to do?**
    - *The approximate cost is $100,000.00, but we would need to alter step 3 as well because using the current step increases would mean that someone at step 2 would be paid almost $300.00 more than step 3. I would not recommend going up this high in the first year based on teacher salary schedules presented by other districts in the Midlands.*
- **How many teachers are taking advantage of the loan forgiveness program?**
    - *NERI Data for 2022-2023: 162 NERI Participants*
        - *153 Opted for Payout Bonus*
        - *8 Opted for Student Loan Payments*
        - *1 Declined Participation*

Explanation
General Fund Balance

Audited Fund Balance 6/30/2022		
Nonspendable	$	4,313,596
Assigned	$	9,329,112
Unassigned	$	38,446,406
Total Fund Balances	$	52,089,114

Nonspendable FB = prepaids, inventory, etc. non liquid & not expected to be converted into cash

Assigned FB = earmarked by Board, construction, bonuses, snack program - already spent in FY2023 or carried forward to FY2024

Unassigned FB = available for non-recurring budget needs

Board Policy DFAB Reserve Funds

"To provide sound fiscal management and stability, an undesignated operating reserve fund... generally ranges from 15% to 18% of the general fund budgeted expenditures."

FY2023 Budgeted Expenditures	$	213,711,968
% of Undesignated/Unassigned		17.99%
FY2024 Proposed Expenditures	$	232,018,415
% of Undesignated/Unassigned		16.57%

General Fund Balance - Assignment Recommendations

- $2,886,924 - Irmo High School Renovations
  - Original assignment in October 2022 was $3,500,000
  - Land purchase = $613,076
- $543,332 - 6 additional teachers to ensure critical areas are filled
  - $59,118 + benefits

Total Recommended Assignment - **$3,430,266**

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**

Administration Recommendations

- Approval of the FY 2023-2024 General Fund Budget as presented.
- Approval of setting the Operating Millage Rate at 266.0 mils.
- Approval of setting the Debt Service Millage Rate at 69.5 mils.
- Approval of establishing an Assignment of Fund Balance of $3,430,266 for Irmo High School Renovations and an additional 6 teaching positions.
- Approval of the FY 2023-2024 Capital Fund Budget as presented.