

Second and Final Reading of FY 2026-2027 General Fund Budget



OPERATION TRANSFORMATION

**School District Five of Lexington
and Richland Counties**

June 8, 2026

FY 2026-2027 Budget Calendar

January 26, 2026	Discussion of FY2025 Annual Comprehensive Financial Report - Manley Garvin
February 6, 2026	Board Budget Planning Workshop, District Office/Board Room, 8:30 a.m. - 1:00 p.m.
March 23, 2026	Approval of Contract Re-Appointments Strategic Plan Amendments Presented
April 20, 2026	2026-2027 Budget Discussion w/Budget Book Prioritize & Submit Capital Budget
May 4, 2026	1st Reading of Budget w/Budget Book
June 8, 2026	Budget Public Hearing 2nd and Final Reading of Budget w/Budget Book Auditor Receives Approved Mill Rates

Budget vs Audit



Budget

**The Plan
(Forward-Looking)**

An estimate of income and expenditure for a set period of time.

Focus: Preparation & Planning

COMPARE



Audit

**The Review
(Backward-Looking)**

An official inspection of accounts, typically by an independent body.

Focus: Verification & Accountability

Policy DB Annual Budget

Purpose: To establish the board's vision for the annual budget. The annual budget is the financial plan for the operation of the school system. The annual operating budget (general fund budget) should express and implement programs and activities of the school district. Planning the budget is a continuous process that involves long-term thought, study, and deliberation by the superintendent, board, administrative staff, faculty, and citizens of the district.

The budget provides the framework for both expenditures and revenues for the year. It translates into financial terms the educational programs and priorities for the system.

The board will establish budget priorities for each fiscal year (July 1 - June 30).



SY 2026-2027 Operational Budget Priorities

	Priority #1	Priority #2	Priority #3	Priority #4
Board of Trustees	Teacher Pay Raise	Lower Class Size	Substitute Pay Increase Additional SPED Personnel Additional Safe/Security Personnel	Staff Pay Raise
Principals & Directors	Staff Pay Raise	Teacher Pay Raise	Building Maintenance	Health Care/Retirement Increase Benefits
Faculty Advisory	Teacher Pay Raise	Lower Class Size	Staff Pay Raise	Building Maintenance Health Care/Retirement Increase Benefits
Parent Advisory	Teacher Pay Raise	Staff Pay Raise	Lower Class Size Building Maintenance	Health Care/Retirement Increase Benefits
Student Advisory	Teacher Pay Raise	Staff Pay Raise	Building Maintenance	Technology/Equipment

% Change in Teacher Pay

	2018 - 2019	Proposed 2026 - 2027	% Increase
LR5 Teacher Min. Pay	\$34,389	\$51,500	49.7%
State Teacher Min. Pay	\$32,000	\$50,500	57.81%
LR5 Class 6 Min. Pay	\$11.44/hr	\$12.88/hr	12.6%
LR5 Teacher Max. Pay	\$76,679	\$94,714.04	23.5%
State Teacher Max Scale	\$65,378	\$80,500	23.1%
LR5 Class 6 Max. Pay	\$16.32/hr	\$19.42/hr	18.9%

% Change in Teacher Pay

Edited to reflect the 6/8/26 Budget Book

	2018 - 2019	Proposed 2026 - 2027	% Increase
LR5 Teacher Min. Pay	\$34,389	\$51,500	49.7%
State Teacher Min. Pay	\$32,000	\$50,500	57.81%
LR5 Class 6 Min. Pay	\$11.44/hr	\$14.03/hr	22.6%
LR5 Teacher Max. Pay	\$76,679	\$94,714.04	23.5%
State Teacher Max Scale	\$65,378	\$80,500	23.1%
LR5 Class 6 Max. Pay	\$16.32/hr	\$21.50/hr	31.7%

Teachers Need Support: An Integrated Support System

FY 2026-2027 Budget Discussion

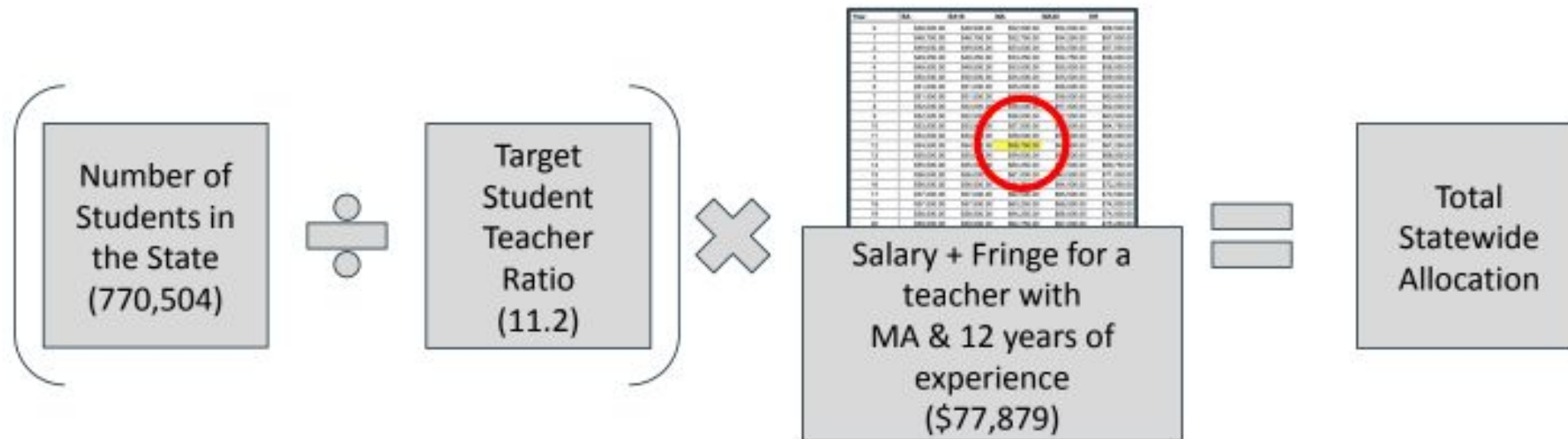


State and Local Revenue Estimates



Proviso 1.3 - State Aid to Classrooms

State Level Appropriation (Proviso 1.3)



FY 2026-2027

Budget Impacts - State Level

- **D5 135th Average Daily Membership (K-12)**

- FY 25-26 - 15,936.54
- FY 24-25 - 16,521.25
- FY 23-24 - 16,750.61
- FY 22-23 - 16,956.32

Decrease of 584.71 (3.54%) from
FY24-25 to F25-26

- **D5 135th Weighted Pupil Units (Preliminary)**

- FY 25-26 - 25,696.35
- FY 24-25 - 26,414.52
- FY 23-24 - 26,574.42
- FY 22-23 - 26,811.07

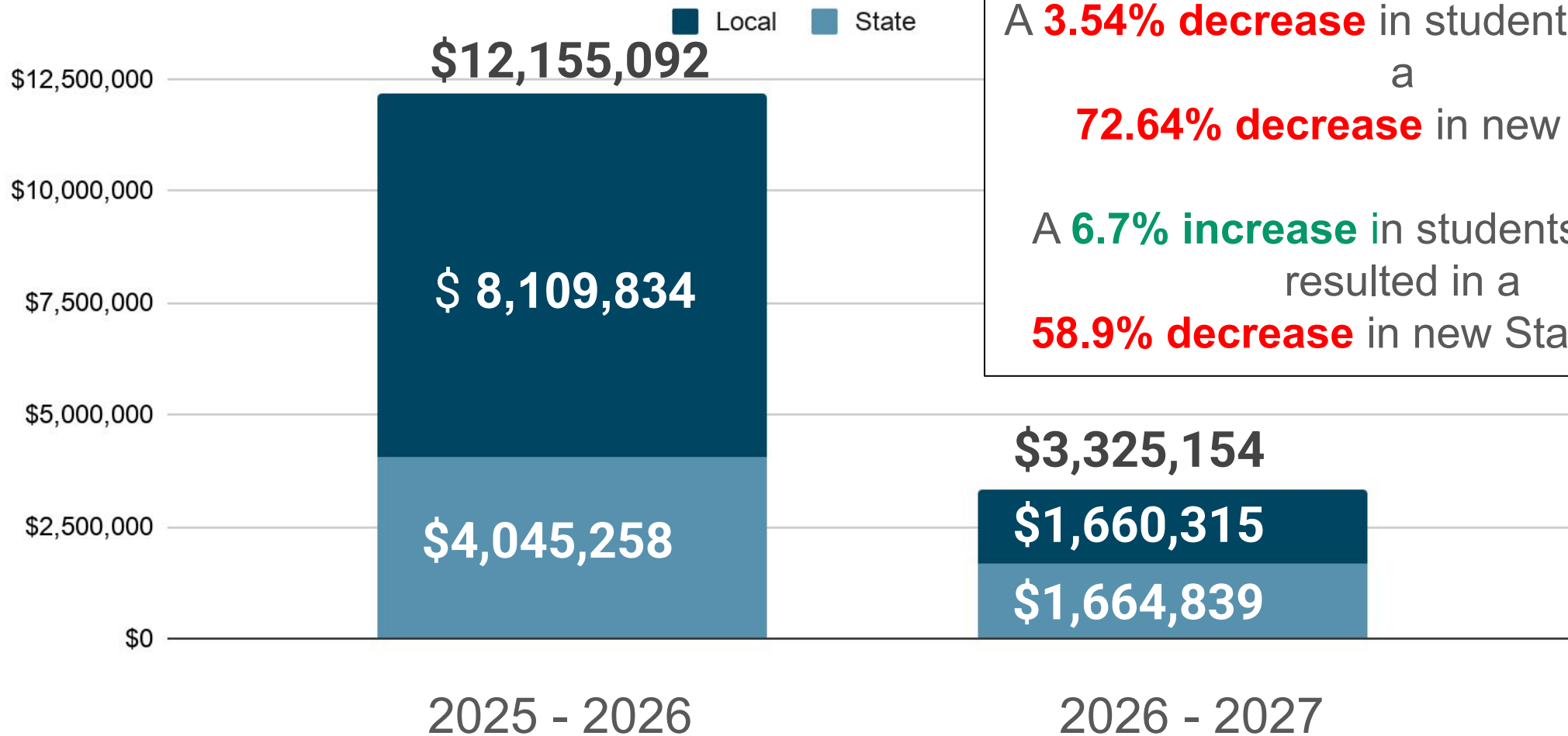
Decrease of 718.17 (2.72%) from
FY24-25 to F25-26

FY 2026-2027 Projected General Fund Revenues

	2025-2026 Budget as Approved	2026-2027 Projection	% change
Local Revenues:			
Taxes (calculated at 266.0 mils)	\$ 92,819,108	\$ 96,289,436	3.74%
Other Local Revenue (Interest, Tuition, etc)	\$ 2,000,000	\$ 2,000,000	0.00%
State Revenues:			
State Aid to Classrooms (GF)	\$ 76,084,371	\$ 77,141,757	1.39%
Homestead Exemptions (Tier I, II, III)	\$ 51,229,921	\$ 51,229,921	0.00%
Health Insurance	\$ 1,194,049	\$ 300,722	-74.81%
Other State Revenues	\$ 10,834,454	\$ 11,537,276	6.49%
Other Financing Sources:			
Transfers (Indirect Cost)	\$ 400,000	\$ 400,000	0.00%
State Aid to Classrooms (EIA)	\$ 16,018,117	\$ 16,816,014	4.98%
Total	\$ 250,580,020	\$ 255,715,126	2.05%

State & Local Revenue Estimates

New LR5 State and Local Revenue Estimates



It's not Apples to Apples

A **3.54% decrease** in students resulted in a **72.64% decrease** in new revenue

A **6.7% increase** in students with IEPs resulted in a **58.9% decrease** in new State revenue

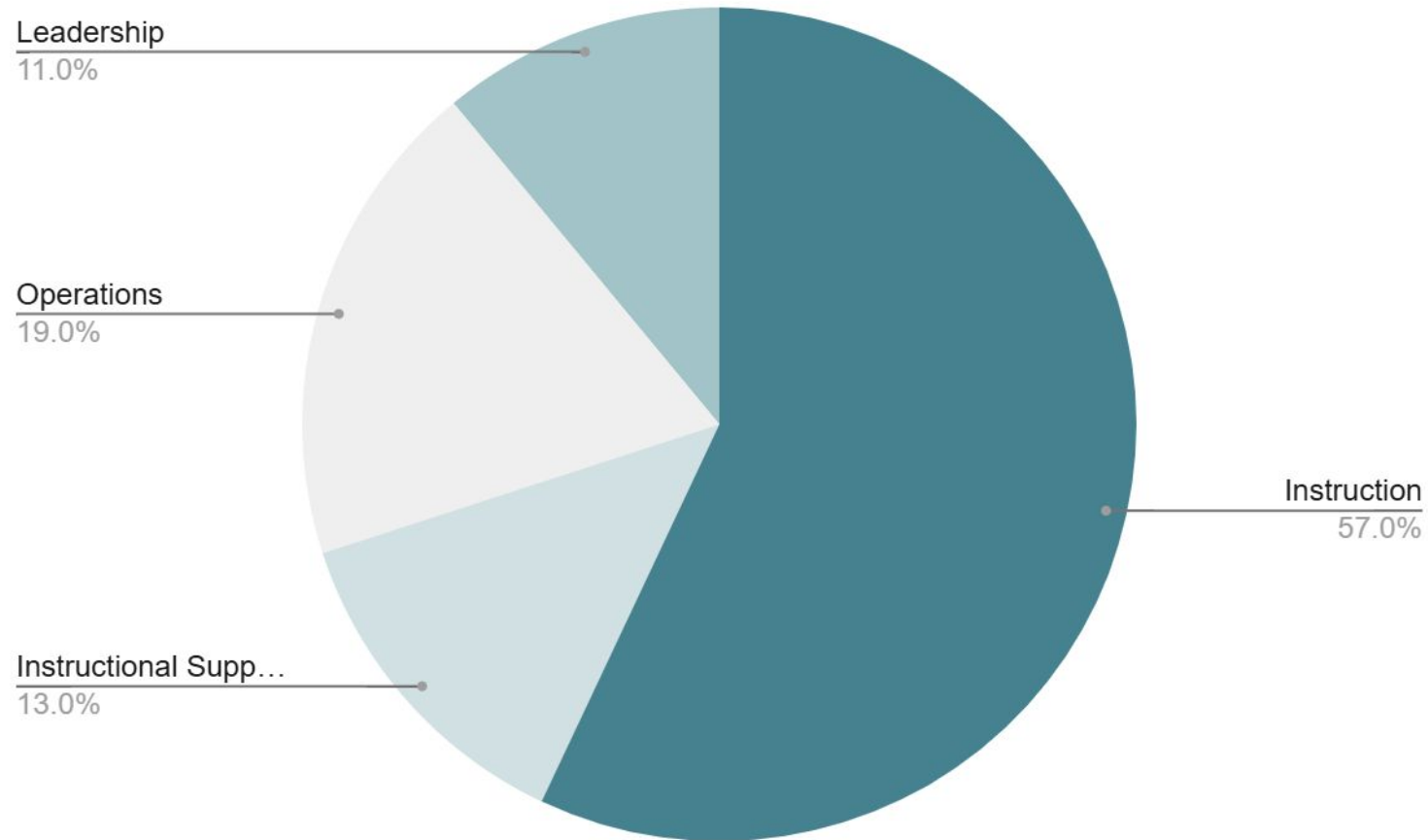


GENERAL FUND EXPENDITURE DISTRIBUTION



FY 2026-2027

Projected General Fund Expenditures by Category



FY 2026-2027 Budget Considerations



FY 2026-2027

Budget Considerations - District Level - Must Do



Teachers

Move every teacher up one step on the Proposed SY 26-27 Teacher Salary Scale.

\$1.3M increase

- Updated to reflect 6/8/26 Budget Book



Support Staff

Move every support staff up one step on the Proposed SY 26-27 Support Salary Scale; add year 24.

\$1.1M increase

- Updated to reflect 6/8/26 Budget Book



Administrative Staff

Move every administrator up one step on the Current Administrative Salary Scale. * Middle School AP contract increase from 215 to 225 days

\$300K increase



Bus Drivers

2% salary increase.

\$400K increase

TOTAL \$3.1M (Salary & Benefits)

*All Values Include FICA, Retirement

FY 2026-2027

Budget Considerations - District Level - Want To Do



Teacher Pay Raise

Increase Starting Teacher Salary to \$51,500 and apply a 1% increase to all cells in the current teacher salary schedule.

\$1.1M increase



Supplement Pay Study & Targeted Adjustments

Data-driven compensation adjustments, if needed, to supplement pay schedules including:

- Targeted market adjustments for MS/HS Band Directors to \$3,000 and \$8,000 respectively.
- Transition to a six-lane Athletic Supplement schedule to align with market-based pay grades and improve recruitment at entry levels.

\$300K increase



Tier 2 Tutoring & MTC Associates Program

Shuttle Services for after school tutoring and counseling (2nd Semester)

Harbison Campus Shuttle Year Long

Includes 2 bus drivers and Transportation Supervisor

\$900K increase

TOTAL \$2.3M (Salary & Benefits)

*All Values Include FICA, Retirement

Current Salary/Supplement System

Salary	Supplement
Teacher Schedule (190 days)	Extracurricular Schedule
Administrative Schedule (up to 240 days)	Special Duties Schedule
Support Staff Schedule (hourly)	Special Duties Schedule (Grades PK - 5)
Bus Driver Schedule (hourly)	

Proposed 2026- 2027 Salary/Supplement System

Salary	Supplement
Teacher Schedule (190 days)	Academic Supports Schedule & Department Heads
Administrative Schedule (up to 240 days)	Arts Schedule
Support Staff Schedule (hourly)	Athletics Schedule
Bus Driver Schedule (hourly)	Special Duties Schedule
	* Grant Funded Process

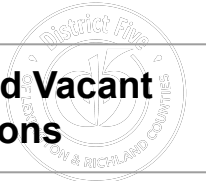
* Supplement schedule is site specific

Proposed Efficiencies

2026 - 2027 Repurposed Positions

Control Code	FTE	Current Position Type	New Position
4565	1.0	Certified	Cybersecurity Coordinator
2631	1.0	Certified	Visual/Performing Arts Coordinator
2174	1.0	Certified	Expectation Coach
2262	1.0	Certified	Expectation Coach
597	1.0	Certified	Expectation Coach
4796	1.0	Certified	Expectation Coach
775	1.0	Certified	Instructional Coach
1888	1.0	Certified	Literacy Lab Teacher

Control Code	FTE	Current Position Type	New Position
1984	1.0	Certified	Literacy Lab Teacher
4764	1.0	Certified	SPED Teacher Asst.
50	1.0	Certified	SPED Teacher Asst.
5425	1.0	Certified	SPED Teacher Asst.
1772	1.0	Certified	SPED Teacher Asst.
1489	1.0	Certified	SPED Teacher Asst.
783	1.0	Certified	SPED Teacher Asst.
Total	15.0	Certified	Repurposed Vacant Positions



2026 - 2027 Proposed Efficiencies

Reduction of Vacant Positions

Control Code	FTE	Position Type	Vacant Position
2613	1.0	Certified	Teacher - Grade 2
5391	1.0	Classified	Clinical Counselor
5393	1.0	Classified	Clinical Counselor
5265	1.0	Classified	Bus Driver - Montessori
180	1.0	Administration	Coordinator of Student Nutrition
Total	5.0		



FY 2026-2027

Calculation for Allowable Operating Millage Increase

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

Consumer Price Index (CPI)	2.63%
Population Growth	<u>1.60%</u>
Allowable Percentage Increase	4.23%
FY 2025-2026 Operating Millage	261.0 mills
FY 2026-2027 Operating Millage Cap	11.0 mills
Allowable but not previously imposed millage lookback (Section 6-1-320(A)(2))	21.7 mills
Total Allowable millage increase	32.8 mills



FY 2025-2026

Calculation for Allowable Operating Millage Increase

Fiscal Year	Mill Cap	Collection Rate Used	Value of Mill	Revenue Impact to General Fund	Tax Increase to Taxpayer *
FY 24-25	15.32	95%	\$304,061	\$ 1,658,215	\$ 138
FY 25-26	12.14	97%	\$355,629	\$ 4,317,333	\$ 109
FY 26-27	11.04	97%	\$361,990	\$ 3,996,374	\$ 99
Cumulative Total				\$ 9,971,922	\$ 347



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

Comparison of Operating Mil Values

District	Estimated Value of Operating Mil	Operating Mil
Lex 1	\$ 438,000	303.20
Lex 2	\$ 277,000	171.00
Lex 3	\$ 43,000	263.67
Lex 4	\$ 35,000	319.70
Lex/Rich 5	\$ 361,990	266.00
Rich 1	\$ 773,000	254.30
Rich 2	\$ 404,000	317.00



1st Reading Recommendation

Option	Option A-Millage Stabilization	Option B -Pre-Rollback Millage Rate	Option C - CIP and Growth	Option D - Total Allowable Lookback
Mill Rate	261	266	272	293.8
Local Increase	\$1,660,315	\$3,470,267	\$5,656,688	\$13,533,599
Mill Increase	0	5	11	32.8
Total Increase (State and Local)	\$3,325,154	\$5,135,106	\$7,321,527	\$15,198,438

- Step Increase for all staff
- Bus driver pay raise

- Step Increase for all staff
- Bus driver pay raise
- Average 1% Teacher Pay Raise (New Min. \$51,500)
- Supplement Study Implementation
- Tier 2 Tutoring/MTC Shuttle

- Staff Pay Raise - Updated to reflect 6/8/26 Budget Book

- Step Increase for all staff
- Bus driver pay raise
- Average 2% Teacher Pay Raise (New Min. \$52,000)
- Supplement Study Implementation
- Tier 2 Tutoring/MTC Shuttle
- Staff Pay Raise
- Admin Pay Raise

Amended Presentation

- Step Increase for all staff
- Bus driver pay raise
- Average 3% Teacher Pay Raise (New Min. \$52,500)
- Supplement Study Implementation
- Tier 2 Tutoring/MTC Shuttle
- Average 3% Staff Pay Raise
- Average 3% Admin Pay Raise

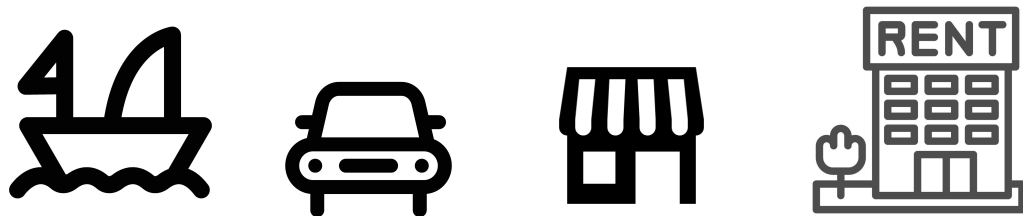
Proposed LR5 Total Local Millage For SY 2026 - 2027

Millage – a tax on real estate or other property

Year	Operating Mills	Debt Service Mills	Total Mills
2025 - 2026	261	69.5	330.5
2026 - 2027	266	64.5	330.5

Operations Millage-

Paid By 10.5% and 6% Tax Rates (Such as):



Pays For:
Salaries, Benefits, Supplies, Utilities, Maintenance

Debt Service Millage -

Paid By 10.5%, 6%, and 4% Tax Rates (Such as):



Pays For:
Construction, Technology, Equipment and Renovations

1st Reading Recommendation

Return to 2024-2025 Operational Mil Rate (266) for the 2026 - 2027 School Year



Revenue Increase

State: **\$1.6 Million**

Local: **\$3.5 Million**

Total = \$5.1 Million



Expense Increase

Step Increase: **\$2.7M**

Bus Driver Pay Raise: **\$.4M**

Teacher Pay Raise: **\$1.1M**

Supplement Study: **\$.3M**

Tier 2 & MTC Program: **\$.9M**

Total = \$5.4 Million



Efficiencies

15 Repurposed FTEs
For new position needs

5 FTEs reduced
To balance the budget

Net Savings = \$.3 Million

BUDGET IMPACT: Balanced Recommendation

Values reflect first reading proposal for FY 2026-2027 General Fund Budget

Administration's Recommendation

- **Approval of Second and Final Reading of the balanced FY 2026-2027 General Fund Budget for the amount of \$255,715,126.81.**
- **Approval of setting the Operating Millage Rate at 266.0.**
- **Approval of setting the Debt Service Millage Rate at 64.5.**

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& GROW
OUR STUDENTS!



