

# SCCPSS BOARD MEETING – BUDGET UPDATE

June 24, 2026

# Agenda

- Introduction & Timeline
- Budget History
  - Revised Budget Comparison
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  - General Fund FTE History
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# INTRODUCTION & TIMELINE

# Introduction

## What we are hearing from the Board

- Want more visibility into the final, proposed budget
- Want to understand cost growth over time
- Want to invest in things that support students' ability to have choice-filled lives (aligned with the strategic plan)

## Our current financial landscape

- Declining enrollment
- Tax reform impact (SB782 impact curtails revenue growth, future legislation may increase financial pressure)
- State budget implications (QBE growth slowing, grants discontinuing)

## Our goals for today

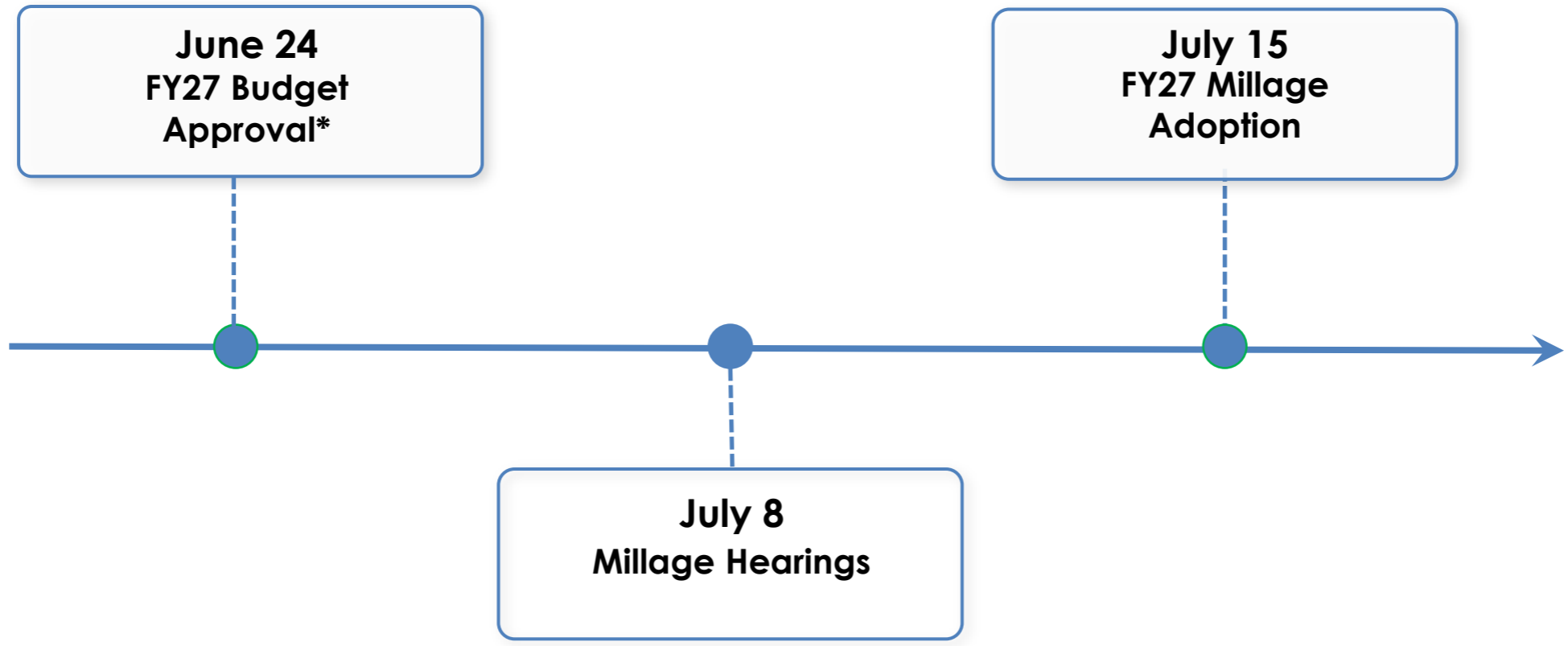
✓ **Transparency & Understanding**

✓ Presenting a **complete proposed budget** based on all relevant information

✓ Framing this conversation in the **long-term picture**

# Budget and Millage Timeline

The recommended FY27 General Fund Budget is presented for approval to sustain District operations from the start of the fiscal year (July 1) through adoption of the final recommended millage rate. This budget remains subject to amendment based on updated budget and millage rate timeline.



This timeline, updated due to the delay in revenue finalization, has been reviewed and validated by District and Board counsel.

*\* Budget is subject to any amendments on final adoption of millage rate, requires board approved exception of policy DC*

# BUDGET HISTORY

# Revised Budget Comparison

The proposed budget reflects an increase of \$23M. If approved, this will reflect the smallest growth from revised to adopted in the past 4 years, just a 3.3% increase from the FY26 revised budget as of April 30<sup>th</sup>, 2026.

| Revised Budget Comparison        |           |              |             |                   |                   |
|----------------------------------|-----------|--------------|-------------|-------------------|-------------------|
| Fiscal Year                      | FY23      | FY24         | FY25        | FY26 <sup>1</sup> | FY27 <sup>2</sup> |
| Adopted Budget                   | \$504M    | \$567M       | \$622M      | \$656M            | \$705M            |
| Revised Budget                   | \$520M    | \$597M       | \$640M      | \$682M            |                   |
| Increase from Prior Year Revised | \$29M     | \$77M        | \$43M       | \$42M             | \$23M             |
| % Change YoY (From Revised)      | <b>6%</b> | <b>14.8%</b> | <b>7.2%</b> | <b>6.6%</b>       | <b>3.3%</b>       |

1 FY26 Budget excludes \$60M in renovations for 208 Bull Street renovations.

2 Figure subject to change pending year-end personnel adjustments

Improvements in this year's budget practices (e.g. overtime forecasting) have targeted improving initial budget accuracy to reduce reliance on revisions in FY27.

# Expenditure Categories

| Expenditure Category()        | FY23            | FY24            | FY25            | FY26*           | FY27            | 4 Year Growth (\$) |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| SALARIES AND BENEFITS         | \$416.2M        | \$458.8M        | \$493.8M        | \$553.7M        | \$593.6M        | \$177.4M           |
| BUSES & FLEET                 | \$9.6M          | \$9.5M          | \$11.7M         | \$11.2M         | \$7.7M          | -\$1.9M            |
| CONTRIBUTIONS - OTHER SCHOOLS | \$10.8M         | \$14.0M         | \$14.8M         | \$13.5M         | \$14.1M         | \$3.3M             |
| INSURANCE                     | \$4.5M          | \$4.9M          | \$5.7M          | \$5.5M          | \$6.2M          | \$1.7M             |
| LEASES                        | \$2.0M          | \$1.7M          | \$2.2M          | \$1.8M          | \$0.6M          | -\$1.4M            |
| MAINTENANCE & OPERATIONS      | \$8.8M          | \$14.1M         | \$15.0M         | \$13.1M         | \$13.2M         | \$4.4M             |
| SERVICES & FEES               | \$11.0M         | \$11.7M         | \$15.4M         | \$22.5M         | \$20.7M         | \$9.7M             |
| SUPPLIES & EVENTS             | \$9.1M          | \$15.6M         | \$14.5M         | \$10.1M         | \$10.1M         | \$1.0M             |
| TECHNOLOGY                    | \$3.3M          | \$5.6M          | \$5.1M          | \$6.6M          | \$5.8M          | \$2.5M             |
| TELEPHONE, UTILITIES, & WASTE | \$15.4M         | \$15.6M         | \$15.1M         | \$13.7M         | \$16.4M         | \$1.0M             |
| TRANSFERS TO OTHER FUNDS      | \$23.9M         | \$42.0M         | \$41.9M         | \$26.3M         | \$13.4M         | -\$10.5M           |
| TRAVEL                        | \$2.0M          | \$2.5M          | \$3.0M          | \$2.9M          | \$2.3M          | \$0.4M             |
| OTHER                         | \$3.3M          | \$0.9M          | \$1.5M          | \$1.3M          | \$0.6M          | -\$2.7M            |
| <b>NON-PERSONNEL SUBTOTAL</b> | <b>\$103.6M</b> | <b>\$138.1M</b> | <b>\$145.8M</b> | <b>\$128.4M</b> | <b>\$111.1M</b> | <b>\$7.5M</b>      |
| <b>Total</b>                  | <b>\$519.8M</b> | <b>\$596.9M</b> | <b>\$639.6M</b> | <b>\$682.1M</b> | <b>\$704.7M</b> | <b>\$184.9M</b>    |
| <b>% Change</b>               | <b>N/A</b>      | <b>14.8%</b>    | <b>7.2%</b>     | <b>6.6%</b>     | <b>3.3%</b>     |                    |

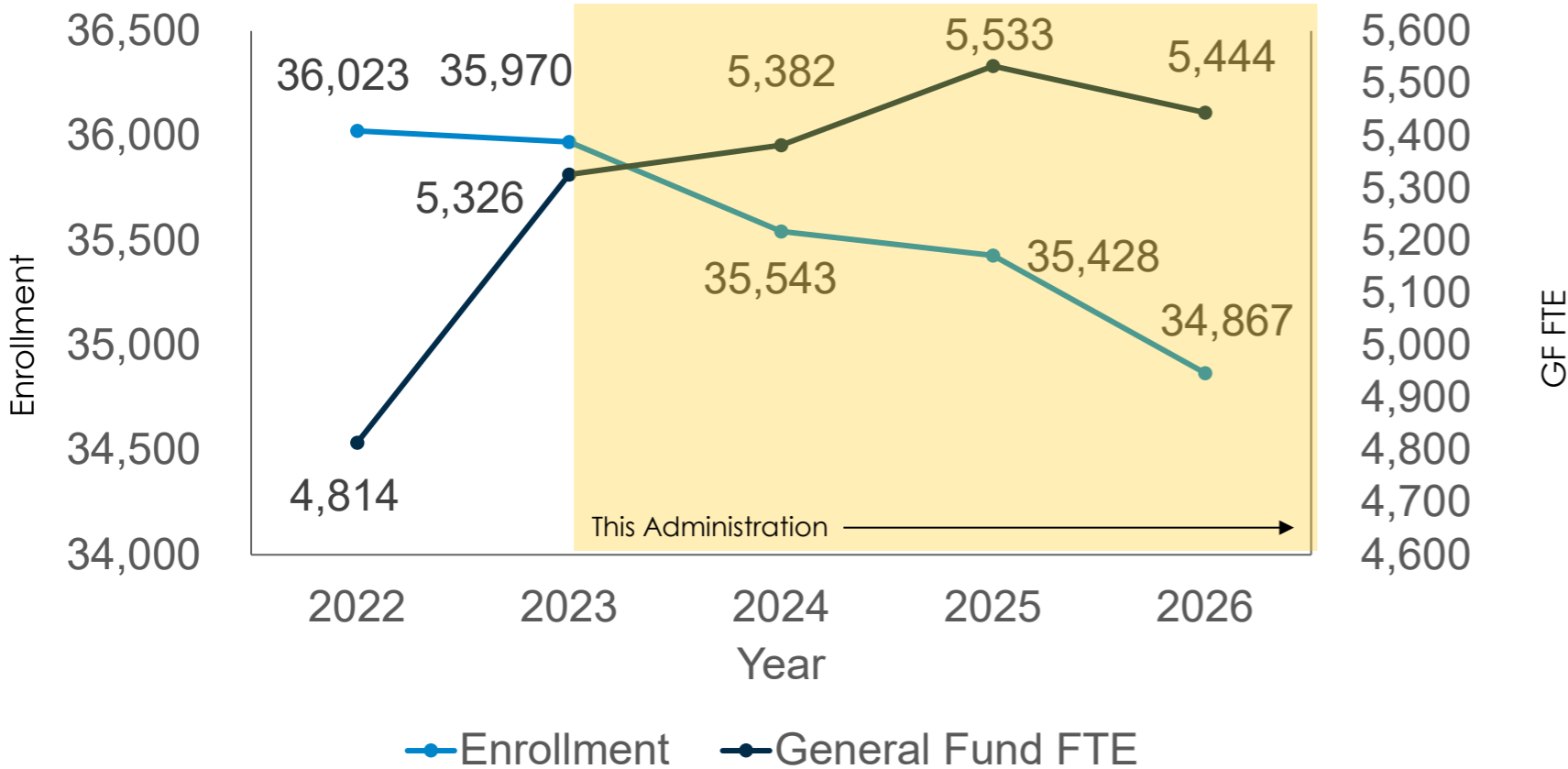
- Salaries and Benefits have grown by 42% over 4 years, reflecting a combination of uncontrollable cost growth and intentional investments by the board in talent retention and school stability
- Salary and Benefits Changes have driven 96% of the total growth in expenditures at SCCPSS
- SCCPSS has historically focused cost control on non-salary areas and held non-personnel cost growth to just 7% in the same period.

\*FY26 Revised Budget as of 4.30.2026. This figure excludes \$60M for 208 Bull Street renovations.

# General Fund FTE History

General Fund FTE reflect modest growth amid declining enrollment, with intentional investments and maintaining grant funded baselines driving headcount increases. SCCPSS recognizes opportunities to better align staffing levels with enrollment.

GF Authorized FTE vs. Enrollment



- SCCPSS last added significantly to GF headcount (+512) in the FY23 budget (under previous administration).
- Since FY23, enrollment has fallen each year, for a total **decline of 1,103 students or 3.1%**. In the same period, **General Fund FTE have increased by 118 FTE or 2.2%**
- While additional FTE, including counselors, security guards, and assistant principals have driven some increase in costs, **most expenditure cost growth is driven by benefits costs and per-employee compensation increases**
- Preliminary benchmarking by A&M indicates SCCPSS exceeds peers in many position categories, **further analysis is planned to identify realignment opportunities.**

# Key Annual Personnel Investments

|  | FY23 Revised Budget                         | FY24 Revised Budget  | FY25 Revised Budget  | FY26 Revised Budget  | FY27 Proposal   |
|--|---|--|--|--|---|
| <b>Cost of Living Adjustments</b><br><i>(Baseline)</i>                 | +\$16.6M<br>5% COLA for all employees       | +\$15.5M<br>5% COLA for all employees  | +\$15.0M<br>5.5% COLA increase or \$2,500<br>(whichever was greater)                                   | +\$8.7M<br>3% COLA for all employees                                     | +\$8.4M<br>2% COLA for all employees  |
| <b>Step Increases</b><br><i>(Mandatory, Baseline)</i>                  | +6.0M                                       | +\$4.2M  | +\$4.2M  | +\$4.3M  | +\$8.0M   |
| <b>Retirement Costs</b><br><i>(Mandatory)</i>                          | +\$0.4M                                     | +\$1.3M  | +\$11.1M   | +\$4.3M  | +\$1.4M   |
| <b>Health Care Costs</b><br><i>(Mandatory)</i>                         | +\$1.4M                                     | +\$14.2M   | +\$10.5M   | +\$8.4M  | +\$3.0M   |
| <b>Additional Positions</b><br><i>(Mandatory, Baseline, Strategic)</i> | +\$1.1M<br>Added 12 School Counselors       | +\$9.6M<br>Added 14 QBE-earned teachers, 5.5 FTE enrollment adjustment, and 78 additional positions* | +\$9.8M<br>Added 39.5 QBE-earned teachers, 24 FTE enrollment adjustment, and 36 additional positions** | +\$8.4M<br>Added 22 QBE-earned teachers and 81 FTE enrollment adjustment | +\$9.5M<br>Added 23 QBE/FTE-earned positions and 79 additional positions*** |
| <b>Market Rate Adjustments</b><br><i>(Strategic)</i>                   | +\$8.0M<br>Living Wage for Classified Staff | N/A  | N/A  | +\$20.4M<br>Salary Adjustments from Evergreen Study                      | N/A   |
| <b>Personnel Adjustments Related to Grants</b><br><i>(Baseline)</i>    | N/A   | N/A  | +\$5.1M<br>Positions related to ARPA and GNETs Grants  | N/A  | +\$2.0M<br>Positions related to MSAP and GNETs Grants                       |
| <b>Total Major Personnel Additions</b>                                 | +\$33.2M                                    | +\$45.6M   | +\$53.2M   | +54.5M   | +\$30.3M  |

These specific additions account for \$216.9M in personnel cost growth from FY23 to FY27. This amount is higher than the total personnel cost growth over the period due to personnel cost reductions (e.g., closing vacancies).

\*78 additional positions include 39 positions associated with the Literacy Task Force, 8 ESOL teachers/paraprofessionals, 8 REP teachers, and 23 other positions

\*\*36 additional positions include 24 guidance counselors and 9 OSS teachers, and 3 other positions

\*\*\*79 additional positions include 34 literacy coaches, 17 SPED positions, 12 transformation paraprofessionals, 10 above allotment teachers, and 6 other positions

# FY 27 Mandate Example (Literacy Coaches)

SCCPSS's budget growth is in some cases driven by state funds the district, and the mandates associated with the funding model. One key example of state mandates requiring additional expenditure is HB1193's support for literacy coaches.

## Requirements

- New Literacy Coach Requirements:
- One School Based Literacy Coach Per School Elementary School
  - .5 for schools under 200 students

## 34 New FTE for SCCPSS Schools

State Law Requires:

- Teacher Certification
- 5 Years of Relevant Experience

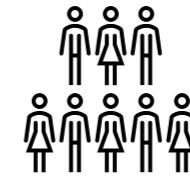
## State Funding

|                            |                  |
|----------------------------|------------------|
| Total QBE Funding          | 1,839,530        |
| - Local Share              | (684,113)        |
| <b>Total State Support</b> | <b>1,155,417</b> |

QBE Funding **understates the costs** of providing this staffing, **and requires 37% of that cost is carried by SCCPSS**

## SCCPSS Cost

New Coaches



X 34

CH4, Step 6  
(Meets Experience Requirement)

|                          |                  |
|--------------------------|------------------|
| Total Costs (w Benefits) | 3,610,107        |
| - State Support          | (1,155,417)      |
| <b>SCCPSS Costs</b>      | <b>2,454,690</b> |

While SCCPSS is grateful for State support for critical investments like these, **partially funded mandates grow the budget and place growing burdens on local taxpayers.**

# Financial Management Capacity Building

SCCPSS has made significant efforts over the past three fiscal year to increase financial management capacity. Looking forward, there are opportunities to continue to advance these efforts with a heightened focus on personnel expenditures.

FY24

## Getting our Bearings

- New administration, old budget
- Operating with the support of COVID –era funding programs
- Limited understanding of capacity constraints

FY25

## Initial Understanding of Challenges

- Mgt. capacity constraints are recognized
- Incremental improvements under past financial leadership team
- Outside support retained to identify issues and risks
- Recognized pay equity issues, had a comp study, proposed adjustment

FY26

## Current Fiscal Year Improvements

- Assessment results,
- Improved budget ownership
- ROI capacity building,
- Detailed budget process
- Improvements to key employee related processes (e.g., benefits)
- Munis capacity improvements / systems modernization (payroll, AP, procurement)
- Multi-year financial outlook
- Preliminary staffing assessment

FY27

## Planned Improvements

- Complete staffing model assessment and plan reductions for FY28 budget
- Grant-funded position closeouts
- Continue expanding ROI
- Continued analysis of performance pay
- Additional pay process improvements
- School budget ownership
- Integrated CIP planning
- School nutrition review
- Continue to challenge “baseline” alignment with ideal student experience

FY28+

## Explore and Pursue Longer Term Transformation Opportunities

- Workforce optimization and rightsizing (as needed) based on staffing analysis
- In-source/out-source analysis
- School consolidations
- Transportation optimization
- Pay for Performance system implementation

# FY27 BUDGET EXPENDITURES

# FY27 Budget: What have we done this year

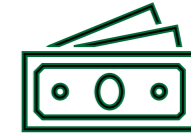
Understanding the growing revenue constraints, and limits to existing financial capacity, SCCPSS has focused efforts on strengthening processes, and pursuing savings with minimal impact to students and staff.

## Process Improvements



- Added ROI-Informed academic investments replacing ineffective ones
- Accurately budgeted for some categories of spend which have previously been covered with underspend
- Working in a more intentional way to find reductions
- Improve processes for identifying expenditures that will outpace reduction (mandated, baseline, strategic)

## Early Cost Savings



- Redirected academic investments which were proven ineffective (**~\$18M to-date**)
- Made targeted cuts to department budgets including Legal, HR, and adjusted in areas of historical underspend across departments like travel and training
- Reduced select requests department budgets (transformation effort investments (fewer paraprofessionals, academic coaches), CTAE vehicles, beautification, CAT
- **Cuts made to-date focused on non-personnel, and are offset by personnel and academic investments**

**Bottom Line:** Improved budget practices support more thoughtful investments, and strengthen processes to reduce cost growth over time, but budget more accurately does not always mean spending less.

# Focusing on FY 27: Expenditure Growth

SCCPSS’s budget growth between FY26 and FY27 reflects changes across mandatory, baseline, and strategic investment categories outlined with the finance advisory committee on May 6<sup>th</sup>.

| Category  | Increased Expenditure Area   | FY26 to FY27 Growth |
|-----------|--|---------------------|
| Mandatory | <i>New Employees (QBE Mandated Literacy Coaches)</i>   | \$3.5M              |
|           | <i>Health Insurance, Retirement, Pension</i>   | \$3.0M              |
|           | <i>Utility Cost Growth</i>   | \$2.7M              |
|           | <i>Property and Casualty Insurance Cost Growth</i>   | \$0.7M              |
|           | <i>Step Increases for Employees</i>  | \$8.0M              |
| Baseline  | <i>2% COLA</i>   | \$8.4M              |
|           | <i>Addition of formerly grant funded positions to General Fund (GNETS, MSAP, etc.)</i>                               | \$2.0M              |
| Strategic | <b>Strategic Plan Investments (Including School Transformation, Mental Health Program Expansion, Data Dashboard)</b> | \$10.2M             |

Combination of Step and 2% COLA increase (4.2%) outpacing inflation (3.3%)<sup>1</sup>

<sup>1</sup>Source: [Bureau of Labor Statistics](#)

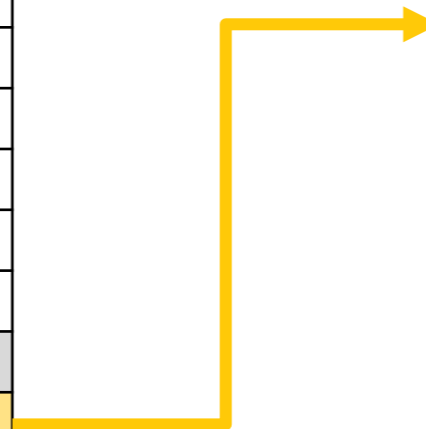
Note: New Employees and Grant Funding represent updates from previous budget presentation, SCCPSS has added back Data dashboard based on board feedback

# Proposed Expenditure Budget

SCCPSS'S proposed expenditure budget, reflects both improvements to internal planning processes, and the changes outlined and discussed above.

| Expenditure Category          | FY27            |
|-------------------------------|-----------------|
| SALARIES AND BENEFITS         | \$593.6M        |
| BUSES & FLEET                 | \$7.7M          |
| CONTRIBUTIONS - OTHER SCHOOLS | \$14.1M         |
| INSURANCE                     | \$6.2M          |
| LEASES                        | \$0.6M          |
| MAINTENANCE & OPERATIONS      | \$13.2M         |
| SERVICES & FEES               | \$20.7M         |
| SUPPLIES & EVENTS             | \$10.1M         |
| TECHNOLOGY                    | \$5.8M          |
| TELEPHONE, UTILITIES, & WASTE | \$16.4M         |
| TRANSFERS TO OTHER FUNDS      | \$13.4M         |
| TRAVEL                        | \$2.3M          |
| OTHER                         | \$0.6M          |
| <b>NON-PERSONNEL SUBTOTAL</b> | <b>\$111.1M</b> |
| <b>Total</b>                  | <b>\$704.7M</b> |
| <b>% Change</b>               | <b>3.3%</b>     |

**SCCPSS has proposed a total expenditure budget of \$704.7M** which invests in our people, maintains our baseline student experience, and supports strategic investments for our students.



# In Summary: Our Expenditure Budget Proposal

The expenditure budget proposed is one that serves kids and supports teachers, while acknowledging the constraints of the current revenue landscape.



**Expenditure increase of approximately 3.4%** which enables use to **maintain our mandatory and baseline student experience** while making **strategic investments geared toward improving student outcomes**.



Targeted investments of **\$10.8M for the tactics directly aligned with the Strategic Plan** focused on creating future-ready students.

State-mandated investments in literacy coaches (\$3.5M) which are only partially funded by QBE



Cost of living adjustment (**COLA**) of **2%** in addition to **step increases**, which as-applied result in an average 2.2% increase, resulting in a **combined impact of ~4.2% which slightly outpaces inflation**.



Plan to **temporarily maintain funding for staffing previously paid for through grants** that were discontinued. There will be a through review of these programs in FY27, in addition to more intentional grants management.

# FY27 BUDGET REVENUES

# What is Happening to SCCPSS's Revenue?

When comparing the FY26 budget, revenue has begun to slow significantly, with major revenue loss being communicated to SCCPSS as recently as June 11<sup>th</sup>, 2026.

| Factors impacting Revenue in FY27           |   |                  |
|---|---|------------------|
| Item  | Description   | Amount (approx.) |
| QBE Per Unit Growth                         | In FY27 GaDOE only increased the base unit funding by \$10 per student. This is considerably lower increase than prior fiscal years (\$50 in FY26)  | \$1.4M           |
| Enrollment Loss                             | Decline in enrollment from 34,867 (initial FY26) to 34,217 (initial FY27)   | \$4.7M           |
| Slowing Revenue Growth                      | Tax digest growth slowed from 7% to 5% (excluding the impact of HB782)  | \$9.3M           |
| HB782 Impact                                | HB782 Exemption removes the CPI(inflation)-linked growth for homestead exemption eligible properties, locking homes taxable values at the 2025 "base" year. Future legislation (SB33) will continue to limit taxable property value growth. | \$8.7M           |
| State Grant Expirations                     | Expiration of (or reduced funding from) key state grants (GNETS, MSAP, School Security Grant, etc)  | \$3.1M           |
| Payment-in-Lieu-of-Taxes Program Conclusion | Conclusion of key (Payment in Lieu of Taxes) PILOT programs/ payment agreements   | \$1.0M           |
| <b>Total Unfavorable Revenue Impacts</b>    |   | <b>\$28.2M</b>   |

These revenue pressures will require SCCPSS to adjust operations rapidly to match expenses to revenue, even with a fixed millage rate.

# Tax Reform Impact

HB782 removes the CPI(inflation)-linked growth for homestead exemption eligible properties, locking homes taxable values at the 2025 “base” year.



### Homestead Homeowner Impact

| HB782 Impact on Example Home   |              |
|--|--------------|
| 2025 Base Value  | \$300,000    |
| 2026 Value (Assumed 6% Growth)   | \$318,000    |
| Inflation Capped Value Growth (+3%)                                    | \$309,000    |
| New HB782 Exemption  | \$9,000      |
| <b>Household Tax Growth Avoidance</b><br>(assuming fixed millage rate) | <b>\$156</b> |

**Eligible homeowners will see \$0 tax increase for SCCPSS now and into the future**



### Tax Digest Impact on SCCPSS

| HB782 Impact on District Tax Base and Budget |               |
|--|---------------|
| 2025 Residential Values                      | \$15.5B       |
| 2026 Residential Values                      | \$16.6B       |
| Value Growth                                 | \$1.1B        |
| New HB782 Exemption                          | \$0.5B        |
| <b>SCCPSS Revenue Growth Lost</b>            | <b>\$8.7M</b> |

**SCCPSS is losing \$8.7M in revenue growth in FY27 with lost revenue growing each year.**

SB33 and pending legislation are expected to continue to impact household tax bill growth, and our tax digest “tax base” growth in coming years. **SCCPSS must respond to this by growing leaner and smarter.**

# Net Tax Digest Growth History

| Net Digest Growth History                   |                       |                                |
|---|-----------------------|--------------------------------|
| Fiscal Year                                 | Net Digest            | Percent Change From Prior Year |
| FY17  | 12,403,837,886        | -                              |
| FY18  | 12,907,513,327        | 4.1%                           |
| FY19  | 13,426,384,823        | 4.0%                           |
| FY20  | 14,144,354,701        | 5.3%                           |
| FY21  | 14,921,512,058        | 5.5%                           |
| FY22  | 15,670,236,332        | 5.0%                           |
| FY23  | 18,148,614,265        | 15.8%                          |
| FY24  | 20,168,497,333        | 11.1%                          |
| FY25  | 22,411,234,631        | 11.1%                          |
| FY26  | 23,990,502,259        | 7.0%                           |
| <b>FY27</b>                                 | <b>24,716,436,238</b> | <b>3.3%</b>                    |
| <b>Average % Change 10-year (FY17-FY26)</b> |                       | <b>7.7%</b>                    |
| <b>Average % Change 5-year (FY21-FY26)</b>  |                       | <b>10.0%</b>                   |

**Tax Reform Efforts & Tax Digest Growth History**

- The Tax Digest grew by only 3.3% in FY2027, the lowest observed growth rate in over a decade.
- Slower tax digest growth is the result of recently enacted tax reform legislation which restricts taxable property value growth (HB 782) along with a slowing real estate market.
- The impact of HB782 will grow over time, and other upcoming legislation (SB33) is expected to further curtail revenue growth.

← **Lowest Growth in 10 Years**

# Updated Revenues for FY27

Lower than expected tax base growth, increased exemptions, and expiring grant revenue have reduced SCCPSS's expected revenue for FY 27, constraining revenue growth relative to recent history.

| REVENUE CATEGORY                   | FY27 PROJECTED  |
|------------------------------------|-----------------|
| TOTAL LOCAL REVENUES               | \$476.5M        |
| TOTAL STATE REVENUES               | \$210.2M        |
| TOTAL FEDERAL REVENUES             | \$.8M           |
| <b>TOTAL GENERAL FUND REVENUES</b> | <b>\$687.5M</b> |

This changing revenue picture will require SCCPSS to adjust its approach to budgeting this year, including use of fund balance, and reinforces the need to further challenge cost structures into future years.

# FY27 BUDGET RECOMMENDATION

# Our Current Situation

The FY27 Budget must be responsive to a changing landscape while making investments to improve student outcomes.

Recent **cost growth driven primarily by growing per-person costs** (compensation choices, State health, retirement growth, etc.)

Unprecedented economic growth in Chatham County in recent years has allowed to fund these investments, **allowing revenues to increase while decreasing the millage.**

Pressures on the Property Tax Base (slowing growth, SB782) have curtailed our revenue growth in FY27, and **signal and end to the era of revenues keeping pace with costs. Even with fixed millage rate, financial pressure will increase rapidly.** Additional legislation in consideration may multiply this financial pressure.

SCCPSS has started the important work of **strengthening our processes and practices to adjust to these changes**, but there is much more work to come to meet this challenge.

As these pressures evolve, **SCCPSS will need every tool possible to navigate this changing environment** (including challenging the staffing baseline, pursuing unpopular cuts, and using fund balance to support restructuring efforts)

# The Path Forward

SCCPSS has been working to identify options to reduce the deficit with minimal impact to operations and student experience, and is requesting the board's support through a fixed millage rate and use of fund balance to support the FY27 budget.

## What we have done to address the gap in the FY27 budget process



### We are scaling back our ambitions as it relates to strategic Investment

- Reduce COLA from 3% to 2%
- Incrementally introduce key strategic investments
- Removed key planned investments that are not linked to direct student outcomes



### Using our stronger basis of understanding on department budgets to make additional reductions

- Adjusting department budgets where practical
- Closing Select Vacancies

## What we need to move forward

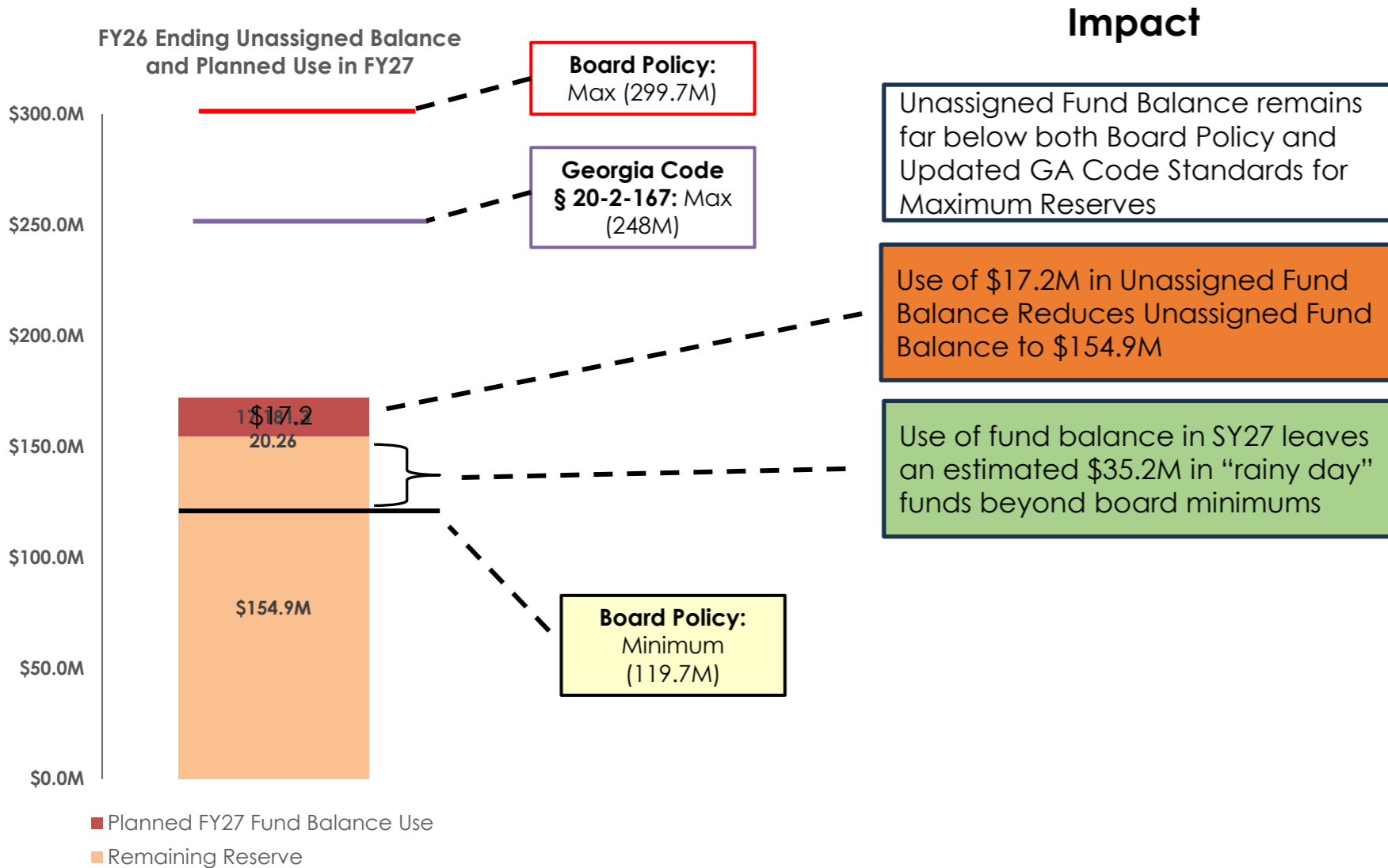


We are asking you to maintain the millage rate, and rely on fund balance to support investments in student success while we plan for the future:

|                            |                          |
|----------------------------|--------------------------|
| <b>Revenue</b>             | <b>\$687.5M</b>          |
| <b>Expenditures</b>        | <b><u>(\$704.7M)</u></b> |
| <b>Use of Fund Balance</b> | <b>\$17.2M</b>           |

# Proposed Use of Fund Balance

Based on the unfavorable revenue impacts, SCCPSSS is proposing to use \$17.2M in unassigned fund balance as a one-time support to maintain operations in FY27.



## Key Considerations

- 1) Modest use of fund balance is a common tool for school districts seeking to balance budgets amid revenue declines, but signals a need for further fundamental changes in district organization to reach structural balance
- 2) Best practice standards for reserves vary based on standards organizations, with some as high as 3 months of operating budget
- 3) Districts must consider the seasonality of revenues and expenditures when managing fund balance (expenditures lead revenues)
- 4) District must plan for revenue interruptions (collection rate) and consider credit rating impacts when contemplating significant use of reserves.

\*FY26 year end fund balance is subject to change based on FY26 closeout and audit

# Our Budget Needs and Our Commitments

## Our Proposed Budget

3.4%

Increase in General Fund expenditure budget

17.331

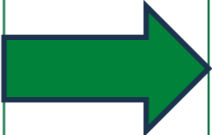
Millage Rate

\$17.2M

Use of General Fund Balance

### What it Delivers

- ✓ Funding that invests in students and teachers to help drive transformation in schools, improves student outcomes
- ✓ Investment in the strategic plan focused on developing future-ready students
- ✓ Expenditures that reflect a more rigorous vetting of department budget requests
- ✓ Improved efforts to fund programs that demonstrate a return on investment
- ✓ Maintaining personnel investments and keeping SCCPSS competitive



### Our Future

- **New, and more rigorous reviews of our operations**, including workforce assessments at both central office and schools, and potentially significant changes to align our organization with student needs and changing revenue environment
- **Laying the groundwork for longer-term transformation**, including school footprint optimization, pay-for-performance systems, and improved department operations