

Policy DB Annual Budget

Issued 9/99

~~Purpose: To establish the board's vision for the annual operating budget.~~

~~The annual budget is the financial plan for the operation of the school system. The district will express those plans through two types of budgets.~~

- ~~• operating budget—a budget for the provision of annual resources~~
- ~~• capital budget—a budget for the provision of necessary sites, buildings and equipment~~

~~The budgets provide the framework for both expenditures and revenues for the year. They translate into financial terms the educational programs and priorities for the system.~~

~~Planning the budget document is a continuous process. Planning involves long term thought, study, and deliberation by the superintendent, board, administrative staff, faculty and citizens of the district.~~

~~The superintendent will have overall responsibility for budget preparation. Based on the superintendent's recommendations, the board will approve an annual operating budget.~~

The annual general fund budget is the board's plan for allocating the district's available financial resources. Planning the budget document is a continuous process, involving long-term thought, study, and deliberation by the superintendent, board, administrative staff, faculty, and citizens of the district.

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

The superintendent will establish budget priorities for each fiscal year (July 1st - June 30th). These priorities will be based upon the needs identified by the administration during the budget planning process as determined by the following:

- needs of the district, ensuring that all segments of the district's programs are treated equitably in allocating 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 an unassigned general fund balance for the year ending June 30th of a minimum 17% and a maximum of 25% of the subsequent year's total budgeted expenditures in the general fund

The superintendent has overall responsibility for budget preparation and will submit an annual budget to the board. Based on the superintendent's recommendation, the board will approve an annual budget.

In case the budget does not receive approval by June 30th, the board will adopt a continuing resolution based on last year's budget until the budget can be approved.

Notice of Budget Adoption

Before adopting the general fund budget for each fiscal year, the district will advertise a public hearing on the budget in at least one South Carolina newspaper of general circulation in the area. The notice must appear not less than fifteen (15) days in advance of the public hearing. The notice must be a minimum of two columns wide with a bold heading.

The notice must include the following:

- governing entity's name
- time, date, and location of the public hearing on the budget
- total revenues and expenditures from the current fiscal year's budget
- proposed total projected revenue and expenditures for the next fiscal year as estimated in the next year's budget
- proposed or estimated percentage change in estimated budgets between the current fiscal year and the proposed budget
- millage for the current fiscal year
- estimated millage in dollars as necessary for the next fiscal year's proposed budget

Limitations on Millage Increases

In Rock Hill School District Three of York County, the district Board of Trustees is authorized by South Carolina law to levy school taxes. The district Board of Trustees can increase millage above the rate imposed for the prior tax year by one of the following:

- may increase up to six (6) mills in any year over that levied for the preceding year without the approval of the qualified voters of the district in a referendum per local legislation
- by the percentage increase in the consumer price index over the previous calendar year plus the percentage increase in the previous year in the population of the school district as determined by the State Fiscal Accountability Authority

The millage rate limitation may be suspended and the millage rate may be increased upon a two-thirds vote of the membership of the district Board of Trustees for any of the following statutory purposes:

- deficiency of the preceding year
- any catastrophic event outside the control of the board such as a natural disaster, severe weather event, act of terrorism, fire, war, or riot
- compliance with a court order or decree
- taxpayer closure due to circumstances outside the control of the board that decreases by 10 percent or more the amount of revenue payable to the taxing jurisdiction in the preceding year
- compliance with a regulation promulgated or statute enacted by the federal or state government after June 7, 2006, for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government

A millage rate increase imposed under any of the above reasons will appear separately on the tax bill as a separate surcharge with an explanation and not included in the millage subject to the CPI plus population growth factor or local legislation. The surcharge will only continue for the years necessary to pay for the reason imposed.

In addition, the millage limitation does not apply to millage levied to pay bonded indebtedness or real property lease-purchase payments.

Adopted 2/22/82; Revised 10/24/88, 9/27/99

Legal References:

- A. S.C. Code of Laws, 1976, as amended:
1. Section 6-1-80 - Budget adoption.
 2. Section 6-1-300, *et seq.* - Authority of local governments to assess taxes and fees.
 3. Section 59-20-90 - Districts must maintain at least one (1) month of general fund operating expenditures of the previous two (2) completed fiscal years in order to avoid a declaration of fiscal watch.

- B. S.C. Acts and Joint Resolutions:

1975 Act 449, p. 1169, Part III, Section 7 - The board of trustees of Rock Hill School District Three of York County will have the power to levy taxes to provide funds for school operating expenses; provided, such levy may not be increased more than six mills in any year over that levied for the preceding year without the approval of the qualified voters of the district in a referendum.

1990 Act 744, p. 3519 - Limitations for 1990 increased to eight mills and thereafter reverts in succeeding years to six mills.