



Charleston County School District, South Carolina

Strategic Budgeting for Student Achievement

Charleston County School District (CCSD) is a nationally accredited school district that is committed to providing equitable and quality educational opportunities for all of its students. CCSD is the second-largest school system in South Carolina, representing a unique blend of urban, suburban, and rural schools throughout Charleston, North Charleston, Mount Pleasant, and more than 10 other communities. CCSD serves approximately 50,000 students at 90 schools and provides specialized programs, including neighborhood, magnet, Montessori, and charter school options. Over the past 15 years, the county has experienced a population growth of more than 23 percent. For the current fiscal year, the district has a budget of \$1.76 billion and employs approximately 6,400 people, including 3,600 teachers and 670 teacher's assistants.



CCCSD has been able to completely transform its budget process in the course of a year, establishing better relationships with departments, developing long-range financial forecasts, making strategic cuts, automating antiquated processes, and investing in programs that drive student achievement. As part of the financial management strategy, CCSD was able to right-size its fund balance, create a leaner and more accurate budget, implement a strategic risk pool to greatly reduce budget buffering by departments, and elevate the finance staff as problem solvers.

Budget reforms not only allowed the organization to close a budget gap, but also to focus on student initiatives. As a result, the district is the highest-paying public K-12 system in the Southeast, has zero teacher vacancies for the first time in history, and has experienced the single highest year of growth in student achievement, substantially outpacing the state.

Challenges

When Daniel Prentice, CCSD's chief financial officer, was hired in March 2024, he joined a district in transition. A new superintendent, Anita Huggins, was eager for a new financial strategy;

the federal Elementary and Secondary School Emergency Relief (ESSER) program was ending, and the organization was in the midst of a difficult budget season. The district faced a huge budget challenge: how to fund \$70 million in recurring expenditures from ESSER while also attempting to raise teacher compensation, address operational deficits, and build trust and overall collaboration between the finance and budget team and the rest of the organization.

When finance staff started to analyze the situation, they realized the CCSD budget was not aligned. Not only were significant cuts necessary in some areas, but the district would also need



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—DANIEL PRENTICE, CHARLESTON COUNTY SCHOOL DISTRICT CHIEF FINANCIAL OFFICER

additional revenue. Additionally, past experiences with budgeting have not been positive. The year before, the budget had been adopted late because of concerns over property tax revenue projections and a lack of consensus by the Board of Trustees.

Adding to the challenge was the perception of the Finance Division as bureaucratic and not strategic. Trust was lacking, and lasting memories of budget shortfalls and bond rating downgrades from ten years ago created a hesitation to make changes. But with new leadership also came an opportunity to reset relationships. Other opportunities also existed. Even with a difficult budget process the prior year, the district ended up closing the year with a \$47 million positive variance, comparing revenue to expenditures, and the overall fund balance was approximately quadruple the state's recommended level.

Aligning budget priorities

About a month before officially starting his new position, Prentice began meeting with the board and superintendent to discuss priorities, exchange ideas, and build a relationship. The most pressing challenge facing the district was trying to fund a budget gap that had been created by the desire to increase teacher compensation and fund critical programs that had been supported with ESSER funding. Initially, the budget team turned its attention to revenue forecasts and found that a substantial amount of unbudgeted revenue was collected each year in property taxes.

“Having accurate forecasts, so we know what situation we’re dealing with, is critical,” Prentice said. “We needed to be accurate and confident in both revenue and expenditure projections.” But even with more accurate forecasts and additional expected revenue, there

still was a sizable gap. Staff then looked at current positions and identified 52 central office positions that could be cut. For many, the positions were not aligned to current priorities, were redundant, or represented an outdated approach to departmental leadership.

At the same time, Prentice read a February 2024 *GFR* article about risk pooling and began to analyze options for CCSD, identifying budget accounts that had been historically underspent and could be burying risk buffers in the budget allocation. “We started to look at what we could consolidate, and everyone initially rebuffed the idea that I wanted to cut operating budgets,” Prentice said. “They relied on those little contingency amounts buried in the budget to add flexibility to the budget.” Jessica Carraher, deputy chief financial officer, led efforts to go through historical data and identify accounts that could be cut.



“We ended up cutting a total of \$8 million from the budget and replaced it with a \$2 million central contingency account that we call the risk pool,” Carraher said. The chief financial officer and superintendent then developed policies for using the contingency, making sure everyone was aligned on strategic reasons for using it.

The district then turned its attention to long-term forecasting to better understand the overall sustainability of budget changes and created a five-year model for operating expenditures to share with the board. Using this model, staff recommended an additional property tax increase of 3.9 mills that would prevent future increases over a few years, and combined it with the strategy to draw down the existing fund balance. With

the additional revenue and strategic cuts, staff were able to propose a budget that included an \$8,000 increase in base teacher compensation, to \$56,000, and an additional \$32 million in funding for a recurring weighted student funding program. That money would be allocated to schools based on their need to support outcomes among students who met eligibility criteria for additional services, namely pupils in poverty, multi-lingual learners, and students with disabilities. “The new program was the first time anything like this had been done in South Carolina,” Prentice added. “We were able to sustain some important programs we started under ESSER, but we also funded new strategic options for some of our more vulnerable student

populations, including the requirement to tie strategies to return on investment.” When the strategies were presented to the board as part of the FY 2025 budget, all were unanimously approved.

Transparency and understanding

Asking for a tax increase is never easy, and CCSD had just raised taxes in previous years. “We were expecting significant concern in the community, so we really leaned in to being transparent,” Prentice said. “We prepared long-range models and tried to present as much data as we could.”

District leadership hosted workshops to explain the budget and the steps CCSD was taking to be strategic and accountable. “I think it helped that we were cutting positions at the same time we were asking for more tax revenue,” Prentice added. “It was part of a cohesive plan to be more strategic.”

Budget variances and use of the risk pool

Once the budget was passed, the finance team communicated changes to the organization and worked collaboratively with departments. It was important to build confidence that the contingency funds would be available if needed. Prentice said, “I wanted to make sure they understood and believed me that this wasn’t a scheme to cut their budget and then throw them under the bus. CCSD uses contractors for transportation, custodial, and other services that other districts provide with in-house staff, so there was a tendency to budget additional funds to protect against contractual risks.”

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Number of vacancies, due to higher teacher pay and increased recruitment and retention

\$65K

Newly increased base salary, making CCSD the highest-paying K-12 system in the Southeast

22

Schools increased their overall report card rating to good or excellent

The district created policies for using contingency funds and appropriate uses for transferring funds. The chief financial officer had the ability to approve transfers up to \$100,000. For anything more, the request went to the superintendent. While there was some pushback initially, leaders became aligned, and the contingency was used effectively. “The risk pool was not meant to be a funding source for mid-year program building,” Prentice said. “We wanted to focus on bridging gaps for existing planned expenditures to get us through the year.” At the end of the first year, CCSD had \$133,000 left in the risk pool. “We didn’t have any major variances that caused alarm, but it shifted us away from a structure that protected budget silos and scenarios where some accounts were over budget, and others had plenty of cushion left,” Carraher added.

More precise budgeting also increased confidence and trust with the board. “Our forecasts lined up really nicely with actuals,” Carraher said. For FY 2025, the district only expended a small portion of the fund balance set aside for post-ESSER sustainability and had a positive variance in property tax revenue; however, this was only a fraction of what it had been in previous years. With more resources allocated to programs, CCSD was able to align spending and maximize the use of resources to achieve results.

Aligning funding with results

While many of the benefits will be experienced over the long term, CCSD has been able to celebrate several noteworthy achievements after just the first year. With increased teacher pay and a focus on attracting and

retaining top educators, CCSD was able to start the school year with zero vacancies. In addition, long-term modeling provided stakeholders with the confidence that CCSD could increase pay again, and for FY 2026, base salaries were increased to \$65,000. CCSD is now the highest-paying K-12 system in the Southeast, and it has built a salary schedule that accounts for inflation and career progression.

From an academic perspective, the district has posted consistent gains from students with disabilities, multi-lingual learners, and students living in poverty who hadn’t been seen in the past. “Our funding priorities were directly tied to academic outcomes for those pupil groups,” Prentice said. “We also had 22 schools increase their overall report card rating to good or excellent. Some of these increases are historic for CCSD and outpaced state growth rates.”

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—ANITA HUGGINS, CHARLESTON COUNTY SCHOOL DISTRICT SUPERINTENDENT



From left: Candice White, Budget Director; Jessica Carraher, Deputy Chief Financial Officer; Daniel Prentice, Chief Financial Officer; Anita Huggins, Superintendent of Schools; Jennifer Carter, Executive Director of Financial Operations



“Don’t be afraid to do something new. Moving away from the way things have always been done can be hard, but it’s also necessary.”

—JESSICA CARRAHER, CHARLESTON COUNTY SCHOOL DISTRICT DEPUTY CHIEF FINANCIAL OFFICER

“Our students are making meaningful academic gains because our financial strategy is aligned with what happens in classrooms every day,” said Superintendent Anita Huggins. “By strengthening our systems, investing in proven supports, and ensuring schools have what they need, we’ve created conditions where achievement can grow and be sustained. That is disciplined, student-first budgeting, and it’s what every child in Charleston County deserves.”

“There is now a really strong linkage between fiscal stewardship and the work and mission that we support,” Carraher added. “It’s been nothing short of amazing to see the work done in harmony across the organization.”

Integrating finance into strategic conversations

In addition to organization-wide results, the new financial strategies have created a different culture in the finance and budget department. “Finance is now seen as a strategic business unit within

the organization,” Prentice said. “I feel like I get called to a lot more meetings. We have a seat at the table at just about every level in terms of decision-making.” The Finance Division includes about 70 employees, morale is stronger, and work is more directly aligned with what’s going on in the schools.

The Finance Division has also led other initiatives. The budget calendar has been moved up so CCSD can adopt it sooner. This helps the organization prepare for any new programs in the next fiscal year by providing an extra month between budget adoption and the beginning of implementation. Staff are also building financial literacy across the organization. “There is a strong demand for transparency, and we are working to meet this with better reporting and new automations,” Carraher noted.

Lessons learned for other governments

Not every government will be in a position to take on or achieve rapid change at CCSD’s scale, but lessons learned from this experience can apply

to others. “Finance professionals need to be bold in taking ownership when telling their story to their administration and governing body,” Prentice commented. Carraher added, “Don’t be afraid to do something new. Moving away from the way things have always been done can be hard, but it’s also necessary.”

When asked about the most important components of CCSD’s story, clear recommendations emerged. First, finance and budget staff need the trust and confidence of elected officials and executive leadership—working to build relationships is crucial. Second, staff need to make sure to build long-term plans and provide the big picture—this helps in communicating results and why changes are necessary. And third, don’t be afraid to be direct and advocate for necessary change. ■

Contacts

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