FORT MILL SCHOOL DISTRICT

OPERATIONAL FUNDING CRISIS

CONTACT INFORMATION
WHITEP@FORTMILLSCHOOLS.ORG

FORT MILL SCHOOLS "Children First"

October, 2016

How Did We Get Here?

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Act 388

- During the 2006 legislative session, and prior to the housing bubble bursting in 2008, there was an outcry for property tax relief on owner occupied homes in our state.
- In an effort to get something done on this issue late in the session, members of both houses hastily worked out a compromise agreement literally on the inside of a chicken box left over from lunch.
- Act 388 became law in 2008, the same year as the Great Recession.
- The premise of Act 388 was to remove the local property tax burden by raising the state's sales tax by a penny.

Act 388

- The promise was that the state would provide districts equal payments from the state Tier 3 reimbursement funds to replace the local revenue they were losing.
- Unfortunately, the state was only able to keep their promise of 100% reimbursement for one year.
- Another promise of Act 388 was that the reimbursement amounts would grow every year by CPI plus the percentage increase of the entire population of the state.
- As the fastest growing school district in the state, the FMSD has no chance of its operational dollars keeping pace with the growth in new students.

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Revenue Impact per New Home

Averaged Assessed Value of New Home	**$400,000**
Assessed Value at 4% Prior to Act 388	$16,000
Current Millage Rate for Operations	173.4
Revenue Collected Prior to Act 388	$2,774
Current Revenue Collected on New Homes for School Operations	$0
Loss Revenue on Every New $400K Home Due to Act 388	**($2,774)**

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Funding Model Prior to Act 388

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Tier 3 Funding After Act 388

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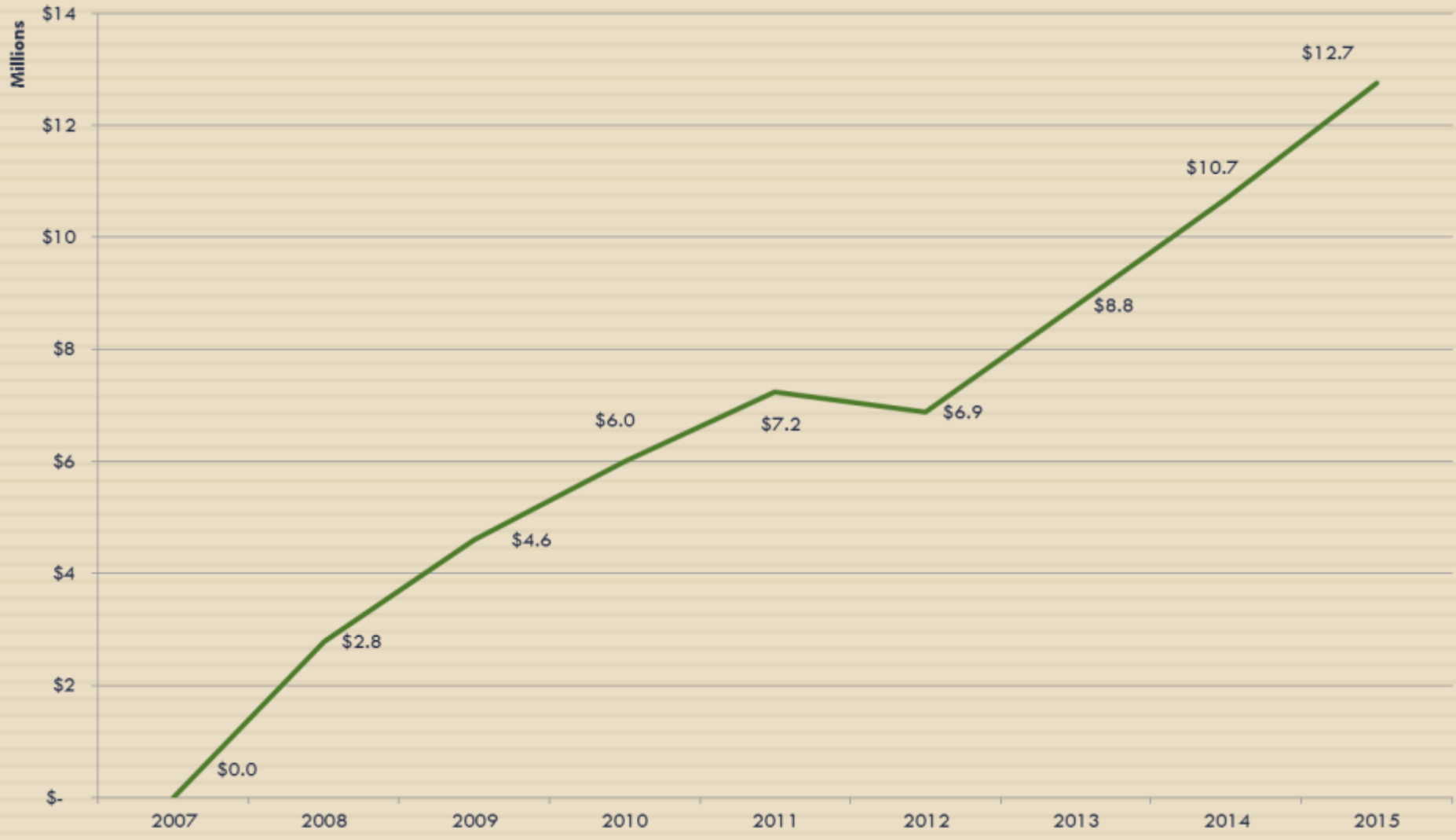
Annual Operational $ Loss Due to Act 388



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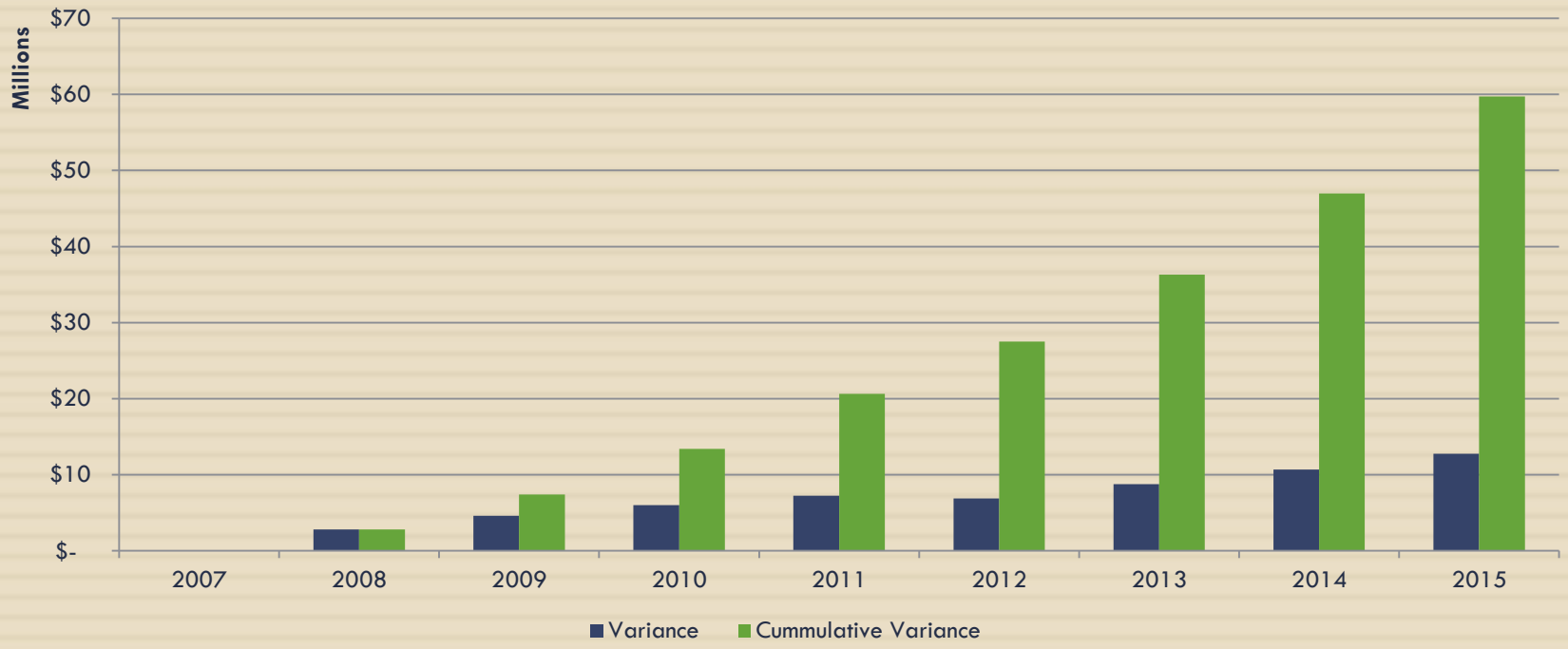
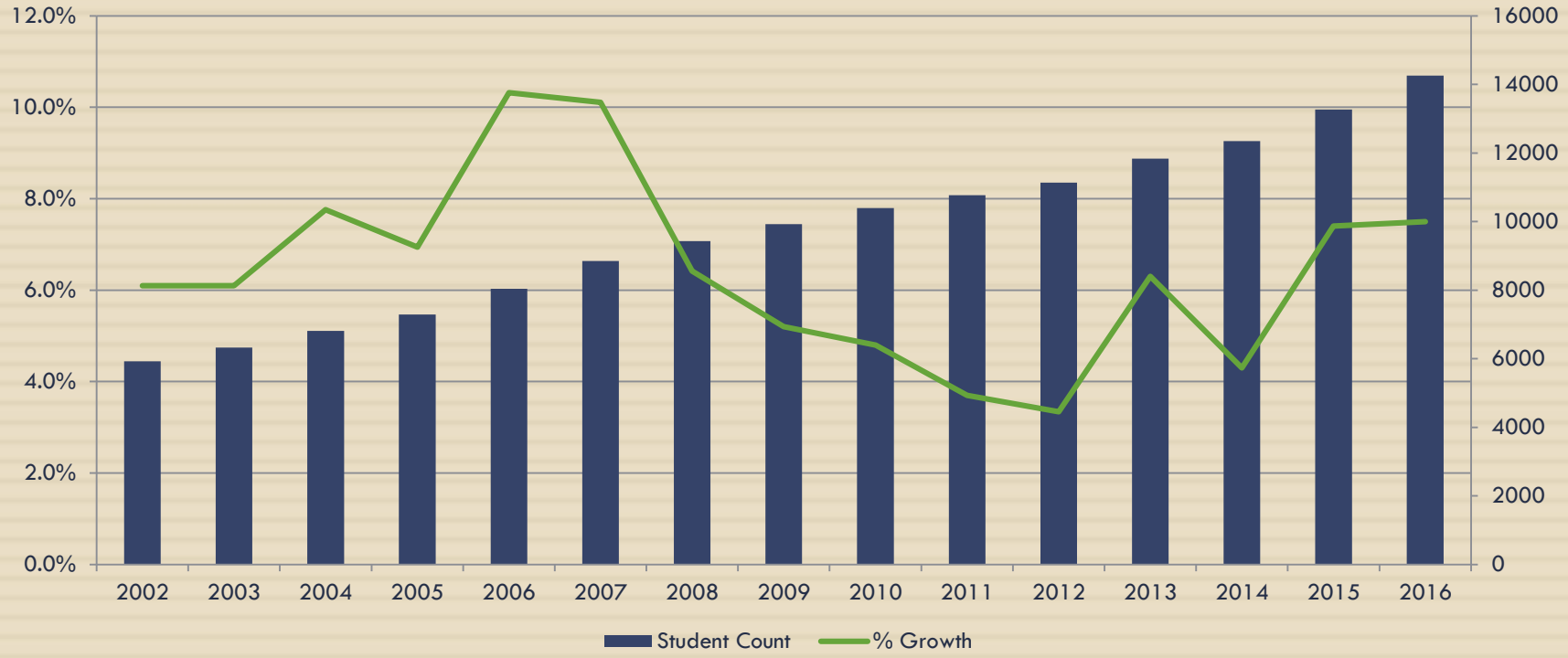
Impact of Act 388 - Before vs. After

Cummulative Effect of Act 388 in $MM



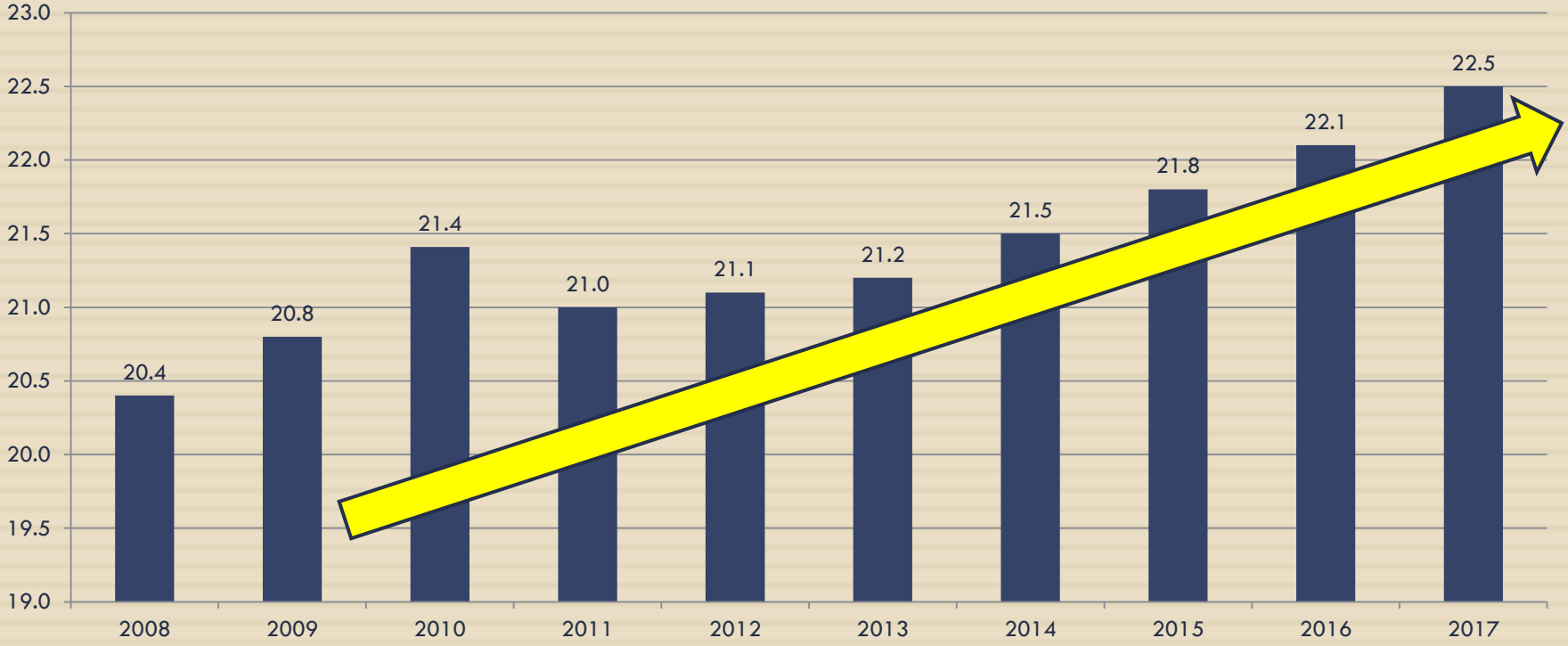
• After eight years the FMSD has now lost $60MM due to the variance caused by not receiving any revenue for operations from the 6000+ new homes constructed in the district since 2008.

Annual Student Growth by Headcount & Percentage



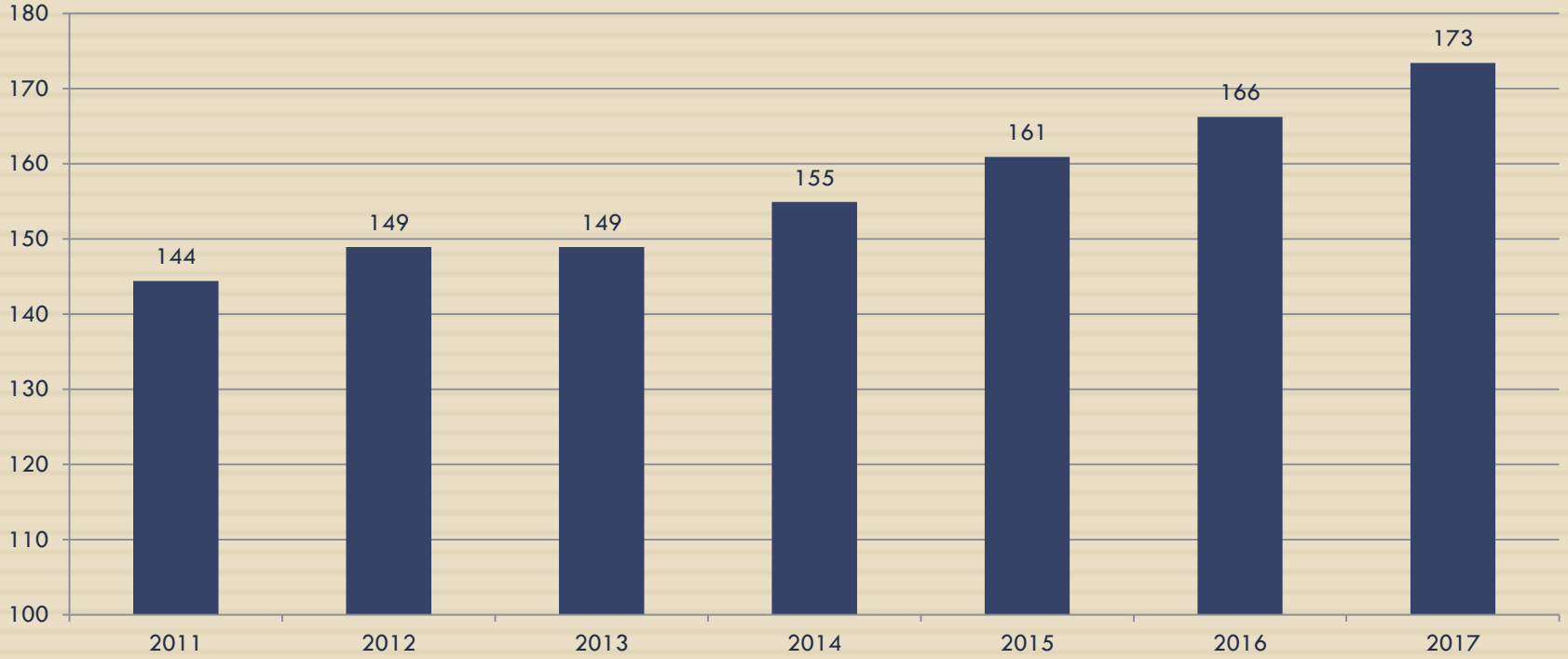
• The FMSD is the smallest geographically in all of SC; however, it has grown faster per capita than any other district in the state of South Carolina over the past decade.

Student to Teacher Ratio For All Elementary Grades



- The Fort Mill School District has always worked hard to maintain student to teacher ratios at a low level. The effects of an increasing number of students along with flat operating revenue is beginning to have a negative effect on this strategic initiative.

Annual Increases in Millage Since 2011



- The FMSD has limited fiscal autonomy. Our board has exercised their full authority since 2011; however, the value of a mill is only $200K. This equates to a revenue increase of only $1.2MM annually, which is only about 1% of our budget.
- Since owner occupied homes pay $0 for school operations, the impact of these annual millage increases falls squarely on our business community. The cumulative effect of these increases, are putting a hardship on businesses in our district.

Where Are We Headed?

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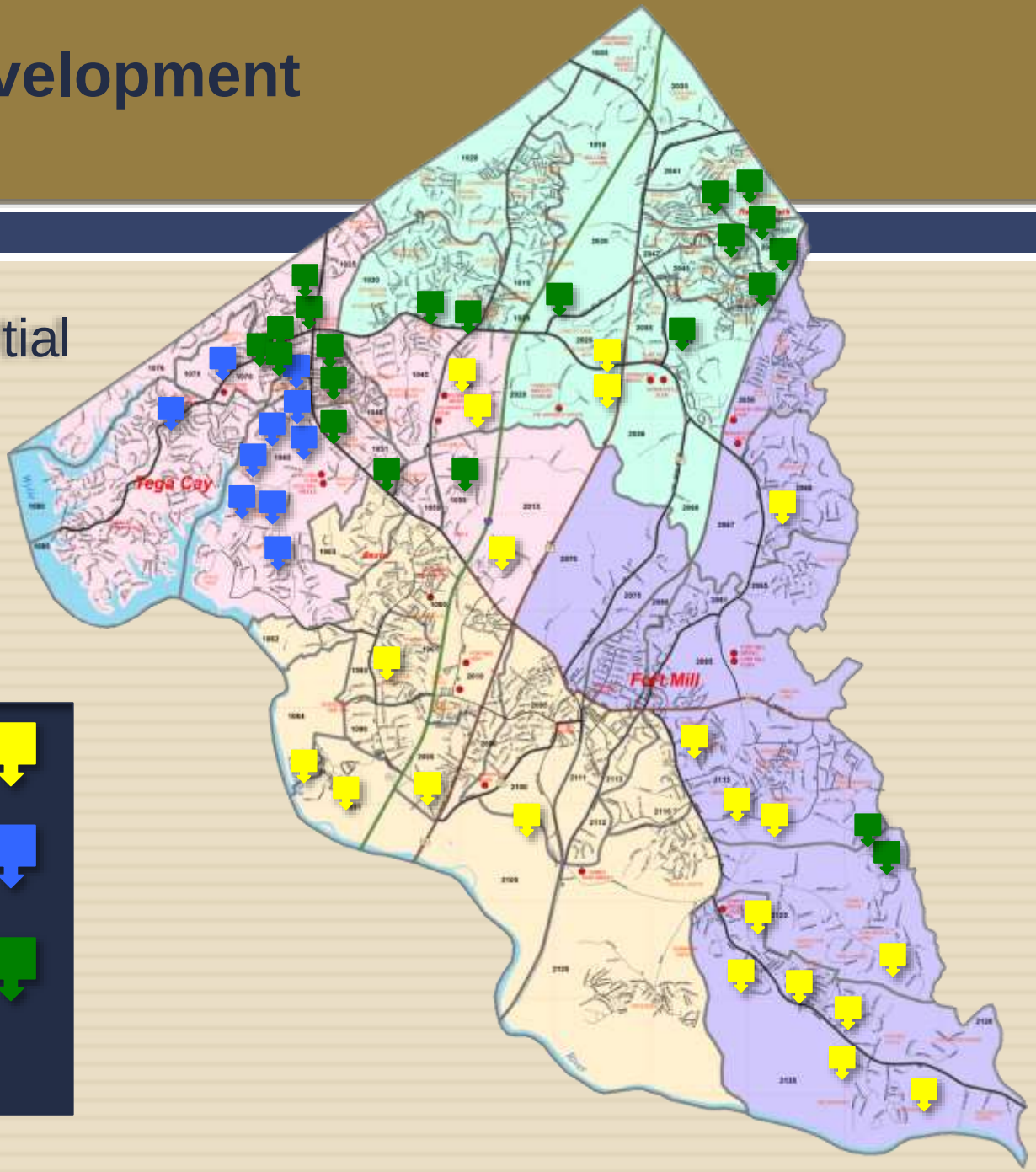
Residential Development Summary

Approved Residential Units Inside Fort Mill School District



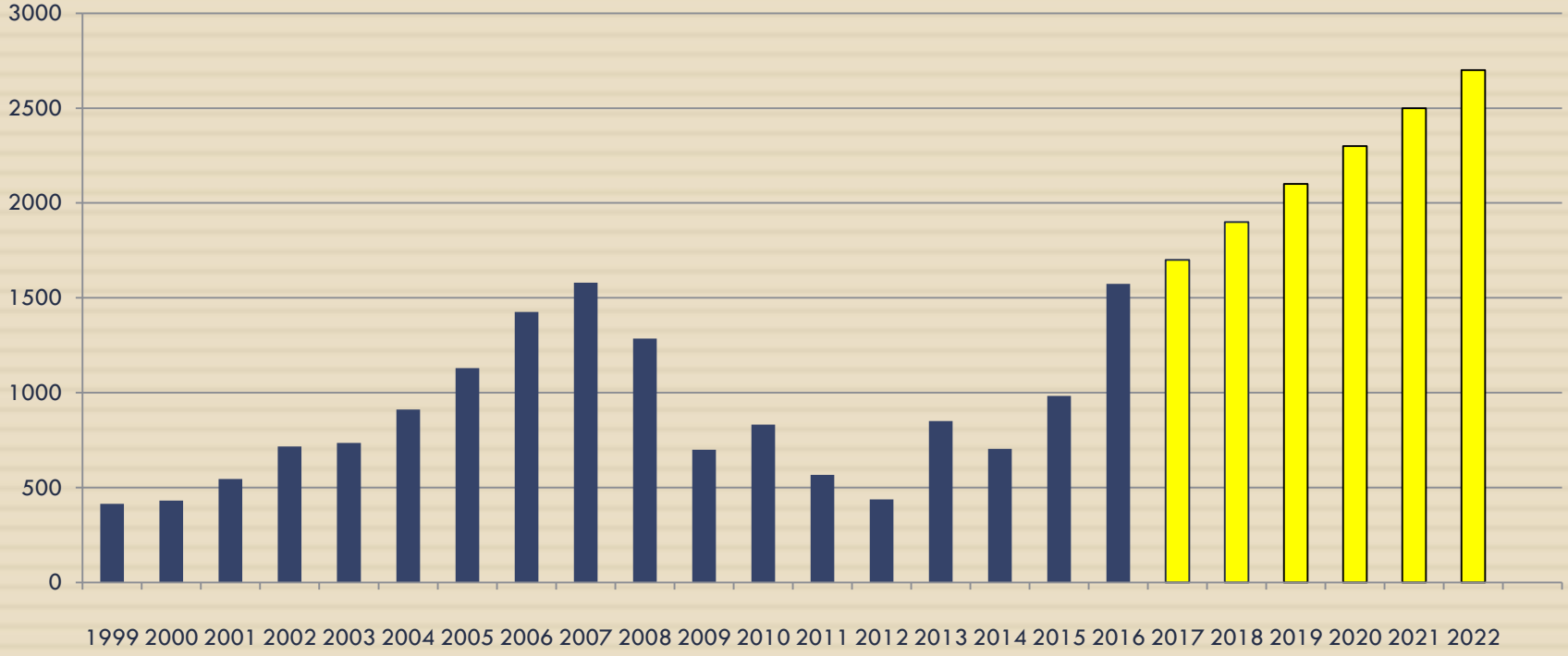
Town Of Fort Mill (6,854)

City Of Tega Cay (1,902)

York County (3,359)

Total: 12,115

Annual New Homes Occupied in FMSD Since the Implementation of the $2,500 Impact Fees



- Yellow bars represent the completion of more than 12,000 new homes that have already been approved by the Town of Fort Mill, City of Tega Cay, and York County over the next 5-6 years.

Estimated Revenue Impact for 12,000 New Homes

Estimated Assessed Value of 12,000 New Homes	**$4,800,000,000**
Assessed Value at 4% Prior to Act 388	$192,000,000
Current Millage Rate for Operations	173.4
Revenue Collected Prior to Act 388	$33,292,000
Future Revenue Collected on New Homes for School Operations	$0
Loss Revenue on Every New $400K Home Due to Act 388	**($33,292,000)**

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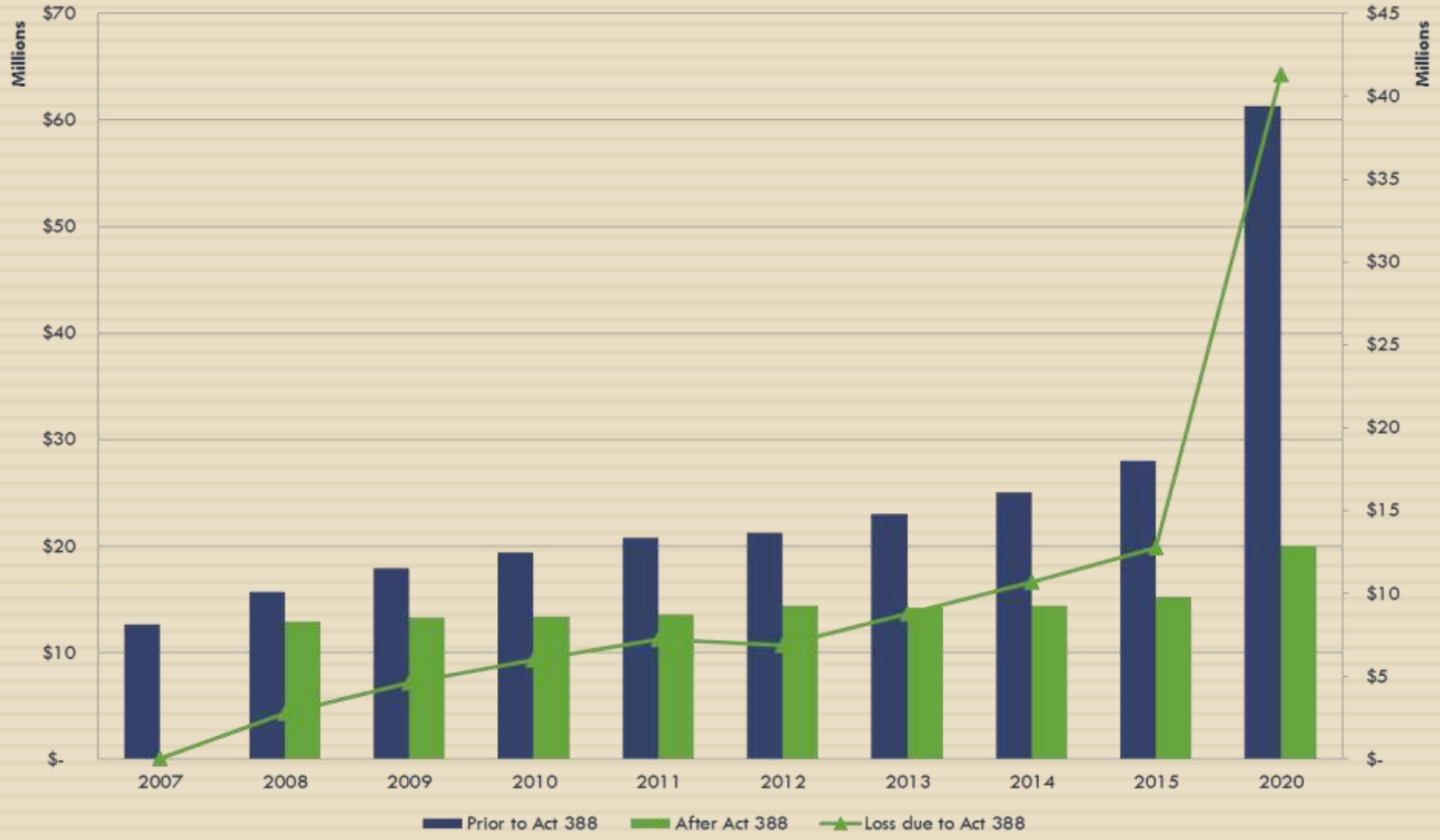
Estimated Impact of Act 388 by 2020



How Does The FMSD Rank Financially Compared To Others In SC?

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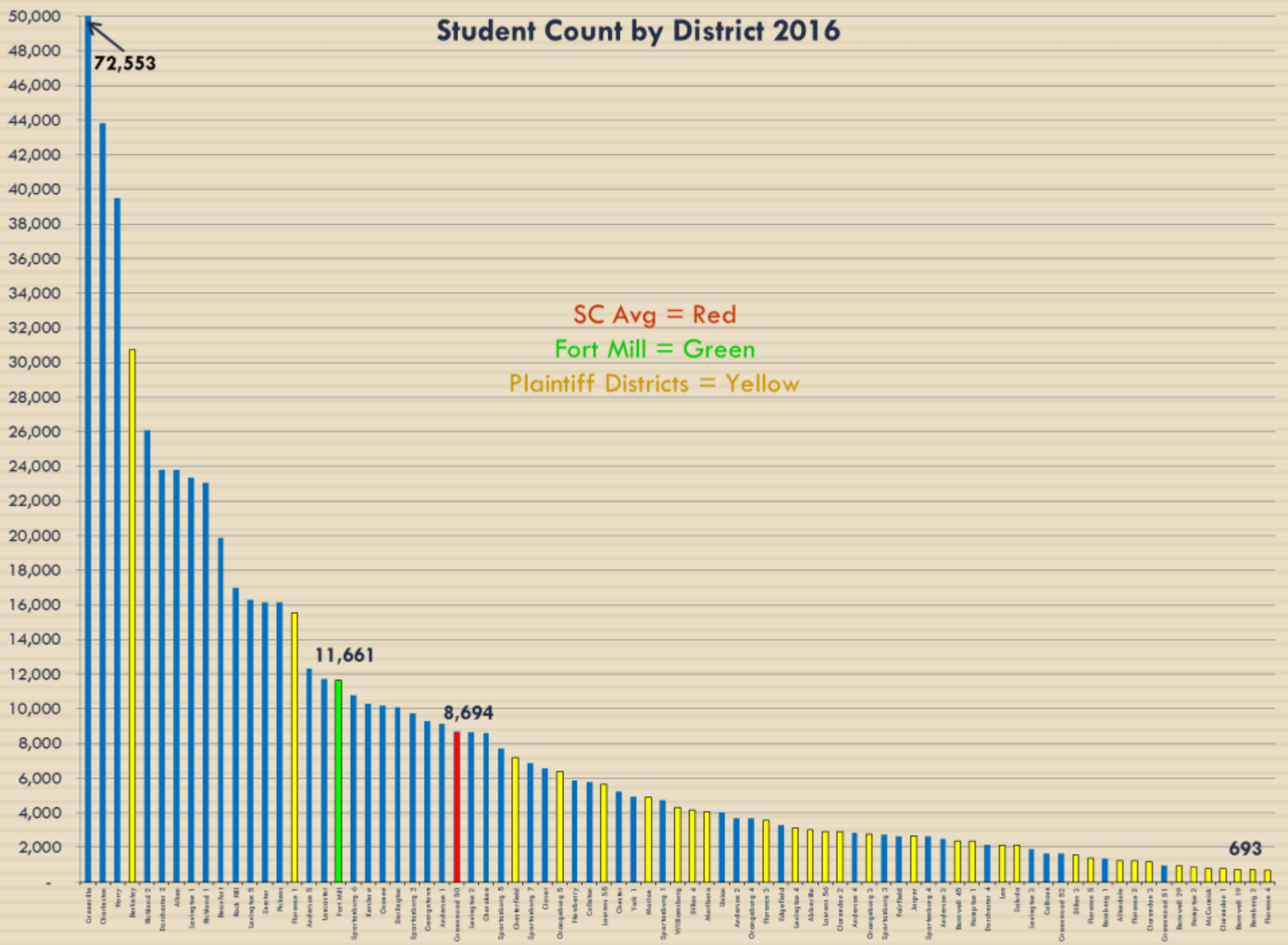
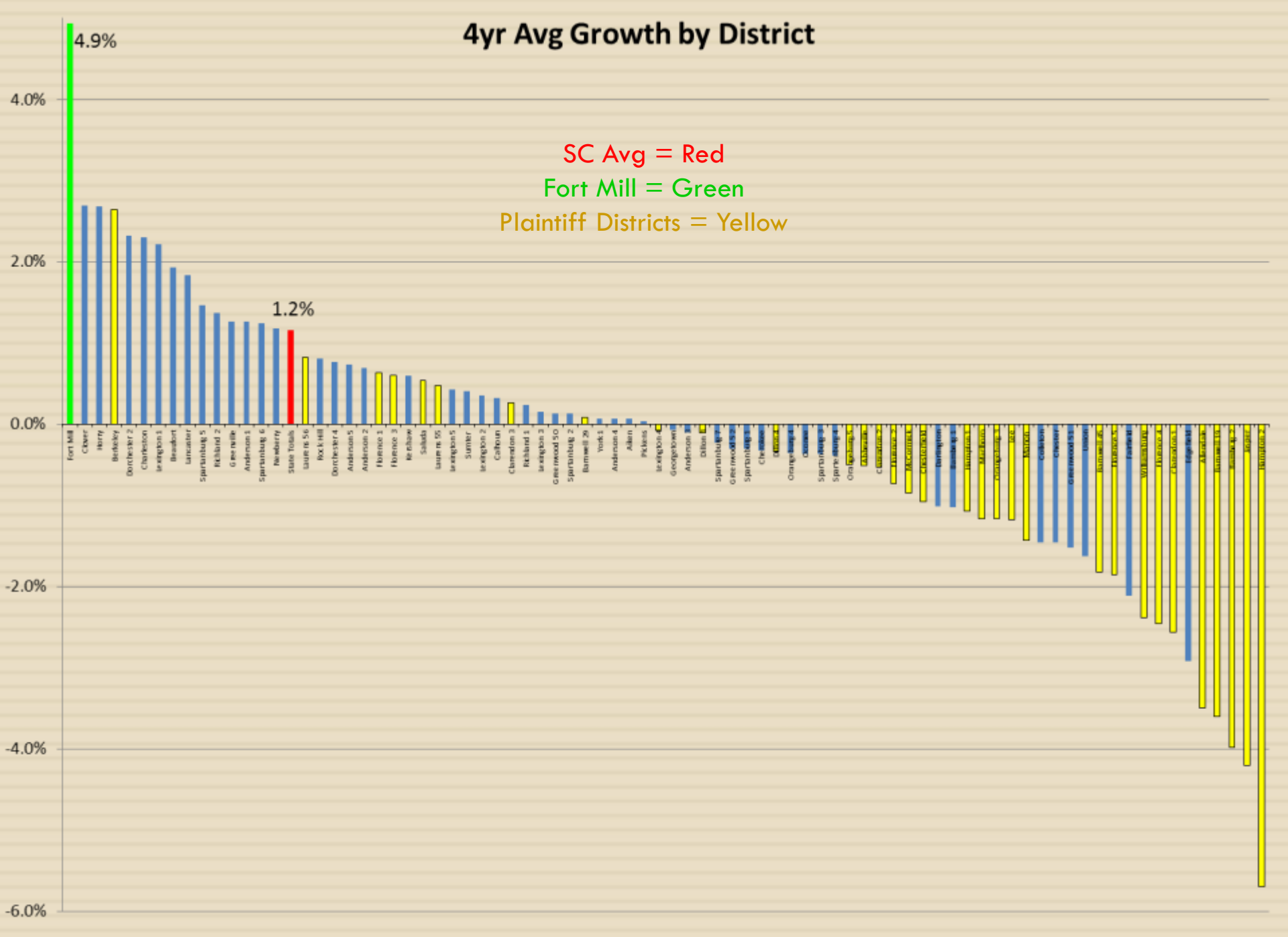
Student Count by District 2016



Source: SCDOE In$ite Reports FY 2013-2014



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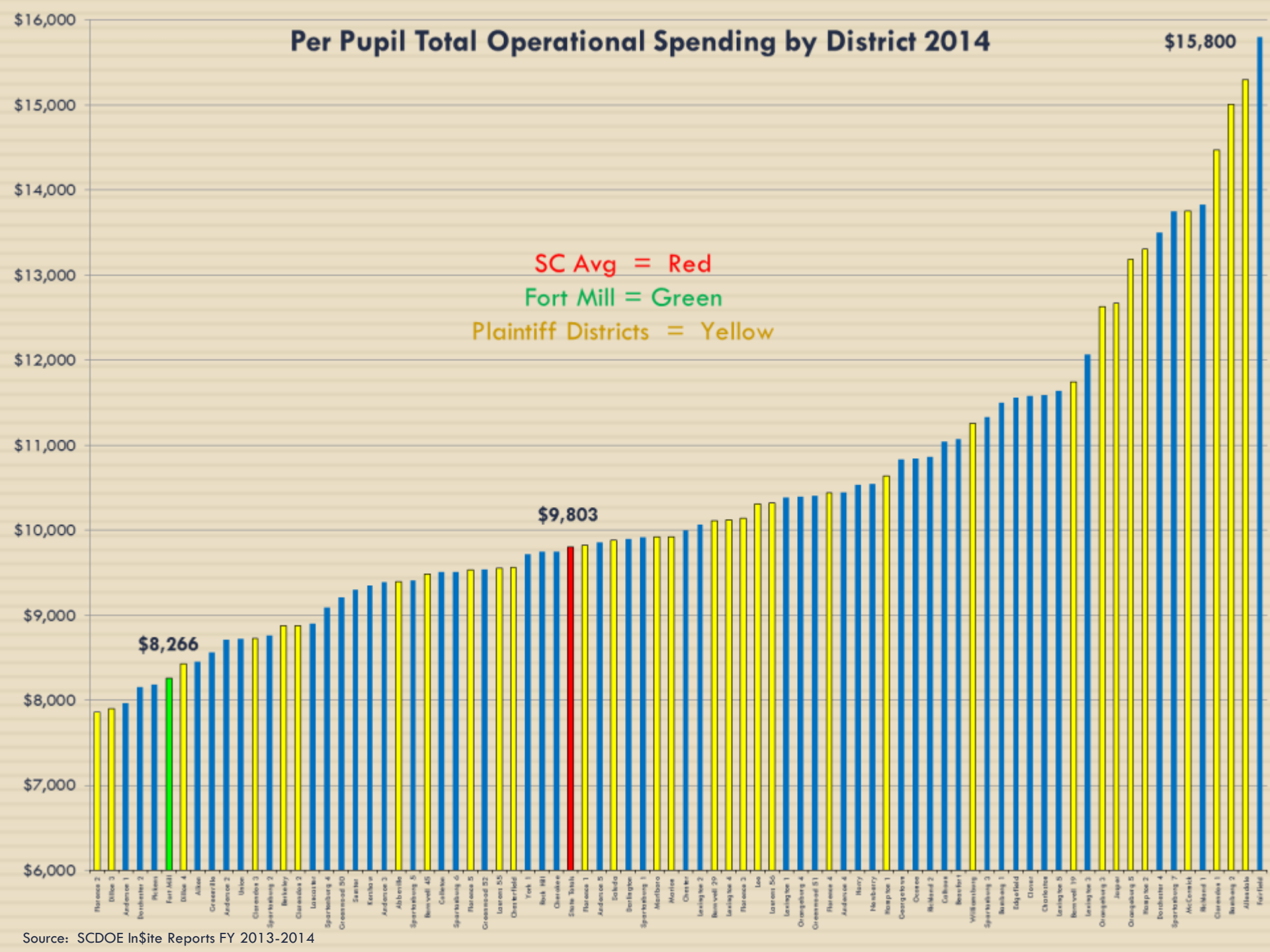
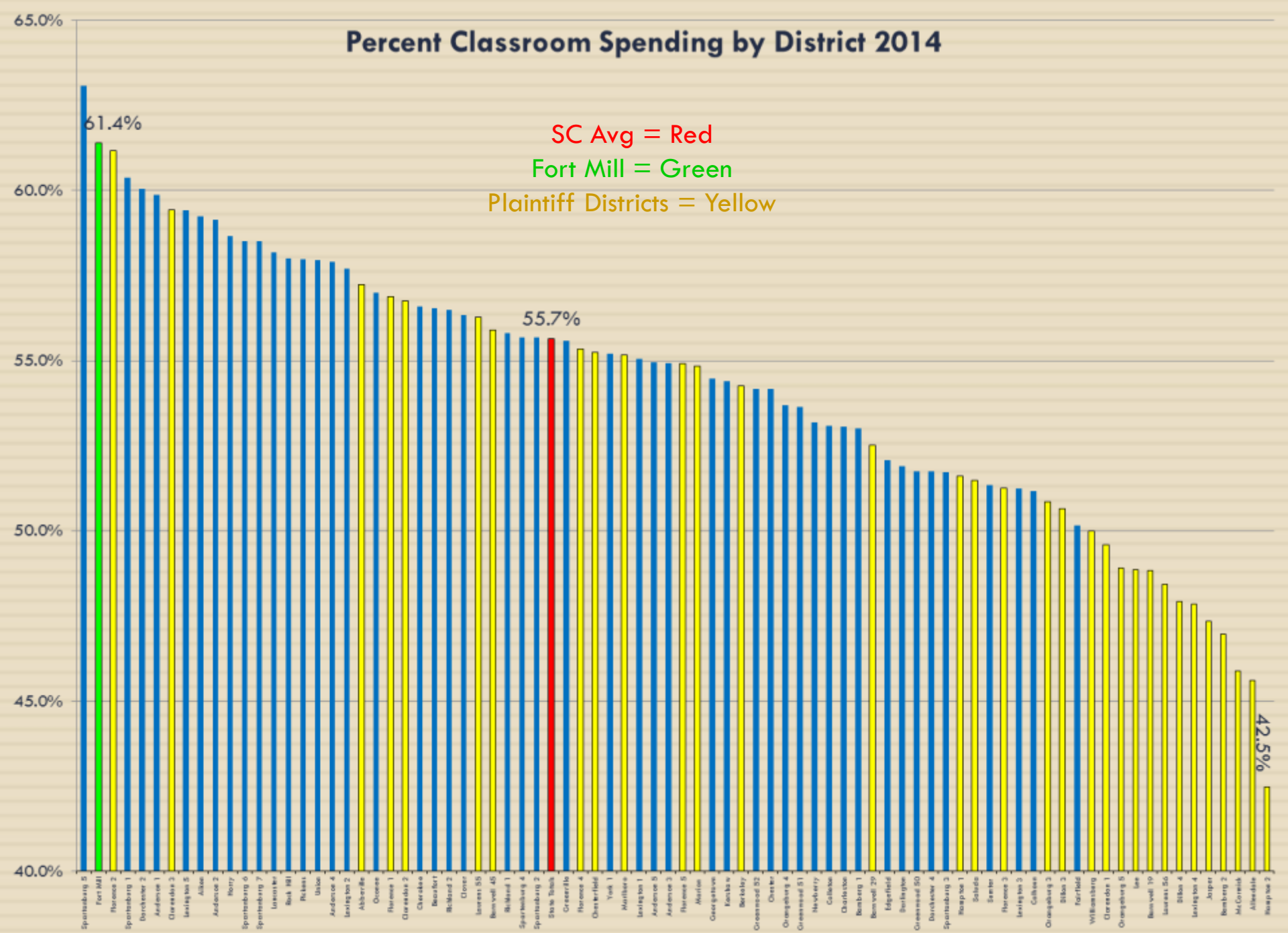


Source: SCDOE In$ite Reports FY 2013-2014



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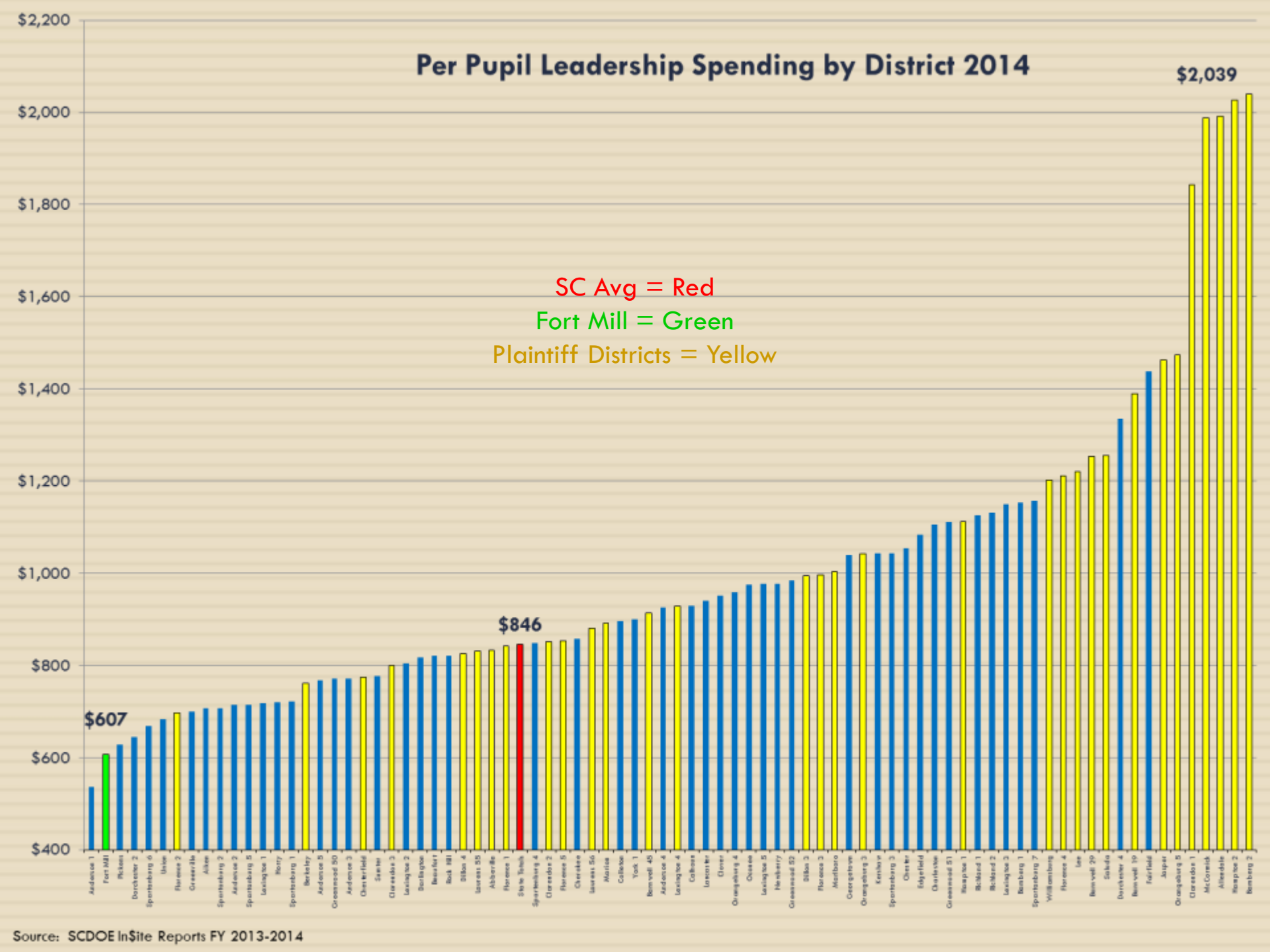
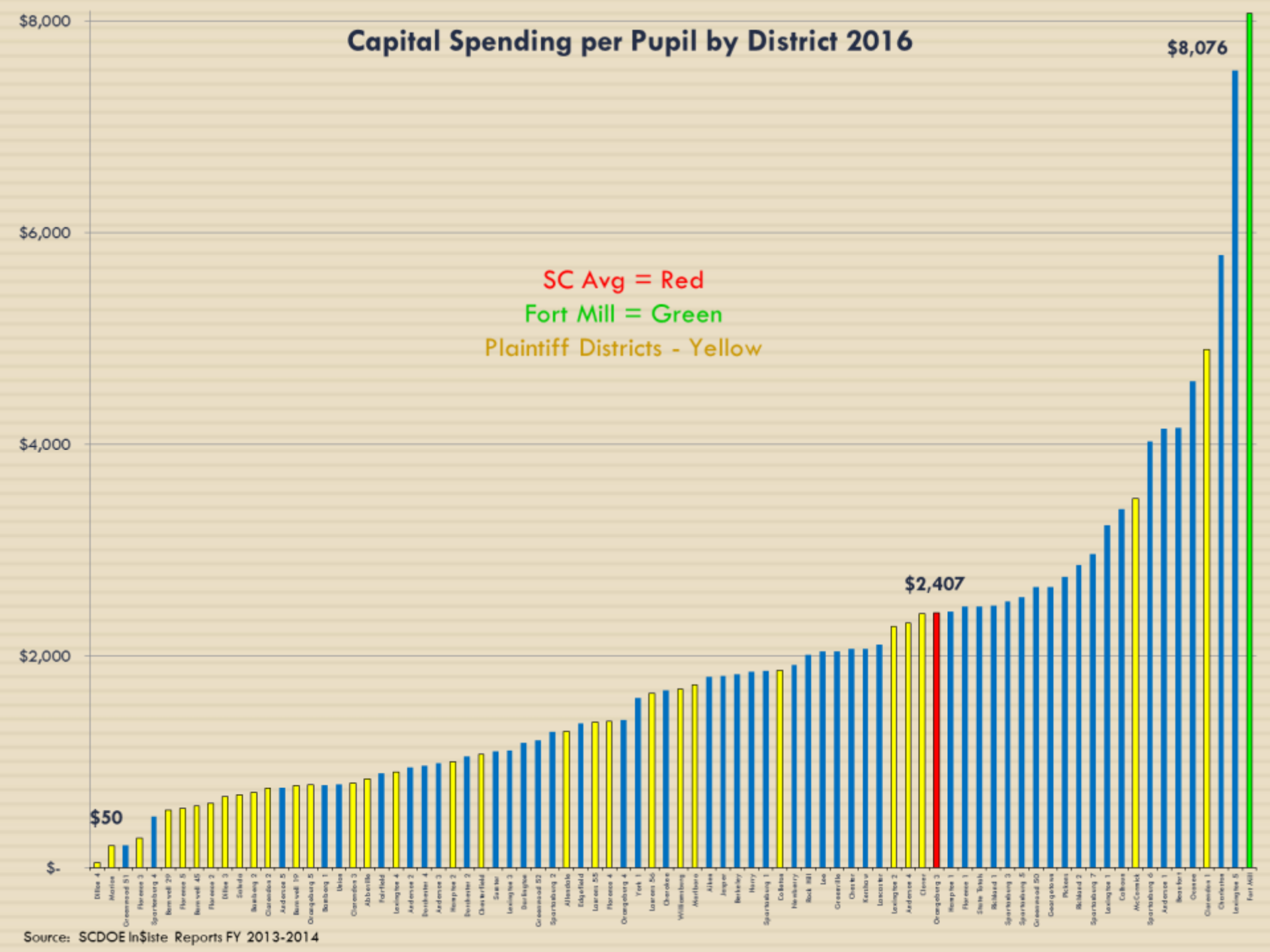

Per Pupil Leadership Spending by District 2014
$2,200
$2,000
$1,800
$1,600
$1,400
$1,200
$1,000
$800
$600
$400
$2,039
$846
$607
SC Avg = Red
Fort Mill = Green
Plaintiff Districts = Yellow
Source: SCDOE InSite Reports FY 2013-2014

Capital Spending per Pupil by District 2016



Source: SCDOE In$iste Reports FY 2013-2014

ADM Student Count 2014	
Greenville	72,553
Charleston	43,799
Horry	39,517
Berkeley	30,755
Richland 2	26,081
Dorchester 2	23,817
Aiken	23,784
Lexington 1	23,363
Richland 1	23,033
Beaufort	19,897
Rock Hill	16,979
Lexington 5	16,321
Sumter	16,141
Pickens	16,139
Florence 1	15,546
Anderson 5	12,348
Lancaster	11,742
Fort Mill	11,661
Spartanburg 6	10,779
Kershaw	10,281
Oconee	10,169
Darlington	10,097
Spartanburg 2	9,730
Georgetown	9,307
Anderson 1	9,136
Greenwood 50	8,694
Lexington 2	8,653
Cherokee	8,607
Spartanburg 5	7,692
Chesterfield	7,187
Spartanburg 7	6,866
Clover	6,573
Orangeburg 5	6,395
Newberry	5,846
Colleton	5,763
Laurens 55	5,624
Chester	5,203
York 1	4,931
Marion	4,883
Spartanburg 1	4,724
Williamsburg	4,276
Dillon 4	4,143
Marlboro	4,063
Union	4,047
Anderson 2	3,685
Orangeburg 4	3,669
Florence 3	3,559
Edgefield	3,271
Lexington 4	3,102
Abbeville	3,016
Laurens 56	2,933
Clarendon 2	2,891
Anderson 4	2,828
Orangeburg 3	2,784
Spartanburg 3	2,759
Fairfield	2,652
Jasper	2,645
Spartenburg 4	2,616
Anderson 3	2,476
Barnwell 45	2,353
Hampton 1	2,352
Dorchester 4	2,133
Lee	2,116
Saluda	2,092
Lexington 3	1,875
Calhoun	1,659
Greenwood 52	1,652
Dillon 3	1,550
Florence 5	1,379
Bamberg 1	1,368
Allendale	1,231
Florence 2	1,221
Clarendon 3	1,177
Greenwood 51	939
Barnwell 29	926
Hampton 2	864
McCormick	765
Clarendon 1	758
Barnwell 19	727
Bamberg 2	699
Florence 4	693
State Average	8,694

4yr Growth Avg 2013-16	
Fort Mill	4.9%
Clover	2.7%
Horry	2.7%
Berkeley	2.6%
Dorchester 2	2.3%
Charleston	2.3%
Lexington 1	2.2%
Beaufort	1.9%
Lancaster	1.8%
Spartanburg 5	1.5%
Richland 2	1.4%
Greenville	1.3%
Anderson 1	1.3%
Spartanburg 6	1.2%
Newberry	1.2%
State Totals	1.2%
Laurens 56	0.8%
Rock Hill	0.8%
Dorchester 4	0.8%
Anderson 5	0.7%
Anderson 2	0.7%
Florence 1	0.6%
Florence 3	0.6%
Kershaw	0.6%
Saluda	0.5%
Laurens 55	0.5%
Lexington 5	0.4%
Sumter	0.4%
Lexington 2	0.4%
Calhoun	0.3%
Clarendon 3	0.3%
Richland 1	0.2%
Lexington 3	0.2%
Greenwood 50	0.1%
Spartanburg 2	0.1%
Barnwell 29	0.1%
York 1	0.1%
Anderson 4	0.1%
Aiken	0.1%
Pickens	0.0%
Lexington 4	-0.1%
Georgetown	-0.1%
Anderson 3	-0.1%
Dillon 3	-0.1%
Spartanburg 7	-0.2%
Greenwood 52	-0.3%
Spartanburg 1	-0.3%
Cherokee	-0.3%
Dillon 4	-0.3%
Orangeburg 4	-0.4%
Oconee	-0.4%
Spartanburg 3	-0.4%
Spartenburg 4	-0.4%
Orangeburg 5	-0.5%
Abbeville	-0.5%
Clarendon 2	-0.5%
Florence 2	-0.7%
McCormick	-0.9%
Chesterfield	-1.0%
Darlington	-1.0%
Bamberg 1	-1.0%
Hampton 1	-1.1%
Marlboro	-1.2%
Orangeburg 3	-1.2%
Lee	-1.2%
Marion	-1.4%
Colleton	-1.5%
Chester	-1.5%
Greenwood 51	-1.5%
Union	-1.6%
Barnwell 45	-1.8%
Florence 5	-1.9%
Fairfield	-2.1%
Williamsburg	-2.4%
Florence 4	-2.5%
Clarendon 1	-2.6%
Edgefield	-2.9%
Allendale	-3.5%
Barnwell 19	-3.6%
Bamberg 2	-4.0%
Jasper	-4.2%
Hampton 2	-5.7%

Per Pupil Operational Spending 2014	
Florence 2	$7,860
Dillon 3	$7,907
Anderson 1	$7,964
Dorchester 2	$8,153
Pickens	$8,191
Fort Mill	$8,266
Dillon 4	$8,428
Aiken	$8,460
Greenville	$8,569
Anderson 2	$8,718
Union	$8,724
Clarendon 3	$8,726
Spartanburg 2	$8,762
Berkeley	$8,874
Clarendon 2	$8,876
Lancaster	$8,903
Spartenburg 4	$9,095
Greenwood 50	$9,210
Sumter	$9,304
Kershaw	$9,347
Anderson 3	$9,392
Abbeville	$9,397
Spartanburg 5	$9,407
Barnwell 45	$9,490
Colleton	$9,508
Spartanburg 6	$9,511
Florence 5	$9,538
Greenwood 52	$9,539
Laurens 55	$9,553
Chesterfield	$9,561
York 1	$9,719
Rock Hill	$9,746
Cherokee	$9,747
State Totals	$9,803
Florence 1	$9,821
Anderson 5	$9,858
Saluda	$9,883
Darlington	$9,902
Spartanburg 1	$9,914
Marlboro	$9,924
Marion	$9,925
Chester	$9,996
Lexington 2	$10,066
Barnwell 29	$10,117
Lexington 4	$10,118
Florence 3	$10,146
Lee	$10,315
Laurens 56	$10,324
Lexington 1	$10,382
Orangeburg 4	$10,398
Greenwood 51	$10,410
Florence 4	$10,442
Anderson 4	$10,450
Horry	$10,530
Newberry	$10,543
Hampton 1	$10,637
Georgetown	$10,832
Oconee	$10,844
Richland 2	$10,867
Calhoun	$11,038
Beaufort	$11,069
Williamsburg	$11,262
Spartanburg 3	$11,333
Bamberg 1	$11,503
Edgefield	$11,557
Clover	$11,584
Charleston	$11,585
Lexington 5	$11,640
Barnwell 19	$11,745
Lexington 3	$12,063
Orangeburg 3	$12,625
Jasper	$12,665
Orangeburg 5	$13,190
Hampton 2	$13,310
Dorchester 4	$13,501
Spartanburg 7	$13,749
McCormick	$13,750
Richland 1	$13,827
Clarendon 1	$14,468
Bamberg 2	$15,008
Allendale	$15,292
Fairfield	$15,800

Classroom Spending % 2014	
Spartanburg 5	63.1%
Fort Mill	61.4%
Florence 2	61.2%
Spartanburg 1	60.4%
Dorchester 2	60.1%
Anderson 1	59.9%
Clarendon 3	59.4%
Lexington 5	59.4%
Aiken	59.2%
Anderson 2	59.1%
Horry	58.7%
Spartanburg 6	58.5%
Spartanburg 7	58.5%
Lancaster	58.2%
Rock Hill	58.0%
Pickens	58.0%
Union	58.0%
Anderson 4	57.9%
Lexington 2	57.7%
Abbeville	57.2%
Oconee	57.0%
Florence 1	56.9%
Clarendon 2	56.8%
Cherokee	56.6%
Beaufort	56.5%
Richland 2	56.5%
Clover	56.3%
Laurens 55	56.3%
Barnwell 45	55.9%
Richland 1	55.8%
Spartenburg 4	55.7%
Spartanburg 2	55.7%
State Totals	55.7%
Greenville	55.6%
Florence 4	55.3%
Chesterfield	55.2%
York 1	55.2%
Marlboro	55.2%
Lexington 1	55.1%
Anderson 5	55.0%
Anderson 3	54.9%
Florence 5	54.9%
Marion	54.8%
Georgetown	54.5%
Kershaw	54.4%
Berkeley	54.3%
Greenwood 52	54.2%
Chester	54.2%
Orangeburg 4	53.7%
Greenwood 51	53.6%
Newberry	53.2%
Colleton	53.1%
Charleston	53.1%
Bamberg 1	53.0%
Barnwell 29	52.5%
Edgefield	52.1%
Darlington	51.9%
Greenwood 50	51.8%
Dorchester 4	51.7%
Spartanburg 3	51.7%
Hampton 1	51.6%
Saluda	51.5%
Sumter	51.3%
Florence 3	51.3%
Lexington 3	51.2%
Calhoun	51.2%
Orangeburg 3	50.8%
Dillon 3	50.7%
Fairfield	50.2%
Williamsburg	50.0%
Clarendon 1	49.6%
Orangeburg 5	48.9%
Lee	48.9%
Barnwell 19	48.8%
Laurens 56	48.4%
Dillon 4	47.9%
Lexington 4	47.9%
Jasper	47.3%
Bamberg 2	47.0%
McCormick	45.9%
Allendale	45.6%
Hampton 2	42.5%

Leadership Spending per Pupil 2014	
Anderson 1	$536
Fort Mill	$607
Pickens	$629
Dorchester 2	$645
Spartanburg 6	$669
Union	$683
Florence 2	$698
Greenville	$699
Aiken	$707
Spartanburg 2	$707
Anderson 2	$714
Spartanburg 5	$715
Lexington 1	$719
Horry	$720
Spartanburg 1	$721
Berkeley	$762
Anderson 5	$767
Greenwood 50	$772
Anderson 3	$772
Chesterfield	$775
Sumter	$776
Clarendon 3	$800
Lexington 2	$805
Darlington	$817
Beaufort	$822
Rock Hill	$822
Dillon 4	$826
Laurens 55	$830
Abbeville	$833
Florence 1	$842
State Totals	$846
Spartenburg 4	$849
Clarendon 2	$851
Florence 5	$852
Cherokee	$858
Laurens 56	$881
Marion	$893
Colleton	$897
York 1	$900
Barnwell 45	$914
Anderson 4	$926
Lexington 4	$928
Calhoun	$929
Lancaster	$941
Clover	$952
Orangeburg 4	$959
Oconee	$975
Lexington 5	$977
Newberry	$978
Greenwood 52	$984
Dillon 3	$994
Florence 3	$997
Marlboro	$1,003
Georgetown	$1,040
Orangeburg 3	$1,043
Kershaw	$1,043
Spartanburg 3	$1,044
Chester	$1,054
Edgefield	$1,083
Charleston	$1,106
Greenwood 51	$1,112
Hampton 1	$1,112
Richland 1	$1,125
Richland 2	$1,131
Lexington 3	$1,150
Bamberg 1	$1,154
Spartanburg 7	$1,158
Williamsburg	$1,202
Florence 4	$1,212
Lee	$1,220
Barnwell 29	$1,253
Saluda	$1,256
Dorchester 4	$1,336
Barnwell 19	$1,390
Fairfield	$1,437
Jasper	$1,463
Orangeburg 5	$1,474
Clarendon 1	$1,842
McCormick	$1,988
Allendale	$1,992
Hampton 2	$2,026
Bamberg 2	$2,039

Capital Spending per Pupil 2014	
Dillon 4	$ 50
Marion	$ 207
Greenwood 51	$ 210
Florence 3	$ 284
Spartenburg 4	$ 487
Barnwell 29	$ 547
Florence 5	$ 563
Barnwell 45	$ 585
Florence 2	$ 609
Dillon 3	$ 670
Saluda	$ 687
Bamberg 2	$ 715
Clarendon 2	$ 751
Anderson 5	$ 755
Barnwell 19	$ 779
Orangeburg 5	$ 782
Bamberg 1	$ 785
Union	$ 792
Clarendon 3	$ 800
Abbeville	$ 844
Fairfield	$ 895
Lexington 4	$ 905
Anderson 2	$ 948
Dorchester 4	$ 967
Anderson 3	$ 990
Hampton 2	$ 1,005
Dorchester 2	$ 1,056
Chesterfield	$ 1,070
Sumter	$ 1,105
Lexington 3	$ 1,112
Darlington	$ 1,184
Greenwood 52	$ 1,205
Spartanburg 2	$ 1,284
Allendale	$ 1,288
Edgefield	$ 1,367
Laurens 55	$ 1,379
Florence 4	$ 1,388
Orangeburg 4	$ 1,396
York 1	$ 1,606
Laurens 56	$ 1,649
Cherokee	$ 1,674
Williamsburg	$ 1,687
Marlboro	$ 1,728
Aiken	$ 1,802
Jasper	$ 1,812
Berkeley	$ 1,826
Horry	$ 1,851
Spartanburg 1	$ 1,859
Colleton	$ 1,866
Newberry	$ 1,915
Rock Hill	$ 2,013
Lee	$ 2,044
Greenville	$ 2,049
Chester	$ 2,068
Kershaw	$ 2,071
Lancaster	$ 2,114
Lexington 2	$ 2,284
Anderson 4	$ 2,311
Clover	$ 2,400
Orangeburg 3	$ 2,407
Hampton 1	$ 2,425
Florence 1	$ 2,467
State Totals	$ 2,469
Richland 1	$ 2,480
Spartanburg 3	$ 2,515
Spartanburg 5	$ 2,557
Greenwood 50	$ 2,652
Georgetown	$ 2,654
Pickens	$ 2,751
Richland 2	$ 2,860
Spartanburg 7	$ 2,968
Lexington 1	$ 3,234
Calhoun	$ 3,393
McCormick	$ 3,493
Spartanburg 6	$ 4,029
Anderson 1	$ 4,154
Beaufort	$ 4,155
Oconee	$ 4,595
Clarendon 1	$ 4,898
Charleston	$ 5,790
Lexington 5	$ 7,534
Fort Mill	$ 8,076

How Can The SC Legislature Fix The Problem?

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"Children First"

Five Ways To Succeed

- Increase Tier 3 Reimbursement to Recognize High Growth Districts
- Increase Base Student Cost $250 For High Growth Districts
- Add a Growth Factor On EFA Calculation For High Growth Districts
- Allow High Growth Districts to Assess 0.5% on Owner Occupied Homes
- Allow High Growth Districts to Hold Local Referendum for Operating Millage

? How Can You Make An Impact ?

- "Like" and look for updates on my Facebook page: Patrick White – Fort Mill School Board
- Inform other parents about what lies ahead for our students if changes aren't made
- Invite Patrick to other events to give the presentation
- Email whitep@fortmillschools.org if you have questions
- CONTACT YOUR LEGISLATORS !!!!
  - RAYE26@COMPORIUM.NET
  - NEWTONBRANDON6@GMAIL.COM
  - GREGGREGORY@SCSENATE.GOV
  - WCLIMER@GMAIL.COM
  - RNORMAN@WARRENNORMANINC.COM
  - TOMMYPOPE@SCHOUSE.GOV

FORT MILL SCHOOLS
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Failure is not fatal, but failure to change might be.

John Wooden

? Questions and Answers ?