

FY 2017 - 2018
Proposed General Fund Budget
March 27, 2017

Disclaimer

- The information provided in this presentation is based upon the FY 2017-2018 General Appropriations Bill (H.3720) as approved by the House of Representatives on March 15, 2017.
- The State budget projections are based upon FY 2016-2017 enrollment as of the 45th day of school.
- FY 2016-2017 Appropriated Base Student Cost (BSC) = $2,350
- FY 2016-2017 Actual BSC = $2,350
- FY 2016-2017 45 Day Average Daily Membership (ADM) = 16,770.84
- FY 2016-2017 45 Day Weighted Pupil Units (WPU) = 22,715.55
- FY 2016-2017 Projected State ADM = 723,953
- FY 2016-2017 Appropriated Statewide WPU = 986,595
- FY 2016-2017 Actual Statewide WPU (45 Day) = 993,605
- FY 2017-2018 Estimated Fully Funded BSC = $2,984
- FY 2017-2018 Requested BSC (SCDE) = $2,500
- FY 2017-2018 Projected BSC = $2,400
- FY 2017-2018 Projected State ADM = 725,920
- FY 2017-2018 Projected Statewide WPU = 993,981

State Funding Changes

- $38 million increase to EFA to raise Base Student Cost (BSC) $50.
- $25.4 million to cover employer health insurance premium increases (3.3%).
- $100 million in Education Improvement Act (EIA) funds to plaintiff districts to upgrade instructional facilities.
- Elimination of $23.8 million in lottery funding for the K-12 Technology Initiative. Redirection of $23 million EIA funding for Aid to Districts for use in the settlement with the US Department of Education over IDEA state maintenance of effort requirements.
- Beginning in FY 2018, CERRA shall suspend administering applications into the National Board Certification program.
- The pension reform bill (H. 3726) increases SCRS employer contribution rate 2% effective July 1, 2017. The current rate is 11.56% which will increase to 13.56%. Each year after, the rate will increase 1% until reaching 18.56% in 2023.
- H. 3726 increases and caps employee contribution rate at 9%. The current rate is 8.66%.

State Funding Changes cont.

- A proviso was added directing the allocation of $37.6 million in Education Improvement Act (EIA) funds that had been diverted to pay for roads but restored through an amendment to the roads bill (H.3516) as follows:
  - $24.6 million for Abbeville equity districts capital improvements funds
  - $12 million for technology
  - $1 million for the S.C. Youth Challenge Academy

FY 2017-2018 Budget Considerations

- Increased employer retirement contribution rate (2%)
- Increased employer health insurance premium increases (3.3%)
- Step Increases (experience) for eligible employees
- Minimal Growth in Mill Value
- Top State Level Issues ($446 million estimated new dollars):
  - Pension Reform
  - Road Repair
  - Education Funding
  - Hurricane Matthew Recovery Costs
- Elimination of school fees for Advanced Placement core classes
- Add fee for technology in lieu of the device insurance requirement

FY 2017-2018 Budget Considerations cont.

- Additional staff to meet requirements for Board Policy IIB and AR IIB-R on teacher-student ratios, federal and state requirements for IDEA and ELL, and to increase the safety and well-being of our students and staff.
- Increase costs for terminal leave payout due to end of TERI program in June 2018.
- No expected increase in energy budget.
- Upgrade of the District energy control system.

FY 2017-2018 Budget Changes
$9,399,460 (5.39%)

- Additional certified staff:
  - 1.0 Behavioral Specialists
  - 1.0 Special Services Program Specialist
  - 7.0 Teachers — **$ 770,773**
- Additional support staff:
  - 1.0 Hearing Officer
  - 1.0 Nursing Support Assistant
  - 1.0 School Choice Secretary I
  - 2.0 Safety Officers
  - 2.0 Technology Infrastructure Specialists — **$ 392,480**
- **TERI leave payout** — **$3,000,000**
- Salary increases (Step and credential), terminal leave, fringe benefits increases and school supply allocation changes.* — **$5,236,207**

***subject to change based upon terminations, new hires, etc.**

FY 2017-2018
Projected General Fund Revenue - Local

Category	Amount	Percent of Budget
Local Revenue		
Current Taxes	61,381,922	34.64%
Delinquent Taxes	1,808,329	1.02%
Fee in Lieu of Taxes	991,550	0.56%
Other Local Revenue	720,000	0.41%
Total Local Revenue	$64,901,801	36.63%

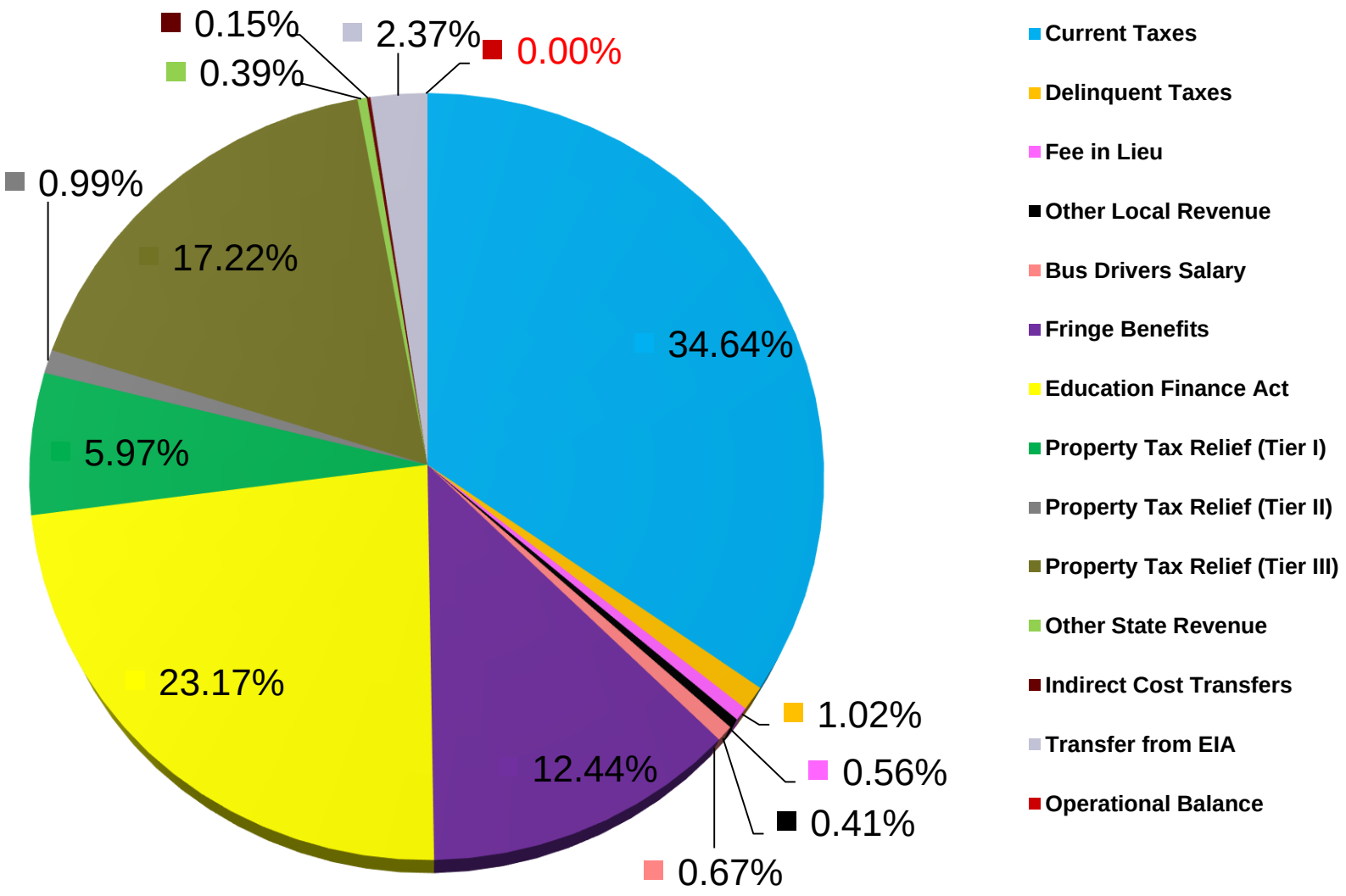
FY 2017-2018
Projected General Fund Revenue - State

Category	Amount	Percent of Budget
State Revenue		
Bus Drivers Salaries & W/C	1,191,637	0.67%
State Fringe Benefits	22,044,106	12.44%
Educational Finance Act (EFA)	41,046,419	23.17%
Property Tax Relief Tier I *	10,580,071	5.97%
Property Tax Relief Tier II *	1,758,200	0.99%
Property Tax Relief Tier III	30,509,345	17.22%
Other State Revenue	692,908	0.39%
Total State Revenue	$107,822,686	60.85%

FY 2017-2018
Projected General Fund Revenue - Other

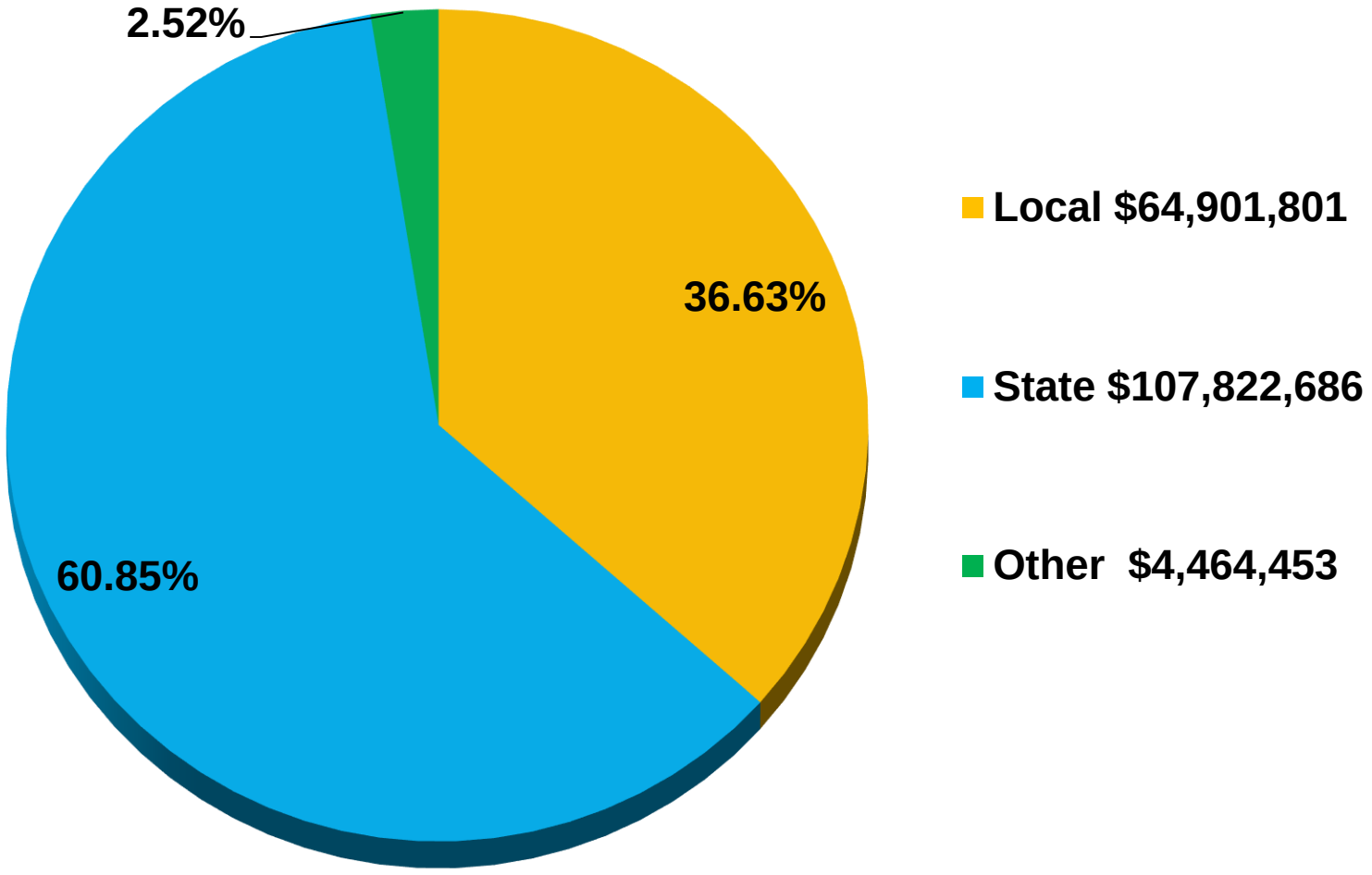
Category	Amount	Percent of Budget
Transfers from Other Funds		
Indirect Cost	265,000	0.15%
Transfer From EIA (Teacher Salary and Benefits)	4,199,453	2.37%
Total Transfer from Other Funds	$4,464,453	2.52%
Total Revenue	$177,188,940	
Total Funds Available	$177,188,940	100.00%

Projected General Fund Revenue



Projected General Fund Revenue

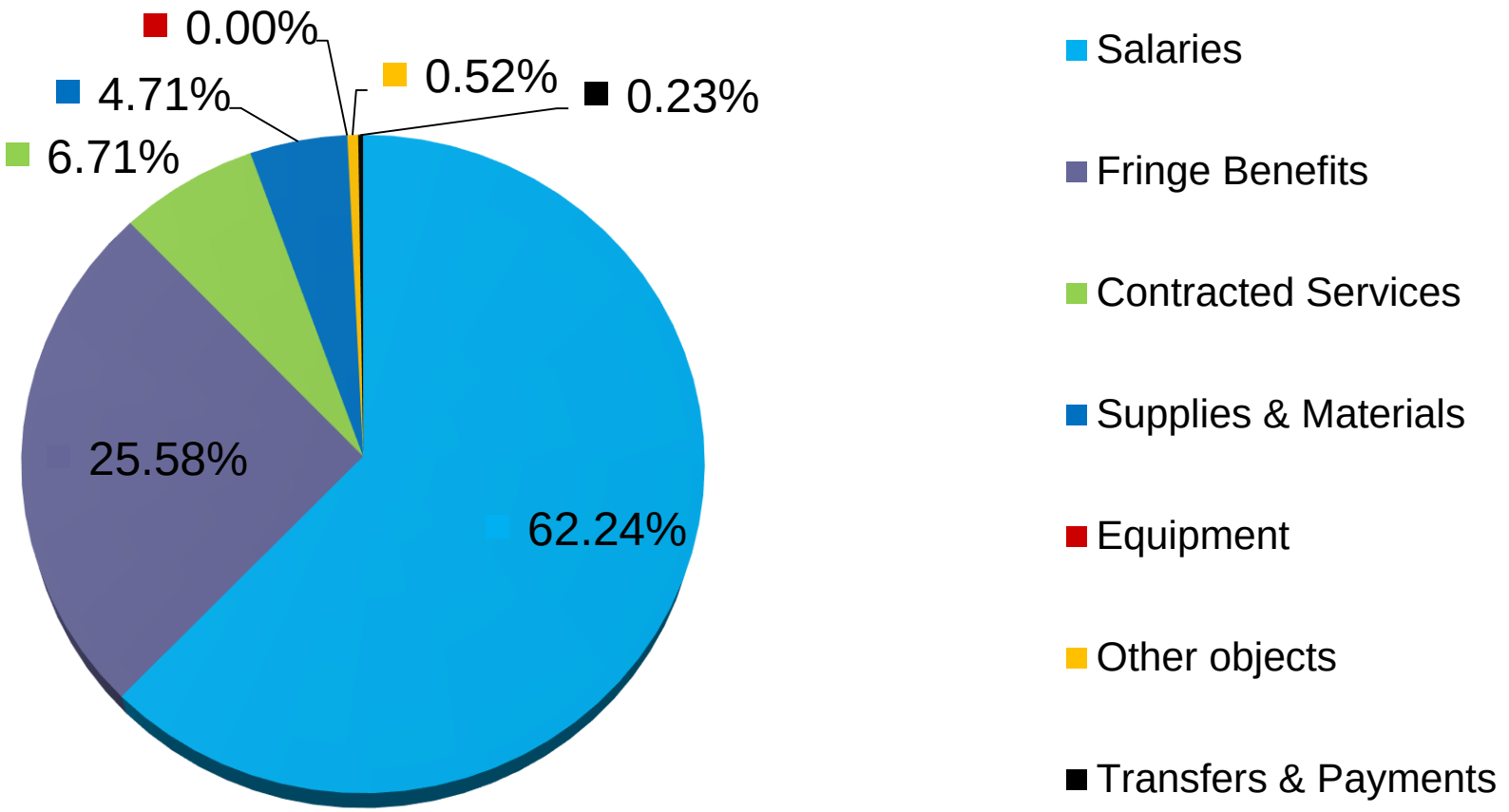
By Source



FY 2017-2018
Projected General Fund Expenditures

Category	Dollars	Percent of Budget
Salaries	114,469,602	62.24%
Fringe Benefits	47,045,071	25.58%
Contracted Services	12,332,616	6.71%
Supplies & Materials	8,667,359	4.71%
Equipment & Improvements	-	0.00%
Other Objects	959,734	0.52%
Transfers & Payments	431,745	0.23%
Total Expenditures*	$ 183,906,127	100.00%

FY 2017-2018
Projected General Fund Expenditures
Percentage



FY 2017-2018 Recap

as of March 23, 2017

- **Projected Revenue = $ 177,188,940**
- **Projected Expenditures = $ 183,906,127**
- **Projected Shortfall = $ 6,717,187**

Calculation for FY 2017-2018 Allowable Millage Increase

Section 6-1-230 of the SC Code of Laws

Consumer Price Increase (CPI) *	1.26%
Lex/Rich 5 Population Growth *	.90%

Population Growth Factor Received March 27, 2017

Allowable Percentage Increase *	2.16%
FY 2016-2017 Millage Rate	251.5
FY 2017-2018 Millage Increase Cap	5.4

*Source: SC Revenue And Fiscal Affairs Office

District Budget Calendar

January 23, 2017	Discussion Reading of Capital Budget (LMES)
February 13, 2017	First Reading of Capital Budget (SOES)
February 27, 2017	Second (Final) Reading of Capital Budget / Resolution Adoption (OPES)
March 13, 2017	Discussion of Parameters for the FY 17-18 General Fund Budget (CES)
March 20, 2017	Budget Workshop (DO)
March 27, 2017	Discussion Reading of General Fund Budget (IHS)
April 24, 2017	First Reading of General Fund Budget (CRIS) (*submit ad to PIO for submission to paper*)
	Public Hearing advertisement prepared for publication (published by **May 7, 2017**)
May 22, 2017	**Public Hearing of General Fund Budget (NRES)**
	Second (Final) Reading (NRES)

“The pessimist complains about the wind; the optimist expects it to change; the realist adjusts the sails.”

-William Authur Ward

