

# FY 2021-2022 General Fund First Reading

*The purpose of this presentation is to provide information to the School Board regarding the FY 2021-2022 General Fund Budget. This presentation includes a Recommendation for Approval.*

**May 24, 2021**



## FY 2021-2022 Budget Considerations – State level

- ❖ Funded Step Increase for Teachers (House & Senate)
- ❖ SCRS Employer Contribution Increase – 1% (House & Senate)
- ❖ Cost of Living Increase of \$1,000 for Teachers (Senate)
- ❖ Employer Health Insurance premium increase – 2.6% (Senate)
- ❖ Base Student Cost: \$2,500 (House) \$2,516 (Senate)
- ❖ Bus Driver Salary Increase (Senate)

## FY 2021-2022 Budget Considerations – District level

- ❖ 135<sup>th</sup> Day Average Daily Membership 16,444 (up from 16,375 on the 45<sup>th</sup> day)
- ❖ Step Increase & Cost of Living Increase for all eligible staff (District Five School Board decision)
- ❖ National Board Certification Local Supplement (District Five School Board decision)
- ❖ Salary Schedule revisions (District Five School Board decision)

## FY 2021-2022 Projected General Fund Revenues

Local Revenues:			
Taxes (calculated at 246.10 mills)	\$73,503,744		
Other Local Revenues (Interest, Tuition, etc)	\$820,000		
Total Estimated Local Revenues		\$74,323,744	36.85%
State Revenues:			
State Aid to Classrooms + EFA*	\$46,830,575		
Homestead Exemptions (Tier I, II, III)	\$44,872,842		
PEBA Credit	\$ 1,190,410		
Other State Revenues	\$28,239,940		
Total Estimated State Revenues		\$121,133,767	60.06%
Other Financing Sources:			
Transfers (Teacher Salary Supplement, Indirect Cost)		\$6,236,655	3.09%
<b>TOTAL PROJECTED REVENUES 2021-2022</b>		<b><u>\$201,694,166</u></b>	<b>100.00%</b>

\* Based on 135<sup>th</sup> day enrollment

## FY 2021-2022 Projected General Fund Expenditures

Salaries	\$123,093,986	61.03%
Fringe Benefits	\$55,087,721	27.30%
Contracted Services	\$14,372,972	7.13%
Supplies & Materials	\$7,781,738	3.86%
Capital Outlay	\$31,000	0.02%
Other Objects	\$1,038,852	0.52%
Transfers & Payments	\$287,897	0.14%
<b>TOTAL PROJECTED EXPENDITURES 2021-2022</b>	<b><u>\$201,694,166</u></b>	<b>100.00%</b>

## FY 2021-2022 Revenue Items included in this Budget

- ❖ Base Student Cost of \$2,508 (average of House & Senate)
- ❖ 135<sup>th</sup> day Average Daily Membership of 16,444 (Weighted Pupil Units of 22,594)
- ❖ Operating Millage of 246.10 mills – NO CHANGE
- ❖ Total Operating Millage Assessed Value is approx. \$293M which is a 4.5% increase (*Reminder – Operating Millage Assessed Value does not include owner-occupied real property.*)
- ❖ Increase in Tier I, Tier II & Tier III Homestead Exemptions = \$389,485

## FY 2021-2022 Expenditure Items included in this Budget

- ❖ Step Increase for ALL ELIGIBLE staff = approx. \$1,400,000 + fringe (\$480K)
  - ❖ Teachers will be funded by the State = approx. \$1,200,000 + fringe (\$300K)
- ❖ 1% increase in Employer Cost of Retirement
- ❖ Social Workers - move to a higher salary class to compete with neighboring Districts – Master’s Level Education
- ❖ Additional Certified, Classified Support, and Administrative Staff (final numbers will be provided at the Second Reading)

## FY 2021-2022 Expenditure Items included in this Budget

- ❖ Continue \$5,000 Local Supplement for National Board Certified Teachers
- ❖ Separating years 24-26 on the Teacher Salary Schedule (individual steps)
- ❖ Adding Year 20+ on the Support & Admin Staff Salary Schedules
- ❖ Increase for SRO security based on contractual agreements for 2021-2022 with Lexington County – Waiting on Richland County
- ❖ Budget for Piney Woods Elementary School (utilities, maintenance, etc)
- ❖ Increase Maintenance Employee hours from 7.5 to 8 per day

## FY 2021-2022 Projected General Fund Budget Recap

❖ Projected Revenue	\$201,694,166
❖ Projected Expenditures	\$201,694,166
❖ Difference	\$0

## FY 2021-2022 Mid-Year Review/Amendment

- ❖ No approved Statewide General Fund Budget – General Assembly
  - ❖ Session Ended – Sine Die Resolution
  - ❖ June 8-10 – discuss changes and appoint budget conferees
  - ❖ June 21-23 – adopt conference report and send to the Governor
  - ❖ June 29 – consider Governor’s vetoes
- ❖ House & Senate versions are substantially different
- ❖ Board of Economic Advisors met on May 20 to update the Revenue Estimates

## FY 2021-2022 Mid-Year Review/Amendment

- ❖ Possible increase in Employer Health Insurance Costs
- ❖ Loading Service & Supply Budgets at 75% of allocations
- ❖ Review available Fund Balance over required amounts
- ❖ Unknown increase/decrease in cost in filling vacancies
- ❖ State Revenues will be adjusted based on the 45<sup>th</sup> day ADM of next school year – if enrollment increases then Revenues will increase.
- ❖ Local Revenues will be adjusted based on Assessed Value – if Assessed Values increase then Revenues will increase.

## Calculation for FY 2021-2022 Allowable Operating Millage Increase

### Section 6-1-320 of the SC Code of Laws

Consumer Price Increase (CPI) *	1.23%
Lex/Rich 5 Population Growth *	<u>0.74%</u>
Allowable Percentage Increase *	1.97%
FY 2020-2021 Operating Millage Rate	246.10 mills
FY 2021-2022 Operating Millage Cap Increase	4.86 mills
Estimated Value of 1 Mill	\$ 278,171
Estimate Value of Operating Millage Cap Increase	\$1,351,911

*Allowed but not Previously Imposed Mills (look back)*      *(Section 6-1-320 (A)(2))*      22.60 mills

\*Source: SC Revenue And Fiscal Affairs Office

## Dates to Remember

### March 2021

- March 22
- Late March

Parameters for the FY 2021-2022 General Fund Budget presented to the District 5 Board  
House approves their version of the Budget and passes it to the Senate

### April 2021

- April 26
- Mid April
- Late April

Update on the General Fund Budget  
Senate Finance finalizes their version of the Budget to send to the Senate Floor  
Senate passes their version of the Budget

### May 2021

- May 10
- Mid May
- May 24

Discussion of the General Fund Budget  
Recess of the Legislative Session  
First Reading of the General Fund Budget

### June 2021

- June 14
- Early/Mid June
- Late June

Public Hearing and Second (final) Reading for the FY 2021-2022 General Fund Budget  
Conference Committee is named to deliberate the differences in the House & Senate Versions  
Final Budget is passed and Signed by the Governor

## Recommendation

### Recommendation:

It is the Recommendation of the Administration to approve the First Reading of the FY 2021-2022 General Fund Budget as presented.

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