

FY 2021-2022 General Fund Second 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 2 Recommendations for Approval.

June 14, 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 (House/amended & Senate)**
- ❖ Employer Health Insurance premium increase – 0.8% (House) - 2.6% (Senate)
- ❖ Base Student Cost: **\$2,516 (House/amended & Senate)**
- ❖ Bus Driver Salary Increase (Senate)

FY 2021-2022 Budget Considerations – District level

- ❖ 135th Day Average Daily Membership 16,444 (up from 16,375 on the 45th 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%
TOTAL PROJECTED REVENUES 2021-2022		<u>\$201,694,166</u>	100.00%

* Based on 135th 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%
TOTAL PROJECTED EXPENDITURES 2021-2022	<u>\$201,694,166</u>	100.00%

FY 2021-2022 Revenue Items included in this Budget

- ❖ Base Student Cost of \$2,508 (average of House & Senate) - **\$2,516**
- ❖ 135th 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)
- ❖ \$1,000 Salary Increase for Teachers on State Minimum Salary Schedule
- ❖ 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 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

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 & Administrative 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

General Fund – Fund Balance Recap

	<u>Assignment</u>	<u>Actual</u>
Total Fund Balance June 30, 2020		\$46,518,549
Board Assigned - Employee Bonus	\$3,000,000	\$2,843,267
Board Assigned - Piney Woods setup*	\$2,000,000	\$695,285
Subtotal		\$42,979,997
Estimated Addition to FB 2020-2021		<u>\$2,000,000</u>
Total Projected General Fund Balance June 30, 2021		\$44,979,997

**request the balance of Assignment for PWES remain available in 2021-2022 - \$1,304,715*

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 – **House Ways & Means Committee amended the House Budget.**
 - ❖ 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 – NO updates to 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 45th 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 Index (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 #1

Recommendation #1:

It is the Recommendation of the Administration to approve the Second Reading for Adoption of the FY 2021-2022 General Fund Budget as presented including continuation of the remaining Fund Balance Assignment for Piney Woods Elementary School in 2021-2022.

Recommendation #2

Recommendation #2:

It is the Recommendation of the Administration to approve setting the Operating Millage Rate at **246.10 mills** and the Debt Service Millage Rate at a calculated rate to meet the debt service obligations not to exceed the current rate of **75.40 mills**. (approximately 73.00 mills)

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