2022-2023 General Fund Budget Discussion

The purpose of this presentation is to provide information for Discussion of the Proposed 2022-2023 General Fund Budget.

May 9, 2022

FY 2022-2023
Budget Considerations – State level

- Funded Step Increase for Teachers (House & Senate)
- SCRS Employer Contribution Increase – 1% (House & Senate)
- Minimum Teacher Salary for Bachelor's with 0 years $40,000 (House) $38,000 (Senate)
- Employer Health Insurance premium increase – 18.1% (House & Senate)
- Bus Driver Salary Increase - 8% to the **State Minimum Bus Driver Salary Schedule** (House & Senate)

FY 2022-2023
Budget Considerations – State level

- State/Local match changes from 70%/30% for EFA to 75%/25% for **ALL** State Aid to Classroom funding ("all lines rolled up")
- New Funding Formula (House) / New Funding Formula with "Stake in the Ground" Base Funding (Senate)
  - The "Stake in the Ground" Base (21-22 funding level) will not be adjusted for growth in ADM
  - $227M in "new money for 22-23" will be allocated based on the New Funding Formula with adjustments for ADM changes on the 45th & 135th day

FY 2022-2023
Budget Considerations – District level

- 135th Day Average Daily Membership 16,735 (up from 16,717 on the 45th day)
- Step Increase & Cost of Living Increase for all eligible staff (Board decision)
- National Board Supplement of $5,000 to continue (Board decision)
- Assignments of available Fund Balance over Board Policy recommended percentages (Board decision)

FY 2022-2023
Projected General Fund Revenues (Senate)

Local Revenues:			
Taxes (calculated at 246.10 mills)	$75,743,334		
Other Local Revenues (Interest, Tuition, etc)	$605,000		
Total Estimated Local Revenues		$76,348,334	35.52%
State Revenues:			
State Aid to Classrooms (New Formula+ Base)	$82,557,358		
Homestead Exemptions (Tier I, II, III)	$46,295,141		
PEBA Credit	$1,190,410		
Other State Revenues	$8,448,972		
Total Estimated State Revenues		$138,491,881	64.43%
Other Financing Sources:			
Transfers (Indirect Cost)		$100,000	0.05%
TOTAL PROJECTED REVENUES 2022-2023		$214,940,215	100.00%

*** Based on 135th day enrollment**

Comparisons FY 22 vs FY 23 Revenue Budget

	2021-2022 as of May 4, 2022	2022-2023 projected	% increase/decrease	
Local Revenues:				
Taxes (calculated at 246.10 mills)	$75,307,647	$75,743,334	0.58%	assessed value increases
Other Local Revenues (Interest, Tuition, etc)	$655,000	$605,000	-7.63%	interest rate decreases
State Revenues:				
State Aid to Classrooms (New Formula+ Base)	$74,815,842	$82,557,358	10.35%	EIA included, higher ADM, $227M new money
Homestead Exemptions (Tier I, II, III)	$44,872,842	$46,295,141	3.17%	increase in sales tax allocation Tier III
PEBA Credit	$1,190,410	$1,190,410	0.00%	
Other State Revenues	$7,646,465	$8,448,972	10.50%	Retiree Insurance increase
Other Financing Sources:				
Transfers (Indirect Cost)	$480,000	$100,000	-79.17%	less indirect cost is being claimed
Total	$204,968,206	$214,940,215	4.87%	

FY 2022-2023
Projected General Fund Expenditures (Senate)

Salaries	$128,698,784	59.88%
Fringe Benefits	$57,600,300	26.80%
Contracted Services	$17,030,627	7.92%
Supplies & Materials	$9,601,611	4.47%
Capital Outlay	$114,904	0.05%
Other Objects	$1,606,092	0.75%
Transfers & Payments	$287,897	0.13%
TOTAL PROJECTED EXPENDITURES 2022-2023	$214,940,215	100.00%

Comparisons FY 22 vs FY 23 Expenditure Budget

	2021-2022 as of May 4, 2022	2022-2023 *projected*	% increase/decrease
Salaries	125,246,533	128,698,784	2.76%
Fringe	51,364,573	57,600,300	12.14%
Contractual Services	17,074,903	17,030,627	-0.26%
Supplies	9,561,101	9,601,611	0.42%
Capital Outlay	101,649	114,904	13.04%
Other Objects	1,331,550	1,606,092	20.62%
Transfers	287,897	287,897	0.00%
TOTAL	204,968,206	214,940,215	4.87%

FY 2022-2023
Projected General Fund Budget Recap

- Projected Revenue $214,940,215
- Projected Expenditures $214,940,215
- Difference $0

Calculation for FY 2022-2023 Allowable Operating Millage Increase

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

Consumer Price Increase (CPI) *	4.70%
*Lex/Rich 5 Population Growth *	1.26%
Allowable Percentage Increase *	5.96%
FY 2021-2022 Operating Millage Rate	246.10 mills
FY 2022-2023 Operating Millage Increase Cap	14.67 mills
Allowed but not Previously Imposed Mills (look back) (Section 6-1-320 (A)(2))	*11.16 mills*

*Source: SC Revenue And Fiscal Affairs Office

Dates to Remember

April 2022

- *April 14* — *Senate Finance finalizes their version of the Budget to send to the Senate Floor*
- *April 28* — *Senate passes their version of the Budget*

May 2022

- May 9 — Discussion of the General Fund Budget
- *May 13* — *Recess of the Legislative Session – sine die*
- May 23 — First Reading of the General Fund Budget

June 2022

- June 13 — Public Hearing and Second (final) Reading for the FY 2022-2023 General Fund Budget
- *Early June* — *Conference Committee is named to deliberate the differences in the House & Senate Versions*
- *Mid/Late June* — *Final Budget is passed and Signed by the Governor*

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