

FY 2022-2023 General Fund Second Reading

The purpose of this presentation is to provide information to the School Board regarding the FY 2022-2023 General Fund Budget. This presentation includes a Recommendation for Approval.

June 13, 2022



FY 2022-2023

Budget – House 2

- ❖ Funded Step Increase for Teachers
- ❖ SCRS Employer Contribution Increase – 1%
- ❖ Minimum Teacher Salary for Bachelor's with 0 years \$40,000
- ❖ Employer Health Insurance premium increase – 18.1%
- ❖ Bus Driver Salary Increase - 8% to the **State Minimum Bus Driver Salary Schedule**
- ❖ Hold Harmless Clause is included – continues funding at the same level as 21-22 if the New Education Formula would be lower

FY 2022-2023

Budget – House 2

- ❖ \$50M more in Education funding was added – above what the Senate provided (Board of Economic Advisors met after House 2 was complete – BEA provided an additional \$1B in revenue that *Could* be appropriated in the Budget)
- ❖ ADM weighting for CTE students is 1.0 and the weighted add-on for Dual Enrollment is removed
- ❖ At Risk Students and Aid to Districts Funding (formerly included in EIA at 100%) will be part of EFA funding at 75%

FY 2022-2023

Budget – Conference Committee

- ❖ Conference Committee met on May 24 to hear the updated BEA revenue information from Frank Rainwater.
- ❖ Committee met on June 7 – no final information
- ❖ Committee stands adjourned and will return upon the Call of the Chair

FY 2022-2023

D5 Revenue based on Senate/House 2

- ❖ D5 Revenue in Senate Version = \$216,354,443 (as presented at last Board Meeting)
- ❖ D5 Revenue in House 2 Version = \$212,481,990

**The following Budget is based House 2 –
the more conservative amount**

FY 2022-2023

Budget – 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 (included in this budget)
- ❖ National Board Supplement of \$5,000 to continue (included in this budget)
- ❖ Assignments of available Fund Balance over Board Policy recommended percentages (Board decision)

FY 2022-2023

Projected General Fund Revenues (House 2)

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	35.93%

State Revenues:

State Aid to Classrooms	\$80,098,733		
Homestead Exemptions (Tier I, II, III)	\$46,295,141		
PEBA Credit	\$1,190,410		
Other State Revenues	\$8,448,972		
Total Estimated State Revenues		\$136,033,256	64.02%

Other Financing Sources:

Transfers (Indirect Cost)		\$100,000	0.05%
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TOTAL PROJECTED REVENUES – HOUSE 2 - 2022-2023 \$212,481,590 100.00%

* Based on 135th day enrollment

Comparisons FY 22 vs FY 23 Revenue Budget (House 2)

	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	\$80,098,733	7.06%	EIA included, higher ADM, \$277M 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	\$212,481,590	3.67%	

FY 2022-2023

Projected General Fund Expenditures (House 2)

Salaries	\$129,476,684	60.93%
Fringe Benefits	\$58,156,258	26.43%
Contracted Services	\$15,945,742	7.51%
Supplies & Materials	\$9,459,366	4.45%
Capital Outlay	\$102,499	0.05%
Other Objects	\$1,053,144	0.50%
Transfers & Payments	\$287,897	0.13%
TOTAL PROJECTED EXPENDITURES 2022-2023	<u>\$212,481,590</u>	100.00%

Comparisons FY 22 vs FY 23 Expenditure Budget (House 2)

	2021-2022	2022-2023	% increase/decrease
	as of May 4, 2022	<i>projected</i>	
Salaries	125,246,533	129,476,684	3.38%
Fringe	51,364,573	56,156,258	9.33%
Contractual Services	17,074,903	15,945,742	-6.61%
Supplies	9,561,101	9,459,366	-1.06%
Capital	101,649	102,499	0.84%
Other Objects	1,331,550	1,053,144	-20.91%
Transfers	287,897	287,897	0.00%
TOTAL	204,968,206	212,481,590	3.67%

FY 2022-2023

Balanced Budget – House 2

❖ Projected Revenue	\$212,481,590
❖ Projected Expenditures	\$212,481,590
❖ Difference	\$0

FY 2022-2023

Revenue Items included in this Budget

- ❖ 135th day Average Daily Membership of 16,735 (Weighted Pupil Units of 26,053)
- ❖ Operating Millage of 246.10 mills – NO CHANGE
- ❖ Total Operating Millage Assessed Value is approx. \$301M which is a 2.7% increase (*Reminder – Operating Millage Assessed Value does not include owner-occupied real property.*)
- ❖ Increase in Tier I, Tier II & Tier III Homestead Exemptions = \$1,422,299

FY 2022-2023

Expenditure Items included in this Budget

- ❖ Step Increase for ALL ELIGIBLE staff = approx. \$2,100,000 + fringe (\$715K)
 - ❖ Teachers will be funded by the State = approx. \$1,500,000 + fringe (\$506K)
- ❖ Increase in Teacher Salary Schedule (approx. 4.5%) – 2% increase in Support Salary Schedule
- ❖ 1% increase in Employer Cost of Retirement
- ❖ 18.1% increase in Employer Cost of Health Insurance

FY 2022-2023

Expenditure Items included in this Budget

- ❖ Additional FTE for Mental Health Coordinator
- ❖ Additional Contract days for District Nurse & Student Services Officer
- ❖ NERI Program – New Educator Retention Incentive
- ❖ Continue \$5,000 Local Supplement for National Board Certified Teachers
- ❖ Increase in cost of Utilities expected
- ❖ Inflation – increase in cost of supplies

FY 2022-2023

Mid-Year Review/Amendment

- ❖ No approved Statewide General Fund Budget – General Assembly
 - ❖ Session Ended
 - ❖ Week of June 6 – Conference Committee to meet to negotiate a final version
 - ❖ Mid June– adopt conference report and send to the Governor
 - ❖ June ?? – consider Governor’s vetoes
- ❖ House 2 & Senate versions are substantially different
- ❖ Board of Economic Advisors met on May 24 & will meet on June 16 – additional \$1B provided that COULD be appropriated in recurring and non-recurring funding

FY 2022-2023

Mid-Year Review/Amendment

- ❖ 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.
- ❖ Final Tax Assessment values will be available in July 2022.

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%
<i>Lex/Rich 5 Population Growth *</i>	<u>1.26%</u>
Allowable Percentage Increase *	5.96%
FY 2021-2022 Operating Millage Rate	246.10 mills
FY 2022-2023 Operating Millage Increase Cap	14.67 mills
<i>Allowed but not Previously Imposed Mills (look back)(Section 6-1-320 (A)(2)</i>	
	11.16 mills
	<i>Total millage increase allowed (including lookback mills) = 25.83 mills</i>
Estimated Value of 1 Mill	\$300,369

Dates to Remember

April 2022

- *April 14*
- *April 28*

Senate Finance finalizes their version of the Budget to send to the Senate Floor
Senate passes their version of the Budget

May 2022

- *May 9*
- *May 13*
- *May 23*

Discussion of the General Fund Budget
Recess of the Legislative Session – sine die
First Reading of the FY 2022-2023 General Fund Budget based on Senate version

June 2022

- *June 13*
- *Early June*
- *Mid/Late June*
- *June 27*

Second Reading of the FY 2022-2023 General Fund Budget based on the House 2 version
Conference Committee is named to deliberate the differences in the House & Senate Versions
Final Budget is passed and Signed by the Governor
Public Hearing and Final Reading for the FY 2022-2023 General Fund Budget

General Fund – Fund Balance Recap

Total Fund Balance June 30, 2021		\$51,205,287
Non-Spendable	\$4,930,894	
Assigned (not used)	\$10,804,715	
Unassigned	\$35,469,778	
Estimated addition for 2021-2022	<u>\$1,250,000</u>	
Projected Fund Balance June 30, 2022		\$52,455,287

Proposed Fund Balance Assignment

Additional FTEs needed (average salaries)

❖ 6 Teachers (Reg Ed & Spec Ed) @ \$55,760 + benefits	\$485,112
❖ 10 Teacher Assistants (NEST) @ \$35,000 + benefits	\$507,500
❖ 6 Expectations Coaches (NEST) @ \$35,000 + benefits	\$304,500
❖ 1 Assistant Principal (IHS NEST – 220 days) @ \$90,000 + benefits	\$130,500
❖ 1 Admin Asst Principal (DFES – 210 days) @ \$70,000 + benefits	<u>\$101,500</u>
TOTAL	\$1,529,112

Recommendation

Recommendation:

It is the Recommendation of the Administration to approve the Second Reading of the FY 2022-2023 General Fund Budget as presented.