

FY 2022-2023 General Fund Third & Final 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 4 Recommendations for Approval.*

June 27, 2022



FY 2022-2023 Legislative Session

- ❖ House Version – Appropriations Bill – approved March 15, 2022
 - ❖ New Education Formula; Hold Harmless if funding is less than 2021-2022
 - ❖ \$40,000 minimum teacher salary with Bachelor's and 0 years
- ❖ Senate Version – approved April 28, 2022
 - ❖ “Stake in the Ground” funding with New Education Formula – additional revenue added based on the Board of Economic Advisors revenue estimates (April 7, 2022)
 - ❖ \$38,000 minimum teacher salary with Bachelor's and 0 years
- ❖ House 2 – approved May 11, 2022
 - ❖ Non-concurrence with Senate Amendments – Conference Committee
 - ❖ Additional revenue added based on BEA revenue estimates

FY 2022-2023 Legislative Session

- ❖ Conference Committee selected – May 11-12, 2022
- ❖ Committee met May 24, June 7, June 10 and finalized their activities on June 15, 2022 returning the bill to the House/Senate.
- ❖ The bill was ratified by the House & Senate on June 16, 2022 and sent to the Governor for signature/vetoes.
 - ❖ New Education Formula – with Senate weighted values
 - ❖ 1.20 Career/Technology; 0.50 Pupils in Poverty; 2.60 Special Education
 - ❖ Hold Harmless if funding is less than 2021-2022 year
 - ❖ \$40,000 minimum teacher salary with Bachelor's and 0 years

FY 2022-2023

Budget Facts

- ❖ 135th Day Average Daily Membership 16,735
- ❖ Teacher Salary for Bachelor's with 0 years = \$41,600
- ❖ Step Increase for all eligible staff – an additional 2% increase for Support Staff Schedule
- ❖ District level National Board Cert. Teacher Supplement \$5,000
- ❖ Bus Driver Salary starting at \$15.36 per hour

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		<u>\$212,481,590</u>	100.00%
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* Based on 135th day enrollment

Comparisons FY 22 vs FY 23

Revenue Budget (House 2)

		2021-2022	2022-2023	% increase/decrease	
Local Revenues:		as of May 4, 2022	projected		
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

Items included in this Budget

- ❖ 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
- ❖ Additional FTE for Mental Health Coordinator
- ❖ Additional Contract days for District Nurse & Student Services Officer
- ❖ NERI Program – New Educator Retention Incentive
- ❖ 1% increase in Retirement; 18.1% increase in Health Insurance (**effective 1/1/23**)

FY 2022-2023

Mid-Year Review/Amendment

- ❖ No approved Statewide General Fund Budget – General Assembly
- ❖ House 2 and Conference Committee State Aid to Classroom Calculations are very different – Still waiting on final numbers.
- ❖ 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>	<i>11.16 mills</i>
<i>Total millage increase allowed (including lookback mills) = 25.83 mills</i>	
Estimated Value of 1 Mill	\$300,369

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 STAFFING

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

Proposed Fund Balance Assignment

SNACK PROGRAM

**USDA Program providing reimbursement for
Every Student Eats Free Program is ending effective July 1, 2022**

- ❖ A Snack Program allows for an additional opportunity to provide food for ALL students. This program will cost approximately \$1,300,000.

Administration Recommendations

1. Approval of the FY 2022-2023 General Fund Budget as presented.
2. Approval of setting the Operating Millage Rate at **246.10 mills**.
3. Approval of establishing an Assignment of Fund Balance of **\$1,529,112** for salaries and benefits for an additional **24 FTE** positions identified and listed in this presentation.
4. Approval of establishing an Assignment of Fund Balance of **\$1,300,000** for funding a Snack Program for ALL students.