**OPEN LETTER TO THE BEAUFORT COUNTY STATE LEGISLATIVE DELIGATION WITH COPY FURNISHED TO THE ISLAND PACKET AND ISLAND NEWS**

**SUBJECT: BEAUFORT COUNTY SCHOOL DISTRICT FISCAL AUTHORITY**

**FEBRUARY 23, 2024**

**TO: THE HONORABLE (NAMES OF EACH GENERAL ASSEMBLY MEMBER)**

Representative (name),

I am writing you today, as an individual Beaufort County School Board member to address the topic of granting fiscal authority to the Beaufort County School District. The current situation where the Beaufort County Council approves the district's annual operating budget has caused significant detrimental operational problems for the school district.

The requirement to submit the district budget to the County Council for three public readings prior to a vote to the approve the budget causes the final council's approval of the district's operating budget not to be finalized until June. Since 80% of the operating budget accounts for salaries and benefits, the upcoming fiscal year payroll is not finalized until June. This causes issues for teacher recruiting that is conducted nation-wide beginning in March of each year. Obviously, teacher salary is a major issue for prospective teacher candidates. Currently we can only offer a proposed salary during the recruiting cycle that occurs between March and June. We have lost many candidates that opted to accept a guaranteed salary rather than our proposed salary from other school districts. As you are aware, the nation-wide shortage of teachers makes the challenge of recruiting new teachers problematic and any loss of qualified candidates contributes to the teacher staffing shortages we have each year.

There are many historical reasons why fiscal authority has not been granted to the school district and a brief outline follows:

- The Beaufort County School District's current local legislation was adopted in 1968 and slightly revised in 1969. When this was enacted, the school district was already under fiscal control by the county council. At the time, the school district did not have an established finance department and the district's budget was much smaller than the county's budget. So, it made sound financial sense that the county had fiscal authority. However, that has changed. Today the school district's operating budget is more than twice as large as the County's and the district has a widely acclaimed, award-winning financial office with over 25 years of clean annual financial audits. The district's financial management has earned a Aa1 credit rating, tied with Greenville County School District, for the highest in the State because of proven financial management.

- In 1969, the school district was accountable to parents, taxpayers and the county council to provide K-12 education to the county. The school district remains accountable to parents, tax payers for K-12 education but not to the county council. The State

Department of Education has been given that role by the governor. They can sanction the district for poor academic performance and the governor has the power to remove school board members and entire school boards. The county council does not have that authority. So, the school board has accountability for educational performance but is subject to the county council for approval of its financial resources. That is not a managerial model acceptable to any governmental or private enterprise in this nation.

- In the past, county councils were considered an appropriate financial oversight for school boards to ensure school district millage increases were not excessive. Today, Act 388 provides that oversight to the county budget and the school district's budget. Like the county council, school district boards are accountable to the public to justify millage increases by both serving as elected officials.

- In the recent past, the Beaufort County School Board was considered dysfunctional and as a result failed to pass a number of needed referendums for over 11 years. In 2019 the school board passed a large referendum with 70% approval and in 2023 passed another even larger referendum with 72% approval. That indicates that a high majority of Beaufort County taxpayers no longer consider the school board dysfunctional.

- In the past, many of the legislative delegation considered the school district over staffed and thus inefficient and wasteful. A school district efficiency study conducted by an outside contractor two years ago found that the district was, in fact, understaffed. A recent State report indicated that the school district's administrative overhead was the lowest in the State.

- In the past, most school District's in the State of South Carolina did not have fiscal authority. Today almost all the large school districts in the State have fiscal authority even the new school districts recently approved by the general assembly.

There are legal issues that must be considered in your support or lack thereof for granting the school district fiscal authority. An attorney experienced in South Carolina State school law hired by the district provided the school board with the following legal information: "Legal developments of the past few decades all point to a conclusion that the sole authority for the district budget and district operation millage is in the hands of the Beaufort County Board of Education. This is true not only as sound public policy, but also as a matter of South Carolina Law. As recently as June 3, 2003, the Attorney General's Office reaffirmed that school districts are political subdivisions of the State itself, and completely separate and distinct entities from counties, and that county government involvement with school districts is strictly limited by the limits of Home Rule: Home Rule does not alter the separate identity of school districts in South Carolina."

There are also consistency issues with the district's lack of fiscal authority. Currently, the district has the power to use 8% borrowing authority and the resulting millage impact without county

council authorization.  Why is that different than the district's lack of authority to approve its operational budget millage without county council approval?

Last Spring the Beaufort County Council unanimously passed a resolution to grant the school district fiscal authority.  Now I understand that some of our legislative Delegation do not support granting the Beaufort County School District fiscal authority.

In my over 5 years as a school board member, I have been advocating the vital need for the school district's fiscal authority.  Frankly, it took the threat of legal action toward the county council to cause them to support the district's desire for fiscal authority.  They understood that State law supported that request. It made no sense to them to unnecessarily challenge the school district, in court, to grant the district fiscal authority.  As just one board member, I am prepared to encourage a majority of my fellow board members to seek legal options to, like the Charleston School District did successfully, take the matter to court for adjudication.  I hope that is not necessary and that you will support the school district's desire to have fiscal authority.

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