



# Marion County School District Board of Education

BUDGET BRIEF  
1<sup>st</sup> Reading of the  
2021-2022 Annual School Budget  
June 15, 2021

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# Revenue Based Balanced Budget

In order to get to a balanced budget, revenues must equal expenses. The district has limited funding sources and limited control over those funding sources. As such and, as we've discussed at prior meetings, the annual budget begins as a revenue-based activity. We look at:

1. The amount of funding that we can anticipate receiving from the state;
2. The amount we can anticipate in local funding *(including the local tax levy)* and finally,
3. We estimate transfers *(monies which we expend in general fund that we either get separate funding for or funding areas we can charge certain expenses i.e. indirect cost for Federal Funds; EIA (Educational Improvement Act) funds).*

From there, we subtract out how much we need to set aside for salaries and fringe benefits, leaving behind the maximum amount we have available for regular operating expenses *(contracted services, supplies, etc.)*.

## Anticipated State Funding ~ Where does it come from? ~

### SENATE PROJECTIONS

The Senate has provided revenue projections that they support for funding school districts in 2021-22 as did the House Ways & Means Committee.

The Senate projections were provided to school districts in order to establish a basis from which to build our budgets.

### EFA

The State also provided to school districts a more detailed EFA (*Education Finance Act*) funding sheet which provides anticipated (*but currently not formally agreed upon*) funding for all EFA categories.

These projections rely upon a Base Student Cost (BSC) for FY '22 of \$2,516.

### CONSIDERATIONS:

Both houses of the legislature met on June 8<sup>th</sup> to debate their funding proposals. Conference committees have been set up to meet and debate the final funding plan. On June 21<sup>st</sup>, the General Assembly will meet to vote on the Conference Report. If necessary, both bodies will reconvene on June 29<sup>th</sup> to address any vetoes by the Governor.

Therefore, the Senate Projections and the EFA funding breakdown are considered “tentative”. If there are changes to the projections provided by the State, we would need to consider re-visiting the 2021-22 budget at a future meeting.



**REVENUE SYNOPSIS** - For 2021-22, after taking into account the Senate revenue projections, transfers and local levy, we need to subtract out, or set aside, our anticipated cost for salaries and fringe benefits. This leaves the maximum amount we have available for regular operating expenses. This amount came to **\$6,049,968**.

<b>REVENUE</b>		<b>Budgeted</b>	<b>Increase /</b>	
<u>~ Projections ~</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>Decrease</u>	
Total Local Funding	\$8,951,758	\$9,012,916	\$61,158	0.67%
State Funding	\$26,459,924	\$26,879,986	\$420,062	1.59%
<u>Transfers</u>	<u>\$1,515,765</u>	<u>\$1,491,391</u>	<u>(\$24,374)</u>	<u>-1.61%</u>
TOTAL	\$36,927,447	\$37,384,293	\$456,846	1.23%
LESS: Salaries	\$20,168,106	\$20,910,181	\$742,075	3.68%
LESS: Fringe	<u>\$9,888,809</u>	<u>\$10,424,144</u>	<u>\$535,335</u>	<u>5.41%</u>
Maximum amount available for non-salary & fringe expenses	\$6,870,532	<b>\$6,049,968</b>	(\$820,564)	-11.94%

# Expenditures

2020-21

**\$5,452,951**

(YTD thru 6/11/21)

2019-20

**\$5,566,292**

2018-19

**\$6,065,482**

2017-18

**\$5,606,059**

2016-17

**\$5,706,278**

2015-16

**\$5,204,768**

2014-15

**\$5,699,179**

2013-14

**\$4,744,423**

When budgeting, one must take a step back to look at our historical spending history. We reviewed from 2013-14 to the present day – *an 8 year time period* - and we find that the most we've *actually spent* in non-salary & fringe was in 2018-19. In that year, we spent **\$6,065,482**. The next closest year was 2 years prior, in **2016-17**, when we spent **\$5,706,279**.

Looking forward to **2021-22** and comparing our spending patterns, our available funds for budgeting for non-salary & fringe of **\$6,049,968**, *an amount nearly equaling our highest spending rate in the past 8 years*, provides a level of assuredness in having sufficient funds to meet our budget.



## Expenses Summary – *How do the Non-Salary Accounts Break out?*

EXPENSES	2020-21	2021-22	Incr / (Decr)
Personnel	20,168,106	20,910,181	742,075
Fringe	9,888,809	10,424,144	535,335
<b>Sub-total {Salary &amp; Fringe}</b>	<b>30,056,915</b>	<b>31,334,325</b>	<b>1,277,410</b>
Contracted Services	4,027,948	3,559,809	(468,139)
Supplies	2,539,426	2,262,798	(276,628)
Capital	43,500	21,323	(22,177)
Other	247,658	194,053	(53,605)
Pymts to other Govt's	12,000	11,984	(16)
<b>Sub-total {Non-Salary &amp; Fringe}</b>	<b><u>6,870,532</u></b>	<b><u>6,049,967</u></b>	<b><u>-820,565</u></b>
<b>GRAND TOTAL</b>	<b>36,927,447</b>	<b>37,384,292</b>	<b>456,845</b>





# Millage

A portion of funding for a successful school budget comes from local millage. Millage values change from year-to-year based on factors such as assessed valuation and tax collection rate.

Millage is an important factor in being able to provide long-term budget stability and success and, it allows the district to address and consider funding issues - such as increasing salaries to attract and retain teachers and staff and to look to the future in other areas such as technology, student support, staff training and innovation.



## Expenditures, Student Membership and Millage

	<u>2015-16</u>	<u>2019-20</u>	<u>Increase/ (Decrease)</u>	
Actual Total Expenditures	\$34,012,696	\$36,221,929	\$2,209,233	6.50%
Average Daily Membership	4,577	4,021	(556)	-12.15%

As you can see, over the past 5 years alone our actual expenditures have increased by 6.5% while our student enrollment has *decreased (by a little over 12%)*. During this time, our millage request has remained unchanged.

The district is capped by State law on how much millage can be increased each year. Of note, by not moving ahead annually to take advantage of this permitted increase, the district loses not only the true value of those mills for the current year but also the accumulated compounding value of the mills over time.



# Permissible Millage Increase History

*2015-2016 thru 2021-2022*

<u>School Year</u>	<u>Prior Year</u>			<u>PERMITTED</u>	
	<u>Millage</u>	<u>Millage</u>	<u>MAXIMUM</u>	<u>Millage</u>	<u>Permissible</u>
	<u>Rate</u>	<u>CAP</u>	<u>Millage increase</u>	<u>Increase</u>	<u>Total Millage</u>
15-16	168	1.62%	2.72	2	170
16-17	170	0.12%	0.20	0	170
17-18	170	1.26%	2.14	2	172
18-19	172	2.13%	3.66	3	175
19-20	175	2.44%	4.27	4	179
20-21	179	1.81%	3.24	3	182
<u>21-22</u>	<u>182</u>	<u>1.23%</u>	<u>2.24</u>	<u>2</u>	<u>184</u>

*Mills that could have been raised 2015-16 thru 2021-22: 16*


*2021-22 Estimated Mill Value: \$50,629*

*Additional monies that would have been available: \$810,063*



*Considering that we have not had a millage increase since incorporating into a single district in 2012, we are respectfully requesting an increase as permitted by statute.*

*The actual requested increase in local taxes is derived via the estimated Millage below:*



<i>Mills requested:</i>	<i><u>2012-13 thru 20-21</u></i>	<i><u>2021-22</u></i>
	<i>168</i>	<i>170</i>
<i><u>Estimated value per Mill 2021-22:</u></i>	<i><u>50,629</u></i>	<i><u>50,629</u></i>
<i>Estimated Value:</i>	<i>8,505,672</i>	<i>8,606,930</i>
<i>Increase \$:</i>	<i>101,258</i>	
<i>Increase %:</i>	<i>1.19%</i>	



The median property tax in Marion County, South Carolina is \$440 per year for a home worth the median value of \$82,500., making the tax rate per \$1,000 equal to \$0.0053.

*An increase of 1.19% on the median property tax of \$440 equates to an annual cost increase of \$5.24*

	<u>Median Home Value (MHV)</u>	<u>Double the MHV</u>	<u>Triple the MHV</u>
Home Value	\$82,500	\$165,000	\$247,500
Tax Rate per \$1,000	\$0.0053	\$0.0053	\$0.0053
Property Tax (annual)	\$440	\$880	\$1,320
Millage Incr. % (annual)	1.19%	1.19%	1.19%
Millage Incr. \$ (annual)	\$5.24	\$10.47	\$15.71





# Thank you

*Questions?*

