

# 2021–2022 Proposed General Fund Operating Budget

Third Reading — June 22, 2021 Board Meeting

**Lexington County  
School District One**



# General Fund Budget

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**This is the proposed General Fund operating budget for the upcoming fiscal year.**

**It lays out the district's revenues we expect to receive as well as expenditures we expect to spend for the day-to-day operations of the district.**

# District Mission and System Commitments from the Strategic Plan

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Budget priorities have been developed with a focus on the district's mission and system commitments.

## MISSION

Our Mission is to cultivate a caring community where ALL learners are extraordinary communicators, collaborators, creators and critical thinkers.

## SYSTEM COMMITMENTS

1. All students, regardless of circumstances, advance on time, prepared to graduate and ready to enter college, the military or industry with certification.
2. Teaching and learning develop power skills.
3. Our schools are service-oriented centers of learning, committed to family and community partnerships.
4. Every adult will be equipped with the skills and resources necessary to advocate for and ensure the success of all students.

# Priorities for the 2021–2022 Budget Process

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- ❖ **Reduce/maintain student teacher ratios**
- ❖ **Step increase for staff**
- ❖ **Employee retention/recruitment strategies**

# Priorities for the 2021–2022 Budget Process (continued)

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- ❖ Ongoing support for the Lexington One Online Learning Academy (LOOLA)
- ❖ Expand the Lexington District One College Center located at Gilbert High School
- ❖ Plan for relocation of Lexington Middle School to the replacement facility (Lakeside Middle School)
- ❖ Plan for opening of the Gilbert and Pelion area early childhood centers

# Considerations for Third Reading

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**There have been no changes to the proposed budget as presented during Second Reading on May 18, 2021.**

**The Board of Economic Advisors made no changes to the State's projected surplus for fiscal year 2020-2021 or projected revenues for fiscal year 2021-2022 in its meeting on May 20, 2021.**

**The Senate and the House meet June 21 -23 to adopt the conference report for submission to the Governor. On June 29, the bodies will return to consider vetoes, if necessary.**

**A number of major items came out of the House on June 10, 2021, the same as the Senate version. These major items are considered locked and will not change in conference committee. They are listed on the next slide. A number of items remain to be negotiated that could impact the district. If significant, a budget amendment may be required.**

# State Education Budget Items Locked

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The items below have been agreed on by both the House and the Senate. They will not be subject to change when the bodies return June 21-23 to adopt a conference report.

- ❖ **Base Student Cost (\$2,516 per student)**
- ❖ **\$1,000 Teacher Salary Increase**
- ❖ **Teacher Step Increase**
- ❖ **Bus Driver 5% Salary Increase**
- ❖ **Teacher Salaries – Employer Contribution (Fringe)**
- ❖ **Employer Retirement Contribution 1% Increase**  
Employer portion 22.81% – retirement at 16.41%, optional incidental death benefit at .15% and retiree insurance surcharge at 6.25%  
Employee portion remains at 9%

# Recruitment and Retention Measures New in Fiscal Year 2021-2022 Budget

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- ❖ Provides all employees with a step increase
- ❖ Provides \$1,000 increase per step for salaried employees
- ❖ Increases bus driver pay by 5% plus \$1 per hour
- ❖ Increases support staff pay by \$1 per hour
- ❖ Increases years of experience steps on all salary schedules to 40 years
- ❖ Modifies all salary schedules to provide retention incentive every 5 years by providing pay at additional step one year earlier
- ❖ Pays new teachers at step 2 for 3 years
- ❖ Aligns salary schedules for nurses, social workers, occupational/physical therapists, career specialists and board certified behavior analysts to their educational degrees
- ❖ Increases substitute pay



# Recruitment and Retention Measures On-Going in Budget

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- ❖ Funds a local national board stipend of \$3,000
  - regardless of whether the teacher receives the State funded \$7,500 or \$5,000 stipend
  - paying 275 national board supplements in FY 2020-2021
- ❖ Provides opportunities for reduced cost graduate level courses
- ❖ Provides professional texts for graduate courses
- ❖ Pays (in whole or in part) for a variety of other professional development opportunities
- ❖ Provides opportunities for teachers to earn additional pay
  - curriculum writing
  - camps
  - after-school programs
- ❖ Provides stipends/supplements
  - department heads
  - lead teachers
  - club and yearbook sponsors
  - athletics
  - fine arts

# 135-Day Average Daily Membership

Year	*Membership	Increase	Percent
2015–2016	24,418	465	1.9%
2016–2017	24,895	477	2.0%
2017–2018	25,511	616	2.5%
2018–2019	25,999	488	1.9%
2019–2020	26,507	508	1.9%
2020–2021**	26,355***	(161)	(0.6)%
2021–2022****	26,861	515	2.0%

\* Average Daily Membership (ADM) is the aggregate number of days in membership (total days that students have been enrolled during a specific time period) divided by the number of days school is in session. Pre-K is not included in the above membership.

\*\* Unaudited.

\*\*\* Projected enrollment for 2020–2021 was 27,042. The 135-Day ADM is under the projection by 687.

\*\*\*\* Projected Enrollment.

# Targeted Staffing Ratios

Grades	2018-2019	2019-2020	2020-2021*	Proposed 2021-2022
5 Year Old Kindergarten	22 to 1	22 to 1	23 to 1	21 to 1
1 <sup>st</sup> Grade	22 to 1	22 to 1	23 to 1	21 to 1
2 <sup>nd</sup> Grade	22 to 1	22 to 1	23 to 1	21 to 1
3 <sup>rd</sup> Grade	25 to 1	25 to 1	23 to 1	23 to 1
4 <sup>th</sup> and 5 <sup>th</sup> Grade	26 to 1	25 to 1	26 to 1	23 to 1
Middle School				23 to 1
High School				18 to 1**

\* These are ratios for face-to-face and hybrid classes. Class sizes for those enrolled in the Lexington One On-Line Academy (LOOLA) ranged from 30-35 to 1.

\*\* This is the highest ratio for high schools with 2,200 or more students. The ratio drops .25 for every drop of 100 students. For example, if there were 2,100 students the ratio would be 17.75 to 1.

# EXPENDITURE SUMMARY

# General Fund Proposed Certified Changes — Net Additions and Cuts

Category	FTE	Amount
Certified and Licensed Professionals — Elementary	25.50	\$1,830,514
Certified and Licensed Professionals — Middle	(4.83)	(346,721)
Certified and Licensed Professionals — High School	24.00	1,722,837
Certified and Licensed Professionals — LOOLA	20.00	1,435,697
Certified and Licensed Professionals — Special Needs	5.10	365,355
Pool Positions	<u>3.50</u>	<u>251,247</u>
<b>Total Net Changes</b>	<b>73.27</b>	<b>\$5,258,929</b>

The following changes to FTE from 1<sup>st</sup> Reading are reflected above:  
Middle +5, High School +12, LOOLA -17

# Proposed Support and Administrative Changes — Net Additions and Cuts

Category	FTE	Amount
Support Staff — Instructional	3.00	\$100,599
Support Staff — Non-instructional	1.00	36,565
Support Staff — Instructional — Special Needs	3.00	102,330
School Administrator - GMS	1.00	108,171
Central Services Administrative Staff	1.00	173,216
Central Services — Supervisor of Nursing*	1.00	<u>81,836</u>
<b>Total Net Changes</b>	<b>10.00</b>	<b>\$602,717</b>

\* The Supervisor of Nursing position will not impact the General Fund. It will be paid for with Medicaid reimbursements.

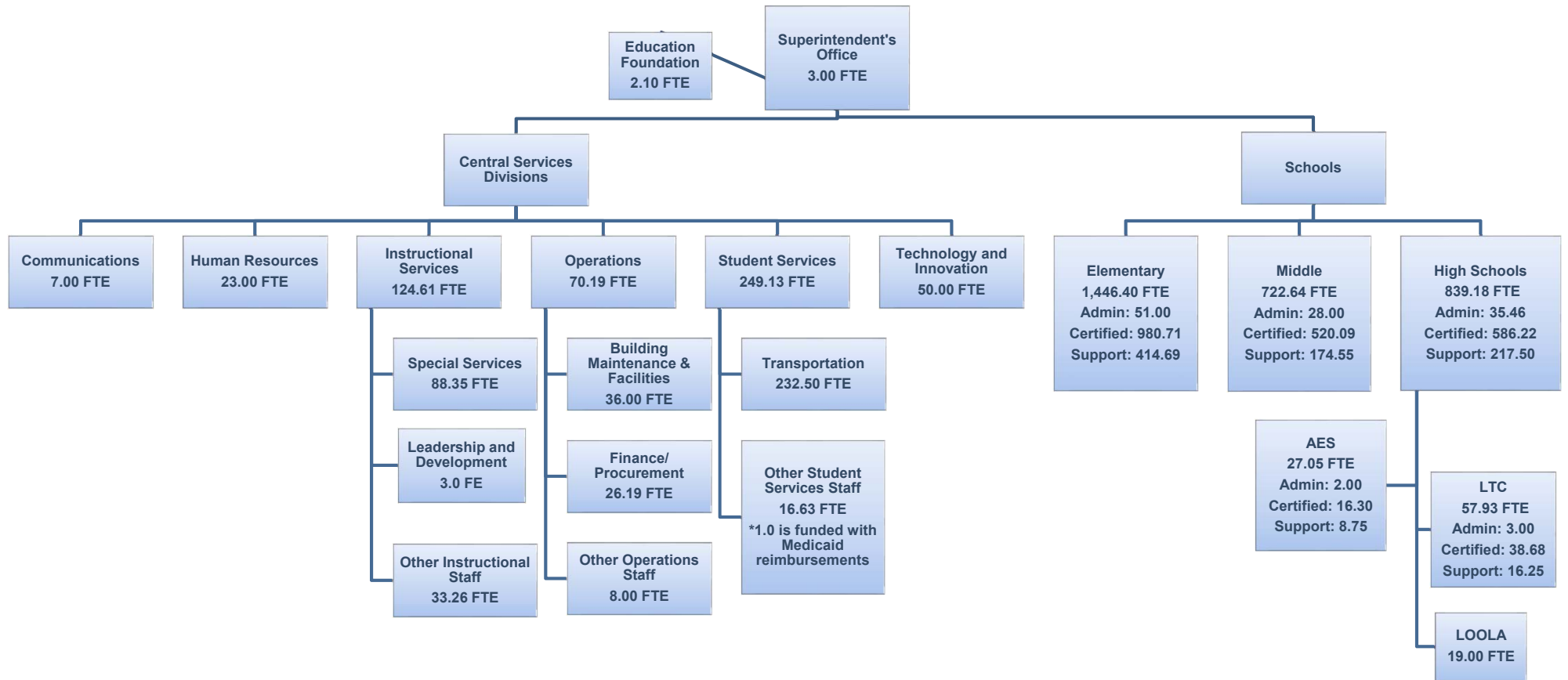
# General Fund Positions – Full-Time Equivalents (FTE)

Category	Base FTE	Proposed Changes	Proposed Total FTE
Superintendent	1.00		1.00
Senior Leadership Team	5.00	1.00	6.00
Central Services (includes psychologists, physical and occupational therapists, homebound teachers and social workers)	287.93	*1.00	288.93
Transportation	232.50		232.50
School Administration (principals, assistant principals, athletic directors, guidance directors)	118.46	1.00	119.46
Certified Staff (teachers, interventionists, librarians, academic coaches and nurses)	1,863.70	68.17	1,931.87
School Support Staff (instructional assistants, custodial, secretarial, bookkeepers, student records operators, etc.)	710.04	4.00	714.04
Special Education Certified Staff	224.63	5.10	229.73
Special Education Support Staff	<u>114.70</u>	<u>3.00</u>	<u>117.70</u>
<b>Total General Fund FTE</b>	<b><u>3,557.96</u></b>	<b><u>83.27</u></b>	<b><u>3,641.23</u></b>



\* This FTE will not impact the General Fund. It will be paid for with Medicaid reimbursements.

# General Fund Positions – Full-Time Equivalents (FTE)





# General Fund Other Salaries and Related Fringes Increases (Decreases)

Category	Amount
Step increase for all eligible employees	\$3,697,666
\$1,000 increase for salaried employees	3,006,359
\$1 per hour increase support staff	1,887,338
\$1 per hour increase bus drivers	354,441
5% bus driver increase	262,419
Increase in substitute pay	235,747
Human Resources Generalists	21,833
Supplements, temporary salaries and other adjustments	(88,681)
State mandated employer retirement and health insurance increase	2,577,022
Funding shortage for reading coaches, nurses, career specialists	<u>215,533</u>
<b>Total Other Salaries and Related Fringes Increases</b>	<b>\$12,169,677</b>

# Substitute Pay Increases

Category	Current	Proposed	Increase
<b>Teacher Substitutes</b>			
High School Diploma	\$63	\$85	\$22
Four-Year Degree	\$68	\$90	\$22
Certified Teacher	\$80	\$100	\$20
<b>Nurse Substitutes</b>			
High School Diploma (health room assistant)	\$58	\$75	\$17
Licensed Practical Nurse	\$68	\$90	\$22
<b>Instructional Assistants</b>	\$58	\$75	\$17
<b>Custodial and Food Service Staff</b>	\$58	\$75	\$17

# Increases in Programs and Services

Category	Amount
Communications Division	\$17,217
Instructional Services Division ❖ Information Technology Department	198,990
Operations Division ❖ Utilities ❖ Grounds Maintenance ❖ Safety and Emergency Services ❖ Maintenance Department	210,272 722,160 76,329 80,951
Student Services Division ❖ Health ❖ Athletics Department ❖ Transportation Department	81,521 23,865 90,156
School Allocations	<u>42,621</u>
<b>Total Increase Over Prior Year</b>	<b>\$1,544,082</b>

# Decreases in Programs and Services

Category	Amount
Human Resources Department ❖ Worker's Compensation Insurance	\$753,433
Instructional Services Department	53,618
Operations Department ❖ Property and Casualty Insurance	258,911
Student Services Department ❖ Mental Health Counselors (Transferred to ESSER II Funding)	100,000
Superintendent's Department ❖ Leadership Development	<u>40,000</u>
<b>Total Decrease Over Prior Year</b>	<b>\$1,205,962</b>

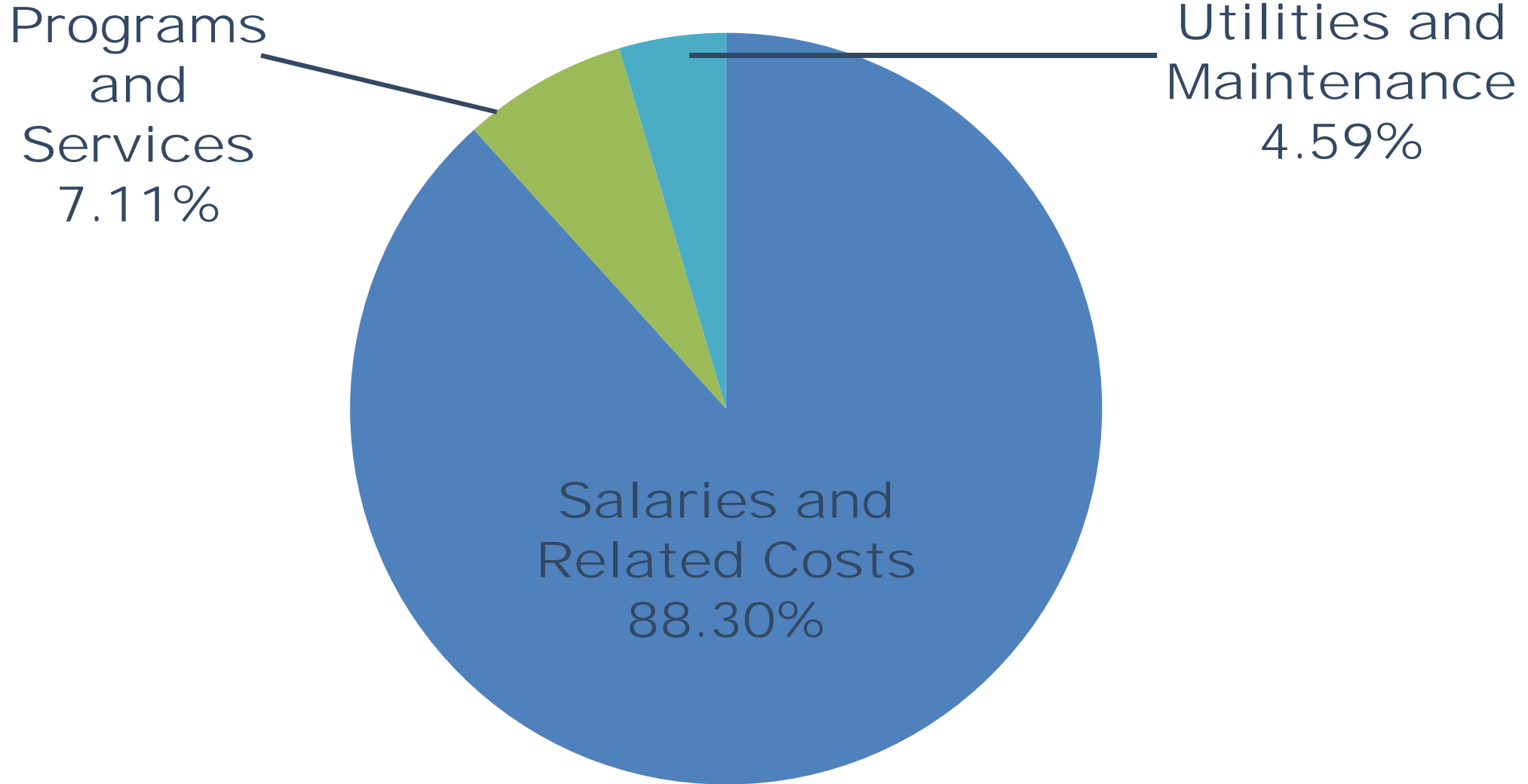
# Anticipated Operating Expenditures

	<b>*Amended Budget FY 2021</b>	<b>Proposed Budget FY 2022</b>	<b>Increase (Decrease)</b>
<b>Salaries and Related Costs</b>	<b>\$262,107,987</b>	<b>\$268,472,230</b>	<b>\$6,364,243</b>
<b>Programs and Services</b>	<u><b>35,225,266</b></u>	<u><b>35,563,386</b></u>	<u><b>338,120</b></u>
<b>Total Budget</b>	<b>\$297,333,253</b>	<b>\$304,035,616</b>	<b>\$6,702,363</b>

\* The budget for Salaries and Related costs budget was amended twice during fiscal year 2020-21. The budget was increased by \$6,653,631 on December 1, 2020 for one-time payments to qualified employees and increased by an additional \$3,600,288 on April 13, 2021 to provide eligible employees a step increase for FY 2020-21.

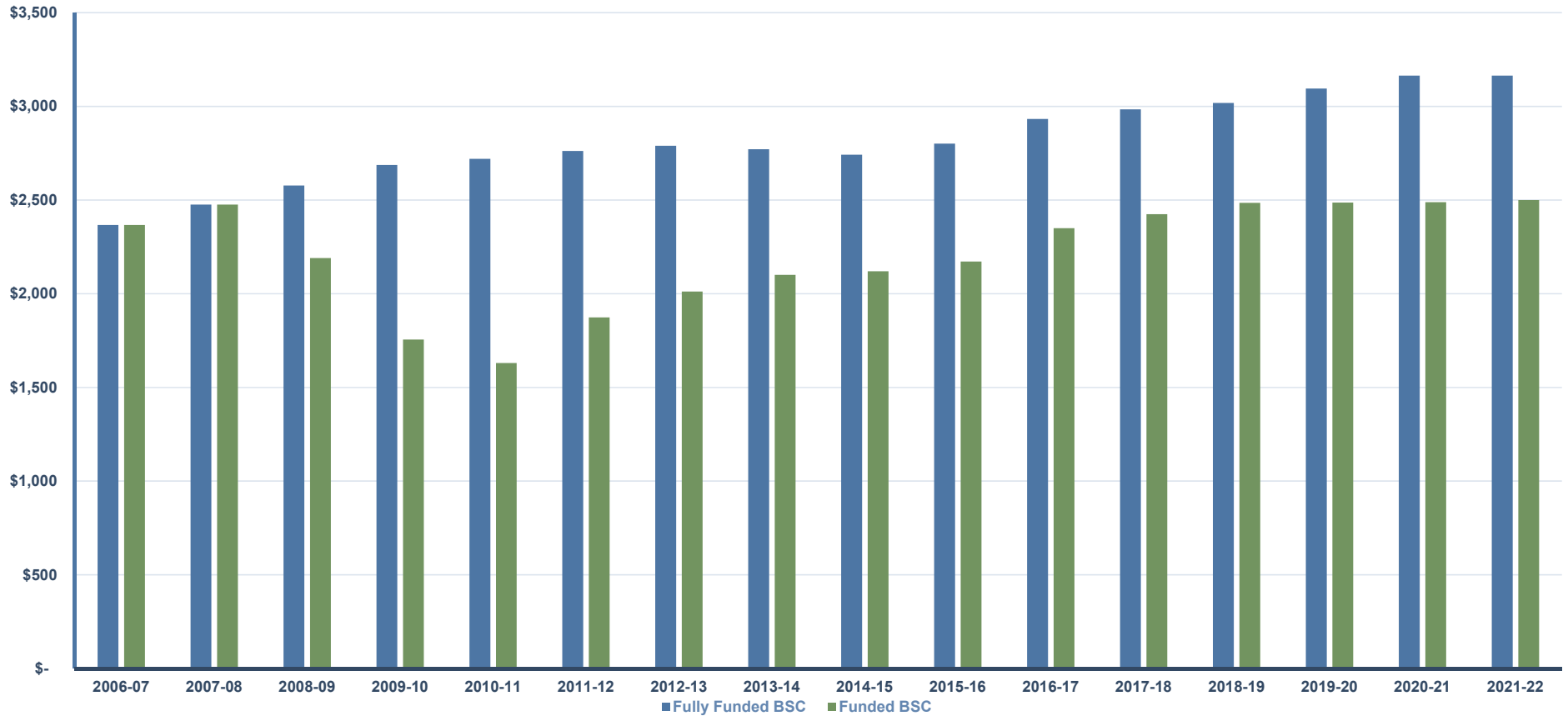
# FY 22 Anticipated Operating Expenditures

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# REVENUE SUMMARY

# Base Student Cost



The SC Revenue and Fiscal Affairs Office projects the fully funded base student cost each fiscal year. The State has not fully funded the State portion of the fully funded amount since fiscal year 2007-2008.



# General Fund Budget and Fund Balance

Fiscal Year	Total Budget	Total Fund Balance	Unassigned Fund Balance	Unassigned Fund Balance as % of Budget
2010-2011	\$166,686,481	\$28,242,125	\$19,681,794	11.81%
2011-2012	\$176,733,654	\$32,205,748	\$25,240,227	14.28%
2012-2013	\$190,220,087	\$34,961,908	\$22,624,246	11.89%
2013-2014	\$202,963,901	\$36,408,059	\$26,331,731	12.97%
2014-2015	\$220,425,851	\$36,405,525	\$28,332,967	12.85%
2015-2016	\$229,924,087	\$39,679,729	\$27,144,821	11.81%
2016-2017	\$244,815,426	\$45,081,511	\$36,217,855	14.79%
2017-2018	\$262,743,365	\$51,930,488	\$41,767,859	15.90%
2018-2019	\$280,561,476	\$57,542,200	\$48,019,991	17.12%
2019-2020	\$295,123,749	\$65,933,314	\$60,864,694*	20.62%
2020-2021	\$297,333,253	TBD	TBD	TBD

\* During fiscal year 2020-2021, the Board designated use of \$8,690,857 of fund balance – \$6,653,631 for one-time payments to employees and the \$2,037,226 net cost of step increases for eligible employees.

# Projected Revenue Changes

	<b>*2020–2021 Amended Revenue</b>	<b>2021–2022 Projected Revenue</b>	<b>Projected Increase (Decrease)</b>
<b>Local Sources</b>	<b>\$98,616,685</b>	<b>\$104,039,354</b>	<b>\$5,422,669</b>
<b>State Sources</b>	<b>177,784,448</b>	<b>183,701,677</b>	<b>5,917,229</b>
<b>Transfers From Other Funds</b>	<b>8,543,042</b>	<b>8,834,807</b>	<b>291,765</b>
<b>Operational Balance</b>	<b><u>12,389,078</u></b>	<b><u>7,459,778</u></b>	<b><u>(4,929,300)</u></b>
<b>Total Projected Revenue</b>	<b>\$297,333,253</b>	<b>\$304,035,616</b>	<b>\$6,702,363</b>

\* Revenue budget amended on April 13, 2021 to account for revenues anticipated from the State to partially fund 2020-2021 teacher step as mandated by the State.

# Operating Millage Increase History

Fiscal Year	Tax Year	Millage Rate Increase Limitation	Actual Increase	Lookback Used	Millage Levied	**Currently Available for Lookback
2016-2017	2016	7.92	7.92	0	305.99	
2017-2018	2017	11.96	11.96	0	317.95	
2018–2019	2018	14.27	4.45	0	322.40	9.82
2019–2020	2019	15.21	0	0	322.40	15.21
2020–2021	2020*	12.82	0	0	308.86	12.82
2021–2022	2021	11.03	0	0	TBD	TBD

\* Tax Year 2020 was a reassessment year. There was a 13.54 mill rollback due to reassessment.

\*\* The district has 37.85 lookback mills available for use in fiscal year 2021-2022.

# Act 388 Allowable Millage Increase

## Calculation of Allowable Millage Increase

FY 2021 Millage Rate	308.86
x Estimated Allowable Percentage Increase	3.57%
FY 2022 Current Year Estimated Allowable Millage Increase	11.03
FY 2022 Total Recommended Millage Increase	0.00
x Value of a Mill	\$312,651
Revenue Generated by Millage Increase	\$0
Potential Revenue Generated Using Estimated Total Allowable	\$3,448,541

# Discussion

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**Empower**  
*each child*  
to **DESIGN**  
the **FUTURE.**