



RICHLAND SCHOOL DISTRICT TWO

COMMUNICATIONS AND STRATEGIC PARTNERSHIPS DEPARTMENT
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FOR IMMEDIATE RELEASE

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RICHLAND TWO SCHOOL BOARD APPROVES ALLOCATIONS OF BUDGET SURPLUS

COLUMBIA, S.C. — At the January 7, 2020 special called board meeting, the Richland School District Two Board of Trustees approved a proposal to allocate the \$16.9 million surplus from the Fiscal Year 2018-19 General Fund Budget. The allocations include:

- a one-time General Fund Budget allocation of \$25 per student to supplement schools discretionary instructional allocations for classroom supplies and instructional initiatives. The estimated cost of this investment is \$750,000.
- a one-time General Fund Budget allocation of \$25 per student to media centers for updating circulations and providing additional media supplies and resources. The estimated cost of this investment is \$750,000.
- a one-time bonus of \$1,000 to all full-time permanent employees. The estimated cost of this investment is \$4,100,000, which includes related fringe.
- \$3.5 million for the Building Fund to help lessen the impact on taxpayers for the funding of annual capital improvement expenditures.

At the December 10, 2020 board meeting, the district's auditor presented the Comprehensive Annual Financial Report based on an audit of the Fiscal Year 2018-19 General Fund Budget. The auditor reported that the district ended the budget year with a \$16.9 million surplus, which is about six percent of the 2018-2019 budget. The source of the surplus was a combination of \$9.3 million in lower expenditures than budgeted (primarily in salaries and fringe benefits) and \$7.6 million in higher than anticipated revenues (\$3.6 million in local taxes and \$4.1 million in state revenues).

At the January 7, 2020 board meeting, Dr. Baron R. Davis said, "In the past few years any budget surplus was rolled into the district's Fund Balance. However this year, district administrators are proposing allocating the surplus to make investments in our students, employees, community and future. The proposal supports our district's strategic plan, mission and vision."

(MORE)

The remainder of the surplus will roll over to the district's Fund Balance to ensure Richland Two maintains a fiscally responsible level of reserves (which is the equivalent of approximately 2.5 months average operating costs). An adequate Fund Balance is necessary to ensure financial security during the first six months of the school year, when state and federal revenues decline and local revenue is minimal. This would prevent the district from having to issue a Tax Anticipation Note, which ultimately costs the district money in the way of interest and issuance costs.

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**RICHLAND SCHOOL DISTRICT TWO
FY 2019 - 2020**

REVENUES

REVENUE SOURCE	2018-19 Budget	2019-2020 Projections	Increase (Decrease) over 2018-19 Budget	% Change*
Local Property Tax	\$101,893,890	\$107,101,090	\$5,207,200	5.11%
Property Tax Relief (Includes Act 388)	50,392,895	51,381,884	\$988,989	1.96%
Education Finance Act	77,726,361	79,208,441	\$1,482,080	1.91%
State Revenue for Fringe Benefits (PEBA Credit is included in separate line)	40,023,461	42,068,840	\$2,045,379	5.11%
State Revenue for Pupil Transportation	1,300,139	1,321,078	\$20,939	1.61%
EIA Transfer for TSS (Teacher Salary Schedule Supplement)	8,235,791	8,421,512	\$185,721	2.26%
State Aid to Classrooms - Teacher Salary	-	5,830,048	\$5,830,048	0.00%
State Aid to Classrooms - EFA Fringe	-	736,138	\$736,138	0.00%
Interest Income	400,000	500,000	\$100,000	25.00%
Federal Impact Aid	250,000	250,000	\$0	0.00%
Indirect Cost	900,000	900,000	\$0	0.00%
Administrative Fee from Charter High School	250,000	250,000	\$0	0.00%
Other State Revenue - PEBA Credit	1,790,696	1,792,432	\$1,736	0.10%
Revenue from Other Sources	1,453,158	1,453,158	\$0	0.00%
TOTAL REVENUE - GENERAL FUND	\$284,616,391	\$301,214,621	\$16,598,230	5.83%

EXPENDITURES

PROJECTED EXPENDITURES	2018-19 Budget	2019-2020 Projections	Increase (Decrease) over 2018-19 Budget	% Change*
Salaries	\$177,758,362	\$188,360,300	\$10,601,938	5.96%
<i>Salaries Category includes all expenditures paid to employees of the district for wages.</i>		3,809,000		
Benefits	70,926,147	76,463,934	\$5,537,787	7.81%
<i>Benefits Category includes all employer's costs associated with employee benefits, such as, health insurance, retirement, social security match, etc.</i>		291,000		
Utilities	11,222,828	11,222,828	\$0	0.00%
<i>Utilities Category includes costs associated with Energy, Gas, Electric, Water, Sewer & Phone</i>				
Property and Operation Contracts	10,087,802	10,087,802	\$0	0.00%
<i>Property and Operation Contracts Category includes costs associated with custodial services, landscaping, pest control, energy management, Property & Casualty Insurance, garbage, etc.</i>				
Maintenance and Repairs	1,165,764	1,165,764	\$0	0.00%
<i>Maintenance and Repairs Category includes costs associated with general Maintenance, repairs and upkeep of the district facilities and equipment.</i>				
Purchased Services	4,347,328	4,805,833	\$458,505	10.55%
<i>Purchased Services Category includes student transportation, staff travel, mileage reimbursements, professional services (legal, audit, etc.), printing/binding, copier rentals, annual subscriptions and all other contracted services</i>				
Supplies and Equipment	6,823,836	6,823,836	\$0	0.00%
<i>Supplies and Equipment Category includes Instructional supplies used in the classroom, technology equipment and supplies, periodicals, textbooks/library books, technology software, office supplies and equipment, etc.</i>		1,500,000		
Other Expenditures	2,284,324	2,284,324	\$0	0.00%
<i>Other Expenditures includes items not broken out in the above categories. Some examples are organization membership, other insurance costs (including costs associated with workers' compensation), and transfers to other funds</i>		3,500,000		
TOTAL EXPENDITURES - GENERAL FUND	\$284,616,391	\$310,314,621	\$16,598,230	5.83%

BOARD ALLOCATED USE OF FUND BALANCE FROM FY19-20 SURPLUS ON 1/7/2020

\$(9,100,000)

*Percent change is the percentage increase from 2018-2019 to 2019-2020 for each category. In the case of salaries it does not reflect individual salary increase, but the overall increase in salaries due to step increase and added positions.