Calculations and Analyses for School Districts

Presented to

South Carolina Department of Education

Finance Boot Camp

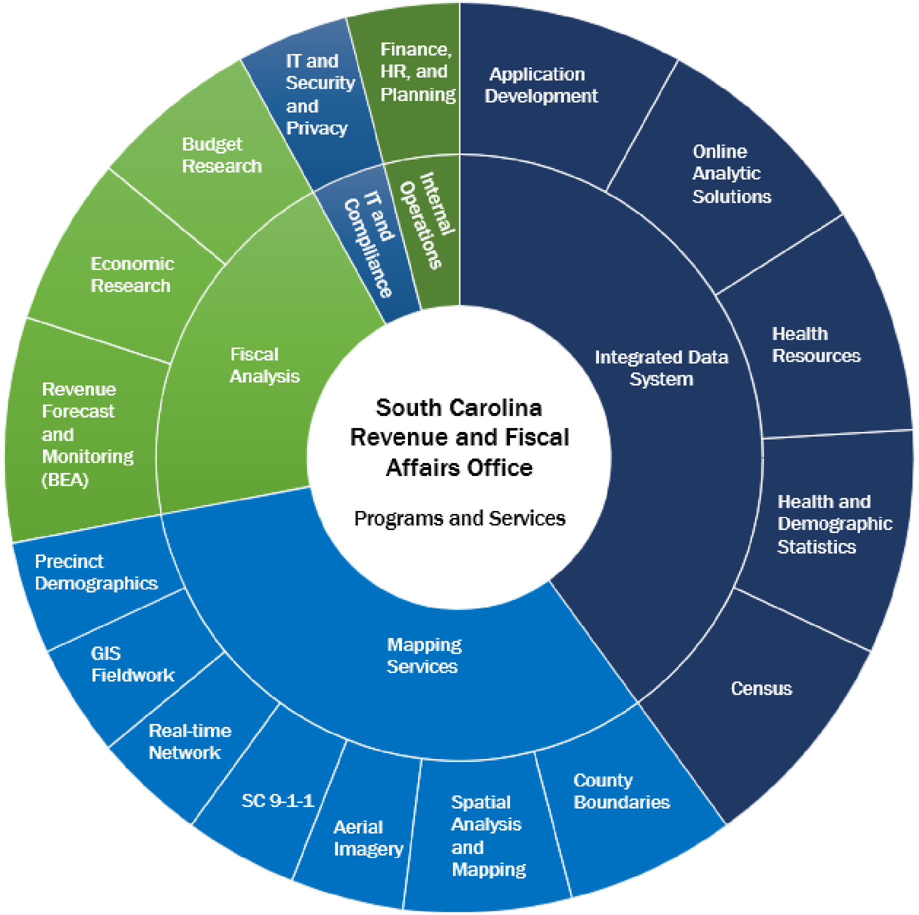
August 20, 2026

South Carolina Revenue and Fiscal Affairs Office
Rembert C. Dennis Building, 1000 Assembly Street, Suite 400, Columbia, SC 29201
(803) 734-3793 | WWW.RFA.SC.GOV

South Carolina Revenue and Fiscal Affairs Office

- RFA is responsible for providing diverse sets of fiscal and statistical analyses, reports, mapping, and other services to the Governor, General Assembly, state and local government entities, the private sector, and the citizens of the state.

- The agency has approximately seventy employees comprised of analysts, statisticians, epidemiologists, database administrators, web developers, GIS analysts, economists, surveyors, and project and program managers.



EDUCATION FINANCE PROJECTIONS
Student Counts, Teacher Salaries, and Revenue per Pupil

Student Count Projections

- RFA provides student count projections for the General Assembly and the Department of Education to be used to estimate education costs for the budget.
- The projections factor in births, deaths, school dropouts, migration, and private, charter, and homeschool student counts.
- Projections are used to estimate average daily membership (ADM) and weighted pupil units (WPUs) for Aid to Classrooms and Tier III property tax reimbursements.

S.C. SCHOOL AGE POPULATION AND ENROLLMENT

Fiscal Year	Regular School Districts (ADM)	Special School Districts	Statewide Charter Districts	Total Public Schools	Total Private Schools	Total Home School	Dropouts	
2000-2001	648,023	2,407	n/a	650,430	56,673	9,471	6,089	
2001-2002	652,468	2,231	n/a	654,699	58,931	11,158	6,224	
2002-2003	656,898	2,582	n/a	659,480	54,306	12,605	6,000	
2003-2004	661,376	2,578	n/a	663,954	52,603	13,518	6,231	
2004-2005	665,124	2,536	n/a	667,660	54,057	14,448	6,485	
2005-2006	672,560	2,518	n/a	675,078	54,622	14,729	8,108	
2006-2007	679,328	2,517	n/a	681,845	54,121	14,747	7,891	
2007-2008	683,364	2,307	n/a	685,671	54,401	15,377	8,013	
2008-2009	686,612	2,420	2,407	691,439	53,668	16,637	7,077	
2009-2010	688,012	2,131	5,878	696,021	52,945	15,064	6,265	
2010-2011	687,447	1,984	8,831	698,262	52,219	14,577	5,900	
2011-2012	691,122	1,978	9,948	703,048	51,906	14,089	5,232	
2012-2013	697,174	1,781	11,499	710,454	47,760	14,990	5,537	
2013-2014	702,558	1,779	14,000	718,337	46,466	15,826	5,640	
2014-2015	710,996	1,618	17,066	729,680	46,027	17,248	5,644	
2015-2016	716,361	1,754	18,352	736,467	46,948	17,730	5,162	
2016-2017	719,879	1,280	21,280	742,439	46,395	19,983	5,351	
2017-2018	720,499	1,197	25,563	747,259	45,068	21,743	4,979	
2018-2019	721,122	1,132	28,051	750,305	44,853	20,808	4,850	
2019-2020	723,263	1,122	30,331	754,716	44,853	20,764	3,969	
2020-2021	703,401	804	38,522	742,727	47,107	30,115	5,754	
2021-2022	710,976	725	40,510	752,211	51,252	30,638	5,712	
2022-2023	716,765	738	41,312	758,815	54,340	32,004	5,638	
2023-2024	715,903	742	46,326	762,971	51,344	34,301	5,547	p
2024-2025	710,678	736	53,827	765,241	54,373	41,355	5,547	p
2025-2026	699,166	704	58,194	758,064	55,521	42,192	5,547	p

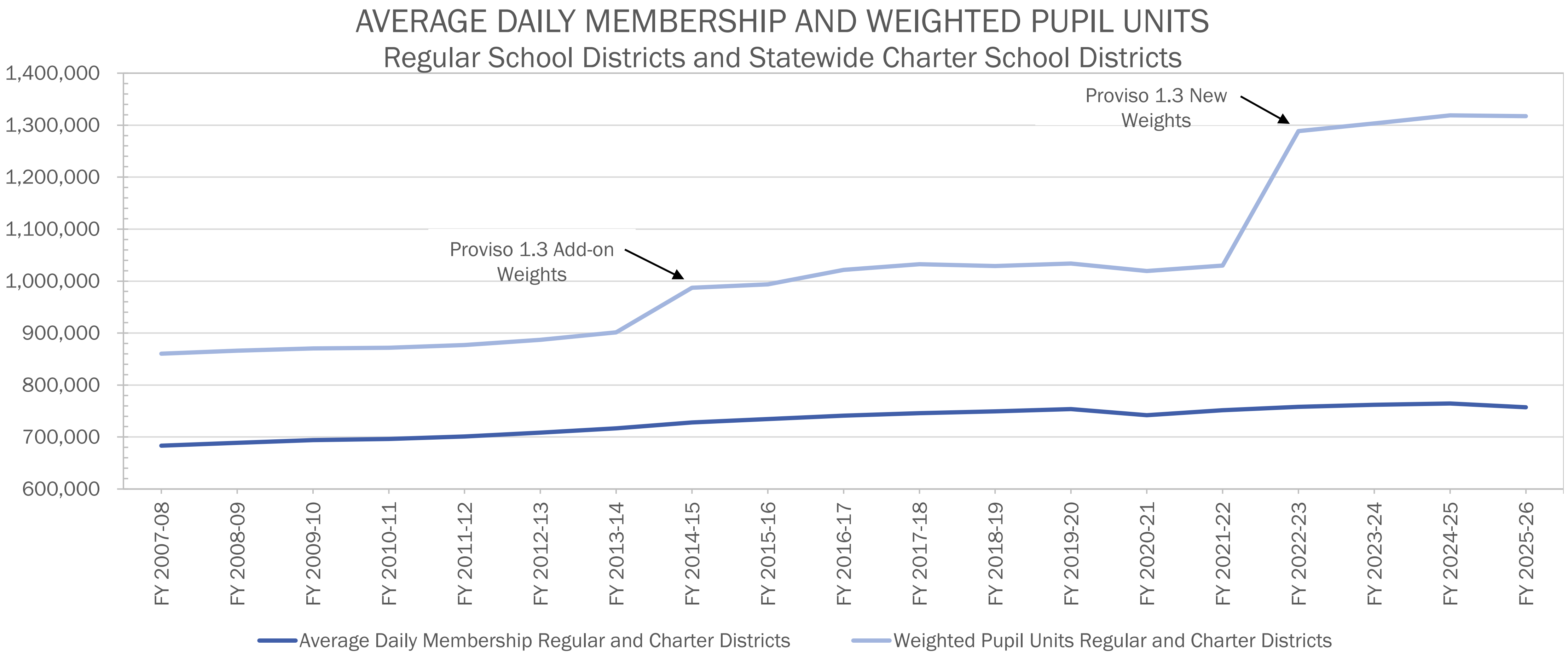
Footnotes and Column Notes:

p - projections

Updates can be found here: https://rfa.sc.gov/student-count-projections

Student Count History

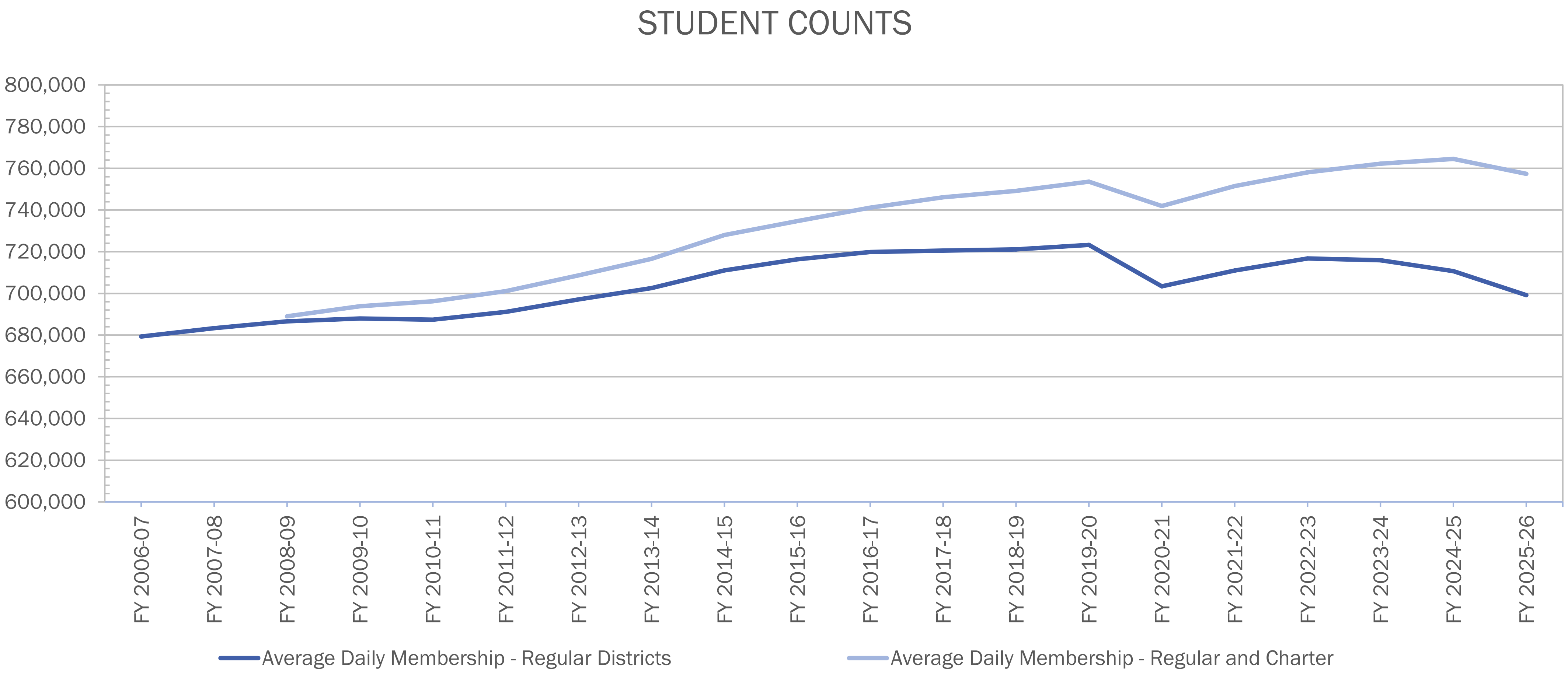
New weights added for the Aid to Classrooms program significantly increased WPUs in FY 24



Source: S.C. Department of Education, 135-day student counts. S.C. Revenue and Fiscal Affairs Office - 301B - 6/25/2026

Student Counts

Growth in the statewide charter districts has outpaced growth in the regular districts



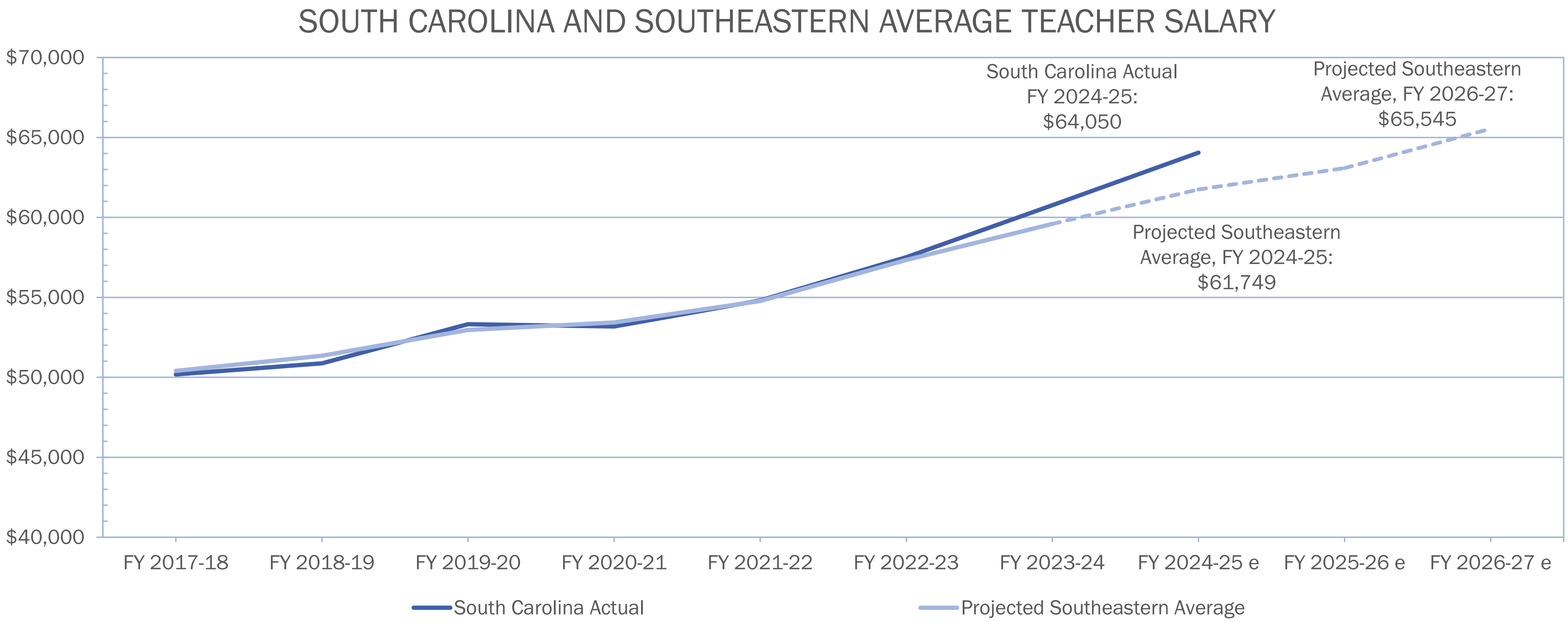
Note: Statewide charter districts include the S.C. Public Charter School District, the Charter Institute at Erskine, and the Limestone Charter Association.
Source: S.C. Department of Education, 135-day student counts. RFA/301A/lpw/6/25/2026

Southeastern Teacher Salary Survey

- RFA estimates the average teacher salary for states in the Southeast.
- Estimates are based upon a survey of Southeastern states and are updated each year.

SC and Southeastern Average Teacher Salary

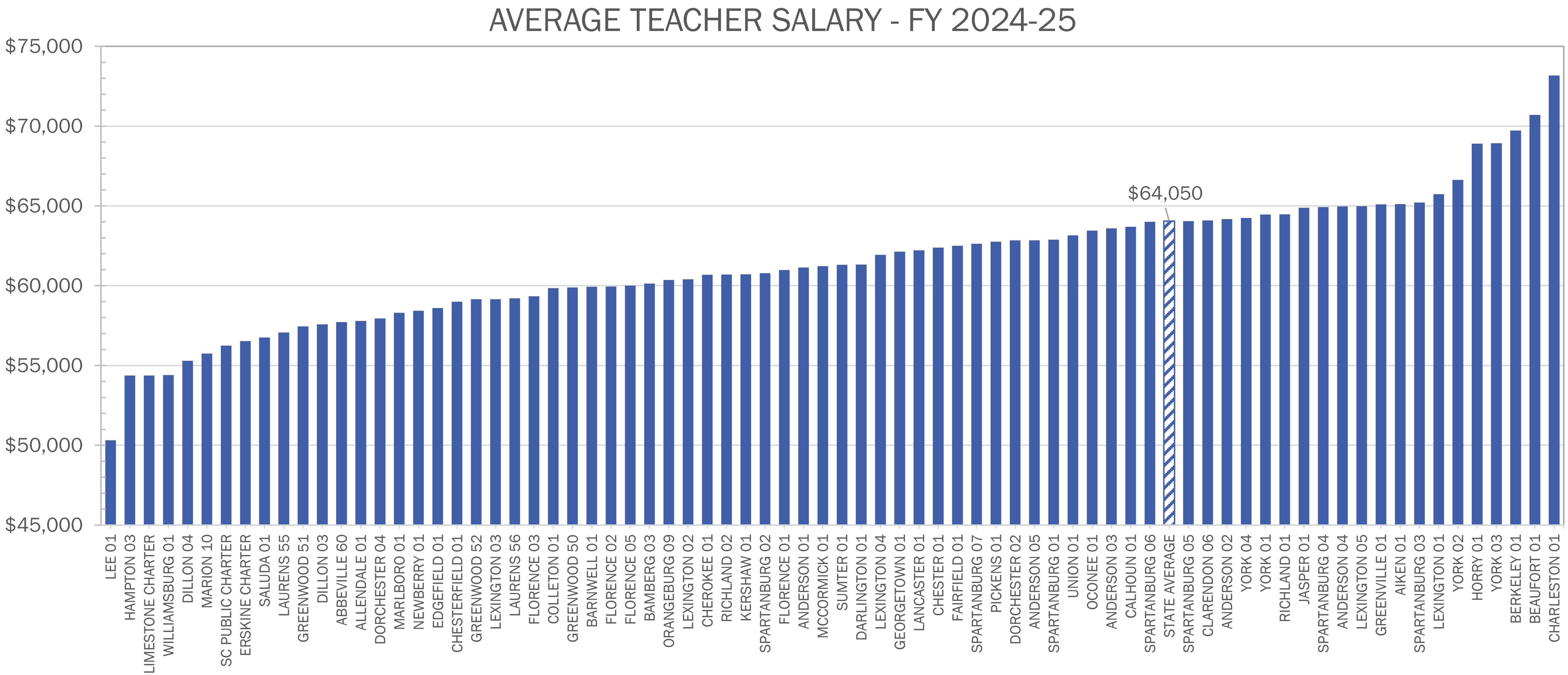
In FY 25, the average teacher salary in SC was about 3.7% higher than the SE average



Data Source: S.C. Department of Education, S.C. teacher salary; S.C. Revenue and Fiscal Affairs Office, Southeastern average salary estimates
Source: S.C. Revenue and Fiscal Affairs Office - 301 - 11/7/2025

Average Teacher Salary by District – FY 2024-25

Twenty districts paid more than the state average in FY 25



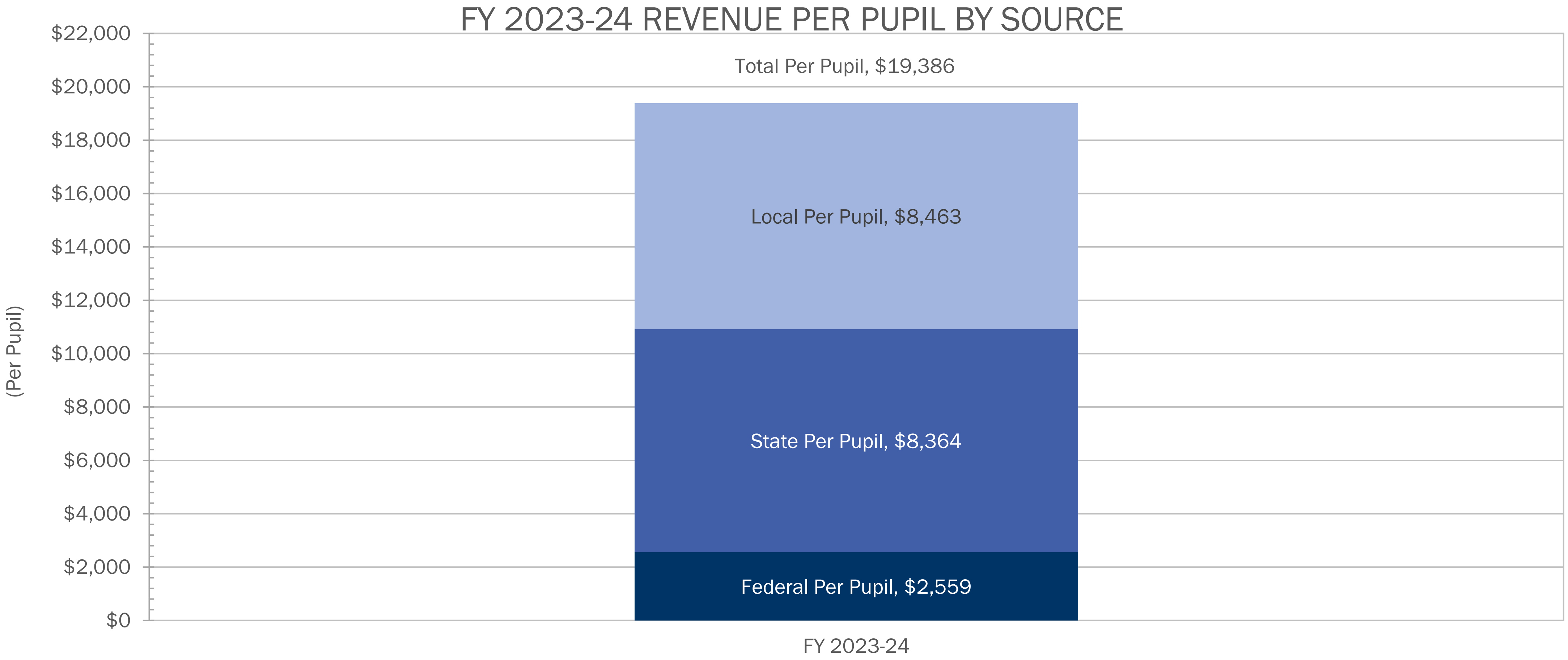
Source: S.C. Department of Education, S.C. teacher salary; RFA - 346 – 11/19/2025

Revenue Per Pupil

- Proviso 1.3 of the Appropriations Act requires RFA to provide estimates of per pupil state, federal, and local revenue for each school district.
- Report: https://rfa.sc.gov/data-research/education/education-finance-projections

Revenue Per Pupil by Funding Source – FY 2023-24

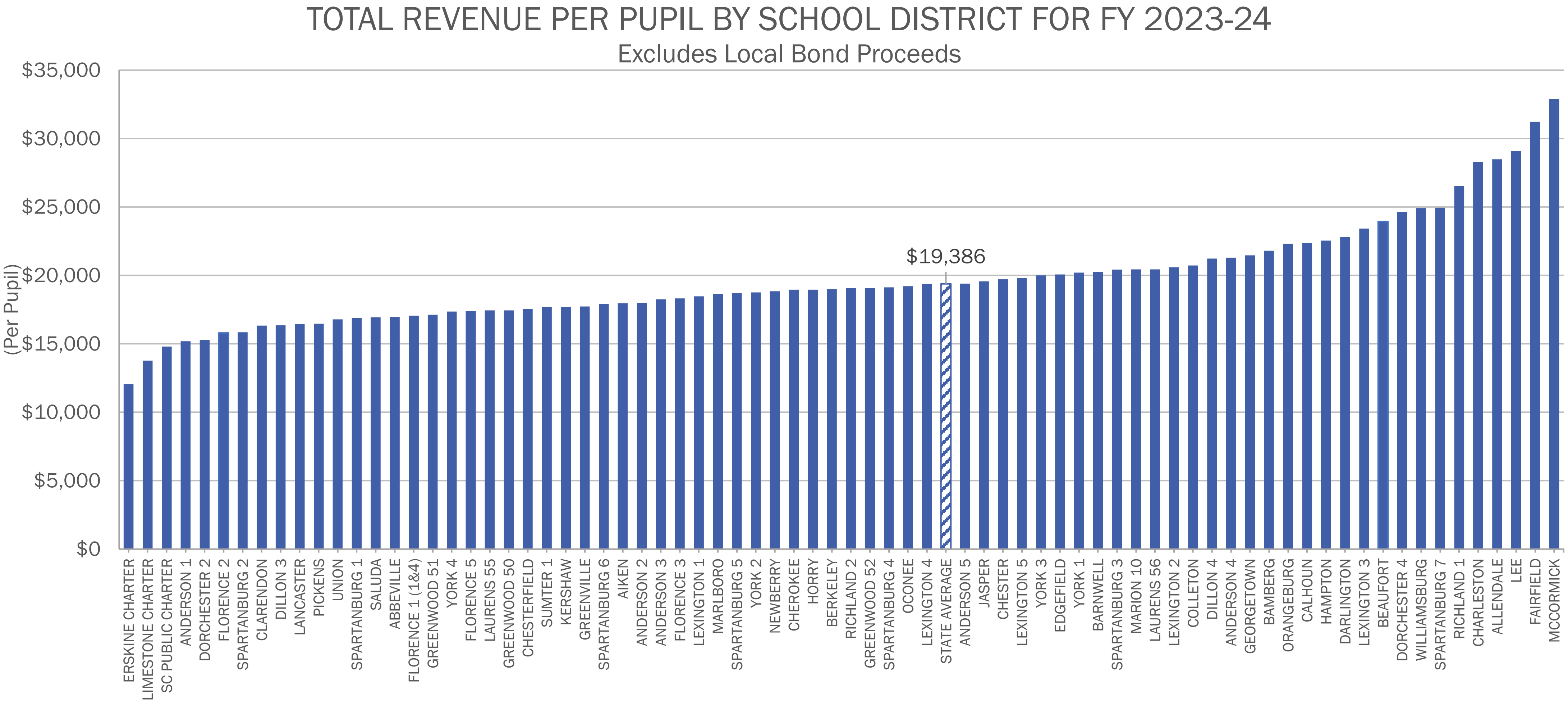
Revenue per pupil averaged $19,386 in FY 24



Data Source: S.C. Department of Education, FY 2023-24 Statement of Revenues; S.C. Revenue and Fiscal Affairs Office, Revenue Per Pupil Report as of 10/09/2025 (includes regular and charter districts; excludes revenue from the sale of bonds and long-term notes). Source: S.C. Revenue and Fiscal Affairs Office 6/30/2026

Revenue Per Pupil by District – FY 2023-24

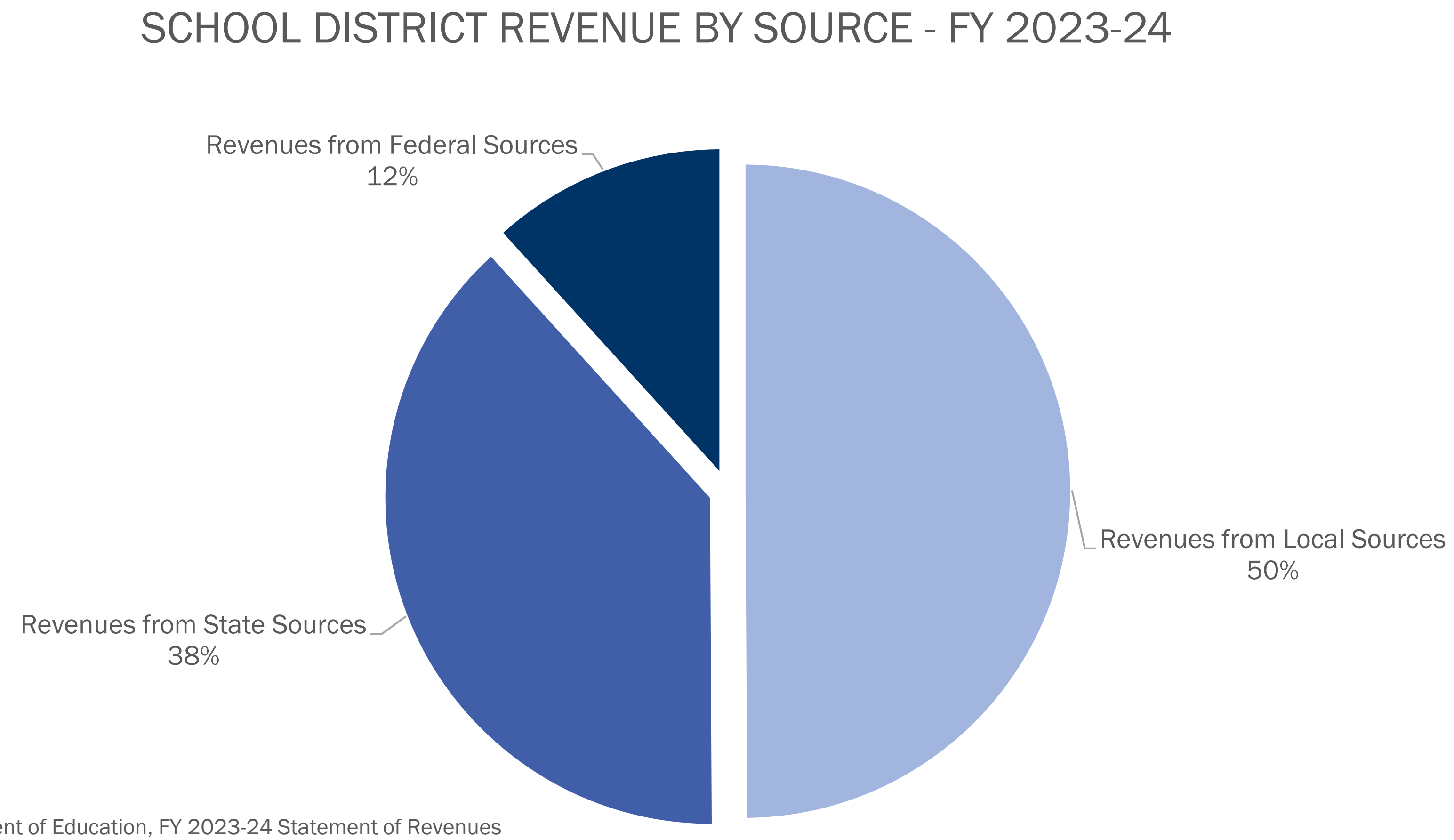
Varies widely by district ranging from just over $12,000 to $32,881 in FY 24



Source: S.C. Department of Education, FY 2023-24 Statement of Revenues; S.C. Revenue and Fiscal Affairs Office, Revenue Per Pupil by District Report as of 10/15/2025. RFA/lpw//6/30/2026

School District Revenue – FY 2023-24

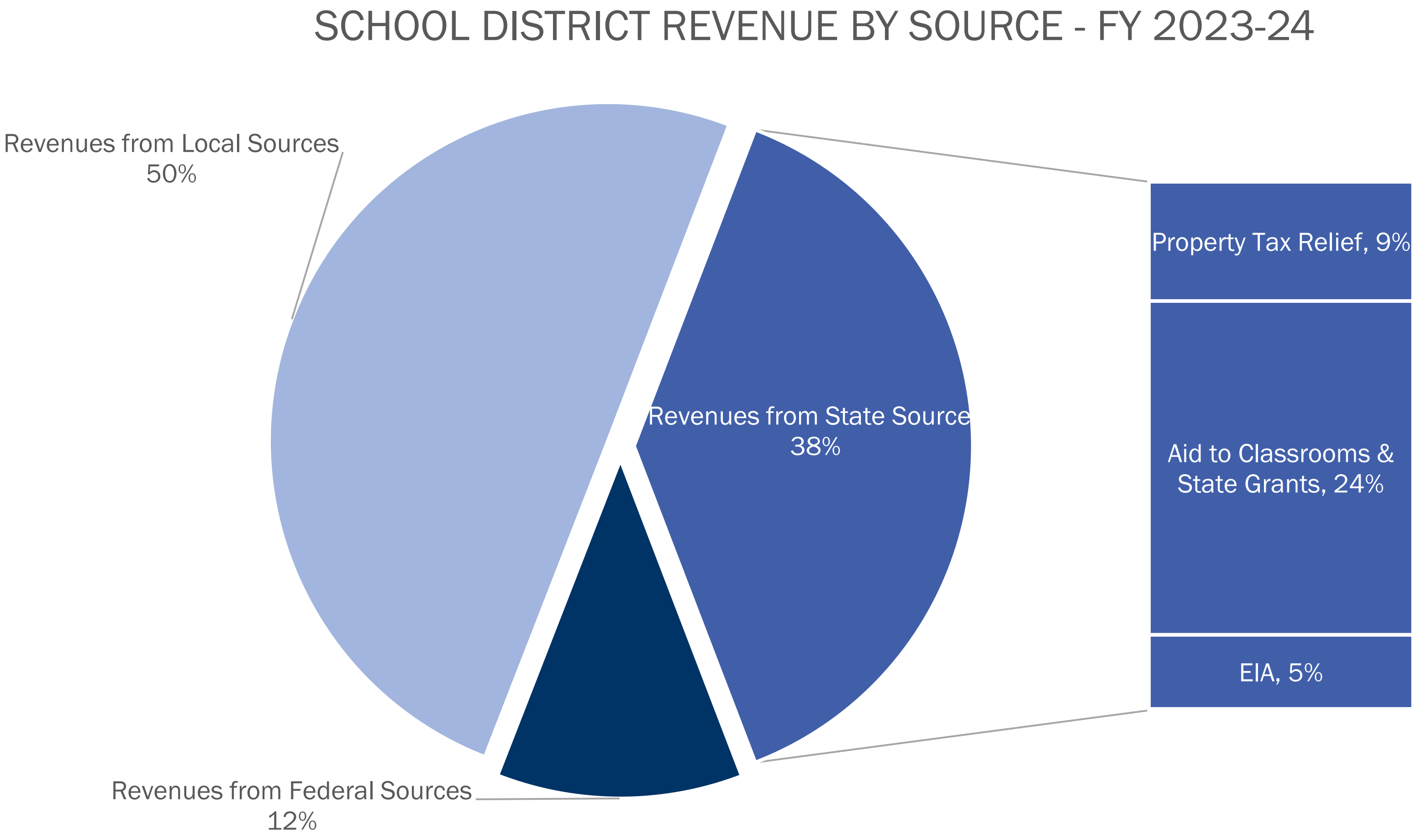
Districts receive half of total funding from local sources, primarily made up of property and local sales taxes



Data Source: S.C. Department of Education, FY 2023-24 Statement of Revenues
Source: S.C. Revenue and Fiscal Affairs Office 10/20/2025

School District Revenue – State Sources

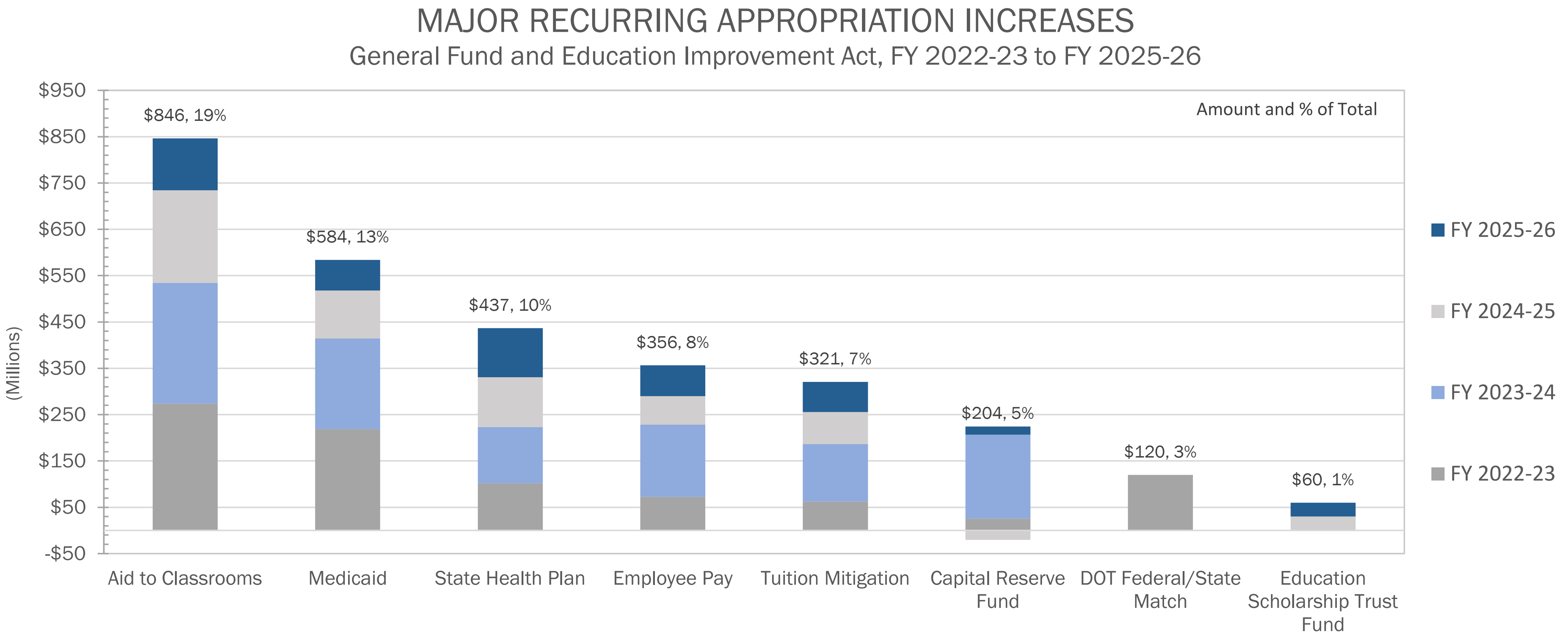
State appropriations are the next largest source of funding for schools



Data Source: S.C. Department of Education, FY 2023-24 Statement of Revenues. Source: S.C. Revenue and Fiscal Affairs Office 6/30/2026

Recurring Appropriation Increases by Category

Over 65% of recurring General Fund and EIA appropriations in the last four fiscal years were in these eight areas



Notes: Medicaid includes maintenance of effort, provider reimbursement increases, and FMAP adjustments; Capital Reserve Fund base appropriation in FY 2024-25 was more than required
Source: SC Revenue and Fiscal Affairs, General Fund and Education Improvement Act recurring appropriations 380-RFA/lhj/03/20/2026

Major State Appropriations for School Districts – FY 2024-25

State Aid to Classrooms and Property Tax Reimbursements make up the majority of appropriations (88%)

STATEWIDE	
Total	$6,754,241,309
State Aid to Classrooms*	$4,413,732,245
Property Tax Reimbursements**	$1,552,290,086
Retiree Insurance	$294,944,080
Buses	$96,489,979
CERDEP	$78,578,552
Reading Coaches/Summer Read.	$46,771,192
National Board Certified	$27,855,399
Career & Technical Education	$25,008,870
District Consolidation and District Capital	$111,261,125
Other	$107,309,782

Notes: * Includes health insurance. ** Includes tax year 2024 Tier I and III reimbursements from SC Dept. of Revenue; Tier II, Merchants Inventory, and Manufacturer's Depreciation Reimbursement from FY 24 Statement of Revenues as provided by SCDE.

Data Source: S.C. Dept. of Education, FY 25 state payments to districts unless stated otherwise. RFA/lpw/7/2/2026

State Appropriations – State Aid to Classrooms: Overview

- Aid to Classrooms funds instructional positions (classroom expenses)
  - Formula targets a student-teacher ratio at an average cost for salary and fringe benefits; total cost includes funding for the total number of positions needed to achieve this ratio.
  - Districts are responsible for other instructional costs, facilities, administration, and other expenses.
  - The State provides 75% of the total cost, and districts are responsible for the remaining 25% local share.
  - The formula includes an equity component in determining each district's local share.

State Appropriations - State Aid to Classrooms: Overview

- While funding for the Program is determined by the number of teachers needed to achieve state objectives, it is allocated to districts on a weighted pupil basis and property tax equity.
- Districts, however, have the flexibility to spend those funds as they determine best.
- Any State funding above the formula requirements (proportional) is distributed based on the district’s percentage of total weighted students.

State Appropriations – State Aid to Classrooms: Details
Formula and Proportional Components

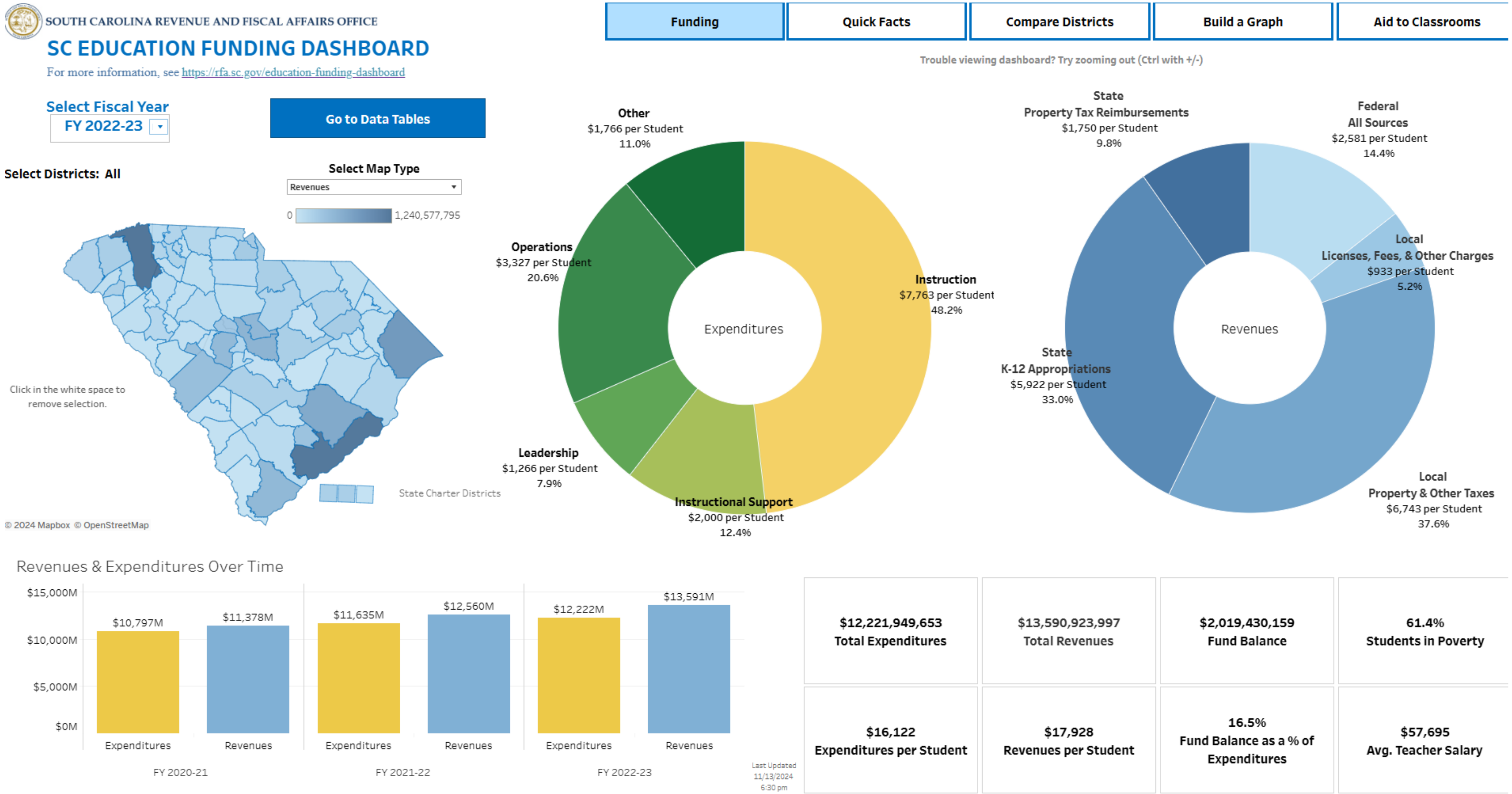
- Aid to Classroom Formula
  - For FY 25, funding is based on a total student-teacher ratio of 11.2 and an average teacher cost of $75,891 (salary and fringe benefits for 12 yr. master's teacher salary on state schedule)
  - Allocations are affected by the weights that are assigned to students for various factors (poverty, disability, etc.) and represent additional costs of services above the regular classroom setting; a district's share of total funding is based on weighted students and not actual students (ADM)
  - Allocations are also affected by the relative wealth of the district's property tax base (Index of Taxpaying Ability) compared to the state total; in effect, the same millage rate is needed for each district to fund its local share of Aid to Classrooms, creating an equitable distribution of the local funding responsibility
- Proportional Funding – provides additional funds above the formula and is distributed based on each district's weighted pupil units (WPUs) (no equity)

State Aid to Classrooms – Resources

- Proviso 1.3 of the FY 2025-26 Appropriations Act required RFA to review the student weightings used in the State Aid to Classrooms funding formula and examine methods to improve the alignment of State Aid to Classrooms funding with student enrollment while ensuring districts and charter authorizers receive more consistent distributions.
- State Aid to Classrooms Report and Other Resources
  - https://rfa.sc.gov/education-funding-reform
- Aid to Classrooms Proviso Study Report for Senate Finance K-12
  - https://rfa.sc.gov/data-research/presentations

Additional Resource - Education Funding Dashboard

https://www.rfa.sc.gov/education-funding-dashboard

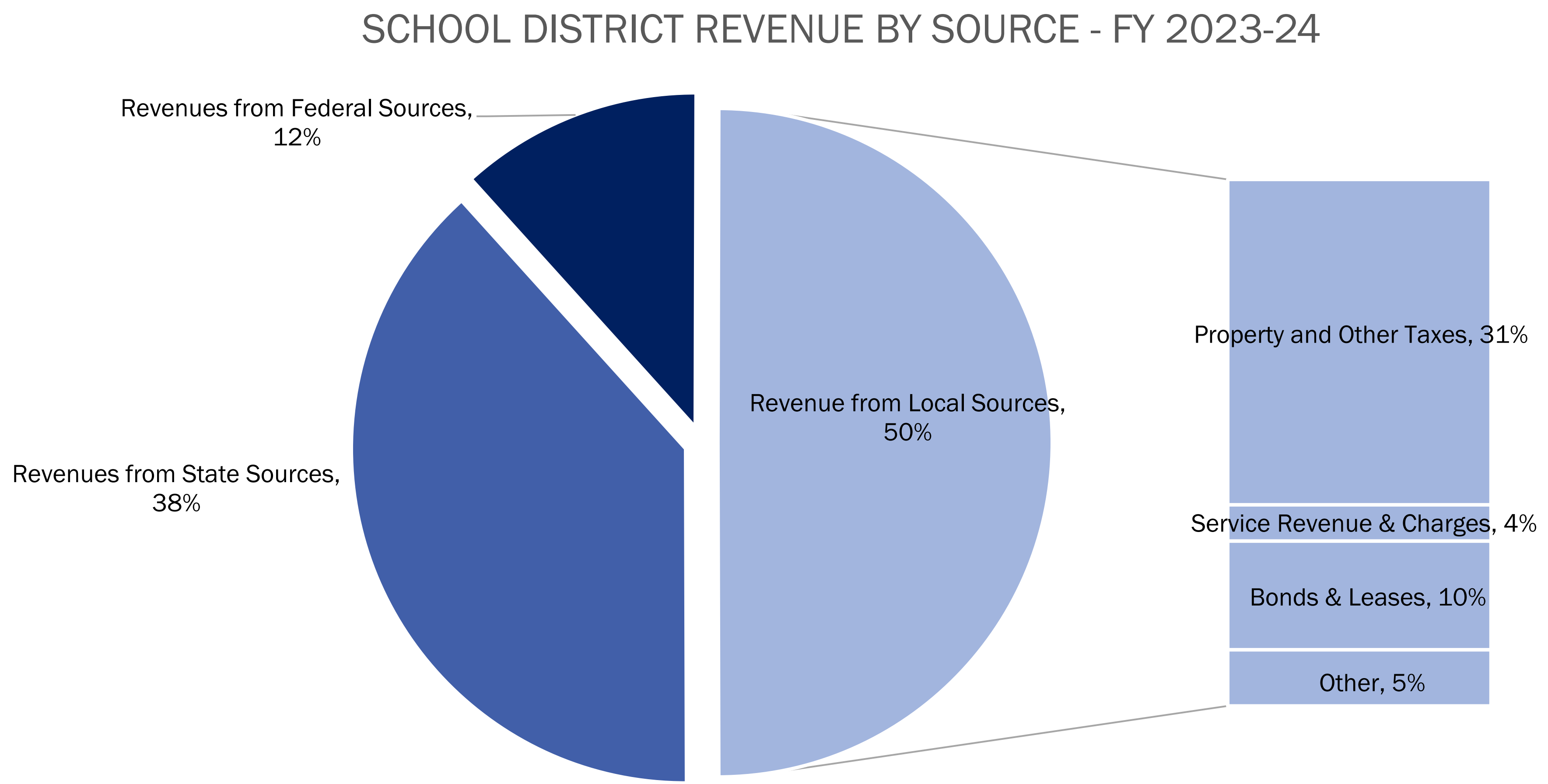


SCHOOL DISTRICT FUNDING

Local Property Taxes

Local Property Taxes

Property taxes make up approximately 31% of total school district revenue statewide



Data Source: S.C. Department of Education, FY 2023-24 Statement of Revenues

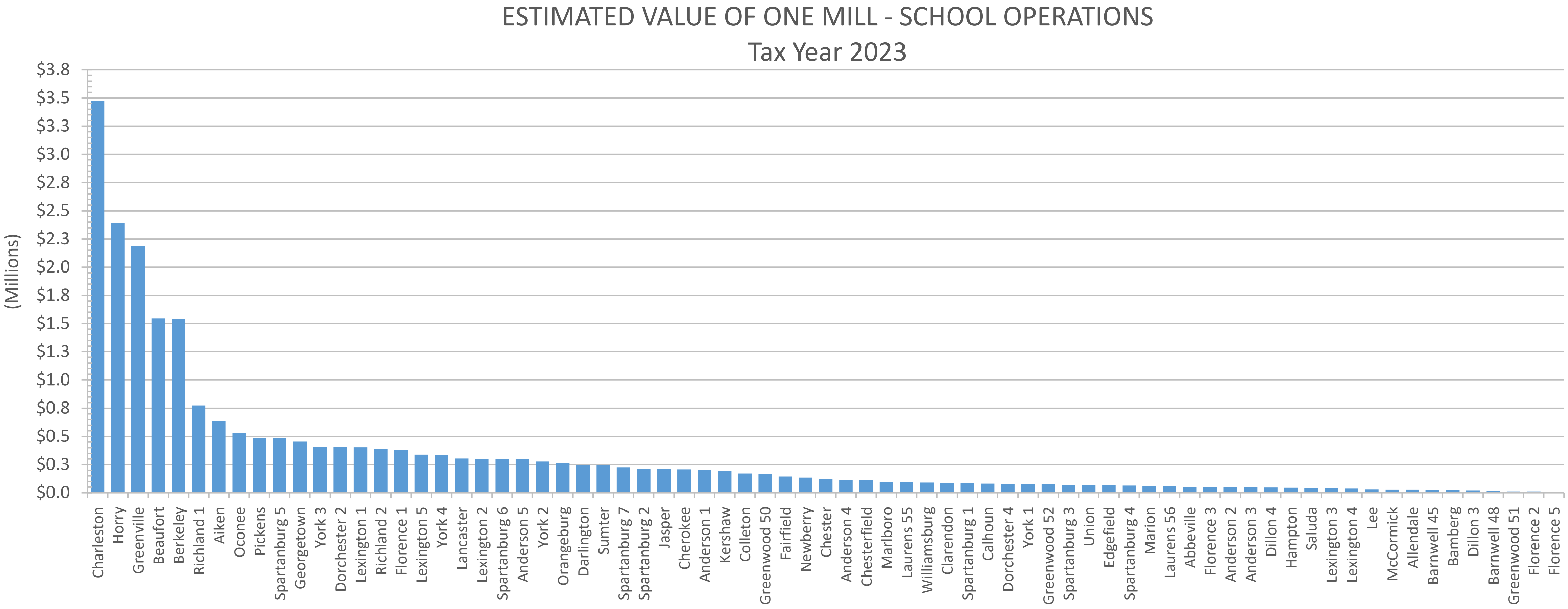
Local Revenue – Property Taxes

Property tax = appraised value x assessment ratio x millage rate

- Appraised value – value of the property for tax purposes
- Assessment ratio – determined by property classification as established in the State Constitution
- Millage rate – the tax rate set by each taxing entity
- Other key factors
  - Owner occupied property (homes) is exempt from school operating millage
  - There are limits on growth in the values for owner occupied and commercial/rental real property

School Operating Value of One Mill - 2023

One mill generates between $10,635 and $3.47 million for school district operating expenses

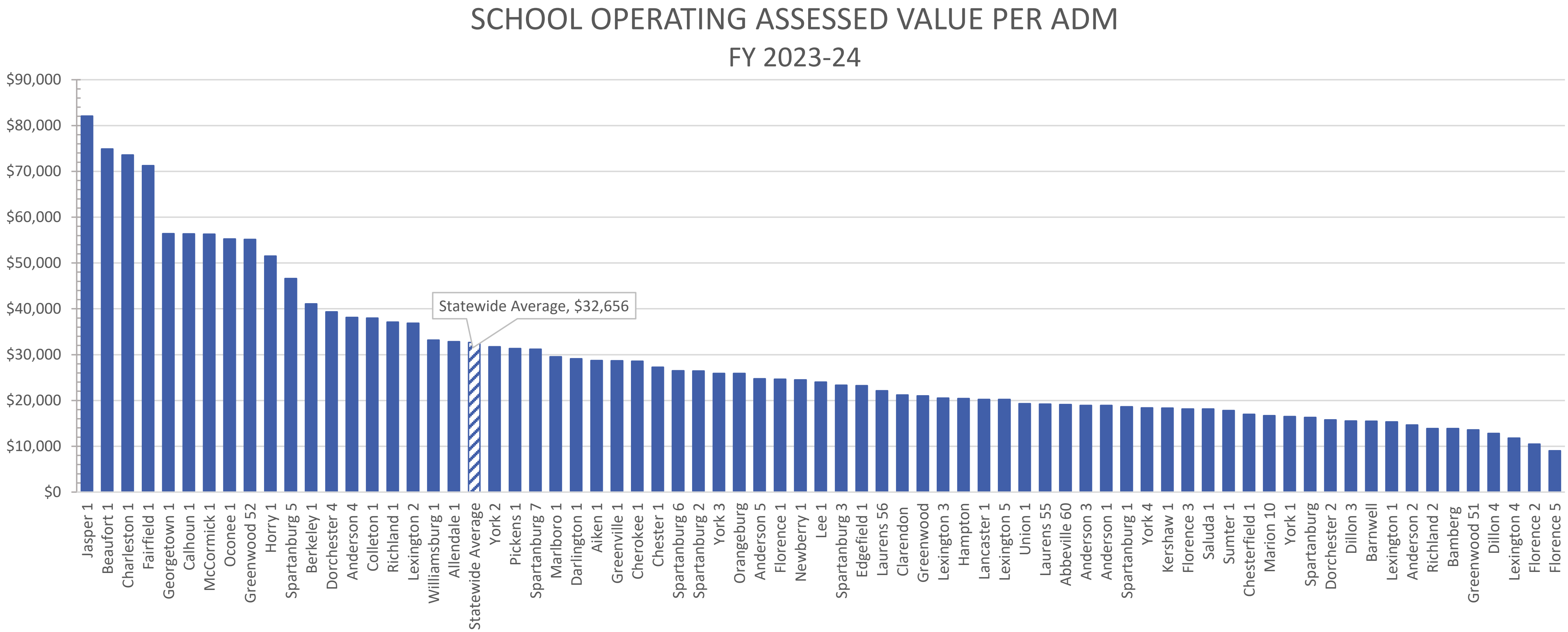


Note: Includes Fee-in-lieu

Source: Department of Revenue 2025 Index of Taxpaying Ability; calculations by Revenue and Fiscal 378-mkm/08/27/25

Assessed Value per ADM

Due to the range in the number of students in each district, the assessed value per ADM ranges widely



Data Source: Department of Revenue 2025 Index of Taxpaying Ability; SC Department of Education FY 2023-24 135-day Student Counts mkm/10/21/2025

RFA CALCULATIONS
FOR SCHOOL FINANCE

Millage Rate Increase Limitations

Millage Rate Increase Limitations
§6-1-320

- State law specifies a limit on how much a local governing body may increase the millage rate for property taxes.
- RFA calculates the limit for school districts, counties, and municipalities annually.
- There are limited special circumstances in which the increase may exceed the limit.

Millage Rate Increase Limitations - Formula

Average of the monthly consumer price indices – January to December (AKA inflation component)

PLUS

Percentage increase in the entity's population – as determined by RFA (AKA population component)

If either component is negative, that component is deemed to be ZERO

(see Appendix for details of population component calculation)

Millage Rate Increase Limitation – Timeline and Publication

- February – Inflation component memo is emailed and published on RFA website.
  - Memo includes anticipated Census Bureau population release dates
- Late March – Millage rate increase limitation letters are mailed to counties and school districts.
- After letters have been mailed, RFA's website will be updated with a table of the newest millage rate increase limitations.
- https://rfa.sc.gov/data-research/local-government/property-tax/millage-caps

Millage Increase Limitations – FY 2026-27

Component	FY 2026-27
Inflation (all entities)	2.63%
Population Change (range)	0% to 6.79%
Total	2.63% to 9.42%

- The annual limit may also be increased by any unused capacity from the prior three years.

Fiscal Authority

- Districts have differing levels of fiscal authority

SCSBA

July 2024

Fiscal authority

Limited Authority- 18 districts

Referendum to exceed this limit (subject to cap under Act 388)

Allendale ....Inflation + 4 mills
Lancaster ....5 mills
Pickens ....Formula

County council approval to exceed this limit (subject to cap under Act 388)

Fairfield ....3% above previous year's budget or CPI whichever is lower
Newberry ....4 mills

Legislative delegation approval to exceed this limit (subject to cap under Act 388)

Chesterfield ....10% of prior year's tax levy
Laurens 55, 56............7 mills + EFA inflation factor not to exceed 10 mills
York 1 ....6 mills
Clover 2......................6 mills
Rock Hill 3 ....6 mills
Fort Mill 4....................6 mills

County board approves millage rate (subject to cap under Act 388)

Anderson 1, 2, 3, 4, 5...8 mills

Special law to exceed this limit (subject to cap under Act 388)

Williamsburg ....3 mills

Fiscal Autonomy - 32 districts

(subject to cap under Act 388)

No overseeing body, school board votes by majority

Abbeville
Aiken
Bamberg
Barnwell
Berkeley
Charleston
Cherokee
Chester
Clarendon
Darlington
Edgefield
Florence 3
Georgetown
Greenville
Hampton
Horry
Lexington 1, 2, 3, 4, 5
Marlboro
Marion
Orangeburg
Spartanburg 1, 2, 3, 4, 5, 6, 7
Union

No Authority - 20 districts

Legislative Delegation approves budget & sets millage rate (subject to cap under Act 388)

Dillon 3, 4

Town/Citizens meeting to approve budget (subject to cap under Act 388)

Florence 2, 5

County council approves millage rate (subject to cap under Act 388)

Beaufort
Calhoun
Colleton
Dorchester 2, 4
Greenwood 50, 51, 52
Jasper
Lee
McCormick
Oconee
Richland 1, 2
Saluda
Sumter

Statutory Cap - 2 districts

Requires county council approval to exceed (subject to cap under Act 388)

Kershaw ....Limit 74 mills

Requires referendum to exceed (subject to cap under Act 388)

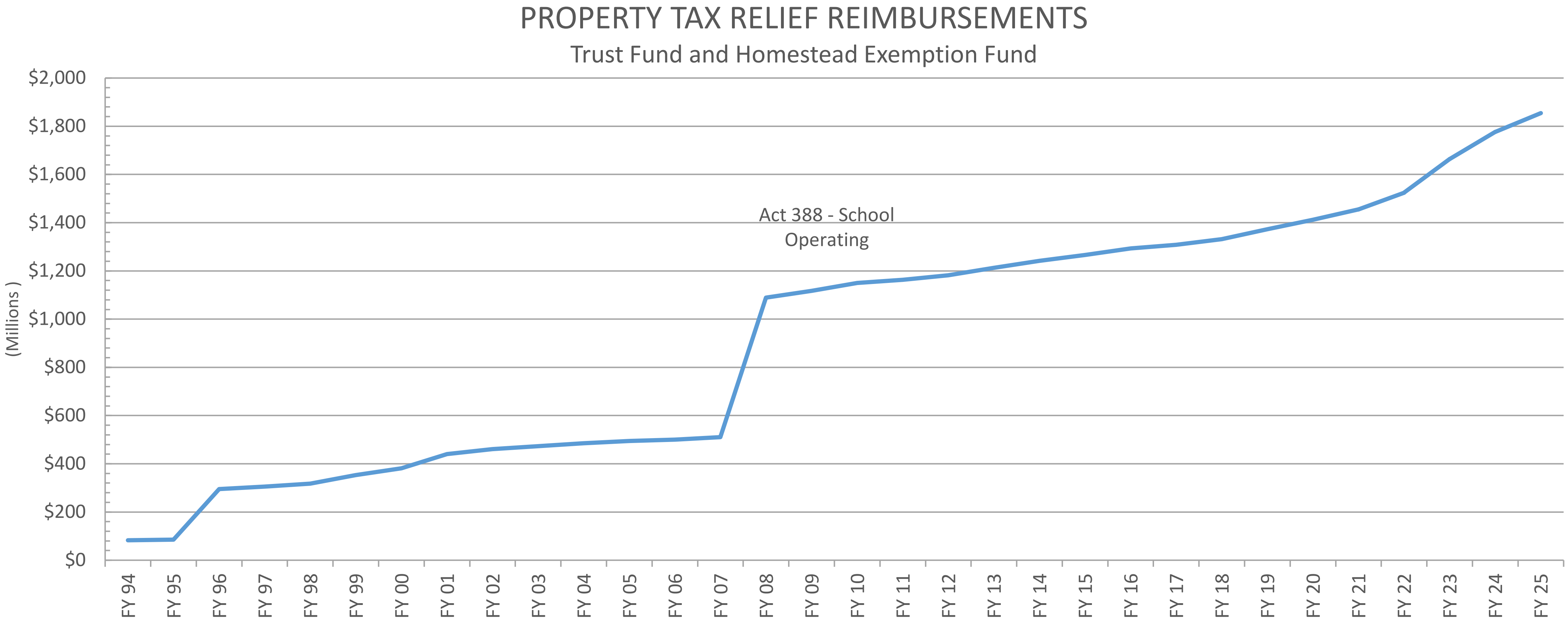
Florence 1 ....Same millage

Data Source: SC School Boards Association

RFA CALCULATIONS FOR SCHOOL FINANCE

State Property Tax Reimbursements

Property Tax Exemption Reimbursements
The State reimburses locals for certain property tax exemptions

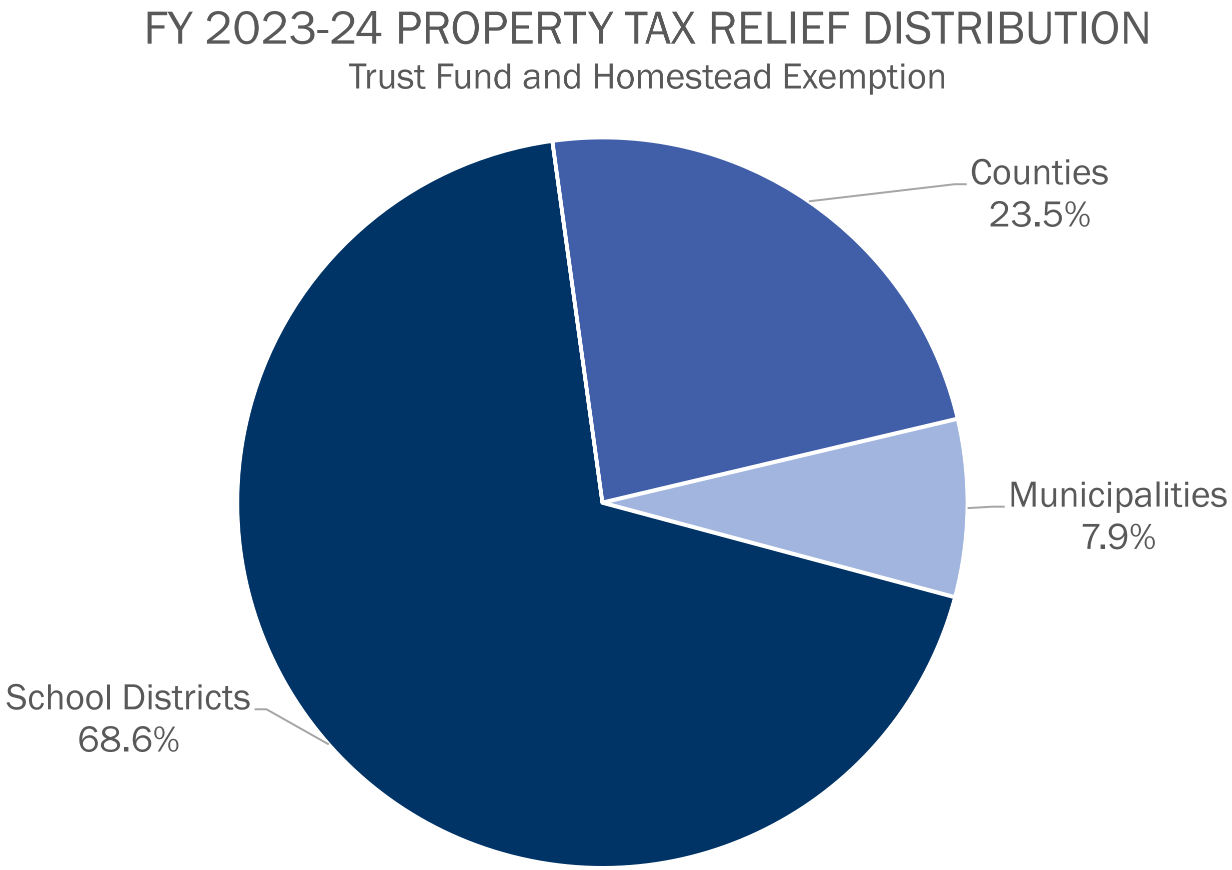


The Trust Fund tax exemption reimbursements include: $100K residential school operating exemption, Homestead Exemption (age 65+) Manufacturer's Depreciation Reimbursements, Merchant's Inventory Tax Exemption, and Manufacturer's Percentage Exemption of Assessed Value

Source: Revenue and Fiscal Affairs 229-RFA/mkm/07/06/2026

Property Tax Relief Reimbursements

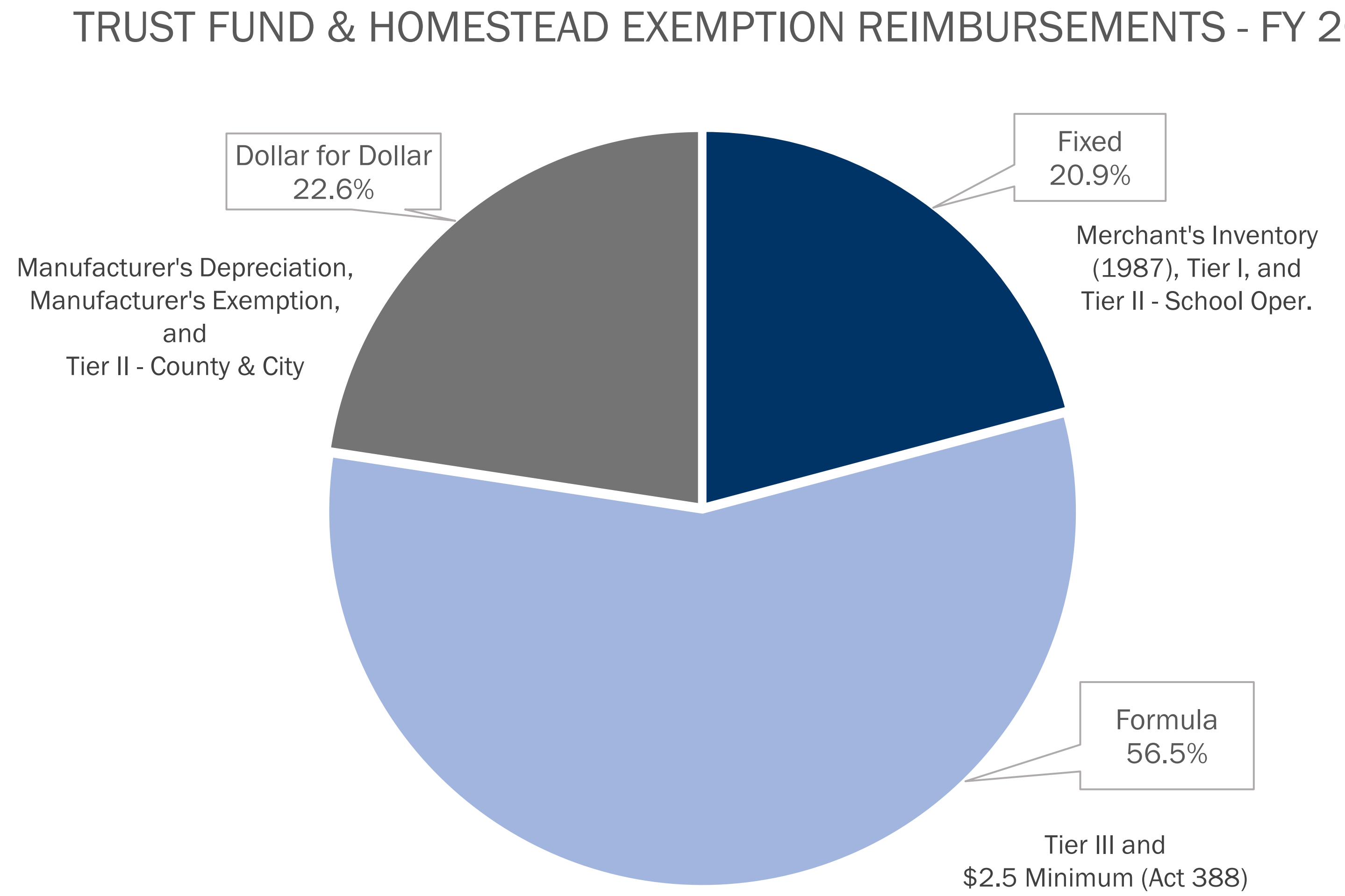
Split amongst all local governing entities with a millage rate



Source: Revenue and Fiscal Affairs, Local Government Finance Report mkm/07/06/2026

Property Tax Relief Reimbursements

The amount of the reimbursement does not always match local revenue reduction *(see Appendix for additional details)*



Source: Revenue and Fiscal Affairs 229-RFA/mkm/07/07/2025

State Appropriations - Property Tax Reimbursements

Tiers I and II reimbursements for school operating are fixed appropriations; Tier III changes with students and inflation

PROPERTY TAX EXEMPTION	REIMBURSEMENT AMOUNT
$100,000 Residential School Operating Property Tax Exemption – Tier I	Capped at $249,069,750
Homestead Exemption (65+) – Tier II	School operating - capped at $80,892,729 All other millage* - dollar for dollar match
Exemption for Residential School Operating Millage above $100,000 – Tier III (Act 388 of 2006)	Formula driven based on population and inflation FY 26 - $1,115,089,670
Manufacturer's Depreciation & Value Exemption	Depreciation – dollar for dollar match Value Exemption** – capped at $300,000,000
Merchant's Inventory	Capped at $40,557,257

*All other includes any millage that is not school operating, such as county, special purpose district, and school debt
**Manufacturer's value exemption cap was increased from $170,000,000 in 2026 by Act 122

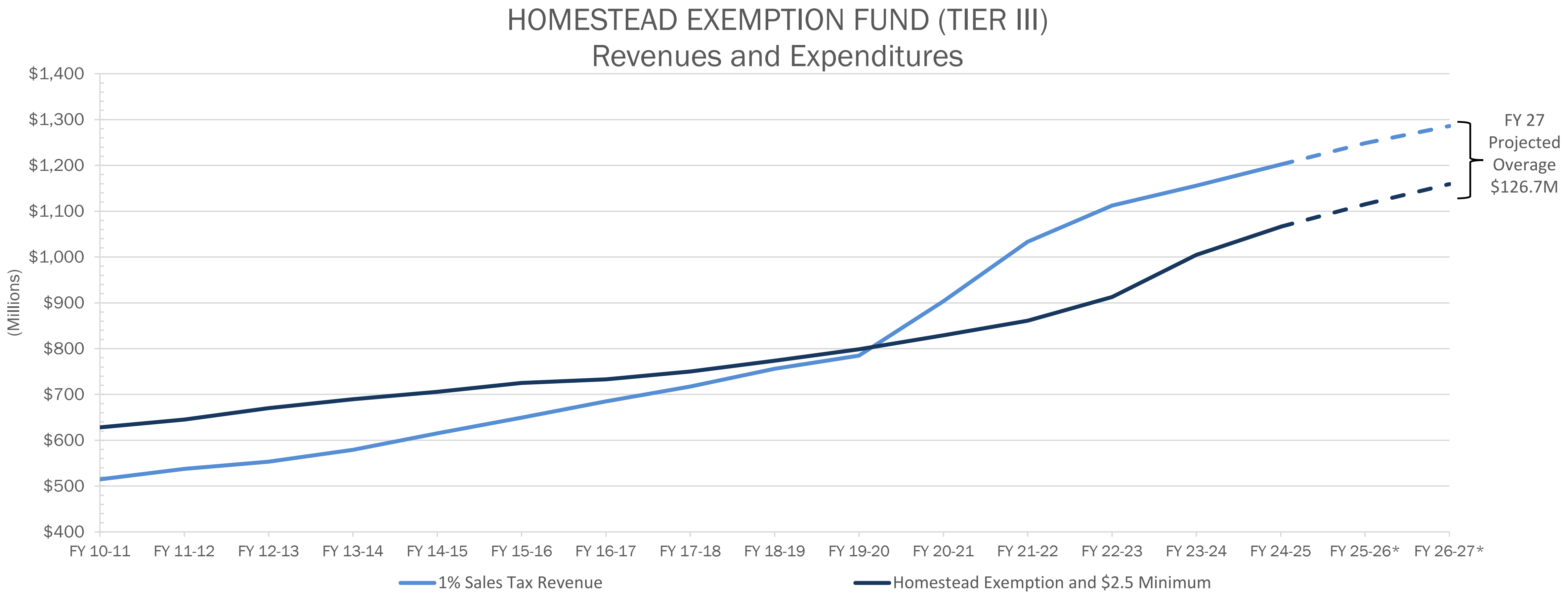
Homestead Exemption Fund
(Tier III – Act 388 of 2006)

- Tier III funding is increased annually by state population growth plus inflation.
  - If there is sufficient revenue, the annual increase will be no less than 4 percent.
- Each district receives its prior year's funding plus a percentage of the increase in the total funding.
- A district's percentage of the funding increase is its percentage of total state weighted pupil units with an added weighting for poverty.
- Any county in which the districts receive a total of less than $2,500,000 will receive additional funding to meet $2,500,000 to be divided among the districts based upon average daily membership.

Homestead Exemption Fund
(Tier III – Act 388 of 2006)

- RFA provides a preliminary estimate in December and a final estimate in February for the upcoming fiscal year.
  - Estimates are also posted to RFA's website after release:
    - https://rfa.sc.gov/data-research/local-government/property-tax/reimb
- The Department of Revenue issues nine payments beginning in October based upon the RFA estimates during the fiscal year.
- Each district receives a balancing payment at the end of the fiscal year based upon the final student counts.

Homestead Exemption Fund
(Tier III – Act 388 of 2006)



*Does not include fund balance or appropriations.

Note: Tier III Expenditure includes $2.5M minimum disbursements and lease purchase lawsuit revisions. Estimates as of 05/19/2026.

Source: SC Revenue and Fiscal Affairs Office MKM-40- 05/19/2026

Fiscal Impact Statements

Fiscal Impact Statements

1. What is the purpose of a fiscal impact statement?
2. Who requests impact statements?
3. How do we determine the fiscal impact?
4. What is in the final product?

Fiscal Impact Statements

What is the purpose of a fiscal impact statement?

- A fiscal impact statement provides the General Assembly an analysis of the fiscal effects of a bill on revenues or expenditures

- Addresses fiscal effects for state and local governments

Fiscal Impact Statements

Who requests a fiscal impact statement?

- Legislative Committees and staff
- Senators
- House Members

Fiscal Impact Statements

How do we determine the fiscal impact?

RFA analysts research bills using multiple research methods including:

- Reviewing current law,
- Contacting all state agencies or government entities expected to be impacted by the bill,
- Comparing the bill to any similar private or public programs,
- Gathering data and performing calculations, and
- Other research appropriate for the bill.

Fiscal Impact Process

- RFA contacts the Department of Education for information about the fiscal impact of bills pertaining to school districts.
- The Department of Education contacts the school districts if it believes the school districts may be fiscally impacted by the bill.
- The request is emailed to the finance director of each school district.
- RFA's goal is to provide a fiscal impact statement within 14 days of a request, unless the fiscal impact statement is needed sooner.
- Fiscal impact statements are published on the legislative website with the respective bill at www.scstatehouse.gov

Information to Include in Responses

- Will implementation of the bill have a fiscal impact on your school district?
  - If not, RFA needs a brief explanation as to why there is no impact. This will help explain differences in how the bill affects some districts versus others.
  - If yes, RFA needs an explanation of the costs and assumptions that are included in the response to relay in the fiscal impact.

- Fiscal impacts address only the impact of the changes required in the legislation. A district's expenses should not include additional costs for current shortfalls or expenses to fund "best practices" for a program that are not required by the legislation.

Fiscal Impact Statement – Final Product

Fiscal Impact Statement Components:

I. Summary
II. State Expenditure
III. State Revenue
IV. Local Expenditure
V. Local Revenue

SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
WWW.RFA.SC.GOV • (803)734-3793

This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3195 Amended by House Education and Public Works on February 6, 2025
Subject:	Unstructured and Self-Directed Recess in Public Schools
Requestor:	House Education and Public Works
RFA Analyst(s):	Bryant
Impact Date:	February 10, 2025

Fiscal Impact Summary

This bill requires public schools to provide mandatory minimum periods for physical education and recess for students in four-year-old kindergarten through eighth grade beginning in the 2026-27 school year. The bill also provides that a student in seventh or eighth grade who is taking units of ninth grade or higher work for high school credits at an off-campus location may be exempt from physical education requirements if the school has made a reasonable effort to accommodate the student's participation in physical education.

This bill will have no expenditure impact on the S.C. Department of Education (SCDE). The department indicates that it can manage the provisions of the bill with existing appropriations.

This bill is not expected to have an expenditure impact on the School for the Deaf and the Blind. The agency previously indicated on similar legislation that it currently satisfies the requirements of the bill. Further, the Governor's School for Agriculture at John de la Howe, the Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, and the Wil Lou Gray Opportunity School do not teach four-year-old kindergarten through eighth grade and, therefore, will not be impacted by the bill.

The overall expenditure impact of this bill on the local school districts varies widely. SCDE surveyed the seventy-two regular school districts and three charter school districts and received responses from fourteen districts. Five of the responding districts indicate that the bill will have no expenditure impact. Seven districts indicate that implementing the provisions of the bill will increase expenses by an amount ranging from $75,000 to $1,575,000 beginning in FY 2026-27. All seven districts report that they will need to hire additional staff in order to provide the required amount of physical education periods and satisfy the student to teacher class ratio requirements. One district anticipates the need to hire additional staff and provide training but reports that the cost is currently undetermined. Additionally, one district indicates that implementing the provisions of the bill may increase expenses due to the need to hire additional staff, provide training, and maintain, upgrade, or repair playground facilities, but reports that the cost is currently undetermined. This district also notes that providing unstructured recess may increase the risk of injuries, potentially resulting in higher insurance premiums or legal liabilities.

Questions?

Appendix

Resources

Fiscal Impact Statements: https://www.scstatehouse.gov/

Education Funding: https://rfa.sc.gov/data-research/education

Millage Rate Increase Limits: https://rfa.sc.gov/data-research/local-government/property-tax/millage-caps

Property Tax Reports: https://rfa.sc.gov/data-research/local-government/property-tax

State Revenue and Expenditure reports: https://rfa.sc.gov/data-research/state-finances

SC Dept. of Revenue Local Government Services: https://dor.sc.gov/lgs/contact

Fiscal Analysis Division Contacts

Lisa Jolliff (Fiscal Analysis Division Director)
Email: lisa.jolliff@rfa.sc.gov
Office phone: (803) 734-3715

Mary Katherine Miller (Fiscal Research Manager - Property Tax)
Email: marykatherine.miller@rfa.sc.gov
Office phone: (803) 734-3322

Lisa Wren (Fiscal Research Manager - K-12 Education)
Email: lisa.wren@rfa.sc.gov
Office phone: (803) 734-3783

Fiscal Impact Statements

- Primary Statutes:
  - §§2-7-71, 2-7-72, 2-7-73, 2-7-74, 2-7-76
- General Assembly Rule Numbers
  - House Rule 5.13
  - Senate Rule 26E