



## SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

EDWARD B. GRIMBALL, Chairman  
ALAN D. CLEMMONS  
EMERSON F. GOWER, JR.

FRANK A. RAINWATER  
Executive Director

May 13, 2021

The Honorable Molly Spearman  
State Superintendent of Education  
South Carolina Department of Education  
1429 Senate Street  
Columbia, S.C. 29201

Mr. Brian Gaines  
Director, Executive Budget Office  
1205 Pendleton Street, Suite 529  
Columbia, S.C. 29201

Dear Superintendent Spearman and Mr. Gaines:

This letter is to provide you with our calculations of teacher step increases pursuant to Act 3 of 2021.

Act 3 requires Revenue and Fiscal Affairs to determine the increase in total salaries of eligible positions between School Years 2019-20 and 2020-21 due to moving up one year of experience on the state minimum salary schedule. Of the 57,324 positions contained in data provided by the SC Department of Education, we determined that 47,402 positions were eligible positions. After determining change in salaries based on moving up one year in the state minimum salary schedule for these eligible positions, we calculated the reimbursement to total \$33,953,749. Attached are the details and methodology used by our office to determine the reimbursements.

Please note that Act 3 provided a set of specific conditions to be used and our office did its best to apply these conditions consistently through all eligible positions. Further, this calculation and reimbursement does not represent the net impact on salary costs as savings based on turnover and other factors were not part of the conditions included in the Act.

The Honorable Molly Spearman  
Mr. Brian Gaines  
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May 13, 2021

In closing, I would to extend our appreciation to the finance staff at the Department of Education for all their assistance in helping with this analysis. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,



Frank A. Rainwater  
Executive Director

FAR/lhj

Enclosures: 2

cc: Ms. Melanie Barton, Governor's Office  
Mr. Grant Gibson, Senate Finance Committee  
Ms. Beth Quick, Executive Budget Office  
Mr. Billy Quinlan, Executive Budget Office  
Ms. Kenzie Riddle, House Ways and Means Committee  
Ms. Nancy Williams, Department of Education

## REIMBURSEMENTS FOR TEACHER STEP INCREASE - ACT 3 OF 2021

Act 3 of 2021 (H. 3609) requires the Revenue and Fiscal Affairs Office (RFA) to determine the reimbursement to local districts based on the actual increased cost in salaries, including fringe, for eligible positions moving up one year on the State Minimum Salary Schedule (SMSS). The Executive Budget Office is required to distribute the cumulative amount to the South Carolina Department of Education (SCDE) who shall distribute the funds to each school district. This calculation does not represent the net cost in salaries for the step as cost savings from turnover is not included in the calculation.

SCDE provided the number of positions that were eligible for the step increase in accordance with Act 91 of 2019, Part 1.B. Proviso 1.A.36. Positions are reported for School Year 2019-2020 as of the end of the school year and for 2020-2021 as of March 1, 2021. In accordance with the proviso, positions must be in a regular school district, statewide charter district, Palmetto Unified, or DJJ. This proviso does not include positions in the Governor's Schools or School for the Deaf and Blind.

The act specifies that the increase is the amount of total salaries in School Year 2020-2021 when compared to School Year 2019-2020 due to the change in the salaries of eligible positions for the step increase that are in the same school district in School Year 2020-2021 as they were in School Year 2019-2020 due to moving up one year of experience on the SMSS. RFA is directed to include the increase for position codes eligible for the step increase that have no experience rating or credentials associated with their respective position codes.

For 2019-2020, the data provided by SCDE is from the Professional Certified Staff system. These data provided the funded FTE for each position adjusted for the percentage of federal funding and number of days worked. The data provided for 2020-2021 is from the South Carolina Educator System. These data provided the funded FTE adjusted only for the percentage of federal funding. RFA then adjusted the funded FTE by the percentage of the first 135 days worked to determine the equivalent level of state-funded FTEs for 2020-2021.

Anderson District 81 formed in 2020-2021 with teachers included in Anderson District 5 for 2019-2020. These teachers are assumed to be in the same district for the purposes of the step calculation if the teacher was in Anderson 5 in 2019-2020 and in Anderson 81 in 2020-2021.

The step calculations for Palmetto Unified and DJJ school districts are increased by 1.24 to account for twelve months of operation pursuant to Section 24-25-35.

### Certified Positions

In order to calculate the increase for eligible positions, RFA determined the number of state-funded full-time equivalent eligible positions in each district in School Year 2019-2020 and then compared those positions to the records provided for School Year 2020-2021. The following adjustments were made to ensure that the positions remained in the school district:

- Any position not employed in the same district is excluded.
- Any position that increased funded FTE from 2019-2020 to 2020-2021 was allocated the step increase for the part of an FTE that was a state-funded position in 2019-2020. (For example, a state-funded 0.85 FTE in 2019-2020 employed as a 1.0 FTE in 2020-2021 is allocated  $0.85 \times$  the step increase so long as the position is in the same district)
- Any position decreased funded FTE from 2019-2020 to 2020-2021 was allocated the step increase for the part of an FTE that remained a state-funded position in 2020-2021. (For example, a state-funded 1.0 FTE in 2019-2020 employed as a 0.5 state-funded FTE in 2020-2021 is allocated  $0.5 \times$  the step increase so long as the position is in the same district)

The following adjustments were made to ensure that the total increase is due to moving up one year of experience on the SMSS:

- Any position that changed in educational level from 2019-2020 to 2020-2021 is allocated the step increase based upon the educational level as of 2019-2020 because the act specifies that the step is due to moving up one-year of experience, which would not include any change in educational level. Further, increases for educational level were not suspended by Act 135 of 2020 for which Act 3 removed the suspension of the step increase.
- Certified positions must have a current certificate reported for 2019-2020 and 2020-2021 to be allocated a step increase.
- Positions with a class code of "A" for pre-bachelors in 2019-2020 or 2020-2021 are not included in the step calculation.

### Non-Certified Positions

In order to determine the state funding for non-certified positions, RFA used the Teacher Salary Supplement formula published by SCDE in the South Carolina Educator System Compensation User Manual<sup>1</sup> and compared those calculations to the SMSS. Based upon discussions with the department, the non-certified position step increase is calculated using the published formula with a base EIA factor and a revised EIA factor.

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<sup>1</sup> <https://ed.sc.gov/finance/financial-services/manual-handbooks-and-guidelines/south-carolina-educator-system-compensation-user-manual/south-carolina-educator-system-user-manual/>

The step amount is the difference between the two calculations. SCDE provided a base EIA factor of 0.12205, and the revised factor is 0.14775.

Retired teachers are included in the non-certified teacher salary supplement calculation by SCDE but are not included in this step calculation. The SMSS stops at 23 years of experience, and no step increase is allocated for teachers beyond 23 years of experience. Retired teachers are assumed to have reached the maximum number of years of experience on the SMSS in order to retire, and therefore, are not included in a step calculation.

For the purposes of this calculation, the 2019-2020 salary and federal funds data were used to calculate the base salary and the revised salary using the two EIA factors. The difference is the step amount. For any position that is a lower funded FTE in 2020-2021 than in 2019-2020, the calculated step increase was then multiplied by the ratio of the 2020-2021 funded FTE / 2019-2020 funded FTE.

Non-certified Positions include: 09 Retired Teacher (excluded – see above), 18 ROTC Instructor, 36 School Nurse, 37 Occupational/Physical Therapist, 38 Orientation/Mobility Specialist, 39 Audiologist, and 40 Social Worker (Code 38 is not listed in the manual but is added per discussion with SCDE staff)

This calculation can result in step increase amounts that exceed the maximum step that occurs in the teacher salary schedule, which is \$1,265 for 2019-20. Since the act specifies that the step increase is the actual increased cost in the SMSS, any non-certified position with a salary amount that results in a step amount exceeding the \$1,265 salary schedule maximum step is reduced to \$1,265.

#### Non-certified Position Formula

$((\text{Salary} - \text{Federal Funds}) * \text{current EIA Factor}) / 1 + \text{current EIA Factor}$

#### Example 1

2019-2020 - Salary: \$42,092; Reported Federal Salary: \$0; Funded FTE: 1.0  
2020-2021 Funded FTE: 1.0

$((\$42,092-0) * 0.12205) / (1+0.12205) = \$4,578.52$

$((\$42,092-0) * 0.14775) / (1+0.14775) = \$5,418.51$

Difference:  $\$5,418.51 - \$4,578.52 = \$839.99$

FTE adjustment:  $1.0 / 1.0 = 1.0$

Step:  $\$839.99 * 1.0 = \$839.99$

Example 2

2019-2020 - Salary: \$42,092; Reported Federal Salary: \$0; Funded FTE: 1.0  
2020-2021 Funded FTE: 0.78

$$((\$42,092-0) * 0.12205) / (1+0.12205) = \$4,578.52$$

$$((\$42,092-0) * 0.14775) / (1+0.14775) = \$5,418.51$$

$$\text{Difference: } \$5,418.51 - \$4,578.52 = \$839.99$$

$$\text{FTE adjustment: } 0.78 / 1.0 = 0.78$$

$$\text{Step: } \$839.99 * 0.78 = \$655.19$$

Example 3

2019-2020 - Salary: \$72,296; Reported Federal Salary: \$35,068; Funded FTE: 0.52  
2020-2021 Funded FTE: 0.51

$$((\$72,296 - \$35,068) * 0.12205) / (1 + 0.12205) = \$4,049.44$$

$$((\$72,296 - \$35,068) * 0.14775) / (1 + 0.14775) = \$4,792.37$$

$$\$4,792.37 - \$4,049.44 = \$742.93$$

$$\text{FTE adjustment: } 0.51 / 0.52 = 0.98$$

$$\text{Step: } \$742.93 * 0.98 = \$728.64$$

**Reimbursements for Teacher Step Increase - Act 3 of 2021**

District Name	FY 2019-20	FY 2020-21	State Funded FTEs for	Salary Step	Fringe	Total
	State Funded	State Funded	Positions in Same			
	FTEs	FTEs	District in FY 2019-20	Increase		
			& FY 2020-21			
Abbeville	236.9	231.7	204.2	\$94,788	\$28,872	\$123,660
Aiken	1,638.3	1,638.6	1,389.0	\$751,130	\$228,794	\$979,924
Allendale	80.6	83.4	59.4	\$33,359	\$10,161	\$43,520
Anderson 1	618.1	619.0	530.9	\$304,649	\$92,796	\$397,445
Anderson 2	237.5	231.8	196.6	\$113,857	\$34,681	\$148,538
Anderson 3	178.4	179.9	148.8	\$83,315	\$25,378	\$108,693
Anderson 4	211.0	213.6	193.5	\$113,878	\$34,687	\$148,565
Anderson 5	928.3	910.4	762.8	\$388,087	\$118,211	\$506,298
Anderson Alternative	14.0	11.0	9.0	\$5,027	\$1,531	\$6,558
Anderson 80	29.0	29.0	27.0	\$17,321	\$5,276	\$22,597
Anderson 81*	n/a	26.5	22.7	\$12,257	\$3,734	\$15,991
Bamberg 1	98.4	100.6	87.2	\$41,945	\$12,776	\$54,721
Bamberg 2	55.4	58.0	46.7	\$22,841	\$6,957	\$29,798
Barnwell 19	36.8	35.0	29.8	\$12,328	\$3,755	\$16,083
Barnwell 29	62.1	58.4	47.4	\$28,266	\$8,610	\$36,876
Barnwell 45	143.1	144.9	118.8	\$59,670	\$18,175	\$77,845
Barnwell 80	12.3	13.0	12.3	\$6,928	\$2,110	\$9,038
Beaufort	1,760.7	1,855.1	1,482.9	\$855,994	\$260,736	\$1,116,730
Beaufort 80	17.7	20.0	9.0	\$4,946	\$1,507	\$6,453
Berkeley	2,429.3	2,592.0	2,127.2	\$1,132,685	\$345,016	\$1,477,701
Calhoun	121.8	122.5	110.4	\$56,176	\$17,111	\$73,287
Charleston	3,653.3	3,911.0	3,110.3	\$1,818,922	\$554,044	\$2,372,966
Cherokee	637.4	638.9	581.8	\$327,568	\$99,777	\$427,345
Chester	383.6	386.0	308.9	\$154,387	\$47,026	\$201,413
Chesterfield	493.9	504.5	428.8	\$200,171	\$60,972	\$261,143
Clarendon 1	50.7	52.7	41.6	\$24,535	\$7,473	\$32,008
Clarendon 2	170.9	173.3	132.1	\$75,522	\$23,004	\$98,526
Clarendon 3	84.1	87.7	71.6	\$31,242	\$9,516	\$40,758
Clarendon 80	9.0	9.0	9.0	\$6,715	\$2,045	\$8,760
Colleton	343.9	345.7	279.1	\$144,773	\$44,098	\$188,871
Darlington	705.1	700.0	581.7	\$322,793	\$98,323	\$421,116
Dillon 3	90.0	89.4	76.9	\$39,585	\$12,058	\$51,643
Dillon 4	214.1	215.0	180.8	\$76,039	\$23,161	\$99,200
Dillon 80	11.6	11.6	10.6	\$6,283	\$1,914	\$8,197
Dorchester 2	1,657.5	1,683.2	1,404.6	\$772,522	\$235,310	\$1,007,832
Dorchester 4	183.7	190.1	168.8	\$88,751	\$27,034	\$115,785
Dorchester 80	26.8	28.0	23.3	\$12,607	\$3,840	\$16,447
Edgefield	266.0	268.3	222.9	\$113,698	\$34,632	\$148,330
Fairfield	272.5	278.2	238.3	\$143,624	\$43,748	\$187,372
Florence 1	1,223.5	1,260.1	1,044.4	\$541,834	\$165,043	\$706,877
Florence 2	77.9	77.0	74.9	\$38,601	\$11,758	\$50,359
Florence 3	204.2	215.9	163.4	\$89,169	\$27,161	\$116,330
Florence 4	47.0	44.7	34.0	\$20,610	\$6,278	\$26,888
Florence 5	85.3	87.8	81.9	\$34,200	\$10,417	\$44,617
Georgetown	651.6	664.9	563.1	\$279,866	\$85,247	\$365,113
Greenville	5,195.6	5,380.1	4,592.5	\$2,551,078	\$777,058	\$3,328,136
Greenwood 50	558.7	607.6	482.2	\$221,590	\$67,496	\$289,086
Greenwood 51	64.8	63.2	56.2	\$34,705	\$10,571	\$45,276
Greenwood 52	103.1	102.8	85.1	\$41,590	\$12,668	\$54,258
Greenwood 80	17.0	17.0	15.0	\$7,586	\$2,311	\$9,897

**Reimbursements for Teacher Step Increase - Act 3 of 2021**

District Name	FY 2019-20	FY 2020-21	State Funded FTEs for	Salary Step	Fringe	Total
	State Funded	State Funded	Positions in Same District in FY 2019-20 & FY 2020-21			
Hampton 1	164.7	149.3	135.1	\$68,473	\$20,857	\$89,330
Hampton 2	48.8	49.8	32.8	\$24,121	\$7,347	\$31,468
Horry	3,126.9	3,309.5	2,809.7	\$1,558,678	\$474,773	\$2,033,451
Jasper	156.6	172.0	106.9	\$61,534	\$18,743	\$80,277
Kershaw	737.7	767.7	658.9	\$339,107	\$103,292	\$442,399
Lancaster	930.7	965.0	825.5	\$437,294	\$133,200	\$570,494
Laurens 55	413.6	433.2	346.8	\$168,066	\$51,193	\$219,259
Laurens 56	208.6	206.2	173.0	\$71,054	\$21,643	\$92,697
Lee	99.6	101.1	80.6	\$48,987	\$14,922	\$63,909
Lexington 1	2,098.4	2,134.9	1,832.4	\$1,067,014	\$325,012	\$1,392,026
Lexington 2	680.5	698.5	590.0	\$318,956	\$97,154	\$416,110
Lexington 3	154.6	161.0	135.5	\$74,821	\$22,790	\$97,611
Lexington 4	223.1	230.3	194.5	\$108,572	\$33,071	\$141,643
Lexington/Richland 5	1,394.0	1,433.5	1,260.2	\$708,066	\$215,677	\$923,743
McCormick	55.3	54.6	47.3	\$23,031	\$7,015	\$30,046
Marion 10	299.4	310.4	236.9	\$112,978	\$34,413	\$147,391
Marlboro	256.1	257.0	198.2	\$91,282	\$27,805	\$119,087
Newberry	468.0	464.4	412.2	\$226,214	\$68,905	\$295,119
Oconee	801.7	809.9	730.5	\$395,899	\$120,591	\$516,490
Orangeburg	879.6	841.6	739.5	\$336,168	\$102,397	\$438,565
Orangeburg 80	10.2	10.5	8.7	\$6,203	\$1,889	\$8,092
Pickens	1,062.3	1,074.3	950.8	\$528,145	\$160,873	\$689,018
Richland 1	1,980.7	2,087.1	1,690.5	\$924,987	\$281,751	\$1,206,738
Richland 2	2,057.6	2,109.2	1,792.5	\$1,006,633	\$306,621	\$1,313,254
Saluda	153.1	157.4	127.0	\$69,147	\$21,062	\$90,209
Spartanburg 1	363.4	362.2	320.3	\$187,163	\$57,010	\$244,173
Spartanburg 2	678.8	696.1	600.7	\$335,910	\$102,318	\$438,228
Spartanburg 3	195.1	195.2	174.0	\$103,790	\$31,615	\$135,405
Spartanburg 4	169.5	168.6	147.2	\$79,356	\$24,172	\$103,528
Spartanburg 5	643.7	677.6	586.7	\$328,988	\$100,210	\$429,198
Spartanburg 6	771.9	801.9	698.2	\$387,148	\$117,925	\$505,073
Spartanburg 7	700.5	709.5	573.3	\$300,958	\$91,672	\$392,630
Spartanburg 80	21.0	21.0	17.0	\$9,045	\$2,755	\$11,800
Spartanburg 81	33.9	39.0	32.6	\$19,495	\$5,938	\$25,433
Spartanburg 82	21.9	22.0	18.0	\$10,573	\$3,221	\$13,794
Sumter	1,031.5	1,031.9	914.3	\$486,564	\$148,207	\$634,771
Union	249.1	255.5	211.8	\$119,483	\$36,395	\$155,878
Williamsburg	212.7	213.0	168.7	\$93,073	\$28,350	\$121,423
York 1	368.2	376.1	320.0	\$176,698	\$53,822	\$230,520
York 2	623.8	645.2	566.6	\$347,188	\$105,753	\$452,941
York 3	1,283.4	1,331.8	1,107.2	\$610,673	\$186,011	\$796,684
York 4	1,215.7	1,319.9	1,087.1	\$668,470	\$203,616	\$872,086
SC Public Charter Dist	1,212.9	1,137.8	634.6	\$347,162	\$105,745	\$452,907
Charter Institute at Erskine	457.5	962.0	335.6	\$210,705	\$64,181	\$274,886
SC DJJ**	50.7	49.8	46.3	\$33,522	\$10,211	\$43,733
Palmetto Unified**	51.9	53.1	46.9	\$34,771	\$10,591	\$45,362
<b>Statewide</b>	<b>55,210.9</b>	<b>57,324.3</b>	<b>47,402.3</b>	<b>\$26,026,178</b>	<b>\$7,927,571</b>	<b>\$33,953,749</b>

\*Anderson 81 in Anderson 5 in 2019-20

\*\*SC DJJ and Palmetto Unified increased by 1.24 to account for twelve months of operation pursuant to §24-25-35





EDWARD B. GRIMBALL, Chairman  
ALAN D. CLEMMONS  
EMERSON F. GOWER, JR.

**SOUTH CAROLINA  
REVENUE AND FISCAL AFFAIRS OFFICE**

FRANK A. RAINWATER  
Executive Director

May 27, 2021

The Honorable Molly Spearman  
State Superintendent of Education  
South Carolina Department of Education  
1429 Senate Street  
Columbia, S.C. 29201

Mr. Brian Gaines  
Director, Executive Budget Office  
1205 Pendleton Street, Suite 529  
Columbia, S.C. 29201

Dear Superintendent Spearman and Mr. Gaines:

This letter is to provide you with an update to our calculations of the teacher step increase pursuant to Act 3 of 2021 for the Charter Institute at Erskine.

On May 13, 2021, we provided our calculations of the teacher step increase based upon Act 3. Since that time, we have been made aware of a special circumstance with the Charter Institute at Erskine school district. Four schools transferred into the district from other districts in the state between 2019-2020 and 2020-2021. While the Act specifies that teachers must be in the same district to be eligible for reimbursement, we do not believe that this provision applies when the school changes districts and the teacher would otherwise be eligible for reimbursement had the school not moved. Therefore, we have recalculated the step increase for the Charter Institute at Erskine to account for teachers in these schools that moved into the district since we believe that this is in keeping with the Act.

The table below provides our original calculation, the updated calculation, and the funding difference. Based upon this update, the total statewide funding with fringe increased from \$33,953,749 to \$34,152,407.

The Honorable Molly Spearman  
Mr. Brian Gaines  
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May 27, 2021

**Charter Institute at Erskine - Update**

	<b>State Funded FTEs for Positions in Same District in FY 2019-20 &amp; FY 2020-21</b>	<b>Salary Step Increase</b>	<b>Fringe</b>	<b>Total</b>
Original Calculation	335.6	\$210,705	\$64,181	\$274,886
Updated Calculation	542.7	\$362,980	\$110,564	\$473,544
Difference	207.1	\$152,275	\$46,383	\$198,658

If I may be of further assistance, please do not hesitate to contact me.

Sincerely,



Frank A. Rainwater  
Executive Director

FAR/lhj

cc: Ms. Melanie Barton, Governor's Office  
Mr. Grant Gibson, Senate Finance Committee  
Mr. John Li, Charter Institute at Erskine  
Ms. Beth Quick, Executive Budget Office  
Mr. Billy Quinlan, Executive Budget Office  
Ms. Kenzie Riddle, House Ways and Means Committee  
Ms. Katie Turner, House Ways and Means Committee  
Ms. Nancy Williams, Department of Education