MINUTES
BOARD OF TRUSTEES
ANDERSON SCHOOL DISTRICT THREE
June 9, 2025

The Anderson School District Three Board of Trustees met in regular session on Monday, June 9, 2025, at 6:30 p.m. in the Boardroom of the Administrative Offices located in Iva, South Carolina. Those present were Mr. Watt (Chairman), Mrs. Arnold (Secretary), Mr. Holbrook, Mr. Bouknight, and Mr. Burdette.

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80 (d), as amended, the following were notified: *The Anderson Independent*, Anna Simon, *The Greenville News*, Gordon Dill, WSPA TV Channel 7, and Greg Wilson, *The Anderson Observer*.

Mr. Watt called the meeting to order and led the Pledge of Allegiance.

AGENDA & MINUTES

Mrs. Hipp requested that the agenda be amended to remove the Commendations, as these students will be recognized at the August meeting. Mr. Holbrook moved, Mrs. Arnold seconded, and the motion carried unanimously to approve the agenda as amended.

Mr. Bouknight moved, Mr. Burdette seconded, and the motion passed 5-0 to approve the minutes from May 12 and May 28, 2025, as presented.

CITIZENS' COMMENTS

There were no Citizens' comments this evening.

PRESENTATION OF 2025 - 2026 GENERAL FUND BUDGET

Mr. Moore stated that the total General Fund Budget in the amount of $32,190,650.00 constitutes a total budget increase of $2,082,900.00 from last year, which is a 6.92% increase. There is a slight change from the first reading last month, a reduction of $15,000.00. Of course, this budget requests no millage increase. The $15,000.00 reduction in revenue is driven by the increase in the statewide weighted pupil unit projection that came from the State in conjunction with the 135th day enrollment when finalized. The budget factors, which are ADM, weighted pupil units, and the index of taxpaying ability, all drive the State Aid to Classroom allocation, which is the largest revenue stream in the budget. There are some conservative measures factored in with actual ADM at 2,643, and the budget using a decrease of 35 for conservatism's sake. Weighted pupil units are also about 50 less than actual on the 135th day. If there is a loss of students, there is still no harm from a budget standpoint. The index of taxpaying ability is a fixed number that will not change throughout the year that comes directly from the State at .00213. District 3 is 59th of 73 districts in the State. Due to this, District 3 receives more support than some other districts. The value of a mill is holding steady at about $2,000.00 per mill increase, which should generate an additional $380,000.00 in revenue on the local property tax side.

The high-level summaries are broken down between State, Local, and Other revenues, with the largest portion of revenues coming from State sources. Again, the biggest portion of the State sources comes from State Aid to Classrooms. Approximately $20 million of the $32 million comes from the State. Just under $9 million from the Local side, which is predominantly ad valorem tax and fee and lieu, and things of that nature. Other revenues consist of funds ($2.8 million is that State Aid to Classroom that comes into EIA funds) that get transferred into the General Funds for durations, with the rest coming from Federal Indirect Costs transfers. More detail to these funds such as State Aid to Classrooms is a large portion of

manufacturer's depreciation reimbursement adds up to $1.6 million of additional State funding. The per mill increase at $2,000.00 per mill times the operating millage rate generates $380,000.00. The county equalization revenue actual collections came in above budget, so increasing that budget by $75,000.00 just gets closer to actual collections. Interest revenue has been outperforming the budget, so there was a minor increase there just to get closer to actual.

Expenditures have been moved around a bit that ultimately led to a $15,000.00 reduction. At the first reading, there was a conservative estimate of an increase in the AIT budget of $25,000.00; however, upon receiving the actual projection from Anderson 5, it is now believed that an increase of only $10,000.00 is needed to operate AIT for the upcoming year moving Anderson 3's total AIT budget from $630,000.00 to $640,000.00. This amount should accommodate pay raises for the staff there. The other four items all net out to $0.00. In this budget, it is now possible to budget the full year's increase for the 4.6% health insurance increase that will go into effect in 2026 effectively getting a head start on next year's budget. An email has been received from PEBA, and, for the first time in memory, there will be a reduction in employer contribution by .25% which will free up $46,000.00 on the General Fund side. There has also been an increase in Play Safe who provides the athletic trainers at the high school and middle school level of $4,000.00 which makes the current contract $45,000.00 ($35,000.00 for the high school and $10,000.00 for the middle school). Updating staff that has come in over the past month has helped to round out these changes to $0.00. Predominantly, those savings came from movement at the middle school.

The budgeted payroll expenditures are all items that have been discussed before. In this budget, there is a step increase for all employees, a 4% cost of living increase for teachers and classified staff with starting teacher salary at $52,000.00, and adding a 3% pay increase for administrators. The support staff salary schedule has been extended to 28 steps for positions such as custodial, teachers aides, secretaries, and other such positions who had not been on a consistent salary schedule. This change makes the District a bit more competitive at the top end with the neighboring districts. The health insurance increase annualized that 11.8% and now has the annualized amount for the 4.6% health insurance increase that will go into effect in 2026. There is also one additional teacher at Starr to accommodate the growth seen there and one additional support staff position for the ISS position that came as a request from the administration there. Mrs. Hipp interjected that a Team Member had been asked about the additional teaching position at Starr. This position is not being added due to the number of out of District students being taken. The position is being added because there were 95 K5 students at Starr last year that were in-District students. The year before that there were 65 in K5. What is happening in 2025 - 2026 is that there are 95 students moving to 1st grade at Starr. If there are 95 students in K5 at Starr again this year, there will probably be another request for a teacher at Starr next year. In the last two years, the number of out of district students has been greatly limited, especially at Starr and Flat Rock Elementary, because they are full. Mrs. Hipp does not wish for anyone to have the impression that a need for an additional teacher came because of out of district students coming to the District. The only school that the District is even looking at allowing out of district students this year is Iva Elementary where enrollment has decreased. Mrs. Hipp just wanted to clarify in case of any miscommunication in the community, "We do not add teaching positions to serve out of District students, we serve out of district students when there is room and space available."

The high level expenditure breakdown by main category - salaries, purchased services, supplies, equipment, other objects, and transfers out of the General Fund. Changes to these line items constitute a

$2,082,900.00 increase. A little under 90% of the budget is made up in salaries and fringe. Purchased services have had a large amount of reclassification of some expenditures driving a larger than normal

change with the substitute staffing services and contracted services in special education, and the reclassification of that between the General Fund and Federal Funds that are used.

Mr. Watt asked if it is felt that the budget may be overdone pertaining to salaries. There is concern that the District may not be able to keep up with the salaries if the revenues are not as projected. Mr. Moore stated that the projected revenues are all very conservative estimates with built-in cushions in multiple areas. With the State Aid to Classrooms, budgets have not been built using actual enrollment but a lesser number in the event enrollment is not as high as anticipated. Using actual numbers would give another quarter million dollars in revenues. Millage assessments are not coming directly from assessments but are less than the report in the event a business or two is lost. Health insurance funding is $25,000.00 less than the State projections. There are multiple layers of protection to prevent revenue failures. There is considerable confidence in this budget. Mrs. Hipp also stated that for the last two or three years, there has been money left in the budgets. It is believed that the "worst that can happen" is that raises may not be this good next year, but it is believed that what is can be maintained. Mrs. Arnold inquired about the impact of a flat $2,000.00 raise instead of a percentage increase. Mr. Moore replied that it would be significantly less costly but would also favor more youthful employees where the percentage definitely helps more experienced employees and plays the retention instead of the recruitment side of things. The past two years were flat dollar amounts for teachers mirroring what the State did and also a lot of the neighboring districts, and percentages for everyone else. Those years were the anomaly and not the norm. Historically, District 3 has given percentages. Mrs. Arnold then asked what district AIT normally follows as far as salary increases to which Mr. Moore responded that they traditionally follow District 5.

Mrs. Arnold posed the question regarding student growth in the District over the last 10 years. She has gotten questions in the community about this issue. Mrs. Hipp stated that in 2019, there were 2,627. In 2020, which was COVID year, there were 2,535 about 90 less which is to be expected after COVID. In September 2024, there were 2,788. Since 2019, up about 150. Mr. Moore stated that out of District numbers for the past three fiscal years (including children of faculty and staff) are FY 2021 - 22 at 101, FY 2022 -23 at 116, FY 2023 - 24 at 127, and FY 2024 - 25 at 152. It is anticipated that this number will come back down next year.

The goal is to have at least 25% Fund Balance when it relates to the June 30 Fund Balance for the following year's budget expenditures. The District has been in a good position for several years now. With this proposed budget of $32,190,650.00, a Fund Balance of $8,045,663.00 as of June 30, 2025 is needed, so that would require adding $520,725.00 to the Fund Balance at the end of FY 2024 - 25. Given the position of the District and the state of the General Fund for the current year, there is confidence in hitting this number with no concerns in finishing up the fiscal year. One item of interest to consider is the weightings for State Aid to Classrooms and the possible adjustment of the House. The 2nd version of the budget had proposed reducing the add on weighting for the virtual charter schools which from .65 to .35. This proposal went to the Conference Committee, and was changed from .65 to .5. Ultimately, this change reroutes a portion of the statewide funding for State Aid to Classrooms from virtual schools to the traditional schools giving an actual benefit to District 3 of about $40,000.00 increase in the projection from that weighting. After taking into consideration some of the concerns from both Board and community regarding sustainability and things of that nature, it was felt best to just bank that as contingency and not try to budget with any of these funds giving another layer of conservatism in projections.

PUBLIC HEARING ON 2025 - 2026 GENERAL FUND BUDGET

Mr. Watt opened the Public Hearing on the 2025 - 2026 General Fund Budget. Hearing no comments or questions on the budget, Mr. Watt closed the Public Hearing.

ACTION ITEMS

2025 - 2026 GENERAL FUND BUDGET APPROVAL

Mr. Watt stated that there had been a 1st and 2nd reading of the Budget by Mr. Moore. Mr. Holbrook moved, Mr. Bouknight seconded, and the motion passed 5 - 0 to approve the budget as presented.

CRESCENT HIGH SCHOOL COURSE FOR LOCAL BOARD APPROVAL

Mrs. Hipp stated that there is one additional ½ unit course for Crescent. This course is accomplished during Power Hour. Mrs. Arnold moved, Mr. Burdette seconded, and the motion carried unanimously to approve the local board course for Crescent High School.

REPORTS

FINANCIAL REPORTS

GENERAL FUND

Mr. Moore stated that through the end of May, revenues have exceeded expenditures by $2,975,471.00. Revenues are very comparable to last year from a percentage standpoint. The State Aid to Classroom Allocation for the current year numbers was finalized after the 135th day at the State. That number settled in about $525,000.00 above the budget revenue. Actual collections are about $300,000.00 above last year's collections in property tax revenue.

Expenditures are still coming in as expected with the exception of those differences already discussed of instructional software, mental health counselors, food service fringe. AIT stills looks to be coming in under budget with the last projection about $20,000.00 under budget for Anderson 3's portion. It is believed that the District is well positioned to hit the targeted Fund Balance to go along with the approved budget.

SALES TAX

The May sales tax collection was $317,364.56 which is the 3rd largest collection to date. Of that collection, $63,472.91 goes directly to property tax relief and debt service and then another $253,891.65 is available for capital use.

APPENDIX ITEMS

CRESCENT CLASS OF 2025 GRADUATION SUMMARY

Mrs. Hipp stated that total diplomas awarded for the Class of 2025 was 199 which is believed to be the most ever. There were 9 Palmetto Fellows, and 75% of the class qualified for a LIFE Scholarship at 2 or 4 years.

ANDERSON 3 NURSING DATA

Mrs. Hipp encouraged the Board members to look closely at the Nursing Data. The nurses do a lot of work to keep students in school, and they do not always receive the recognition they deserve.

Mr. Holbrook moved, Mrs. Arnold seconded, and the motion carried 5 - 0 to move into Executive Session for discussion of personnel and contractual matters.

EXECUTIVE SESSION

Mr. Bouknight moved, Mr. Burdette seconded, and the motion carried 5 - 0 to come out of the Executive Session.

Upon coming out of Executive Session, the following actions were taken:

- Mr. Bouknight moved, Mr. Holbrook seconded, and the motion carried 5 - 0 to approve the employment of Candidates A through B and Employee A as presented for the 2025 - 2026 as recommended by the Superintendent

- Mr. Holbrook moved, Mr. Bouknight seconded, and the motion passed unanimously to approve the requests for contract release for Employees A - E as requested

- Mrs. Arnold moved, Mr. Watt seconded, and the motion carried unanimously to approve the purchase of approximately 125 acres at 101 Hwy. 81 South, (Crescent High School side of road only) Iva, SC; 111 Good Hope Church Road, Iva, SC; and 9208 Hwy. 81 South, Iva, SC, at the purchase price of $1.65 million plus applicable closing costs

ADJOURN

Mr. Bouknight moved, Mrs. Arnold seconded, and the motion passed 5 - 0 to adjourn the meeting.

The meeting was adjourned.

_____ _____

Chairman Secretary