



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0027 Amended by the Senate on February 2, 2017
Author: Campsen
Subject: State Superintendent of Education Election
Requestor: Senate Education
RFA Analyst(s): Powell and Kokolis
Impact Date: April 16, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$71,471	\$142,942
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

The amended bill is expected to increase General Fund expenditures by \$71,471 in FY 2018-19 and \$142,942 each fiscal year thereafter. However, this estimate is based on regional average salaries and the impact will ultimately be determined by a decision of the Agency Head Salary Commission. The impact is contingent upon ratification of the associated constitutional amendment.

Explanation of Fiscal Impact

Amended by the Senate on February 2, 2017

State Expenditure

This bill will change the manner in which the State Superintendent of Education (Superintendent) assumes office. Rather than being elected, the Superintendent will be appointed by the Governor with the advice and consent of the Senate. The bill also provides minimum education and experience requirements for the office of the Superintendent of Education. The Superintendent's salary will be set by the Agency Head Salary Commission (Commission) in the same manner as other state agency heads. The majority of the bill will be effective upon approval of a constitutional amendment by qualified voters at a general election and its subsequent ratification by the General Assembly.

The amendment makes technical changes related to conforming code sections, specifies how challenges to qualifications of a candidate or appointee are made, specifies how a vacancy in the office would be handled, provides for challenges to the qualifications of a candidate or appointee, and allows the Superintendent elected in the 2018 General Election to serve out his

term. However, the Superintendent's salary falls under the jurisdiction of the Agency Head Salary Commission upon ratification of the constitutional amendment. In the amended bill, the minimum education requirements will be effective regardless of whether the other changes are ultimately approved.

Department of Education. The Superintendent's annual salary is currently set at \$92,007, as prescribed in Section 1-1-1210. Using the 2018 fringe rate of 0.2771, the fringe associated with this salary would be \$25,495 resulting in total expenditures for salary plus fringe of \$117,502. This bill will require the Superintendent's salary to be set by the Commission, and will make that salary subject to the laws and regulations governing the Commission. Recognizing that the actual increase in salary and associated benefits will ultimately be determined by the Commission, in making these estimates we have attempted to identify available data that may be used by the Commission as part of its process.

Regulation 19-705.01 states that no employee may receive a salary in excess of 95 percent of the midpoint of the agency head's salary range or the agency head's actual salary, whichever is greater. Currently, a number of employees at the Department have salaries in excess of the Superintendent's salary. In 2017, an increase of \$41,672 in salary and \$10,581 in fringe benefits would have been required for the Superintendent's salary to meet the ratio required by this regulation. This would result in a salary for the Superintendent of \$ \$133,682. However, the State Human Resources Director is authorized to make exemptions to this provision.

In January 2013, the Hay Group published the Compensation Review for Constitutional Officers of the State of South Carolina¹ pursuant to Act 278 of 2012. According to this study, in 2012 the regional average salary for Superintendents of Education was \$196,524, with an average of \$221,546 for officials who were appointed and an average of \$113,193 for officials who were elected. The national average salary for Superintendents of Education at that time was \$159,584. The report recommended adjusting the salary for the position closer to the regional market average.

More recently, in August 2017, Education Week published an analysis of Superintendent of Education salaries. The national average salary reported in that analysis was \$174,000². Using salaries from the same states as used in the study by the Hay Group, the regional average salary for Superintendents of Education would be \$203,934.

Assuming the Commission sets the Superintendent's salary at the regional average of \$203,934 and using the 2018 fringe rate of 0.2771 the associated fringe would be \$56,510. This would result in total expenditures for salary plus fringe of \$260,444. This would be an increase in expenditures of \$142,942. However, the position would not become appointed until after the general election in 2018, and ratification of a constitutional amendment during the 2019 legislative session. As a result, any increase in the superintendent's salary would be effective for not more than one-half of FY 2018-19. Therefore, this bill would increase General Fund expenditures by \$71,471 in FY 2018-19, and an additional \$71,471 in FY 2018-19, for a total

¹ <https://www.scstatehouse.gov/Archives/B&CB/ConstitutionalOfficersSalaryStudy.pdf>

² <https://www.edweek.org/ew/section/multimedia/superintendent-salaries-how-much-do-they-make.html>

increase of \$142,942 in FY 2018-19 and each year after. However, this estimate is based on regional average salaries and the impact will ultimately be determined by a decision of the Agency Head Salary Commission. The impact is contingent upon the ratification of the associated constitutional amendment.

State Revenue

N/A

Local Expenditure & Revenue

N/A

Introduced on January 10, 2017

State Expenditure

This bill would provide for the qualifications and term of the State Superintendent of Education, should the South Carolina Constitution be amended to provide for the appointment of the superintendent by the Governor. In addition, the bill would require the advice and consent of the Senate to the appointment, and the superintendent's salary be set in the same manner as other state agency heads. The bill would be effective upon approval of a constitutional amendment by the qualified voters at a general election and the subsequent ratification of the amendment by the General Assembly.

The provisions of the bill establishing the qualifications and term for the position may affect who is appointed and the length of their service, but that would not have a direct expenditure impact on the General Fund, Federal Funds, or Other Funds.

Presently, the superintendent's annual salary, \$92,007, is prescribed by Section 1-1-1210. If the constitutional amendment is adopted and the superintendent's salary set pursuant to the provisions of the bill, the salary may change subject to consideration by the Agency Head Salary Commission.

Department of Education. The State Department of Education estimates the superintendent's salary and benefits could increase by \$52,253 annually based on required differences between agency head salaries and the salaries of other agency employees, to \$103,689, based on the January 2013 Hay Group Compensation Review of Constitutional Officers of the State of South Carolina. The position would not become appointed at the earliest until after the general election in 2018, and ratification of a constitutional amendment during the 2019 legislative session. As a result, any increase in the superintendent's salary would be effective for not more than one-half of FY 2018-19. Therefore, this bill would increase General Fund expenditures from \$26,127 to \$51,845 in FY 2018-19, and an additional \$26,127 to \$51,845 in FY 2018-19, for a total increase of \$52,253 to \$103,684 in FY 2018-19 and each year after.

State Revenue

N/A

Local Expenditure & Revenue

N/A



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