



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0027 Signed by Governor on May 15, 2018  
**Author:** Campsen  
**Subject:** State Superintendent of Education Election  
**Requestor:** Senate  
**RFA Analyst(s):** Powell, Gable, and Heineman  
**Impact Date:** May 21, 2018

**Estimate of Fiscal Impact**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>State Expenditure</b>		
General Fund	See Below	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

The 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**

**Signed by Governor on May 15, 2018**

**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 bill 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 or her term.

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

**Department of Education.** The Superintendent's annual salary was previously 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 Carolina<sup>1</sup> 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 \$174,000<sup>2</sup>. 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

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

<sup>2</sup> <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



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Frank A. Rainwater, Executive Director