

MEMORANDUM

TO: Rep. Brian White, Chairman, House Ways and Means Committee

Members, Public Education and Special Schools Subcommittee
Rep. Kenny Bingham, Chairman
Rep. Rita Allison
Rep. Mike Anthony
Rep. Jackie Hayes

FROM: Melanie Barton *Melanie Barton*
Executive Director of the EOC

DATE: January 10, 2014

SUBJECT: EOC Budget Recommendations

Section 59-6-10(A) of the South Carolina Code of Laws requires the Education Oversight Committee (EOC) to make programmatic and funding recommendations to the General Assembly. Attached are the budget and proviso recommendations that the EOC approved on December 9, 2013 for the Fiscal Year 2014-15 budget.

The budget and proviso recommendations focus on the following investments:

- Technology is one tool, but a critical tool, in creating 21st century learners. Technology is a critical component of virtual learning, blended learning, project-based learning, and even online assessments. To expand the number of wireless school campuses, to promote one-to-one computing, and to expand bandwidth at public schools, the EOC identifies as much as a \$97 million need over time.
- To improve student performance, school leaders must be instructional leaders and change agents. The EOC concurs with the State Superintendent of Education's request to increase the EIA appropriation for principal training programs by \$129,000.

J. Phillip Bowers
Dennis Drew
Mike Fair
Barbara B. Hairfield
Nikki Haley
R. Wesley Hayes, Jr.
Alex Martin
John W. Matthews, Jr.
Daniel B. Merck
Joseph H. Neal
Andrew S. Patrick
Neil C. Robinson, Jr.
J. Roland Smith
Patti J. Tate
John Warner
David Whittemore
Mick Zais

Melanie D. Barton
EXECUTIVE DIRECTOR

- To prepare all students to be college and career ready, the K-12 and higher education systems must collaborate to improve high school curriculum. Consequently, the EOC recommends a new Center of Excellence at a cost of \$250,000 to provide professional development for teachers and develop innovative practices, make specific, targeted curriculum changes and provide policy suggestions to ensure a more seamless transition for students from K-12 to college and employment.
- Consolidation of line item appropriations assists in the simplification of the public education funding system and in the targeting of resources to students. The EOC recommends that all funds to support the Child Development Education Pilot Program (CDEPP) as administered in public schools be consolidated into the EIA and funds for school bus transportation be consolidated into the General Fund.
- To improve reading proficiency and to measure the impact of CDEPP, the EOC has recommended that the state adopt and implement a readiness assessment for all children in prekindergarten and kindergarten beginning in school year 2014-15. The EOC recommends that up to \$3.0 million in the half-day four-year-old program be reallocated for this initiative and that only school districts not participating or eligible to participate in the CDPEP program receive funds for half-day four-year-old programs.

If you or your staff have questions, please feel free to contact me.

C: Beverly Smith, Ways and Means Committee
Emily Heatwole, Ways and Means Committee
Paul Patrick, Ways and Means Committee

Fiscal Year 2014-15 Budget and Proviso Recommendations

As part of its statutory responsibilities, the Education Oversight Committee (EOC) is required to oversee the expenditure of funds for the Education Accountability Act and the Education Improvement Act.

SECTION 59-6-10.

(A) In order to assist in, recommend, and supervise implementation of programs and expenditure of funds for the Education Accountability Act and the Education Improvement Act of 1984, the Education Oversight Committee is to serve as the oversight committee for these acts. The Education Oversight Committee shall:

- (1) review and monitor the implementation and evaluation of the Education Accountability Act and Education Improvement Act programs and funding;
- (2) make programmatic and funding recommendations to the General Assembly;
- (3) report annually to the General Assembly, State Board of Education, and the public on the progress of the programs;
- (4) recommend Education Accountability Act and EIA program changes to state agencies and other entities as it considers necessary.

Each state agency and entity responsible for implementing the Education Accountability Act and the Education Improvement Act funded programs shall submit to the Education Oversight Committee programs and expenditure reports and budget requests as needed and in a manner prescribed by the Education Oversight Committee.

Annually, the EOC requires each state agency and entity receiving EIA funds to submit a program and budget report. The EIA and Improvement Mechanism Subcommittee of the EOC reviewed the reports and two requests for additional EIA funds. The EOC also held a public hearing where program administrators and the South Carolina Department of Education had an opportunity to present budget recommendations. The Subcommittee met on the morning of December 9, 2013 and is making the following recommendations:

First, in monitoring the EIA, the EOC makes the following observations:

1. The actual average teacher salary in South Carolina was \$48,375 last school year or \$405 **above** the actual Southeastern average teacher salary. The Division of Research and Statistics projects the Southeastern average teacher salary for FY2014-15 to be \$48,892.

Table 1
Average Teacher Salary

Year	Actual SE	% Increase in Actual SE	Actual SC	Difference between SC and SE
FY05	\$41,464		\$42,189	\$725
FY06	\$42,863	3.4%	\$43,011	\$148
FY07	\$44,544	3.9%	\$44,336	(\$208)
FY08	\$46,393	4.2%	\$45,758	(\$635)
FY09	\$47,445	2.3%	\$47,421	(\$24)
FY10	\$47,553	0.2%	\$47,508	(\$45)
FY11	\$47,506	-0.1%	\$47,050	(\$456)
FY12	\$47,846	0.7%	\$47,428	(\$418)
FY13	\$47,970	0.3%	\$48,375	\$405
FY14	\$48,471	1.0%		
FY15	\$48,892	0.9%		

Southeastern includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, Virginia, and West Virginia

Salaries in blue are estimates based upon August 2013 survey of SE states by Division of Research and Statistics, Economic Research Section.

2. In addition to EIA funds for teacher salaries and National Board supplements, Education Finance Act (EFA) funds and local general funds are also used in the calculation of average teacher salaries. For the current fiscal year, the EFA base student was as appropriated was \$2,101. The Division of Research and Statistics projects the base student cost to be \$2,742 for FY2014-15. With an increase in weighted pupil units and base student cost, if the EFA were fully funded at \$2,742 the state share of the cost would be an increase of \$537 million. The South Carolina Department of Education has requested a minimum increase in EFA of \$34.9 million to fund the cost of additional weighted pupil units.

Table 2
EFA Cost Projections

FY2014-15	
EFA State Appropriation FY14	\$1,335,811,295
BEA Estimate (8/30/2013)	
Base Student Cost	\$2,742
Weighted Pupil Units	886,926
EFA at \$2,742	
EFA Cost to State	\$1,702,365,764
Other agencies/entities	\$77,666,613
Home Instruction	\$119,963
Residential Treatment Facilities	\$700,000
Total:	\$1,780,852,340
EFA Increase	\$445,041,045
Fringe Increase (EFA Increase X .88 X.23.47%)	<u>\$91,916,997</u>
TOTAL:	\$536,958,043
SCDE Minimum Request for FY2014-15	
Base Student Cost	\$2,101
Weighted Pupil Units	886,926
EFA Cost to State	\$1,304,402,068
Other agencies/entities & Home Instruction	<u>\$60,302,331</u>
Total:	\$1,364,704,399
EFA Increase	\$28,893,104
Fringe Increase (EFA Increase X .88 X.23.47%)	<u>\$5,967,466</u>
TOTAL:	\$34,860,570

On November 18, 2013 the Board of Economic Advisors projected that the EIA will generate \$645,325,060 in revenues in Fiscal Year 2014-15, which is an increase of \$17.4 million over the current year's EIA recurring appropriation base (Table 3).

Table 3
FY2014-15 EIA Revenue Projections
Per the Board of Economic Advisors

	Recurring	Non-Recurring	Total:
Fiscal Year 2013-14			
Appropriations	\$627,969,251	\$8,590,000	\$636,559,251
Fiscal Year 2014-15			
Official BEA Estimate (11.18.2013)	\$645,325,060		
Increase Over Recurring Base	\$17,355,809		

In reviewing the EIA budget and provisos, the EOC focused on the following:

- Public funds for education should be allocated based on the needs of students with the ultimate goal being that all children are college, career and life ready. And, improving reading proficiency, especially at or before third grade is critical to the long-term academic success of children.
- School leaders must be instructional leaders and change agents.
- Technology is one tool, but a critical tool, in creating 21st century learners. Technology is a critical component of virtual learning, blended learning, project-based learning, and even online assessments.
- Schools and school districts must be held accountable for the results, which will be based on student performance and the ability of each student to succeed in a career or postsecondary education. Similarly, the effectiveness of already existing programs must be determined.
- Consolidation of line item appropriations assists in the simplification of the public education funding system and in the targeting of resources to students.

First, the EOC recommends that the base EIA appropriation of \$627,969,251 be continued (as noted in Appendix A) but with the following changes as summarized in Table 4. Parentheses denote a reduction in funding.

Table 4

EIA Budget Recommendations	Recurring EIA Base	EOC Recommendations
	2013-14	2014-15
EIA Recurring Base Appropriation		\$627,969,251
Leadership:		
Expand from 20 to 40 number of principals in SC School Leadership Executive Institute	\$150,032	\$129,000
Technology/Innovation:		
K-12 Technology Initiative	\$10,171,826	\$10,825,655
New: Patriot's Point Distance-Learning Program		\$415,000
College & Career Readiness:		
Centers of Excellence – New Center to provide professional development to teachers and develop innovative practices, make specific, targeted curriculum changes and provide policy suggestions to ensure a more seamless transition for students from K-12 to college and employment.	\$887,526	\$250,000
Annualization of Non-Recurring EIA Funds:		
Instructional Materials	\$20,922,839	\$8,000,000
Consolidation of Funds:		
CDEPP–SCDE (Consolidate all funds for CDEPP in EIA)	\$15,513,846	\$14,083,439
Transportation: (Consolidate all funds in General Fund)	\$16,347,285	(\$16,347,285)
Other: State Agency Pay		
State Agency Teacher Pay	\$716,323	(\$642,462)
Governor's School for Arts & Humanities	\$828,185	\$131,809
School for Deaf & Blind	\$7,176,110	\$263,176
Clemson Ag Teachers	\$758,627	\$131,131
Governor's School for Science & Math	\$416,784	\$116,346
TOTAL INCREASE:		\$17,355,809

Promoting Continuous Improvement in Public Education

Proviso 117.29 of the 2013-14 General Appropriation Act governs the expenditure of \$10,171,826 in recurring EIA appropriations for technology.

117.29. (GP: School Technology Initiative) From the funds appropriated/authorized for the K-12 technology initiative, the Department of Education, in consultation with the Budget and Control Board's Division of State Information Technology, the State Library, the Educational Television Commission, and a representative from the Education Oversight Committee, shall administer the K-12 technology initiative funds. These funds are intended to provide technology, encourage effective use of technology in K-12 public schools throughout the state, conduct cost/benefit analyses of the various technologies, and should, to the maximum extent possible, involve public-private sector collaborative efforts. Funds may also be used to establish pilot projects for new technologies with selected school districts as part of the evaluation process. K-12 technology initiative funds shall be retained and carried forward to be used for the same purpose.

These funds are primarily used to match \$22.5 million annually in federal E-Rate funds. The combined EIA and federal funds are used to expand bandwidth to public schools and county libraries. The funds also support the virtual school program at the South Carolina Department of Education, ETV's Streamline services, and Discuss, an online resource available to all public school students and homeschoolers. For the past five fiscal years, the legislature has appropriated \$10.2 million for technology with the result being a significant investment in bandwidth. Today, the Division of State Information Technology (DSIT) reports that bandwidth at public school districts is as follows:

Bandwidth	<u>Number of Districts</u>
Below 100 Mbps	3
120 - 150 Mbps	48
200 - 500 Mbps	22
550 - 1,000 Mbps	6
1,500 - 3,000 Mbps	3
Total Districts	82

However, along with the increased Internet bandwidth to the school building, there is an exponential need to purchase more expensive, high-capacity wireless access points in schools to handle the expansion of wireless devices used in to instruct and assess students. The dramatic increase is due to the following transformation of public education:

1. One-to-one computing initiatives allow students to have a laptop computer or tablet that must have access to IT resources, online research and instructional content in the classroom and

throughout the school building;

2. The rise of virtual courses and blended learning opportunities allow students, especially young adults, to take courses otherwise not provided in the school and to earn Carnegie units to graduate from high school.

3. Teachers are no longer the providers of knowledge but instead the facilitators of learning. IT resources allow learning in the classroom to become more personalized.

4. The expansion of online assessments requires additional bandwidth and devices for students. These devices should not only be used for summative or formative assessments, but to facilitate learning throughout the school year.

The end-to-end educational IT infrastructure can only meet the learning needs of today's public education if it is upgraded in ways that bring the full power of digitally-driven learning down to each student's laptop computer or tablet. In essence, there must be a proportional increase in bandwidth and connectivity within the walls of schools and county libraries with the connectivity ending with the users, teachers, students and library patrons.

What are the needs and cost to update the infrastructure within the walls of schools and county libraries in South Carolina? Currently, the South Carolina Department of Education is in the process of updating the state technology plan which will be a three rather than five-year plan. In addition, district technology coordinators are surveying districts to determine how many wireless classrooms currently exist in the state and how many more classrooms and learning areas need upgrading. In addition, the Department of Education continues to update the capability of individual schools to conduct online assessments. The General Assembly needs valid, reliable data to determine the technology needs within the walls of public schools and county libraries.

Also, DSIT anticipates the following scenario. What schools need are a pipeline to the Internet that is funded through the existing EIA appropriation and a core switch in each school to provide solid wireless access in the building. Schools no longer need ports in the classroom as the future is for wireless tablets. The cost per building is based on the size of the building. On average, an average elementary school would be \$50,000, a middle school, \$100,000 and a high school, \$150,000. These cost figures would provide access points in every classroom and common area, installation and cabling. Using the number of report cards issued, South Carolina in 2012-13 had 655 elementary schools, 310 middle schools, and 223 high schools. If schools were retrofitted at the cost of the average type of school, the total amount needed would equal \$97.2 million.

We also have statistics from the neighboring state of Georgia. Georgia operates a network that provides 3 Mbps Internet access per school for all public schools through a state appropriation of \$12.7 million annually. Districts may purchase additional Internet access. Some school districts in Georgia have projected the costs of expanding WiFi capabilities. A typical high school

in the Forsyth County School District with 2,200 students requires 22 wireless access points at approximately \$4,000 per WAP which equates to one wireless access point per 100 students.

Recommendations:

1. South Carolina should have a comprehensive technology plan that addresses the instructional and assessment needs of schools. If information on the WiFi capabilities of schools is not known, then the state should invest in a study to determine the current capabilities by school and by district and then prioritize expansion of WiFi accordingly.

2. The state must continue to fund the \$10.2 million for bandwidth expansion but at least double the EIA appropriation in Fiscal Year 2014-15 to begin increasing the WiFi capabilities of schools. If additional funds, including non-recurring funds are available, then the state could begin addressing the \$97.2 million technology need.

3. For any district eligible for E-rate reimbursements, the Department of Education should provide support and assistance to the districts in filing for E-rate reimbursements for qualified technology investments.

4. Amend proviso 117.29, to allow funds to be used for the provision of online technology related to music instruction.

117.29. (GP: School Technology Initiative) From the funds appropriated/authorized for the K-12 technology initiative, the Department of Education, in consultation with the Budget and Control Board's Division of State Information Technology, the State Library, the Educational Television Commission, and a representative from the Education Oversight Committee, shall administer the K-12 technology initiative funds. These funds are intended to provide technology, encourage effective use of technology in K-12 public schools throughout the state, conduct cost/benefit analyses of the various technologies, and should, to the maximum extent possible, involve public-private sector collaborative efforts. Funds may also be used to establish pilot projects for new technologies including interactive online music curriculum that provides lesson plans, songs, videos music lessons, on-line virtual world, auto - assessments, and access site license to all elementary schools at a cost not to exceed \$545,000 and that connects the learning of music with other content areas including reading, mathematics, science and history with selected school districts as part of the evaluation process. K-12 technology initiative funds shall be retained and carried forward to be used for the same purpose.

In addition, the Committee recommends the following proviso changes:

Provisos Affecting Assessments and Standards

Delete Proviso 1.60.

~~1.60. (SDE: One Year Suspension of Programs) The following program will be temporarily suspended for Fiscal Year 2013-14: SAT/ACT Improvement. Funds appropriated to this program must be allocated to districts based on the number of weighted pupil units.~~

Explanation: EOC staff inquired as to how many funds were transferred by this proviso in the last fiscal year. The South Carolina Department of Education responded that the SAT improvement appropriation was vetoed and the vetoed sustained by the General Assembly in FY2012. Therefore, there is no appropriation related to this proviso, and the proviso should be deleted.

Delete Proviso 1.21. and Amend Proviso Amend Proviso 1A.19. that pertain to allocation of funds for PSAT/PLAN

~~1.21. (SDE: Assessment) For the current fiscal year PSAT/PLAN shall be suspended and savings generated from suspension of PSAT/PLAN Reimbursement shall be allocated to the Education Finance Act. The department is authorized to carry forward into the current fiscal year, prior year state assessment funds for the purpose of paying for state assessment activities not completed by the end of the fiscal year including the scoring of the spring statewide accountability assessment.~~

1A.19. (SDE-EIA: Assessment) The department is authorized to carry forward into the current fiscal year, prior year state assessment funds for the purpose of paying for state assessment activities not completed by the end of the fiscal year including the scoring of the spring statewide accountability assessment. PSAT/PLAN reimbursements shall resume in the current fiscal year.

Explanation: During the Great Recession, several programs were suspended and funds redirected to the Education Finance Act (EFA). Approximately \$439,298 in funds appropriated for the PSAT/PLAN assessments was redirected to the EFA in the prior and current fiscal years. To improve the college and career readiness of students, it is critical that students be given the opportunity to take these assessments. The PSAT gives feedback to students on their strengths and weaknesses, helps them prepare for the SAT, and allows them the opportunity to compete for National Merit scholarships. ACT's PLAN also gives 10th graders information on their college and career preparedness.

Delete Provisos 1.66. and 1A.48. that deal with the adoption of science standards.

~~1.66. (SDE: Next Generation Science Standards) No funds shall be expended in the current fiscal year by the Department of Education, the Education Oversight Committee, or the State Board of Education to participate in, implement, adopt or promote the Next Generation Science Standards initiative.~~

~~1A.48. (SDE-EIA: Next Generation Science Standards) No funds shall be expended in the current fiscal year by the Department of Education, the Education Oversight Committee, or the State Board of Education to participate in, implement, adopt or promote the Next Generation Science Standards initiative.~~

Explanation: The State Board of Education has given first reading to revised South Carolina sciences standards. The Academic Standards and Assessment Subcommittee is reviewing the standards and will have recommendations forthcoming in the current fiscal year.

Amend 1A.3. to fund formative readiness assessment

~~1A.3. (SDE-EIA: XII.B - Half Day Program for Four-Year-Olds) Funds Of the funds appropriated in Part IA, Section 1, XII.B. for half-day programs for four-year-olds, up to \$3,000,000 must allocated for the administration in the current fiscal year of a formative readiness assessment or assessments that will analyze the literacy, mathematics, and physical, social and emotional behavioral competencies of children in prekindergarten and kindergarten so that students may receive the appropriate support and intervention to succeed in school. The assessments must be approved by the State Board of Education. The remainder of the funds shall be distributed based on the prior year number of students in kindergarten eligible for free and reduce price lunch.to school districts that are not participating or not eligible to participate in the Child Development Education Pilot Program~~

Explanation: To improve reading proficiency the EOC has recommended that the state adopt and implement a readiness assessment for all children in prekindergarten and kindergarten. In addition a readiness assessment is needed to measure the impact of the Child Development Education Pilot Program. North Carolina has developed an online, formative assessment in kindergarten through grade 3 at a cost of \$20 per child which covers the electronic tablet. The proviso would also limit the allocation of half-day four-year-old funds to districts that are currently not participating in the CDEPP program which totals 35 of the 82 districts. Approximately, six of the 14 districts that implemented CDEPP programs in FY2013-14 are projected to receive a total of \$1.98 million in EIA funds for half-day four-year-old programs.

Delete Proviso 1A.58. per the recommendation of the State Superintendent of Education regarding assessment

~~1A.58. (SDE-EIA: South Carolina Success Program) — From the funds in specific appropriations Assessment/Testing, the Department of Education shall issue a request for proposal to provide a statewide South Carolina Success Program, a program to be available to all public school districts and open enrollment charters in the State of South Carolina. The department may use up to \$3,500,000 of the local assessment funds for this program. This program shall provide academic support to students and teachers to help ensure on grade level achievement in reading by making available for grades PreK-8 an online delivered, interactive reading assessment and research based intervention program for use both at school and at home. This online program must automatically place students into an individualized on line curriculum and instruction, provide teachers and administrators with immediate reporting, provide recommendations for interventions and teacher lessons, and provide small group instruction lessons. The program must provide computer adaptive assessments at least eight times per year, and teachers, principals, and districts must have immediate on line reporting to identify those students who are not reading on grade level and those that are at risk of failing the state reading assessment pursuant to Section 59-18-310 of the 1976 Code, as amended. The program must make available to parents reporting and resources regarding student participation via a home portal. To ensure effective implementation of the program in conjunction with the beginning of the academic school year, the Department of Education shall issue a request for proposal to carry out the requirements of this provision no later than July 5, 2013. Implementation of the program must begin no later than August 15, 2013.~~

Explanation: The State Superintendent of Education believes that the funds from the assessments should be selected by school districts from the adoption list of formative assessments mandated by the EAA.

Other EIA Programs

Amend 1A.4. (SDE-EIA: XII.A.3. African-American History) Funds provided for the development of the African-American History curricula may be carried forward into the current fiscal year to be expended for the same purpose. For Fiscal Year 2014-15 not less than 70 percent of the funds carried forwarded must be expended for the development of additional instructional materials by nonprofit organizations selected through a competitive bids process by the Department of Education. Priority must be given to organizations that have already produced materials that are currently being used by schools and outreach programs that reflect African-American culture and history and that support literacy efforts.

Explanation: Over time, the total amount of EIA funds carried forward for African-American history has increased to \$346,000 in the prior fiscal year. The amended proviso would authorize the expenditure of up to 70% of these funds or \$242,000 for the development of additional and needed instructional materials.

Amend proviso 1A.36. to require the creation of a Center of Excellence focusing on College and Career Readiness

1A.36. (SDE-EIA: Centers of Excellence) Of the funds appropriated for Centers of Excellence, \$350,000 must be allocated to the Francis Marion University Center of Excellence to Prepare Teachers of Children of Poverty to expand statewide training for individuals who teach children of poverty through weekend college, non-traditional or alternative learning opportunities. ~~The center also is charged with developing a sequence of knowledge and skills and program of study for add-on certification for teachers specializing in teaching children of poverty.~~ Furthermore, with increased funds provided, the Commission on Higher Education will fund a new center in Fiscal Year 2014-15 that will provide professional development to teachers to enable them to transform the P-12 experience to create a college-going and career readiness culture that prepares students for postsecondary education and the world of work.

Explanation: The changes to the proviso reflect that the Center of Excellence to Prepare Teachers of Children of Poverty has accomplished one goal of developing an add-on certification for teachers specializing in teaching children of poverty. The Center now focuses on assisting teachers statewide in achieving the endorsement. The amendment also specifically states the purpose of the additional \$250,000 recommended by the EOC to create a Center of Excellence focused on college and career readiness.

New EIA Provisos:

1A. (SDE – EIA: Teach for America SC)

“Because Teach For America SC receives EIA funds in the current fiscal year, school districts that partner with Teach For America SC are required to provide to Teach For America SC by September 1 annually information on the prior year’s academic achievement of students who were directly taught by Teach For America corps members. The information must be in a format that protects the identity of individual students and must include state assessment data as appropriate.”

Explanation: In order for Teach for America SC to measure the effectiveness of its teacher and to provide the necessary professional development to its corps members, districts who partner with Teach For America SC must collaborate with and provide needed assessment data.

1A. (SDE-EIA: Modernize Vocational Equipment)

“To prioritize funding for the modernization of vocational equipment, the Education Oversight Committee will convene an advisory panel composed of directors of career and technology centers, individuals of the South Carolina Technical College system, and business leaders from local chambers of commerce. The panel will review the existing allocation and expenditure of funds for vocational equipment and recommend statewide funding priorities for career and technical education.”

Explanation: The EOC members want to know what existing programs are supported by these EIA funds and how, if any, the priority of funding should be focused on specific statewide industry needs in order to assist students in being prepared for these careers.

Appendix A

EIA Budget	2013-14	
A. STANDARDS, TEACHING, LEARNING, ACCOUNTABILITY		
1. Student Learning		
Personal Service Classified Positions	58,629	
Other Operating Expenses	136,739	
High Achieving Students	26,628,246	
Aid to Districts	37,736,600	
School Health & Fitness Act -- Nurses	6,000,000	
Tech Prep	3,021,348	
Modernize Vocational Equipment	6,359,609	
Arts Curricula	1,187,571	
Adult Education	13,573,736	
Students at Risk of School Failure	136,163,204	
High Schools That Work	2,146,499	
EEDA	<u>7,315,832</u>	-
Subtotal	240,328,013	
2. Student Testing		
Personal Service Classified Positions	488,518	
Other operating Expenses	332,948	
Special Items		
Assessment / Testing	<u>24,761,400</u>	-
Subtotal	25,582,866	
3. Curriculum & Standards		
Personal Service Classified Positions	126,232	
Other Personal Service	4,736	
Other Operating Expenses	41,987	
Reading	6,542,052	
Instructional Materials	20,922,839	
Instructional Materials Non-Recurring	<u>8,000,000</u>	*
Subtotal	35,637,846	

EIA Budget	2013-14	
4. Assistance, Intervention, & Reward		
Personal Service Classified Positions	1,236,436	
Other Operating Expenses	1,174,752	
EAA Technical Assistance	6,000,000	
Report Cards		
Palmetto Gold & Silver Awards		
PowerSchool/Data Collection	<u>7,500,000</u>	
Student Identifier		
Data Collection		
Aid Other State Agencies	-	-
Subtotal	15,911,188	
B. Early Childhood		
Personal Service Classified Positions	376,246	
Other Operating Expenses	556,592	
Alloc EIA - 4 YR Early Child	15,513,846	
SCDE-CDEPP	<u>20,240,998</u>	-
Subtotal	36,687,682	
C. TEACHER QUALITY		
1. Certification		
Personal Service Classified Positions	1,068,102	
Other Personal Service	1,579	
Other Operating Expenses	<u>638,999</u>	-
Subtotal	1,708,680	
2. Retention & Reward		
Special Items		
Teacher of the Year Award	155,000	
Teacher Quality Commission	372,724	
Teacher Salary Supplement	125,756,960	
Teacher Salary Supplement - Fringe	15,766,752	
National Board Certification	54,000,000	

EIA Budget	2013-14	
Teacher Supplies	<u>13,596,000</u>	-
Subtotal	209,647,436	
3. Professional Development		
Special Items		
Professional Development	5,515,911	
ADEPT	<u>873,909</u>	-
Subtotal	6,389,820	
E. LEADERSHIP		
1. Schools		
2. State		
Personal Service Classified Positions	82,049	
Other Personal Service	83,121	
Other Operating Expenses	150,032	
Technology	10,171,826	
Employer Contributions	<u>1,064,221</u>	
Subtotal	11,551,249	
F. PARTNERSHIPS		
1. Business and Community		
2. Other Agencies & Entities		
State Agency Teacher Pay (F30)	716,323	
Education Oversight Committee (A85)	1,293,242	
Center for Educational Partnerships (H27)	715,933	
SC Council on Economic Education	300,000	
Science PLUS	503,406	
Gov. School Arts & Humanities (H63)	828,185	
Wil Lou Gray Opportunity School (H71)	605,294	
School for Deaf & Blind (H75)	7,176,110	
Disabilities & Special Needs (J16)	613,653	
John De La Howe School (L12)	417,734	
Clemson Ag Ed Teachers	758,627	
Centers of Excellence-CHE (H03)	887,526	

EIA Budget	2013-14	
Teacher Recruitment Program-CHE (H03)	4,243,527	
SC Program for the Recruitment and Retention of Minority Teachers, SC State University (Base: \$339,482)		
Center for Ed, Recruitment, Ret, and Adv	531,680	
Teacher Loan Program-State Treasurer (E16)	5,089,881	
Gov. School Science & Math (H63)	416,784	
Science South	500,000	
STEM Centers SC	1,750,000	
Teach For America SC	3,000,000	
ETV - K-12 Public Education	2,829,281	
ETV - Infrastructure	2,000,000	
SC Youth Challenge Academy	1,000,000	
School Readiness Plan (A85) Non-Recurring	<u>590,000</u>	*
Subtotal	36,767,186	
G. TRANSPORTATION/BUSES		
Other Operating	<u>16,347,285</u>	-
Subtotal	16,347,285	
EIA TOTAL	\$636,559,251	
* Non-Recurring Appropriations	\$8,590,000	*
Recurring Appropriations	\$627,969,251	

Education Improvement Act

2014-15

	2013-14 Base Appropriation	EOC Recommendation	Explanation
A. STANDARDS, TEACHING, LEARNING, ACCOUNTABILITY			
1. Student Learning			
Personal Service Classified Positions	58,629		
Other Operating Expenses	136,739		
High Achieving Students	26,628,246		
Aid to Districts	37,736,600		
School Health & Fitness Act -- Nurses	6,000,000		
Tech Prep	3,021,348		
Modernize Vocational Equipment	6,359,609		
Arts Curricula	1,187,571		
Adult Education	13,573,736		
Students at Risk of School Failure	136,163,204		
High Schools That Work	2,146,499		
EEDA	7,315,832		
Subtotal	240,328,013		
2. Student Testing			
Personal Service Classified Positions	488,518		
Other operating Expenses	332,948		
Assessment / Testing	24,761,400		
Subtotal	25,582,866		
3. Curriculum & Standards			
Personal Service Classified Positions	126,232		
Other Personal Service	4,736		
Other Operating Expenses	41,987		
Reading	6,542,052		
Instructional Materials	20,922,839	\$8,000,000	Annualize funds for instructional materials
Instructional Materials Non-Recurring	8,000,000 *		
Subtotal	35,637,846		
4. Assistance, Intervention, & Reward			
Personal Service Classified Positions	1,236,436		
Other Operating Expenses	1,174,752		
EAA Technical Assistance	6,000,000		
PowerSchool/Data Collection	7,500,000		
Aid Other State Agencies			
Subtotal	15,911,188		
B. Early Childhood			
Personal Service Classified Positions	376,246		
Other Operating Expenses	556,592		
Alloc EIA - 4 YR Early Child	15,513,846		
SCDE-CDEPP	20,240,998	\$14,083,439	Consolidate funds for CDEPP as administered through SCDE
Subtotal	36,687,682		
C. TEACHER QUALITY			
1. Certification			
Personal Service Classified Positions	1,068,102		
Other Personal Service	1,579		
Other Operating Expenses	638,999		
Subtotal	1,708,680		
2. Retention & Reward			
Special Items			
Teacher of the Year Award	155,000		

Education Improvement Act

2014-15

	2013-14 Base Appropriation	EOC Recommendation	Explanation
Teacher Quality Commission	372,724		
Teacher Salary Supplement	125,756,960		
Teacher Salary Supplement - Fringe	15,766,752		
National Board Certification	54,000,000		
Teacher Supplies	13,596,000		
Teacher Salary Support			
Subtotal	209,647,436		
3. Professional Development			
Special Items			
Professional Development	5,515,911		
ADEPT	873,909		
Subtotal	6,389,820		
E. LEADERSHIP			
1. Schools			
2. State			
Personal Service Classified Positions	82,049		
Other Personal Service	83,121		
Other Operating Expenses	150,032	\$129,000	Add an additional cohort of 20 principals to the SC School Leadership Executive Institute
Technology	10,171,826	\$10,825,655	Expand wireless capabilities of schools
Employer Contributions	1,064,221		
EOC Public Relations	0		
Subtotal	11,551,249		
F. PARTNERSHIPS			
1. Business and Community			
2. Other Agencies & Entities			
State Agency Teacher Pay (F30)	716,323	(\$642,462)	Reallocated to special schools for teacher pay and increase in number of teachers. No net increase
Education Oversight Committee (A85)	1,293,242		
Center for Educational Partnerships (H27)	715,933		
SC Council on Economic Education	300,000		
Science PLUS	503,406		
Gov. School Arts & Humanities (H63)	828,185	\$131,809	
Wil Lou Gray Opportunity School (H71)	605,294		
School for Deaf & Blind (H75)	7,176,110	\$263,176	
Disabilities & Special Needs (J16)	613,653		
John De La Howe School (L12)	417,734		
Clemson Ag Ed Teachers	758,627	\$131,131	
Centers of Excellence-CHE (H03)	887,526	\$250,000	New Center to provide professional development to teachers and develop innovative practices, make specific, targeted curriculum changes and provide policy suggestions to ensure a seamless transition for students moving from public schools to college and careers.
Teacher Recruitment Program-CHE (H03)	4,243,527		
SC Program for the Recruitment and Retention of Minority Teachers, SC State University (Base: \$339,482)			
Center for Ed, Recruitment, Ret, and Adv	531,680		
Teacher Loan Program-State Treasurer (E16)	5,089,881		
Gov. School Science & Math (H63)	416,784	\$116,346	

Education Improvement Act

2014-15

	2013-14 Base Appropriation	EOC Recommendation	Explanation
Science South	500,000		
STEM Centers SC	1,750,000		
Teach For America SC	3,000,000		
ETV - K-12 Public Education	2,829,281		
ETV - Infrastructure	2,000,000		
SC Youth Challenge Academy	1,000,000		
School Readiness Plan (A85) Non-Recurring	590,000 *		
Subtotal	36,767,186		
G. TRANSPORTATION/BUSES			
Other Operating	16,347,285	(\$16,347,285)	Consolidate all transportation into General Funds
Non-Recurring Operations			
Subtotal	16,347,285		
New: Literacy & Distance-Learning Program at Patriots Point		\$415,000	Provide distance-learning program in 5th grade history, math and science standards taught from the Yorktown and includes two books to all 5th grade classrooms
EIA TOTAL	\$636,559,251		
* Non-Recurring Appropriations	\$8,590,000 *		
Recurring Appropriations	\$627,969,251		
Total New EIA Recurring Revenues:		\$17,355,809	



MEMORANDUM

TO: Senator Hugh Leatherman, Chairman, Senate Finance Committee

Members, K-12 Education Subcommittee
Senator Wes Hayes, Chairman
Senator Tom Davis
Senator John W. Matthews, Jr.

FROM: Melanie Barton *Melanie Barton*
Executive Director of the EOC

DATE: January 10, 2014

SUBJECT: EOC Budget Recommendations

Section 59-6-10(A) of the South Carolina Code of Laws requires the Education Oversight Committee (EOC) to make programmatic and funding recommendations to the General Assembly. Attached are the budget and proviso recommendations that the EOC approved on December 9, 2013 for the Fiscal Year 2014-15 budget.

The budget and proviso recommendations focus on the following investments:

- Technology is one tool, but a critical tool, in creating 21st century learners. Technology is a critical component of virtual learning, blended learning, project-based learning, and even online assessments. To expand the number of wireless school campuses, to promote one-to-one computing, and to expand bandwidth at public schools, the EOC identifies as much as a \$97 million need over time.
- To improve student performance, school leaders must be instructional leaders and change agents. The EOC concurs with the State Superintendent of Education's request to increase the EIA appropriation for principal training programs by \$129,000.

J. Phillip Bowers

Dennis Drew

Mike Fair

Barbara B. Hairfield

Nikki Haley

R. Wesley Hoyos, Jr.

Alex Martin

John W. Matthews, Jr.

Daniel B. Merck

Joseph H. Neal

Andrew S. Patrick

Neil C. Robinson, Jr.

J. Roland Smith

Patti J. Tate

John Warner

David Whittamore

Mick Zais

Melanie D. Barton
EXECUTIVE DIRECTOR

- To prepare all students to be college and career ready, the K-12 and higher education systems must collaborate to improve high school curriculum. Consequently, the EOC recommends a new Center of Excellence at a cost of \$250,000 to provide professional development for teachers and develop innovative practices, make specific, targeted curriculum changes and provide policy suggestions to ensure a more seamless transition for students from K-12 to college and employment.
- Consolidation of line item appropriations assists in the simplification of the public education funding system and in the targeting of resources to students. The EOC recommends that all funds to support the Child Development Education Pilot Program (CDEPP) as administered in public schools be consolidated into the EIA and funds for school bus transportation be consolidated into the General Fund.
- To improve reading proficiency and to measure the impact of CDEPP, the EOC has recommended that the state adopt and implement a readiness assessment for all children in prekindergarten and kindergarten beginning in school year 2014-15. The EOC recommends that up to \$3.0 million in the half-day four-year-old program be reallocated for this initiative and that only school districts not participating or eligible to participate in the CDPEP program receive funds for half-day four-year-old programs.

If you or your staff have questions, please feel free to contact me.

C: Grant Gibson, Senate Finance Committee
Mike Shealy, Senate Finance Committee

Fiscal Year 2014-15 Budget and Proviso Recommendations

As part of its statutory responsibilities, the Education Oversight Committee (EOC) is required to oversee the expenditure of funds for the Education Accountability Act and the Education Improvement Act.

SECTION 59-6-10.

(A) In order to assist in, recommend, and supervise implementation of programs and expenditure of funds for the Education Accountability Act and the Education Improvement Act of 1984, the Education Oversight Committee is to serve as the oversight committee for these acts. The Education Oversight Committee shall:

- (1) review and monitor the implementation and evaluation of the Education Accountability Act and Education Improvement Act programs and funding;
- (2) make programmatic and funding recommendations to the General Assembly;
- (3) report annually to the General Assembly, State Board of Education, and the public on the progress of the programs;
- (4) recommend Education Accountability Act and EIA program changes to state agencies and other entities as it considers necessary.

Each state agency and entity responsible for implementing the Education Accountability Act and the Education Improvement Act funded programs shall submit to the Education Oversight Committee programs and expenditure reports and budget requests as needed and in a manner prescribed by the Education Oversight Committee.

Annually, the EOC requires each state agency and entity receiving EIA funds to submit a program and budget report. The EIA and Improvement Mechanism Subcommittee of the EOC reviewed the reports and two requests for additional EIA funds. The EOC also held a public hearing where program administrators and the South Carolina Department of Education had an opportunity to present budget recommendations. The Subcommittee met on the morning of December 9, 2013 and is making the following recommendations:

First, in monitoring the EIA, the EOC makes the following observations:

1. The actual average teacher salary in South Carolina was \$48,375 last school year or \$405 **above** the actual Southeastern average teacher salary. The Division of Research and Statistics projects the Southeastern average teacher salary for FY2014-15 to be \$48,892.

Table 1
Average Teacher Salary

Year	Actual SE	% Increase in Actual SE	Actual SC	Difference between SC and SE
FY05	\$41,464		\$42,189	\$725
FY06	\$42,863	3.4%	\$43,011	\$148
FY07	\$44,544	3.9%	\$44,336	(\$208)
FY08	\$46,393	4.2%	\$45,758	(\$635)
FY09	\$47,445	2.3%	\$47,421	(\$24)
FY10	\$47,553	0.2%	\$47,508	(\$45)
FY11	\$47,506	-0.1%	\$47,050	(\$456)
FY12	\$47,846	0.7%	\$47,428	(\$418)
FY13	\$47,970	0.3%	\$48,375	\$405
FY14	\$48,471	1.0%		
FY15	\$48,892	0.9%		

Southeastern includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, Virginia, and West Virginia

Salaries in blue are estimates based upon August 2013 survey of SE states by Division of Research and Statistics, Economic Research Section.

2. In addition to EIA funds for teacher salaries and National Board supplements, Education Finance Act (EFA) funds and local general funds are also used in the calculation of average teacher salaries. For the current fiscal year, the EFA base student was as appropriated was \$2,101. The Division of Research and Statistics projects the base student cost to be \$2,742 for FY2014-15. With an increase in weighted pupil units and base student cost, if the EFA were fully funded at \$2,742 the state share of the cost would be an increase of \$537 million. The South Carolina Department of Education has requested a minimum increase in EFA of \$34.9 million to fund the cost of additional weighted pupil units.

**Table 2
EFA Cost Projections**

FY2014-15	
EFA State Appropriation FY14	\$1,335,811,295
BEA Estimate (8/30/2013)	
Base Student Cost	\$2,742
Weighted Pupil Units	886,926
EFA at \$2,742	
EFA Cost to State	\$1,702,365,764
Other agencies/entities	\$77,666,613
Home Instruction	\$119,963
Residential Treatment Facilities	\$700,000
Total:	\$1,780,852,340
EFA Increase	\$445,041,045
Fringe Increase (EFA Increase X .88 X.23.47%)	<u>\$91,916,997</u>
TOTAL:	\$536,958,043
SCDE Minimum Request for FY2014-15	
Base Student Cost	\$2,101
Weighted Pupil Units	886,926
EFA Cost to State	\$1,304,402,068
Other agencies/entities & Home Instruction	<u>\$60,302,331</u>
Total:	\$1,364,704,399
EFA Increase	\$28,893,104
Fringe Increase (EFA Increase X .88 X.23.47%)	<u>\$5,967,466</u>
TOTAL:	\$34,860,570

On November 18, 2013 the Board of Economic Advisors projected that the EIA will generate \$645,325,060 in revenues in Fiscal Year 2014-15, which is an increase of \$17.4 million over the current year's EIA recurring appropriation base (Table 3).

Table 3
FY2014-15 EIA Revenue Projections
Per the Board of Economic Advisors

	Recurring	Non-Recurring	Total:
Fiscal Year 2013-14			
Appropriations	\$627,969,251	\$8,590,000	\$636,559,251
Fiscal Year 2014-15			
Official BEA Estimate (11.18.2013)	\$645,325,060		
Increase Over Recurring Base	\$17,355,809		

In reviewing the EIA budget and provisos, the EOC focused on the following:

- Public funds for education should be allocated based on the needs of students with the ultimate goal being that all children are college, career and life ready. And, improving reading proficiency, especially at or before third grade is critical to the long-term academic success of children.
- School leaders must be instructional leaders and change agents.
- Technology is one tool, but a critical tool, in creating 21st century learners. Technology is a critical component of virtual learning, blended learning, project-based learning, and even online assessments.
- Schools and school districts must be held accountable for the results, which will be based on student performance and the ability of each student to succeed in a career or postsecondary education. Similarly, the effectiveness of already existing programs must be determined.
- Consolidation of line item appropriations assists in the simplification of the public education funding system and in the targeting of resources to students.

First, the EOC recommends that the base EIA appropriation of \$627,969,251 be continued (as noted in Appendix A) but with the following changes as summarized in Table 4. Parentheses denote a reduction in funding.

Table 4

EIA Budget Recommendations	Recurring EIA Base	EOC Recommendations
	2013-14	2014-15
EIA Recurring Base Appropriation		\$627,969,251
Leadership:		
Expand from 20 to 40 number of principals in SC School Leadership Executive Institute	\$150,032	\$129,000
Technology/Innovation:		
K-12 Technology Initiative	\$10,171,826	\$10,825,655
New: Patriot's Point Distance-Learning Program		\$415,000
College & Career Readiness:		
Centers of Excellence – New Center to provide professional development to teachers and develop innovative practices, make specific, targeted curriculum changes and provide policy suggestions to ensure a more seamless transition for students from K-12 to college and employment.	\$887,526	\$250,000
Annualization of Non-Recurring EIA Funds:		
Instructional Materials	\$20,922,839	\$8,000,000
Consolidation of Funds:		
CDEPP–SCDE (Consolidate all funds for CDEPP in EIA)	\$15,513,846	\$14,083,439
Transportation: (Consolidate all funds in General Fund)	\$16,347,285	(\$16,347,285)
Other: State Agency Pay		
State Agency Teacher Pay	\$716,323	(\$642,462)
Governor's School for Arts & Humanities	\$828,185	\$131,809
School for Deaf & Blind	\$7,176,110	\$263,176
Clemson Ag Teachers	\$758,627	\$131,131
Governor's School for Science & Math	\$416,784	\$116,346
TOTAL INCREASE:		\$17,355,809

Promoting Continuous Improvement in Public Education

Proviso 117.29 of the 2013-14 General Appropriation Act governs the expenditure of \$10,171,826 in recurring EIA appropriations for technology.

117.29. (GP: School Technology Initiative) From the funds appropriated/authorized for the K-12 technology initiative, the Department of Education, in consultation with the Budget and Control Board's Division of State Information Technology, the State Library, the Educational Television Commission, and a representative from the Education Oversight Committee, shall administer the K-12 technology initiative funds. These funds are intended to provide technology, encourage effective use of technology in K-12 public schools throughout the state, conduct cost/benefit analyses of the various technologies, and should, to the maximum extent possible, involve public-private sector collaborative efforts. Funds may also be used to establish pilot projects for new technologies with selected school districts as part of the evaluation process. K-12 technology initiative funds shall be retained and carried forward to be used for the same purpose.

These funds are primarily used to match \$22.5 million annually in federal E-Rate funds. The combined EIA and federal funds are used to expand bandwidth to public schools and county libraries. The funds also support the virtual school program at the South Carolina Department of Education, ETV's Streamline services, and Discuss, an online resource available to all public school students and homeschoolers. For the past five fiscal years, the legislature has appropriated \$10.2 million for technology with the result being a significant investment in bandwidth. Today, the Division of State Information Technology (DSIT) reports that bandwidth at public school districts is as follows:

Bandwidth	<u>Number of Districts</u>
Below 100 Mbps	3
120 - 150 Mbps	48
200 - 500 Mbps	22
550 - 1,000 Mbps	6
1,500 - 3,000 Mbps	3
Total Districts	82

However, along with the increased Internet bandwidth to the school building, there is an exponential need to purchase more expensive, high-capacity wireless access points in schools to handle the expansion of wireless devices used in to instruct and assess students. The dramatic increase is due to the following transformation of public education:

1. One-to-one computing initiatives allow students to have a laptop computer or tablet that must have access to IT resources, online research and instructional content in the classroom and

throughout the school building;

2. The rise of virtual courses and blended learning opportunities allow students, especially young adults, to take courses otherwise not provided in the school and to earn Carnegie units to graduate from high school.

3. Teachers are no longer the providers of knowledge but instead the facilitators of learning. IT resources allow learning in the classroom to become more personalized.

4. The expansion of online assessments requires additional bandwidth and devices for students. These devices should not only be used for summative or formative assessments, but to facilitate learning throughout the school year.

The end-to-end educational IT infrastructure can only meet the learning needs of today's public education if it is upgraded in ways that bring the full power of digitally-driven learning down to each student's laptop computer or tablet. In essence, there must be a proportional increase in bandwidth and connectivity within the walls of schools and county libraries with the connectivity ending with the users, teachers, students and library patrons.

What are the needs and cost to update the infrastructure within the walls of schools and county libraries in South Carolina? Currently, the South Carolina Department of Education is in the process of updating the state technology plan which will be a three rather than five-year plan. In addition, district technology coordinators are surveying districts to determine how many wireless classrooms currently exist in the state and how many more classrooms and learning areas need upgrading. In addition, the Department of Education continues to update the capability of individual schools to conduct online assessments. The General Assembly needs valid, reliable data to determine the technology needs within the walls of public schools and county libraries.

Also, DSIT anticipates the following scenario. What schools need are a pipeline to the Internet that is funded through the existing EIA appropriation and a core switch in each school to provide solid wireless access in the building. Schools no longer need ports in the classroom as the future is for wireless tablets. The cost per building is based on the size of the building. On average, an average elementary school would be \$50,000, a middle school, \$100,000 and a high school, \$150,000. These cost figures would provide access points in every classroom and common area, installation and cabling. Using the number of report cards issued, South Carolina in 2012-13 had 655 elementary schools, 310 middle schools, and 223 high schools. If schools were retrofitted at the cost of the average type of school, the total amount needed would equal \$97.2 million.

We also have statistics from the neighboring state of Georgia. Georgia operates a network that provides 3 Mbps Internet access per school for all public schools through a state appropriation of \$12.7 million annually. Districts may purchase additional Internet access. Some school districts in Georgia have projected the costs of expanding WiFi capabilities. A typical high school

in the Forsyth County School District with 2,200 students requires 22 wireless access points at approximately \$4,000 per WAP which equates to one wireless accept point per 100 students.

Recommendations:

1. South Carolina should have a comprehensive technology plan that addresses the instructional and assessment needs of schools. If information on the WiFi capabilities of schools is not known, then the state should invest in a study to determine the current capabilities by school and by district and then prioritize expansion of WiFi accordingly.
2. The state must continue to fund the \$10.2 million for bandwidth expansion but at least double the EIA appropriation in Fiscal Year 2014-15 to begin increasing the WiFi capabilities of schools. If additional funds, including non-recurring funds are available, then the state could begin addressing the \$97.2 million technology need.
3. For any district eligible for E-rate reimbursements, the Department of Education should provide support and assistance to the districts in filing for E-rate reimbursements for qualified technology investments.
4. Amend proviso 117.29, to allow funds to be used for the provision of online technology related to music instruction.

117.29. (GP: School Technology Initiative) From the funds appropriated/authorized for the K-12 technology initiative, the Department of Education, in consultation with the Budget and Control Board's Division of State Information Technology, the State Library, the Educational Television Commission, and a representative from the Education Oversight Committee, shall administer the K-12 technology initiative funds. These funds are intended to provide technology, encourage effective use of technology in K-12 public schools throughout the state, conduct cost/benefit analyses of the various technologies, and should, to the maximum extent possible, involve public-private sector collaborative efforts. Funds may also be used to establish pilot projects for new technologies including interactive online music curriculum that provides lesson plans, songs, videos music lessons, on-line virtual world, auto - assessments, and access site license to all elementary schools at a cost not to exceed \$545,000 and that connects the learning of music with other content areas including reading, mathematics, science and history with selected school districts as part of the evaluation process. K-12 technology initiative funds shall be retained and carried forward to be used for the same purpose.

In addition, the Committee recommends the following proviso changes:

Provisos Affecting Assessments and Standards

Delete Proviso 1.60.

~~1.60. (SDE: One Year Suspension of Programs) The following program will be temporarily suspended for Fiscal Year 2013-14: SAT/ACT Improvement. Funds appropriated to this program must be allocated to districts based on the number of weighted pupil units.~~

Explanation: EOC staff inquired as to how many funds were transferred by this proviso in the last fiscal year. The South Carolina Department of Education responded that the SAT improvement appropriation was vetoed and the vetoed sustained by the General Assembly in FY2012. Therefore, there is no appropriation related to this proviso, and the proviso should be deleted.

Delete Proviso 1.21. and Amend Proviso Amend Proviso 1A.19. that pertain to allocation of funds for PSAT/PLAN

~~1.21. (SDE: Assessment) For the current fiscal year PSAT/PLAN shall be suspended and savings generated from suspension of PSAT/PLAN Reimbursement shall be allocated to the Education Finance Act. The department is authorized to carry forward into the current fiscal year, prior year state assessment funds for the purpose of paying for state assessment activities not completed by the end of the fiscal year including the scoring of the spring statewide accountability assessment.~~

1A.19. (SDE-EIA: Assessment) The department is authorized to carry forward into the current fiscal year, prior year state assessment funds for the purpose of paying for state assessment activities not completed by the end of the fiscal year including the scoring of the spring statewide accountability assessment. PSAT/PLAN reimbursements shall resume in the current fiscal year.

Explanation: During the Great Recession, several programs were suspended and funds redirected to the Education Finance Act (EFA). Approximately \$439,298 in funds appropriated for the PSAT/PLAN assessments was redirected to the EFA in the prior and current fiscal years. To improve the college and career readiness of students, it is critical that students be given the opportunity to take these assessments. The PSAT gives feedback to students on their strengths and weaknesses, helps them prepare for the SAT, and allows them the opportunity to compete for National Merit scholarships. ACT's PLAN also gives 10th graders information on their college and career preparedness.

Delete Provisos 1.66. and 1A.48. that deal with the adoption of science standards.

~~1.66. (SDE: Next Generation Science Standards) No funds shall be expended in the current fiscal year by the Department of Education, the Education Oversight Committee, or the State Board of Education to participate in, implement, adopt or promote the Next Generation Science Standards initiative.~~

~~1A.48. (SDE-EIA: Next Generation Science Standards) No funds shall be expended in the current fiscal year by the Department of Education, the Education Oversight Committee, or the State Board of Education to participate in, implement, adopt or promote the Next Generation Science Standards initiative.~~

Explanation: The State Board of Education has given first reading to revised South Carolina sciences standards. The Academic Standards and Assessment Subcommittee is reviewing the standards and will have recommendations forthcoming in the current fiscal year.

Amend 1A.3. to fund formative readiness assessment

1A.3. (SDE-EIA: XII.B - Half Day Program for Four-Year-Olds) Funds Of the funds appropriated in Part IA, Section 1, XII.B. for half-day programs for four-year-olds, up to \$3,000,000 must allocated for the administration in the current fiscal year of a formative readiness assessment or assessments that will analyze the literacy, mathematics, and physical, social and emotional behavioral competencies of children in prekindergarten and kindergarten so that students may receive the appropriate support and intervention to succeed in school. The assessments must be approved by the State Board of Education. The remainder of the funds shall be distributed based on the prior year number of students in kindergarten eligible for free and reduce price lunch.to school districts that are not participating or not eligible to participate in the Child Development Education Pilot Program

Explanation: To improve reading proficiency the EOC has recommended that the state adopt and implement a readiness assessment for all children in prekindergarten and kindergarten. In addition a readiness assessment is needed to measure the impact of the Child Development Education Pilot Program. North Carolina has developed an online, formative assessment in kindergarten through grade 3 at a cost of \$20 per child which covers the electronic tablet. The proviso would also limit the allocation of half-day four-year-old funds to districts that are currently not participating in the CDEPP program which totals 35 of the 82 districts. Approximately, six of the 14 districts that implemented CDEPP programs in FY2013-14 are projected to receive a total of \$1.98 million in EIA funds for half-day four-year-old programs.

Delete Proviso 1A.58. per the recommendation of the State Superintendent of Education regarding assessment

~~1A.58. (SDE EIA: South Carolina Success Program) From the funds in specific appropriations Assessment/Testing, the Department of Education shall issue a request for proposal to provide a statewide South Carolina Success Program, a program to be available to all public school districts and open enrollment charters in the State of South Carolina. The department may use up to \$3,500,000 of the local assessment funds for this program. This program shall provide academic support to students and teachers to help ensure on-grade-level achievement in reading by making available for grades PreK-8 an online delivered, interactive reading assessment and research-based intervention program for use both at school and at home. This online program must automatically place students into an individualized on-line curriculum and instruction, provide teachers and administrators with immediate reporting, provide recommendations for interventions and teacher lessons, and provide small group instruction lessons. The program must provide computer adaptive assessments at least eight times per year, and teachers, principals, and districts must have immediate on-line reporting to identify those students who are not reading on grade level and those that are at risk of failing the state reading assessment pursuant to Section 59-18-310 of the 1976 Code, as amended. The program must make available to parents reporting and resources regarding student participation via a home portal. To ensure effective implementation of the program in conjunction with the beginning of the academic school year, the Department of Education shall issue a request for proposal to carry out the requirements of this provision no later than July 5, 2013. Implementation of the program must begin no later than August 15, 2013.~~

Explanation: The State Superintendent of Education believes that the funds from the assessments should be selected by school districts from the adoption list of formative assessments mandated by the EAA.

Other EIA Programs

~~Amend 1A.4. (SDE-EIA: XII.A.3. African-American History) Funds provided for the development of the African-American History curricula may be carried forward into the current fiscal year to be expended for the same purpose. For Fiscal Year 2014-15 not less than 70 percent of the funds carried forwarded must be expended for the development of additional instructional materials by nonprofit organizations selected through a competitive bids process by the Department of Education. Priority must be given to organizations that have already produced materials that are currently being used by schools and outreach programs that reflect African-American culture and history and that support literacy efforts.~~

Explanation: Over time, the total amount of EIA funds carried forward for African-American history has increased to \$346,000 in the prior fiscal year. The amended proviso would authorize the expenditure of up to 70% of these funds or \$242,000 for the development of additional and needed instructional materials.

Amend proviso 1A.36. to require the creation of a Center of Excellence focusing on College and Career Readiness

1A.36. (SDE-EIA: Centers of Excellence) Of the funds appropriated for Centers of Excellence, \$350,000 must be allocated to the Francis Marion University Center of Excellence to Prepare Teachers of Children of Poverty to expand statewide training for individuals who teach children of poverty through weekend college, non-traditional or alternative learning opportunities. ~~The center also is charged with developing a sequence of knowledge and skills and program of study for add-on certification for teachers specializing in teaching children of poverty.~~ Furthermore, with increased funds provided, the Commission on Higher Education will fund a new center in Fiscal Year 2014-15 that will provide professional development to teachers to enable them to transform the P-12 experience to create a college-going and career readiness culture that prepares students for postsecondary education and the world of work.

Explanation: The changes to the proviso reflect that the Center of Excellence to Prepare Teachers of Children of Poverty has accomplished one goal of developing an add-on certification for teachers specializing in teaching children of poverty. The Center now focuses on assisting teachers statewide in achieving the endorsement. The amendment also specifically states the purpose of the additional \$250,000 recommended by the EOC to create a Center of Excellence focused on college and career readiness.

New EIA Provisos:

1A. (SDE – EIA: Teach for America SC)

“Because Teach For America SC receives EIA funds in the current fiscal year, school districts that partner with Teach For America SC are required to provide to Teach For America SC by September 1 annually information on the prior year’s academic achievement of students who were directly taught by Teach For America corps members. The information must be in a format that protects the identity of individual students and must include state assessment data as appropriate.”

Explanation: In order for Teach for America SC to measure the effectiveness of its teacher and to provide the necessary professional development to its corps members, districts who partner with Teach For America SC must collaborate with and provide needed assessment data.

1A. (SDE-EIA: Modernize Vocational Equipment)

“To prioritize funding for the modernization of vocational equipment, the Education Oversight Committee will convene an advisory panel composed of directors of career and technology centers, individuals of the South Carolina Technical College system, and business leaders from local chambers of commerce. The panel will review the existing allocation and expenditure of funds for vocational equipment and recommend statewide funding priorities for career and technical education.”

Explanation: The EOC members want to know what existing programs are supported by these EIA funds and how, if any, the priority of funding should be focused on specific statewide industry needs in order to assist students in being prepared for these careers.

Appendix A

EIA Budget	2013-14	
A. STANDARDS, TEACHING, LEARNING, ACCOUNTABILITY		
1. Student Learning		
Personal Service Classified Positions	58,629	
Other Operating Expenses	136,739	
High Achieving Students	26,628,246	
Aid to Districts	37,736,600	
School Health & Fitness Act -- Nurses	6,000,000	
Tech Prep	3,021,348	
Modernize Vocational Equipment	6,359,609	
Arts Curricula	1,187,571	
Adult Education	13,573,736	
Students at Risk of School Failure	136,163,204	
High Schools That Work	2,146,499	
EEDA	<u>7,315,832</u>	-
Subtotal	240,328,013	
2. Student Testing		
Personal Service Classified Positions	488,518	
Other operating Expenses	332,948	
Special Items		
Assessment / Testing	<u>24,761,400</u>	-
Subtotal	25,582,866	
3. Curriculum & Standards		
Personal Service Classified Positions	126,232	
Other Personal Service	4,736	
Other Operating Expenses	41,987	
Reading	6,542,052	
Instructional Materials	20,922,839	
Instructional Materials Non-Recurring	<u>8,000,000</u>	*
Subtotal	35,637,846	

EIA Budget	2013-14	
4. Assistance, Intervention, & Reward		
Personal Service Classified Positions	1,236,436	
Other Operating Expenses	1,174,752	
EAA Technical Assistance	6,000,000	
Report Cards		
Palmetto Gold & Silver Awards		
PowerSchool/Data Collection	<u>7,500,000</u>	
Student Identifier		
Data Collection		
Aid Other State Agencies	-	-
Subtotal	15,911,188	
B. Early Childhood		
Personal Service Classified Positions	376,246	
Other Operating Expenses	556,592	
Alloc EIA - 4 YR Early Child	15,513,846	
SCDE-CDEPP	<u>20,240,998</u>	-
Subtotal	36,687,682	
C. TEACHER QUALITY		
1. Certification		
Personal Service Classified Positions	1,068,102	
Other Personal Service	1,579	
Other Operating Expenses	<u>638,999</u>	-
Subtotal	1,708,680	
2. Retention & Reward		
Special Items		
Teacher of the Year Award	155,000	
Teacher Quality Commission	372,724	
Teacher Salary Supplement	125,756,960	
Teacher Salary Supplement - Fringe	15,766,752	
National Board Certification	54,000,000	

EIA Budget	2013-14	
Teacher Supplies	<u>13,596,000</u>	-
Subtotal	209,647,436	
3. Professional Development		
Special Items		
Professional Development	5,515,911	
ADEPT	<u>873,909</u>	-
Subtotal	6,389,820	
E. LEADERSHIP		
1. Schools		
2. State		
Personal Service Classified Positions	82,049	
Other Personal Service	83,121	
Other Operating Expenses	150,032	
Technology	10,171,826	
Employer Contributions	<u>1,064,221</u>	
Subtotal	11,551,249	
F. PARTNERSHIPS		
1. Business and Community		
2. Other Agencies & Entities		
State Agency Teacher Pay (F30)	716,323	
Education Oversight Committee (A85)	1,293,242	
Center for Educational Partnerships (H27)	715,933	
SC Council on Economic Education	300,000	
Science PLUS	503,406	
Gov. School Arts & Humanities (H63)	828,185	
Wil Lou Gray Opportunity School (H71)	605,294	
School for Deaf & Blind (H75)	7,176,110	
Disabilities & Special Needs (J16)	613,653	
John De La Howe School (L12)	417,734	
Clemson Ag Ed Teachers	758,627	
Centers of Excellence-CHE (H03)	887,526	

EIA Budget	2013-14	
Teacher Recruitment Program-CHE (H03)	4,243,527	
SC Program for the Recruitment and Retention of Minority Teachers, SC State University (Base: \$339,482)		
Center for Ed, Recruitment, Ret, and Adv	531,680	
Teacher Loan Program-State Treasurer (E16)	5,089,881	
Gov. School Science & Math (H63)	416,784	
Science South	500,000	
STEM Centers SC	1,750,000	
Teach For America SC	3,000,000	
ETV - K-12 Public Education	2,829,281	
ETV - Infrastructure	2,000,000	
SC Youth Challenge Academy	1,000,000	
School Readiness Plan (A85) Non-Recurring	<u>590,000</u>	*
Subtotal	36,767,186	
G. TRANSPORTATION/BUSES		
Other Operating	<u>16,347,285</u>	-
Subtotal	16,347,285	
EIA TOTAL	\$636,559,251	
* Non-Recurring Appropriations	\$8,590,000	*
Recurring Appropriations	\$627,969,251	

Education Improvement Act

2014-15

	2013-14 Base Appropriation	EOC Recommendation	Explanation
A. STANDARDS, TEACHING, LEARNING, ACCOUNTABILITY			
1. Student Learning			
Personal Service Classified Positions	58,629		
Other Operating Expenses	136,739		
High Achieving Students	26,628,246		
Aid to Districts	37,736,600		
School Health & Fitness Act -- Nurses	6,000,000		
Tech Prep	3,021,348		
Modernize Vocational Equipment	6,359,609		
Arts Curricula	1,187,571		
Adult Education	13,573,736		
Students at Risk of School Failure	136,163,204		
High Schools That Work	2,146,499		
EEDA	7,315,832		
Subtotal	240,328,013		
2. Student Testing			
Personal Service Classified Positions	488,518		
Other operating Expenses	332,948		
Assessment / Testing	24,761,400		
Subtotal	25,582,866		
3. Curriculum & Standards			
Personal Service Classified Positions	126,232		
Other Personal Service	4,736		
Other Operating Expenses	41,987		
Reading	6,542,052		
Instructional Materials	20,922,839	\$8,000,000	Annualize funds for instructional materials
Instructional Materials Non-Recurring	8,000,000 *		
Subtotal	35,637,846		
4. Assistance, Intervention, & Reward			
Personal Service Classified Positions	1,236,436		
Other Operating Expenses	1,174,752		
EAA Technical Assistance	6,000,000		
PowerSchool/Data Collection	7,500,000		
Aid Other State Agencies			
Subtotal	15,911,188		
B. Early Childhood			
Personal Service Classified Positions	376,246		
Other Operating Expenses	556,592		
Alloc EIA - 4 YR Early Child	15,513,846		
SCDE-CDEPP	20,240,998	\$14,083,439	Consolidate funds for CDEPP as administered through SCDE
Subtotal	36,687,682		
C. TEACHER QUALITY			
1. Certification			
Personal Service Classified Positions	1,068,102		
Other Personal Service	1,579		
Other Operating Expenses	638,999		
Subtotal	1,708,680		
2. Retention & Reward			
Special Items			
Teacher of the Year Award	155,000		

Education Improvement Act

2014-15

	2013-14 Base Appropriation	EOC Recommendation	Explanation
Teacher Quality Commission	372,724		
Teacher Salary Supplement	125,756,960		
Teacher Salary Supplement - Fringe	15,766,752		
National Board Certification	54,000,000		
Teacher Supplies	13,596,000		
Teacher Salary Support			
Subtotal	209,647,436		
3. Professional Development			
Special Items			
Professional Development	5,515,911		
ADEPT	873,909		
Subtotal	6,389,820		
E. LEADERSHIP			
1. Schools			
2. State			
Personal Service Classified Positions	82,049		
Other Personal Service	83,121		
Other Operating Expenses	150,032	\$129,000	Add an additional cohort of 20 principals to the SC School Leadership Executive Institute
Technology	10,171,826	\$10,825,655	Expand wireless capabilities of schools
Employer Contributions	1,064,221		
EOC Public Relations	0		
Subtotal	11,551,249		
F. PARTNERSHIPS			
1. Business and Community			
2. Other Agencies & Entities			
State Agency Teacher Pay (F30)	716,323	(\$642,462)	Reallocated to special schools for teacher pay and increase in number of teachers. No net increase
Education Oversight Committee (A85)	1,293,242		
Center for Educational Partnerships (H27)	715,933		
SC Council on Economic Education	300,000		
Science PLUS	503,406		
Gov. School Arts & Humanities (H63)	828,185	\$131,809	
Wil Lou Gray Opportunity School (H71)	605,294		
School for Deaf & Blind (H75)	7,176,110	\$263,176	
Disabilities & Special Needs (J16)	613,653		
John De La Howe School (L12)	417,734		
Clemson Ag Ed Teachers	758,627	\$131,131	
Centers of Excellence-CHE (H03)	887,526	\$250,000	New Center to provide professional development to teachers and develop innovative practices, make specific, targeted curriculum changes and provide policy suggestions to ensure a seamless transition for students moving from public schools to college and careers.
Teacher Recruitment Program-CHE (H03)	4,243,527		
SC Program for the Recruitment and Retention of Minority Teachers, SC State University (Base: \$339,482)			
Center for Ed, Recruitment, Ret, and Adv	531,680		
Teacher Loan Program-State Treasurer (E16)	5,089,881		
Gov. School Science & Math (H63)	416,784	\$116,346	

Education Improvement Act

2014-15

	2013-14 Base Appropriation	EOC Recommendation	Explanation
Science South	500,000		
STEM Centers SC	1,750,000		
Teach For America SC	3,000,000		
ETV - K-12 Public Education	2,829,281		
ETV - Infrastructure	2,000,000		
SC Youth Challenge Academy	1,000,000		
School Readiness Plan (A85) Non-Recurring	590,000 *		
Subtotal	36,767,186		
G. TRANSPORTATION/BUSES			
Other Operating	16,347,285	(\$16,347,285)	Consolidate all transportation into General Funds
Non-Recurring Operations			
Subtotal	16,347,285		
New: Literacy & Distance-Learning Program at Patriots Point		\$415,000	Provide distance-learning program in 5th grade history, math and science standards taught from the Yorktown and includes two books to all 5th grade classrooms
EIA TOTAL	\$636,559,251		
* Non-Recurring Appropriations	\$8,590,000 *		
Recurring Appropriations	\$627,969,251		
Total New EIA Recurring Revenues:		\$17,355,809	