



## 2009 Legislative Investments in Education Accountability

### Funding Actions

The global recession and its impact on sales tax collections in South Carolina resulted in mid-year reductions to public education in FY2008-09 and lower revenue projections for FY2009-10. While teacher salaries, fringe benefits and National Board supplements were exempt from mid-year reductions, all other EIA programs were reduced by \$89.9 million or approximately 17% within the fiscal year. The Board of Economic Advisors (BEA) projected additional declines in EIA revenue collections next year, projecting total EIA revenues of \$532 million, which is the same appropriation level as in FY2000-01. The following table displays the magnitude of the reduction to the Education Improvement Act (EIA) revenues.

**Education Improvement Act Revenues**

<b>2008-09 Appropriations Per Act</b>	<b>\$644,714,375</b>
Less Mid-Year Revenue Reductions through March 11, 2009	<b>(\$89,920,268)</b>
Net EIA Revenue Projections	<b>\$554,794,107</b>
<b>2009-10 General Appropriations Bill</b>	<b>\$532,044,107</b>

Regarding the impact of lower general fund revenues, current mid-year reductions totaled \$973.7 million to all state agencies or 14.7% in cuts. Funding to the South Carolina Department of Education (SCDE) was reduced 12.2%. The Education Finance Act (EFA) was reduced by \$248 million in FY2008-09 or approximately 15.6%. The original EFA base student cost of \$2,578 has been reduced to approximately \$2,190 after mid-year reductions and revised student counts. For FY2009-10, general fund revenue collections are projected to decline by another \$64.0 million or approximately \$1.0 billion below the original FY2008-09 appropriation level.

Despite the austere economic conditions, the General Assembly continued to move South Carolina forward by including in the 2009-10 General Appropriations Act the following initiatives:

- Child Development Education Pilot Program (CDEPP) – CDEPP is funded at \$19.7 million in *recurring* general fund monies, the program provides full-day education services in public schools or private centers for four-year-olds who are eligible for the free or reduced price federal lunch program and/or Medicaid and who reside in the plaintiff districts of the equity lawsuit, Abbeville County School District, et al., v. State of South Carolina.
- Education Finance Act (EFA) and State Fiscal Stabilization Funds – The EFA base student cost is funded at \$2,334, off which \$300 is attributed to anticipated federal stimulus monies.
- Teacher Salaries – The statewide minimum teacher salary schedule was maintained at the current year’s level and the National Board supplemented continued. Teachers who receive the certification for more than one ten-year period will continue to receive the supplement. Loans for future applications are limited to 1,100 per year.
- Consolidation of EIA line items – Fourteen allocations were consolidated into four categories (students at risk of school failure, artistically and academically high achieving students, reading, and professional development) and twenty associated provisos were combined. Funds were allocated to districts on a per student basis with districts responsible to provide the educational services that best meet the needs of their students.

- Suspension for one year of the External Review Teams, Competitive Teacher Grants and Palmetto Gold and Silver programs. Funds are reallocated to teacher salaries, fringe benefits, National Board supplements, teacher supplies, Teaching Fellows Program and the Science PLUS Institute.
- Technical Assistance Program – The State Superintendent of Education, in consultation with the principal, superintendent and local school board of trustees, may reconstitute any priority school that fails to improve satisfactorily. SCDE will allocate technical assistance funds to underperforming schools and priority schools as needed with schools required to spend the funds on specific strategies outlined in the school renewal plans.
- Increased EFA Funding for Charter Schools – Students attending charter schools will be funded through the EFA at the current year’s base student cost plus an additional \$700.
- Accountability – SCDE may utilize up to \$5.0 million in unexpended EIA funds for the implementation, support, maintenance, and training for the statewide student information system which is crucial to sustaining accountability and transparency.
- Lottery revenues – Funding is maintained at the current year’s level of \$47.6 million for grades K-5 and \$2.0 million for grades 6-8 for Reading, Math, Science and Social Studies Programs.

**Other Legislation:**

**H.3352 (R.14)** – Joint resolution gave school districts flexibility in transferring funds between programs and in staffing ratios. In return, districts must expend at least 65% of per pupil expenditures on instruction, instructional support and non-instructional pupil services and must register all transactions over \$100. The issuance of teacher contracts was also delayed from April 15 to May 15. The resolution also suspends all formative assessments in grades 1, 2 and 9, foreign language and physical education. Provisos were also included in the appropriations act that mirrored H.3352.

**H.3148 (enrolled for ratification)** – This bill to enact the “Federal Educational Infrastructure Tax-Credit Bond Implementation Act” allows for the issuance by local school districts of a new type of obligation, the Qualified School Construction Bond (QSCB), authorized by the US Congress in the American Recovery and Reinvestment Act of 2009. The bill establishes the method or criteria by which South Carolina will allocate its share, \$131 million, in federal funds for QSCB. The bill states that the Superintendent of Education must allocate 60% of the state’s share of QSCB funds to school districts “having the lowest capital financing resources, measured in terms of assessed value per pupil,” not to exceed \$20 million per district. The remaining 40% must be allocated to districts “having an ability to expeditiously issue bonds demonstrated through a high credit rating and timely start and completion of a project,” not to exceed \$10 million per district. Any remaining funds must be awarded on a pro rata basis to districts that originally requested more than the maximum amount.

**S.696 (R.)** – The bill amended the EAA to allow a waiver from the requirement that the results of a school’s report card be printed in a local newspaper if an audited newspaper of general circulation in a school district’s geographic area has previously published the entire school report card results as a news item.

## IMPLEMENTATION OF AMENDMENTS TO THE EDUCATION ACCOUNTABILITY ACT

In 2008 the Education Accountability Act of 1998 was amended to incorporate a new assessment in grades 3-8 and other revisions to increase the impact of the accountability system. Incorporating a new assessment involves changes to student performance levels, the ratings designations and reporting formats. The schedule for implementation of the changes is shown below:

STATUS		TASK
<b>Completed</b>	<b>August 2008</b>	Revise the content and format of the annual school and district report card to incorporate a one-page executive summary and a comprehensive web-based card
<b>Completed</b>	<b>Dec. 2008</b>	Revision to the Palmetto Gold and Silver Criteria to include awards for closing the achievement gap
<b>Completed</b>	<b>May 2009</b>	Formation of a multi-agency partnership to develop and support a web-based interactive report card
<b>Continuous</b>		Engagement of a Broad Based Stakeholder Group(s)
<b>July 2008</b>		Appointment of National Advisory Committee
<b>July 2008</b>		Appointment of In-state Technical Teams
<b>July 2008 &amp; continuing</b>		Bi-monthly briefings & request for advice of SBE
<b>January 2009</b>		145 teachers involved in item alignment studies
<b>April 2009</b>		Engagement of over 6,000 South Carolinians in public opinion research
<b>May 2009</b>		150 teachers involved in gauging student progress study
June 2009		Teachers and curriculum leaders involved in refining draft Descriptions of Achievement Levels
August 2009		150 teachers engaged in bookmarking study
November 2009		Publication of ratings methodology & criteria simulations
December 2009		Public Hearing
<b>Completed</b>	<b>May 2009</b>	Initial PASS administration, incorporating field test
Scheduled	June 2009	Release of Clemson Public Opinion Study
Scheduled	June 2009	Establishment of the 2020 Goal
Scheduled	August 2009	Independent "Book Marking" Study of PASS items
Scheduled	August 2009	Approval/Disapproval of PASS tests
Scheduled	Sept. 2009	Establishment of Student Performance Levels
Scheduled	Oct. 2009	SCDE Release of Student Score Reports (scheduled for June in subsequent years)
Scheduled	Nov. 2009	Release of simulated models for ratings methodology and criteria
Scheduled	Dec. 2009	Public Hearing
Scheduled	Dec. 2009	Establishment of Ratings Methodology and Criteria
Scheduled	Feb. 2010	SCDE Release of Report Cards (scheduled for November in subsequent years)

## STUDIES IN PROGRESS

Copies of these studies and previous work can be obtained from [www.eoc.sc.gov](http://www.eoc.sc.gov)

### Public Expectations of Schools June 2009

The EOC, in partnership with Clemson University, is completing a comprehensive stakeholder opinion research study. The study incorporates 10 focus groups, 1200 telephone interviews and two web surveys with over 5,000 respondents. The study serves as the foundation for setting system goals and criteria.

### Establishment of the 2020 Goal June 2009

To establish a focus for the public education system evaluation, the EOC is setting a 2020 goal. The goal follows on the 2010 goal which fostered significant improvement in the educational system. A summary document regarding goals and evaluation measures in other states is available on the EOC website: [www.eoc.sc.gov](http://www.eoc.sc.gov).

### Reading: High Performing and High Growth Schools August 2009

The EOC is reviewing multiple years of PACT performance for schools enrolling students in grades 3-5 and in grades 6-8 to identify schools (and subsequently conditions and strategies) that consistently perform at high levels and schools that consistently foster high levels of growth. This project is coordinated with the SCDE initiative to improve reading instruction and performance across the state.

### SC Literacy Champions October 2009

The EOC created the South Carolina Literacy Champions Award to recognize successful service learning programs within postsecondary institutions focused on building reading skills among SC public school students in grades K-12. The deadline for applications for the 2009 Award is June 20, 2009. Grant funding support will be provided by the Central Carolina Community Foundation.

### Flexible Use of Appropriations October 2009

A review of the current year's transfers before and after passage of H.3352 will be conducted. Previous studies have shown that funds are moved from "reduce class size" to "academic assistance" without any documented impact on student academic achievement or increase in per pupil spending for instruction. The flexibility provisos are used most often by smaller enrollment districts.

### Child Development Education Program Pilot January 2010

Funding continues to be provided for full-day pre-kindergarten programs for four-year-olds in the Abbeville et al v. The State of South Carolina plaintiff school districts. The evaluation continues to address program participation, student progress, program administration, and teacher credentials.

### Palmetto Priority Schools January 2010

The EOC is working with the SCDE on the Palmetto Priority Schools Project. The EOC is evaluating the project to include gauging process measures and leading indicators of progress with an emphasis on school climate. Findings from this project should be affirmed by exploring patterns in all schools and have the potential to inform a broader range of measures for school and district evaluation.

### Assessments (non-PASS) April 2010

SC Alternate Tests in social studies are under review for alignment with the content standards, technical qualities and the ability to differentiate among levels of student achievement. Similar studies are to be undertaken of the end-of-course test in biology.

### Evaluating High Schools April 2010

The EOC has proposed studying the impact of dual credit, virtual courses and fifth year graduation rates on the calculation of high school ratings.