



STATE OF SOUTH CAROLINA DEPARTMENT OF EDUCATION

Mick Zais
Superintendent

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Columbia, South Carolina 29201

To: Kenny Bingham, Chairman
House Public Education and Special Schools Subcommittee

Emily Heatwole, Budget Research Analyst
House Public Education and Special Schools Subcommittee

Christian Soura, Deputy Chief of Staff
Governor's Office

From: Mellanie Jinnette, CFO
SC Department of Education

A handwritten signature in blue ink that reads "Mellanie Jinnette".

Re: Governor's Funding Plan/Adjustments to Education Finance Act

Date: March 3, 2014

After multiple meetings the past week (finalized just today), I would like to ask that we delay the implementation of Proviso 1.3 approved by House Ways and Means until the 2015-16 school year. While I think we agree that the Funding Plan addresses needs of students in South Carolina – students in poverty, students who need additional assistance for scoring not met on assessments, students whose primary language is not English – the operational concerns of the Governor's Funding Plan outweigh these needs at this time.

I am providing the following concerns based on data presented as estimates and as a result of conversations with stakeholders:

- Student counts for the add-on weights are currently collected in several different systems. Only 2 are currently collected in Power School.
- None of the add-on weights are *currently* calculated as an average daily membership figure as required by EFA but as a head count for current funding.
- No test data, as required for the Academic Assistance weighting, are currently collected in Power School.
- Power School calculations, reports, screen development, customization, documentation and training would have to be developed prior to July 1, 2014 assuming all of the system development could occur in 3 months.

- The largest concern was recently discovered in that The US Department of Agriculture has implemented a community eligibility determination for free/reduced lunch status for students. SC defines poverty as free/reduced lunch or Medicaid. With community eligibility, the school or “community” is determined to have a certain percentage of students in poverty. Student level data would no longer be available therefore we would not be able to assign a poverty weighting to students.
- We do not currently have the imputed index for use in the EFA calculation for 2014-15. We have requested it from DOR.

Some solutions –

- The Department of Education is in the process of developing a system to remove the Education Finance Act funding program from an antiquated mainframe application. In the future, this will allow us to more quickly provide funding scenarios based on changes to the EFA.
- With the additional time to implement, we can test adequately and insure that calculations are correct.
- All changes required could be made to Power School with time to document and train district personnel.
- Based on the request of the SCDE of additional funding and the approximately \$19 million requested by the Governor’s Office (not to include the At Risk or High Achieving Student Funding) we could still fund the districts at a Base Student Cost of \$2,120 using the current methodology and existing weights.
- The Department of Education staff can be prepared to implement with the 2015-16 school year and stand ready to make this happen. Dr. Zais and staff will ensure that all necessary changes can be and will be made to this funding plan.

There are other concerns expressed by school districts concerning local matches for the add-on categories and the audit standard required by the Education Finance Act that we would be glad to discuss with you.

Please do not hesitate to let me know if I can be of further assistance or can provide you with additional information.

C: Scott English
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