

**EIA and Improvement Mechanisms Subcommittee  
Budget and Proviso Recommendations for FY 2017-18  
As Adopted on December 7, 2016**

Section 59-6-10 of the Education Accountability Act requires the Education Oversight Committee (EOC) to "review and monitor the implementation and evaluation of the Education Accountability Act and Education Improvement Act programs and funding" and to "make programmatic and funding recommendations to the General Assembly."

To meet this statutory requirement, the EOC required each EIA-funded program or entity to submit a program and budget report. These reports were submitted to the EOC on or before September 30, 2016

The EIA and Improvement Mechanisms Subcommittee met on the following dates:

- November 7: Help public hearing for all entities funded by or requesting EIA revenues
- November 28: Held additional public hearing for all entities funded by or requesting EIA revenues
- December 7: Convened to discuss and approve EIA budget recommendations for EOC full committee meeting December 12.

On November 10, 2016 the Board of Economic Advisors (BEA) issued its preliminary outlook for the FY 2017-18 General Fund and EIA revenue forecast. The BEA identified \$39.475 million increase in FY 2017-18 over the current year's EIA appropriation base as well as an additional \$4.2 million for the current fiscal year (Table 1).

**Table 1  
EIA Revenue Projections**

<b>Fiscal Year 2017-18</b>	
Revised EIA Projection (November 10, 2016)	<b>\$791,060,000</b>
EIA Total Appropriation 2016-17	<b><u>\$751,585,000</u><sup>1</sup></b>
Projected EIA Growth	<b>\$39,475,000</b>
<b>Fiscal Year 2016-17</b>	
Estimate (November 10, 2016)	<b>\$755,817,000<sup>2</sup></b>
EIA <i>Recurring</i> Base Appropriation 2016-17	<b><u>\$751,585,000</u></b>
Projected Unappropriated EIA Revenue	<b>\$4,232,000</b>

<sup>1</sup> 2016-17 General Appropriation Act 284, R275, H5001.

<sup>2</sup> <http://rfa.sc.gov/files/General%20Fund%20Revenue%20Forecast%20FY%202014-15%20to%20FY%202017-18.pdf>

## Objective 1: Support Educators for 21<sup>st</sup> Century Learning

There are two critical needs facing public education in South Carolina:

1. The current educator pipeline is not sufficient to meet existing or future needs with significant shortage of special education and STEM teachers; and
2. Teachers need assistance in teaching and facilitating the learning of 21st century skills like communication, collaboration, critical thinking, and creativity.

*On the Path to Equity: Improving the Effectiveness of Beginning Teachers*, a 2014 report by Alliance for Excellent Education, determined that half a million teachers in the United States leave the classroom or profession annually at a cost to public education of \$2.2 billion. The high turnover rate “disproportionately affects high-poverty schools and seriously compromises the nation’s capacity to ensure that all students have access to skilled teaching. . . . Turnover is especially high among new teachers, with 40 to 50 percent leaving the profession after five years.”<sup>3</sup>

In South Carolina, the Center for Educator Recruitment, Retention, and Advancement (CERRA) releases an annual report on teacher supply and demand. In its January 2016 report, CERRA found that 5,353 teachers did not return to their classroom in 2015-16, up 1.4% from the prior year. Thirty-nine percent of teachers who left did so during the first five years of their careers, representing five percent increase from the prior year. Fourteen percent of all teacher departures occurred during or at the end of the first year in the classroom. CERRA notes “the gap between teacher supply and teacher demand continues to widen...Statewide, districts reported a 33% increase in the number of vacant positions compared to last year...Many South Carolina districts continue to have difficulty filling vacancies in special education all school levels, and mathematics and sciences in middle and high schools.”<sup>4</sup> More vacancies also occurred in social studies and English as well.

To begin addressing these issues, staff recommends the following budget and policy proposals:

### **Recommendation 1A: Computer Science Task Force Recommendations - \$500,000**

The South Carolina Department of Education (SCDE) and the Education Oversight Committee (EOC) convened a joint task force on computer science and information technology. The Task Force was co-chaired by the Honorable Molly Spearman, State Superintendent of Education,

<sup>3</sup> *On the Path to Equity: Improving the Effectiveness of Beginning Teachers*. 2014. <<http://all4ed.org/wp-content/uploads/2014/07/PathToEquity.pdf>>.

<sup>4</sup> [https://www.cerra.org/uploads/1/7/6/8/17684955/2015\\_supply\\_demand\\_report\\_1.pdf](https://www.cerra.org/uploads/1/7/6/8/17684955/2015_supply_demand_report_1.pdf)

Neil Robinson, Chairman of the EOC, and Rep. Dwight Loftis, a member of the House Ways and Means Committee and the EOC. The Task Force was composed of individuals who represent K–12 education, higher education, business and industry, parents, and communities throughout South Carolina.

The Task Force identified five (5) key findings through studies of national, state and local computer science research and practices. These are:

1. National and state data demonstrate a high demand for and significant job growth in the next decade in computer science, information technology, and related fields including cyber security.
2. As in other states, the opportunity for students in South Carolina to take a computer science course appears to be severely limited, with female students, students in poverty, and African-American and Hispanic students, disproportionately underrepresented in the courses that are offered.
3. As in other states, South Carolina has few postsecondary teacher preparation programs in computer science and few opportunities for teachers to acquire computer science content knowledge and pedagogical skills.
4. As in other states, South Carolina's citizens are limited in their awareness of career opportunities in computer science and the importance of computer science education.
5. The SCDE is taking action to expand access to computer science education.

Based on these findings, the Task Force identified five (5) recommendations for action by the SCDE and key agents in the public and private sector. These recommendations assume SCDE's completion and the approval of the K–8 computer science standards this fiscal year. These are:

1. The SCDE, with the assistance of Task Force members, should develop and implement a Computer Science Initiative including a broad reaching, communication plan.
2. The SCDE should create clear pathways in grades 9–12 to computing and information technology (IT) careers.
3. The SCDE and State Board of Education should approve computer science as a recognized field of teacher certification.

4. The SCDE, with the assistance of Task Force members, should identify measures of successes and challenges in expanding opportunities for all students to access computer science education.

5. South Carolina should offer a variety of learning opportunities for students, educators, and parents based on the new K–8 computer science standards.

In its recommendations, the Joint Task Force proposes strategies to equip educators to teach digital literacy, computational thinking, and computer science, and to increase student enrollments in and completion of computing courses such that the computational skills of **all** students, as defined in the *Profile of the South Carolina Graduate*, and interest in and pursuit of computer science and information technology careers are significantly increased.

The Joint Task Force proposes an initial state investment in a Computer Science Initiative for Fiscal Year 2017–18 of at least \$500,000 for five (5) interrelated actions:

1. Increase staffing at the SCDE to include at least one staff member solely devoted to coordinating Computer Science Initiative development and implementation in collaboration with key public and private sector agents (\$100,000);
2. Develop and implement a Computer Science Initiative communication plan (\$25,000);
3. Provide professional learning opportunities in computer science for educators in five to ten pilot districts (\$175,000);
4. Support learning opportunities for students and parents, such as summer camps, that emphasize computer science learning for minorities, females, and students in poverty in five pilot sites (\$50,000 to \$100,000); and
5. Provide incentives to pilot in five school districts expanded computer science opportunities for all students (\$50,000 to \$100,000).

#### **Recommendation 1B: S<sup>2</sup>TEM Centers SC – STEM Teacher Fellows Initiative - \$1,250,000**

Nationally, student interest in STEM is high; almost half of students in the 2013 ACT-tested graduating class have an interest in STEM majors or occupations. The academic gap that exists in general for ethnically diverse students is even more pronounced among those interested in

STEM fields.<sup>5</sup> While student interest may be high, the supply of teachers for STEM-related fields in South Carolina continues to be a challenge. Data from CERRA's annual Supply and Demand Survey demonstrates the need. Vacancies in middle school mathematics increased during the 2015-16 school year.

Students benefit from quality STEM education by becoming:

- **Problem-solvers** – able to define questions and problems, design investigations to gather data, collect and organize data, draw conclusions, and then apply understandings to new and novel situations.
- **Innovators** – creatively use science, mathematics, and technology concepts and principles by applying them to the engineering design process.
- **Inventors** – recognize the needs of the world and creatively design, test, redesign, and then implement solutions (engineering process).
- **Self-reliant** – able to use initiative and self-motivation to set agendas, develop and gain self-confidence, and work within time specified time frames.
- **Logical thinkers** – able to apply rational and logical thought processes of science, mathematics, and engineering design to innovation and invention.
- **Technologically literate** - understand and explain the nature of technology, develop the skills needed, and apply technology appropriately.<sup>6</sup>

S2TEM Centers SC is a statewide system of STEM education support for teachers, schools and communities managed by South Carolina's Coalition for Mathematics and Science. First established by the SC General Assembly in 1993, this program has grown its expertise in designing and implementing programs that build teachers' science, technology, engineering and mathematics knowledge, instructional skills and leadership characteristics.

- \$250,000 - S2TEM Centers SC would add two STEM Education Specialists to provide services to schools and school districts. One specialist would be assigned to the Coastal Pee Dee Regional S2TEM Center with particular emphasis on service in Clarendon, Dillon, Florence, Lee, Marion, Marlboro and Williamsburg Counties. Another specialist would be assigned to the Midlands Regional S2TEM Center with particular emphasis on service in Allendale, Bamberg, Barnwell, Hampton, Jasper and Orangeburg Counties. These selected counties are those that include plaintiff districts in *Abbeville Co. School District vs. State of South*

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<sup>5</sup> Source: ACT, *The Condition of Stem 2013 South Carolina*, 2014.  
<https://www.act.org/stemcondition/13/pdf/SouthCarolina.pdf>

<sup>6</sup> Source: Hays Blaine (HB) Lantz, Jr., Ed.D., *Science, Technology, Engineering, and Mathematics (STEM) Education, What Form? What Function?* 2009. <http://www.currtechintegrations.com/pdf/STEMEducationArticle.pdf>.

*Carolina*, and in which one or more of the districts scored 10% or more below the state mean on the math, science and English portions of the 2016 ACT exam. This program of support will include an update of the Standards Support System math and science lessons to current standards so they complement SCDE's Standards and Support Documents. Even though the current Standards Support System math and science lessons are outdated, 1,159 lessons were downloaded in 2015-16. The increase would also fund an external evaluation of selected SCCMS/S2TEM Centers SC programs and services. Programs to be selected will be determined in consultation with the EOC. In addition:

- \$750,000 to implement , manage and provide quality assurance of additional STEM labs at underserved schools
- \$50,000 for collaboration with SCDE and other organizations to develop a STEM alignment plan that would identify five STEM outcomes that can be achieved in five years.
- \$200,000 to fund professional development focused on integration of computational literacy strategies in STEM subject areas similar to S2TEM Center's Boeing-funded disciplinary literacy research. These funds could also support additional Teacher Fellows.

**Recommendation 1C: State Agency Teacher Pay - \$394,415**

The following state agencies/special schools requested increases in their line-item appropriation for teacher salaries. Pursuant to Proviso 1A.4, “each state agency shall receive such funds as are necessary to adjust the pay of all instructional personnel to the appropriate salary provided by the salary schedules of the school district in which the agency is located.”

The EOC contacted the seven special schools that receive EIA funds, and six responded.

**Table 2**  
**Increased Funding to the Following Special Schools and Line Items**

	<b>FY2016-17</b>	<b>FY2017-18 TSS Requested Change</b>				
	<b>EIA Line Item Appropriation</b>	<b>2% STATE</b>	<b>Local Supplement Increase</b>	<b>Fringe</b>	<b>Total Increase/Decrease</b>	<b>Explanation</b>
TEACHER PAY (F300)	\$73,861				<b>(\$73,861)</b>	Eliminate Line Item
Governor's School for Arts & Humanities	\$1,192,439	\$53,961	\$80,942	\$28,330	<b>\$163,233</b>	3% Increase per Greenville
Wil Lou Gray Opportunity School	\$605,294	\$21,722	\$16,368	\$7,999	<b>\$46,089</b>	1.51% Increase per Lexington 2
SC School for Deaf & Blind	\$7,439,286	\$117,937	\$0	\$0	<b>\$117,937</b>	2% State Increase
Disabilities & Special Needs	\$548,653	\$0	\$0	\$0	<b>\$0</b>	No increase requested
John de la Howe	\$417,734				<b>No Response</b>	
Clemson Ag Teachers	\$989,758	\$0	\$0	\$0	<b>\$0</b>	No increase requested
Governor's School for Science & Math	\$719,425	\$58,251	\$58,292	\$24,474	<b>\$141,017</b>	2% Increase per Darlington
<b>TOTAL:</b>					<b>\$394,415</b>	

\* Numbers rounded up to nearest whole dollar

## Recommendation 1D: National Board Certification and Teacher Salary

Last year, SCDE requested and received an EIA increase to extend the statewide minimum teacher salary schedule from 22 to 23 years. For FY 2016-17, Proviso 1A.79 increased the salary schedule for any teacher entering the 23<sup>rd</sup> year if the district's salary schedule did not go beyond 22 years. Proviso 1.91 increased the statewide salary schedule by 2% for FY 2016-17. The South Carolina Revenue and Fiscal Affairs Office projects the Southeastern average teacher salary in 2017-18 to be \$51,966. The average teacher salary in South Carolina in 2015-16 was \$48,769. Table 3 documents the average teacher salary in South Carolina with the Southeastern average teacher salary since FY 2012-13 and a widening gap. Depending upon the level of Education Finance Act (EFA) funds that are appropriated by the General Assembly, the statewide salary schedule for teachers may be increased.

**Table 3**  
**Average Teacher Salary**

	<b>SC Actual</b>	<b>SE Actual</b>	<b>Difference</b>
FY2012-13	\$48,375	\$47,964	\$411
FY2013-14	\$48,430	\$48,289	\$141
FY2014-15	\$48,561	<b>\$48,985</b>	<b>(\$424)</b>
FY2015-16	\$48,769	<b>\$49,596</b>	<b>(\$827)</b>
FY2016-17		<b>\$50,797</b>	
FY2017-18		<b>\$51,966</b>	

Sources: Revenue and Fiscal Affairs Office, August 31, 2016 Letter to State Superintendent of Education  
Email from, SCDE, Director of Communications & Governmental Affairs, November 8, 2016  
Note: Salaries in bold are estimates.

Based on carry forwards and declining enrollment, EOC recommends reducing National Board Certification by \$3 million, as compared to SCDE's request to reduce the line item by \$2 million. EIA Subcommittee analyzed the recurring EIA appropriations for National Board Certification. Based upon the unexpended funds from FY15 and FY16, the staff anticipates \$6,372,069 in funds from this one line item will not be expended in FY16.

**Table 4**  
**National Board Certification**

	<b>Appropriation</b>	<b>Expenditures</b>	<b>Transfer In</b>	<b>Unexpended</b>
FY2012-13	\$68,564,000	\$56,822,696	\$0	\$11,741,304
FY2013-14	\$54,000,000	\$55,117,175	\$1,117,175	\$0
FY2014-15	\$55,500,000	\$53,651,386	\$0	\$1,848,614
FY2015-16	\$54,000,000	\$51,521,931	\$0	\$2,478,069
FY 2016-17	\$54,000,000	<b>\$50,106,000</b>	<b>\$0</b>	<b>\$3,894,000</b>

Sources: Annual EIA Program and Budget Reports submitted by the SCDE to EOC. FY 2016-17 data estimated based on SCDE Submission of EIA Program and Budget Report in November 2016



### **Recommendation 1E: SC ETV - \$200,000**

EOC recommends an additional \$200,000 in recurring funds to support ETV's work with PreK-12 students and teachers through the networks interactive service LearningWhy. The service provides standards-based lessons for one-on-one teaching and includes cross-curricular activities, lesson progressions and assessments. The funding will also support the distribution and training about the use of WiFi devices to early childhood educators and other educational organizations including afterschool programs in rural and urban low-income areas of the state with limited access to WiFi services. The funding increase will allow ETV to manage the distribution and management of the devices and provide professional development and packaged content of premium PreK-12 educational services. While ETV is a principal partner in the K-12 Technology Initiative, the FY 2016-17 K-12 Technology Initiative allocation for educational content, services, and support was significantly reduced.

### **Recommendation 1F: Teacher Supplies - \$357,500**

According to CERRA, districts reported a total of 52,344.82 full-time and part-time certified teaching positions for the 2015-16 school year. EIA Subcommittee recommends fully funding this line item at the maximum allowable amount of \$275. For FY 2017-18 an increase in teacher supply appropriation of \$357,500 would accommodate approximately 52,344 teachers receiving \$275 each for the cost of supplies.

### **Recommendation 1G: Teacher Recruitment and Retention - \$1,200,000**

#### **Teaching Fellows**

The Teaching Fellows (TF) award has been \$6,000 per year since the inception of the TF Program in 2000. An increase of \$1,000,000 is requested to support the phase-in of a \$1,500 increase in the TF award. The award increase to \$7,500 was recommended by the Center for Educator Recruitment, Retention and Advancement (CERRA) Board of Directors and was also approved by the Commission on Higher Education. It is necessary to offset significant increases in tuition at the TF institutions. Currently, the cost of tuition, room, and board at the TF institutions ranges from approximately \$20,000 to \$35,500 per year. When the current TF award of \$6,000 is combined with the Life and Palmetto Fellows Scholarships, as well as the SC Teachers Loan, a Teaching Fellow would still be left with a minimum balance due of \$4,500. It is the CERRA Board's position that tuition, room and board costs should not be a deterrent for a potential Fellow who is considering accepting a TF award and enrolling in a teacher education program at a TF institution. The Teaching Fellows (TF) award has been at \$6,000 per year since the inception of the TF Program in 2000. An increase of \$1,000,000 is requested to support the phase-in of a \$1,500 increase in the TF award. The award increase to \$7,500 was recommended

by the CERRA Board of Directors, was approved by the Commission on Higher Education, and is necessary to offset significant increases in tuition at the TF institutions. Currently, the cost of tuition, room, and board at the TF institutions ranges from approximately \$20,000 to \$35,500 per year.

**Table 5**  
**TF Average Costs For 2016-17**

<b>TF Institution</b>	<b>Tuition*</b>	<b>Tuition/Rm/Bd **</b>	<b>Balance after Palmetto &amp; TF Applied ***</b>	<b>Balance after Life &amp; TF Applied ***</b>
Anderson	\$23,470	\$36,190	\$23,790	\$25,790
Charleston Southern	\$24,100	\$33,700	\$21,300	\$23,300
Coastal Carolina	\$10,696	\$19,963	\$7,563	\$9,563
College of Charleston	\$11,386	\$22,699	\$10,299	\$12,299
Columbia	\$28,900	\$36,550	\$24,150	\$26,150
Francis Marion	\$9,880	\$19,604	\$7,204	\$9,204
Lander	\$10,700	\$19,200	\$6,800	\$8,800
Newberry	\$25,600	\$35,444	\$23,044	\$25,044
USC Aiken	\$9,882	\$17,348	\$4,948	\$6,948
USC Columbia	\$11,614	\$22,885	\$10,485	\$12,485
USC Upstate	\$11,030	\$19,388	\$6,988	\$8,988
Winthrop	\$14,510	\$22,660	\$10,260	\$12,260

\*Full-time students commuting to campus; additional fees & books not included

\*\*Includes tuition; additional fees & books not included

\*\*\* Life scholarship: \$4,700 per year; Palmetto Fellows: \$6,700 per year (freshmen); and Teaching Fellows: \$5,700 per year)

## **Teacher Working Conditions Survey**

Teacher attrition is a national issue, and there are many associated factors:

“Administrative support is the factor most consistently associated with teachers’ decisions to stay in or leave a school. ...Teachers who find their administrators to be unsupportive are more than twice as likely to leave as those who feel well-supported. Many other factors that emerge from research on attrition are also associated with the quality of school leadership, including professional learning opportunities, instructional leaderships, time for collaboration and planning, collegial relationships, and decision-making input.” <sup>7</sup>

<sup>7</sup>Darling Hammond, Linda. “A Coming Crisis in Teaching,” September 2016.

[https://learningpolicyinstitute.org/sites/default/files/product-files/A\\_Coming\\_Crisis\\_in\\_Teaching\\_REPORT.pdf](https://learningpolicyinstitute.org/sites/default/files/product-files/A_Coming_Crisis_in_Teaching_REPORT.pdf)

However, gaining input directly from teachers is necessary to uncover their reasons for staying or leaving the teacher workforce. During the EOC's EIA budgeting process, EOC members asked for additional information about reasons teachers leave the teaching profession. Currently, specific data that would address this question is not collected in an anonymous, specific manner that would provide meaningful insight. The North Carolina Teacher Working Conditions Survey provides educators with data, tools and direct support to facilitate school improvement. NC TWC Survey includes questions on the following topics: community engagement and support, teacher and school leadership, managing student conduct, use of time, professional development, facilities and resources, instructional practices and support, and new teacher support. Every school that reaches the minimum response rate threshold of 40% (and a minimum of 5 respondents) is able to use its own data in school improvement planning. Under the guidance of CERRA, the EIA Subcommittee recommends commissioning a teacher working conditions survey for South Carolina. The survey should consider and explore existing state surveys, but adapt survey contents to meet the needs of South Carolina. Approximate cost for survey development, distribution and data analysis is \$200,000.

## **OBJECTIVE 2: Improve Students' College & Career Readiness**

The second objective focuses on providing students with the opportunities and experiences needed to graduate from high school career, college and civic ready for the 21<sup>st</sup> century. The following recommendations are based on initiatives to support the Profile of the South Carolina Graduate.

### **Recommendation 2A: Assessments**

For the current fiscal year, the General Assembly appropriated \$27,261,400 in recurring EIA revenues. SCDE did not include federal funds in its assessment budget it submitted to EOC as part of the FY 2017-18 EIA budget development process.

EIA Subcommittee recommends the following amendments to the state assessment budget to give school districts more support for diagnostic assessments in the early grades, particularly for early literacy and mathematical thinking:

- a reallocation of \$3,100,000 from State Assessment Allocation to a new line item, "Aid to Districts Diagnostic Support." These funds are already being allocated to districts for formative assessment in grades 3 and above and should be reflected separately from the state assessment budget;
- an increase of \$3.0 million to the new line item "Aid to Districts: Diagnostic Support." The increase in "Aid to District" would be allocated to support districts already using local funds to perform diagnostic assessments in kindergarten through second grade for early literacy and mathematical thinking.;

- an increase of \$560,000 for AP and IB tests, which are paid by the state;
- an increase of \$246,000 for Lexile and Quantile analysis to be included in the new accountability system;
- an allocation of \$250,000 for seniors who opt to retake a college- or career-ready assessment, such as ACT, WorkKeys or Accuplacer;
- annualization of appropriations for National Industry Exams of \$3.0 million, funded in the current fiscal year in non-recurring EIA funds and an increase of \$1.0 million to be used to reward schools for student passage rates on exams.

**Table 6**  
**EOC Proposed Assessment Budget**

<b>Proposed State Assessment Budget</b>	<b>Amount</b>
FY 2016-17 State Assessment Allocation	\$27,261,400
Reallocation to "Aid to District" line item for K-2 Assessment	(\$3,100,000)
Increase for AP and IB tests	\$560,000
Increase for Lexile and Quantile analysis	\$246,000
Second, Optional Administration of College Ready Assessments	<u>\$250,000</u>
<b>Proposed FY 2017-18 State Assessment Budget</b>	<b>\$25,217,400</b>
<b>New EIA Line Item: National industry Credentials</b>	<b>\$4,000,000</b>
<b>New EIA Line Item: Aid to Districts Diagnostic Support</b>	<b>\$6,100,000</b>

**Recommended Proviso Amendment 1:** Since EIA Subcommittee recommends school districts receive EIA funds of \$3.0 million for formative assessments in kindergarten, 1<sup>st</sup> and 2<sup>nd</sup> grades, amend Provisos 1.26 and 1A.14 accordingly:

*All school districts and special schools of this State may transfer and expend funds among appropriated state general fund revenues, Education Improvement Act funds, Education Lottery Act funds, and funds received from the Children's Education Endowment Fund for school facilities and fixed equipment assistance, to ensure the delivery of academic and arts instruction to students. However, a school district may not transfer funds allocated specifically for state level maintenance of effort requirements under IDEA, funds allocated specifically for state level maintenance of effort requirement for federal program, funds provided for the Education and Economic Development Act, funds provided for Career and Technology Education, nor required for debt service or bonded indebtedness. All school districts and special schools of this State*

*may suspend professional staffing ratios and expenditure regulations and guidelines at the sub-function and service area level, except for four-year old programs and programs serving students with disabilities who have Individualized Education Programs.*

*In order for a school district to take advantage of the flexibility provisions, at least seventy-five percent of the school district's per pupil expenditures must be utilized within the In\$ite categories of instruction, instructional support, and only transportation, food service, and safety within non-instruction pupil services. No portion of the seventy-five percent may be used for facilities, business services, debt service, capital outlay, program management, and leadership services, as defined by In\$ite. The school district shall report to the Department of Education the actual percentage of its per pupil expenditures used for classroom instruction, instructional support, and transportation, food service, and safety within non-instruction pupil services for the current school year ending June thirtieth. Salaries of on-site principals must be included in the calculation of the district's per pupil expenditures.*

*"In\$ite" means the financial analysis model for education programs utilized by the Department of Education.*

*School districts are encouraged to reduce expenditures by means, including, but not limited to, limiting the number of low enrollment courses, reducing travel for the staff and the school district's board, reducing and limiting activities requiring dues and memberships, reducing transportation costs for extracurricular and academic competitions, restructuring administrative staffing, and expanding virtual instruction.*

*School districts and special schools may carry forward unexpended funds from the prior fiscal year into the current fiscal year.*

*Prior to implementing the flexibility authorized herein, school districts must provide to Public Charter Schools the per pupil allocation due to them for each categorical program.*

*Quarterly throughout the current fiscal year, the chairman of each school district's board and the superintendent of each school district must certify where non-instructional or nonessential programs have been suspended and the specific flexibility actions taken. The certification must be in writing, signed by the chairman and the superintendent, delivered electronically to the State Superintendent of Education, and an electronic copy forwarded to the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Chairman of the House Ways and Means Committee, and the Chairman of the House Education and Public Works Committee. Additionally, the certification must be presented publicly at a regularly called school board meeting, and the certification must be conspicuously posted on the internet website maintained by the school district.*

*For the current fiscal year, Section 59-21-1030 is suspended. ~~Formative assessments for grades one, two, and nine, the foreign language program assessment, and the physical education assessment must be suspended.~~ The foreign language program assessment and the physical education assessment must be suspended. School districts and the Department of Education are granted permission to purchase the most economical type of bus fuel.*

*For the current fiscal year, savings generated from the suspension of the assessments enumerated above must be allocated to school districts based on weighted pupil units.*

*School districts must maintain a transaction register that includes a complete record of all funds expended over one hundred dollars, from whatever source, for whatever purpose. The register must be prominently posted on the district's internet website and made available for public viewing and downloading. The register must include for each expenditure:*

- (i) the transaction amount;*
- (ii) the name of the payee; and*
- (iii) a statement providing a detailed description of the expenditure.*

*The register must not include an entry for salary, wages, or other compensation paid to individual employees. The register must not include any information that can be used to identify an individual employee. The register must be accompanied by a complete explanation of any codes or acronyms used to identify a payee or an expenditure. The register must be searchable and updated at least once a month.*

*Each school district must also maintain on its internet website a copy of each monthly statement for all of the credit cards maintained by the entity, including credit cards issued to its officers or employees for official use. The credit card number on each statement must be redacted prior to posting on the internet website. Each credit card statement must be posted not later than the thirtieth day after the first date that any portion of the balance due as shown on the statement is paid.*

*The Comptroller General must establish and maintain a website to contain the information required by this section from a school district that does not maintain its own internet website. The internet website must be organized so that the public can differentiate between the school districts and search for the information they are seeking.*

*School districts that do not maintain an internet website must transmit all information required by this provision to the Comptroller General in a manner and at a time determined by the Comptroller General to be included on the internet website.*

*The provisions contained herein do not amend, suspend, supersede, replace, revoke, restrict, or otherwise affect Chapter 4, Title 30, the South Carolina Freedom of Information Act. Nothing in this proviso shall be interpreted as prohibiting the State Board of Education to exercise its authority to grant waivers under Regulation 43-261.*

**Recommended Proviso Amendment 2:** The EOC recommends that in the second year of funding industry certifications and credentials that districts also receive funding based on passage rates and use these funds to either administer more exams or support students in achieving passage on the exams.

**1A.67.** (SDE-EIA: Industry Certifications/Credentials) Of the funds appropriated for Industry Certifications/Credentials, \$3,000,000 must be allocated to school districts based upon the number of national industry exams administered in the prior school year. The department will identify the national industry exams that will be funded based upon the job availability in the state. School districts may carry forward funds from the prior fiscal year into the current fiscal year and expend the funds for the cost of national industry exams. The department shall work with the Department of Commerce, the Department of Employment and Workforce, state and local chambers of commerce and economic development offices and the Tech Board to ensure that students are aware of the industry required credentials for current job availability in the state organized by region. The remaining funds appropriated must be allocated to school districts based upon the number of national industry exams/credentials earned in the prior school year, and districts must expend these funds to pay for the cost of industry exams or to support students in preparing for the exams in the current fiscal year.

**Recommended Proviso Amendment 3:** Per a request by the SC Department of Education, the EIA Subcommittee recommends that funds formerly expended on DRA-2 for early literacy now be expended on a comprehensive kindergarten readiness assessment as required by Section 59-152-33.

**1A.63.**(SDE-EIA: 4K Early Literacy Competencies Assessments) *Of the funds carried forward from the full-day 4K program from the previous fiscal year, the Department of Education is authorized to expend up to \$800,000 on assessments and professional development to analyze the early literacy competencies of children in publicly funded prekindergarten. The department shall manage the administration of assessments that analyze the early literacy and language development of children in publicly funded prekindergarten as done in the prior fiscal year. Each school district and private provider participating in a publicly funded prekindergarten program will administer one of the formative assessments selected by the department to each child eligible for and enrolled in a publicly funded prekindergarten program during the first forty-five days of the school year and during the last forty-five days of the school year. Accommodations that do not invalidate the results of these assessments must be provided in the manner set forth by the student's Individualized Education Program or 504 Accommodations Plan. The department will provide the assessment data to the Education Oversight Committee. The results of the assessment and the developmental intervention strategies recommended or*

*services needed to address the child's identified needs must also be provided, in writing, to the parent or guardian. The assessment may not be used to deny a student to admission to prekindergarten.*

*Furthermore, up to \$2,000,000 of the funds appropriated for half-day programs for four-year-olds and funds carried forward from assessment must be expended by the Department of Education to administer the comprehensive a Kindergarten Readiness Assessment as required by Section 59-152-33~~Developmental Reading Assessment® 2nd Edition PLUS to implement the progress monitoring system required by the Read to Succeed Act of 2014 and to evaluate the early literacy and language competencies of each child entering kindergarten in the public schools.~~ The assessment of kindergarten students must be administered at a minimum of once during the first forty-five days of the school year and once during the last forty-five days of the school year with the results collected by the department. The results of the assessments and the developmental intervention strategies recommended or services needed to address each child's identified needs must also be provided, in writing, to the parent or guardian. The assessment may not be used to deny a student admission to kindergarten. Accommodations that do not invalidate the results of these assessments must be provided in the manner set forth by the student's Individualized Education Program or 504 Accommodations Plan. Districts are given the option of designating up to two days of the one hundred eighty day school calendar to administer the assessment to kindergarten students. The department will also provide the results of the assessment of kindergarten students to the Education Oversight Committee. With available funds, the department will also provide or secure training for appropriate educators in how to administer the assessment. In addition the department may pilot in kindergarten classes one or more comprehensive readiness assessments that address the other domains in numeracy, approaches to learning, social and emotional development, and physical well-being in the current school year.*

#### **Recommendation 2B: Accountability \$1,400,000**

It is important to identify schools that make dramatic gains in academic achievement as well as identify underperforming schools. ESSA does not require states to reward or recognize schools with significant academic achievement or growth or schools that have closed the achievement gaps. The EAA, however, created the Palmetto Gold and Silver Awards Program to recognize and reward schools for academic achievement and for closing the achievement gap. State law requires the award program be based on longitudinally-matched student data and other factors such as student attendance, teacher attendance, graduation rates and other factors promoting or maintaining high levels of achievement and performance. The proposed accountability system being considered by the Academic Standards and Assessment Subcommittee includes a value-added instrument for measuring student academic growth so that growth can be



measured among students who start out the academic year at a comparable level and who have the same demographics.

### **Recommendation 2C: SC Public Charter School District (SCPCSD) - \$22,898,631**

Created by the General Assembly in 2006, SCPCSD increases public school options for students and parents. It authorizes public charter schools, setting high expectations and holding schools accountable for student achievement. Any K-12 student eligible to attend public school in South Carolina can attend a public charter school. During the 2015-16 school year, SCPCSD included 32 schools with 18,467 students, and was the twelfth largest school district in the state.

When a student transfers from a traditional school district to a school within the SCPCSD, the federal and state dollars follow the child, but the local tax dollars do not. To compensate for this loss, an annual proviso provides \$3,600 for student who attends a brick-and-mortar school and \$1,900 for a student who participates in a virtual school.

SCPCSD projects an increase in weighted-per-pupil unit request is driven by a significant increase of almost 6,000 students which comes from growth of existing schools, five projected transfers and three new schools. The most significant increase in projected weighted-per-pupil unit finding needed is in high school students. This is driven by a forecast that at least 1,300 students from three high schools will transfer to SCPCSD from a local district and the opening of a second high school by an existing SCPCSD school. See Table 6 for additional detail.

**Table 7**  
**SC PUBLIC CHARTER SCHOOL DISTRICT**  
**FY17 and FY18 CHARTER FUNDING ENROLLMENT PROJECTIONS**

	FY 2016-17		FY 2017-18		Percent Change
Kindergarten	\$ 4,650,109		\$ 5,242,940		13%
Primary	11,785,541		13,294,520		13%
Elementary	21,596,278		22,045,180		2%
High School	12,358,465		25,990,920		*110%
Trainable Mentally Handicapped	36,720		22,032		-40%
Speech	2,794,856		4,672,290		67%
Homebound	52,623		45,100		-14%
Emotionally Handicapped	272,389		275,196		1%
Educable Mentally Handicapped	197,452		252,126		28%
Learning Disabilities	5,473,381		8,955,188		64%
Hearing Handicapped	203,135		191,979		-5%
Visually Handicapped	1,630,814		81,469		-95%
Orthopedically Handicapped	99,026		124,236		25%
Vocational	9,939,913		11,965,576		20%
Autism	1,365,657	72,456,359	1,715,321	94,874,073	26%
Gifted & Talented	833,975		1,026,045		23%
Academic Assistance	1,647,037		1,399,425		-15%
Dual Credit	-		546,315		
Limited English Proficiency	411,697		578,600		41%
Pupils in Poverty	5,769,680		5,592,920		-3%
Adult Education	-		-		
Residential Treatment Facilities	-	8,662,388	-	9,143,305	
	\$ 81,118,747	\$ 81,118,747	\$ 104,017,378	\$ 104,017,378	28%

\*+1300 from 3 transfer high schools + Increase for NEXT

#### **Recommendation 2D: CDEP**

No increase is recommended for CDEP due to the fact that there still exist carry forwards in the program each year.

#### **Recommendation 2E: Data Systems**

EOC defers any additional increases for the data systems until a PK-20 longitudinal data system is implemented.

#### **Recommendation 2F: Instructional Materials \$14,000,000 (approximately)**

The South Carolina Department of Education projects that approximately \$14 million in funds appropriated in Aid to Districts for the maintenance of state fiscal support under IDEA will not be expended for the maintenance of state fiscal support under IDEA this fiscal year due to the settlement agreement reached between the South Carolina Department of Education and the United States Department of Education. The EOC recommends that any funds not expended be carried forward and expended for instructional materials in Fiscal Year 2017-18. EOC recommends Proviso 1A.33. be amended accordingly:

**Recommended Proviso Amendment 4: 1A.33.***(SDE-EIA: IDEA Maintenance of Effort) Prior to the dispersal of funds appropriated in Section VIII.A.1. Aid to Districts according to Proviso 1A.31 for the current fiscal year, the department shall direct funds appropriated in Section VIII.A.1. Aid To Districts to school districts and special schools for supplemental support of programs and services for students with disabilities, to meet the estimated maintenance of effort for IDEA or to resolve pending litigation concerning the IDEA maintenance of effort. Funds provided for these purposes may not be transferred to any other purpose and therefore are not subject to flexibility. The department shall distribute these funds using the current fiscal year one hundred thirty-five day Average Daily Membership or as directed in any litigation settlement agreement. For continued compliance with the federal maintenance of efforts requirements of the IDEA, funding for children with disabilities must, to the extent practicable, be held harmless to budget cuts or reductions to the extent those funds are required to meet federal maintenance of effort requirements under the IDEA. In the event cuts to funds that are needed to maintain fiscal effort are necessary, when administering such cuts, the department must not reduce funding to support children with disabilities who qualify for services under the IDEA in a manner that is disproportionate to the level of overall reduction to state programs in general. ~~By December 1, 2016, the department must submit an estimate of the IDEA MOE requirement to the General Assembly and the Governor. For the current fiscal year, the department may carry forward IDEA Maintenance of Effort funds from the prior fiscal year and expend them in the same manner. For the current fiscal year, the department may carry forward IDEA Maintenance of Effort funds from the prior fiscal year and expend them for the purchase of instructional materials.~~*

**Recommended Proviso Deletion 5:** Act 281 of 2016 codified the requirement; therefore, the Proviso 1A.79 is no longer needed.

~~**1A.79.**(SDE-EIA: Report Cards) With the funds appropriated for assessment and the achievement results obtained from these assessments, the Education Oversight Committee shall not calculate absolute or growth performance ratings for the 2016-17 school year for schools or districts. Instead, the Education Oversight Committee shall determine the format of a transitional report card released to the public in the fall of 2016 that will also identify underperforming schools and districts. These transitional reports will, at a minimum, include the following: (1) school, district and statewide student assessment results in reading and mathematics in grades 3 through 8; (2) high school and district graduation rates; and (3) measures of student college and career readiness at the school, district, and statewide level. These transitional reports shall inform schools and districts, the public, and the Department of Education of school and district general academic performance and assist in identifying potentially underperforming schools and districts and in targeting technical assistance support and interventions in the interim before ratings are issued.~~

#### **Recommendation 2G: Robotics - \$125,000 (reallocation)**

With more and more schools adopting VEX Robotics as a platform to enrich and enhance science, technology, engineering, and mathematics (STEM) courses, there is a need for an integrated program which allows teachers to seamlessly add VEX into their classrooms. VEX is more cost effective than its other market counterparts. Many districts throughout the state have implemented Project Lead the Way (PLTW) in their middle schools and high schools to provide a rigorous, relevant STEM education. PLTW is one tool that exposes students to STEM. Through an engaging, hands-on curriculum, PLTW encourages the development of problem-solving skills, critical thinking, creative and innovative reasoning and a love of learning. PLTW features the VEX EDR system in several of its project-based engineering courses. EOC recommends allocating \$125,000 from the “Modernize Vocational Equipment” appropriation to ensure students have access to robotics curriculum.

**Recommended Proviso Amendment 6:** The proviso allocates \$125,000 to support robotics competitions throughout the state using existing funds

**1A.68.** (SDE-EIA: Career and Technical Equipment Funding) Funds appropriated for Modernize Career and Technical Equipment will be distributed to school districts and multi-district career centers based on the prior year actual student enrollment for career and technology education courses, with no district or multi-district career center receiving less than \$50,000. Funds may be expended for the purchase of career and technical equipment, the up fitting of facilities and the purchase of consumables. Each district must include in the district plan submitted to the Office of Career and Technology Education information on other career and technical equipment available. The district must include, at a

minimum, equipment located at the career center and at the technical college, information on the alignment of equipment to current industry jobs and needs in the state as recommended by career and technical program advisory committees. District plans must include charter schools within the school district offering at least one career and technical education completer program. School districts and career centers may carry forward unexpended funds to be used for the same intended purposes to up fit career and technical facilities and replace career and technical program consumables. In addition, \$125,000 of the funds appropriated shall be allocated **to the Palmetto Partners for Science and Technology** for robotics competition, curriculum and support.

#### **Recommendation 2H: STEM Premier - \$150,000**

STEM Premier® is a digital platform that allows students ages 13 and older to create a profile that showcases their skills, talents, interests, and assessment scores. Colleges and companies can then search the platform for students and communicate through the internal private and secure STEM Premier messaging system. Messages contain opportunities from organizations, schools and industry. STEM Premier® and the SC Manufacturers Education Foundation (SCMEF), a 501C3 organization affiliated with the South Carolina Manufacturers Alliance (SCMA), are working together to promote the platform to high schools, technical schools and college students in South Carolina. Staff recommends funds be allocated to the SC Department of Commerce who would coordinate the expansion to high schools using the Regional Education Centers. In the spring of 2014, STEM Premier initiated its first pilots in two South Carolina high schools. Since then, STEM Premier has expanded its implementation to over 29 high schools in 18 school districts and 50 high schools in South Carolina.

The premium level subscription component of the platform is free to all students. If the school would like to use the dashboard component of STEM Premier® for data analysis, the cost is \$1,500 annually per school. This cost covers the use of the software, technical support and upgrades. The dashboard allows the schools to gather data that provides useful information about their students and programs being offered. Additionally, there is a one-time per school implementation cost of \$1,500 that includes one (1) eight-hour on-site training day for student implementation and dashboard training. The dashboard price reflects a 25% discount. Table 7 describes how the program could be implemented over multiple years in schools. In its second year of statewide implementation, EIA Subcommittee recommends \$150,000 in EIA funding for FY 2017-18.

**Table 8**  
**STEM Premier Five-Year Funding**

Year School Implemented	Number of Schools Implemented	Annual Program Cost (1)			
		2016-17	2017-18	2018-19	2019-20
Year-1	100	\$300,000	\$150,000	\$150,000	\$150,000
Year-2	100		\$300,000	\$150,000	\$150,000
Year-3	50			\$150,000	\$75,000
Total	250	\$300,000	\$450,000	\$450,000	\$375,000

## New Requests for Funding

EIA Subcommittee recommends further consideration of the establishment of a statewide education innovation fund that would develop and implement a competitive grants process for reviewing, awarding and monitoring innovative education strategies similar to the Georgia Innovation Fund. In South Carolina, through the South Carolina Community Block Grants for Education Program, 37 local school districts have requested almost \$7 million in funds during FY 2015-16 and 2016-17. During FY 2015-16, \$2 million was allocated by proviso, and eight districts were awarded. During FY 2016-17, \$1 million was allocated, and awards are pending.

In 2011, the state of Georgia seeded an innovation fund with \$19.4 million under Georgia's Race to the Top Plan. To continue the Innovation Fund's work, Governor Deal appropriated state funding for FY 2015-16 and 2016-17. In 2015, the Innovation Fund Foundation, a 501(c)(3) nonprofit organization was established and received tax-exempt status, allowing the Innovation Fund Foundation to seek contributions as a continuing source of start-up capital for promising innovations. Since its inception, the Innovation Fund has invested over \$27 million of state and federal funding through 54 grants to 39 local districts, postsecondary institutions, nonprofits, and charter schools to pilot innovate education programs ranging from teacher and leader induction to STEM-applied learning, blended learning, and early childhood. The Governor's Office of Student Achievement monitors and evaluates grantees' progress.

In FY 2016, the Innovation Fund awarded planning, implementation and scaling grants in the following priority areas:

- Applied learning with a focus on K-12 STEM education,
- Birth to age eight language and literacy development,
- Development and replication of blended learning school models, and
- Teacher and leader development for high-need schools.<sup>8</sup>

The EIA Subcommittee suggests consideration of additional modifications and additions to priority areas that would include: (1) augmenting the teacher and leader development priority with innovative practices that also address teacher recruitment and retention, (2) implementing measurable strategies that develop students' soft skills as noted in the *Profile of the South Carolina Graduate*, and (3) piloting performance-based assessments for students.

For Fiscal Year 2017-18, there were four new requests for EIA funding (Table 9). The EIA Subcommittee recommends new EIA funding requests to be considered using a review process similar to the process established by the Georgia Innovation Fund. In addition, existing non-

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<sup>8</sup> For more information, go to <http://gosa.georgia.gov/innovation-fund>.

SCDE EIA-funded programs would undergo a cyclical review process to ensure they are outcome-oriented and producing results that impact student achievement.

**Table 9**  
**New EIA Requests**

<b>Program Name</b>	<b>Requested Amount</b>	<b>Description</b>
Science Education Outside the Classroom (Greenwood Genetics Centers)	\$750,000	Greenwood Genetic Centers (GGC) requests EIA funds to expand its Mobile Science Laboratory Program that exposes students to modern biotechnology and equipment, direct contact with genetics professionals and engagement in inquiry-based activities. GCC would like to work directly with teachers and students in genetics, biotechnology and life science. EIA funds would cover the procurement of a second mobile lab, supplies, equipment, materials, GGC support and staff costs.
Save the Children	\$700,000	Save the Children (STC) has been working in the state for over 20 years and works primarily in high poverty communities. Through its early childhood programs, STC has served 7,261 children in Barnwell, Clarendon, Lee, Orangeburg and Union Counties at 14 elementary schools and one early childhood center. STC provides home visitation, summer and afterschool programming, kindergarten transition and community engagement activities. In 2015-16, 75% of 3-year-olds and 77% of 5-year-olds in STC home visitation had vocabulary development at or above normal. 72% of SC participants made significantly greater gains in reading proficiency that equate to an extra 4.1 months of classroom learning.
Statewide Digital Music Technology Program	\$650,000	QuaverMusic requests a statewide license fee for its K-5 curriculum that includes lesson plans and teacher professional development. Currently, QuaverMusic is in 547 schools and 66 districts across the state.
Project SOaR STEM Outreach Program	\$241,525	SOaR uses technology assets such as robotics, turbine engines, helicopters, avionics, Unmanned Aerial Systems in school settings so students can connect STEM subject areas to viable career paths. The program would like to increase the number of STEM school visits and participation in its summer camps.
	\$2,341,525	



**Table 10**  
**Summary of EIA Budget Recommendations**

EOC Recommendation Number	EIA Line Item	Proviso	Recurring EIA Base	Subcommittee Increase/Decrease
<b>RECURRING</b>				
1A	<b>Computer Science Task Force</b>			\$500,000
1B	S2TEM Centers SC		\$1,750,000	\$1,250,000
1C	State Agencies' Teacher Salary		\$11,986,450	\$394,415
1D	National Board Certification		\$54,000,000	(\$3,000,000)
1E	SC ETV		\$3,394,281	\$200,000
1F	Teacher Supplies		\$14,346,000	\$357,500
1G	CERRA – Teaching Fellows		\$4,435,725	\$1,200,000
2A	State Assessment Program <sup>9</sup>	1A.63.	\$27,261,400	(\$2,044,000)
2A	Industry Certifications/Credentials	1A.67.		\$4,000,000
2A	<b>Aid to Districts Diagnostic Support</b>	1.26. and 1A.14.		\$6,100,000
2B	<b>Accountability – Value Added</b>	1A.79.		\$1,400,000
2C	SC Public Charter School District		\$81,118,747	\$22,898,631
2G	<b>Robotics (\$125,000)</b>	1A.68.		
2H	Dept. of Commerce		\$1,802,000	\$150,000
2I	<b>SC Education Innovation Fund</b>			\$6,068,454
<b>TOTAL</b>				<b>\$39,475,000</b>
<b>NON-RECURRING</b>				
2F	Instructional Materials <sup>10</sup>	1A.33.		

Note: New EIA initiatives are in **bold**.

\$4,232,000 in projected unappropriated EIA revenue in the current Fiscal Year can also be used for the SC Education Innovation Fund.

<sup>9</sup> Recommended Proviso Amendments (1) due to EOC staff recommendation districts received \$3,000,000 in EIA funding for formative assessments in K-2 and (2) due to SCDE request that funds expended on DRA-2 in FY 2016-17 be expended on a comprehensive kindergarten readiness assessment in FY 2017-18.

<sup>10</sup> Recommended Proviso Amendment (3) due to funds not expended for maintenance of state fiscal support under IDEA be carried forward and expended for instructional materials.