

**south carolina school boards association**

**2017**  
**legislative**  
**preview**  
**webinar**

**Wednesday**  
**October 18**  
**Noon to 1 p.m.**

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# 2017 legislative preview webinar

## general information

SCSBA looks forward to your participation in our live Legislative Preview Webinar from noon to 1 p.m. on Wednesday, October 18, 2017.

The purpose of the webinar is to review some of the issues likely to be debated during the 2018 session of the General Assembly so that school boards can begin discussing them with their local legislators before the session begins in January.

### View/participate online free of charge

The webinar will be streaming via YouTube Live, and a link to tune in will be available on the SCSBA website. A high speed internet connection is highly recommended to adequately view the live streaming video, and sound capability is a must. Check with your system administrator to ensure that you are able to tune in to the webinar.

The webinar will be recorded for members who cannot join live to view later. A link to the recorded version will be emailed to members and posted on the SCSBA website.

### Submit your questions, comments

Questions and comments can be made during the webinar by typing them into the chat box on the screen.

## boardmanship institute

Board members who view the webinar will receive 5 points and 1 hour of credit in the SCSBA Boardmanship Institute. Board secretaries are asked to email the names of participating board members in their district to Sandy Poole at [spoole@scsba.org](mailto:spoole@scsba.org) by Friday, November 3, 2017, to receive credit.

## agenda

### 1. Welcome and purpose

Scott T. Price, *SCSBA Executive Director*

### 2. Legislative issues discussion

Debbie Elmore, *SCSBA Director of Governmental Relations and Communications*

### 3. Closing comments

Scott T. Price, *SCSBA Executive Director*

## legislative issues, position statements, talking points

### Education funding reform

*No legislation filed*

#### Overview

A review and discussion of education funding and equity is underway by special committees formed in the House and the Senate at the end of this past legislative session. Additionally, a Tax Policy Review Committee formed in the House two years ago has continued to meet and is expected to propose tax legislation which could have an impact on education funding.

The House funding committee has focused much of its discussion on the components and function of the state's two primary funding mechanisms - the 1977 Education Finance Act (EFA), which provides the per pupil state allocation to school districts through a weighted formula, and the 1984 Education Improvement Act (EIA), which funds programs to improve student achievement. One concept that seems to get repeated is rolling up certain EIA and other line item program funding to distribute to school districts. Also being

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discussed is a uniform statewide millage rate for school operations, which is part of a plan to restructure education funding proposed by SCSBA and other education organizations.

The tax policy committee formed to review the state's current tax code and submitting revenue-neutral suggestions for reforms will likely recommend changes to the state's income tax and possibly sales tax. Much of the discussions so far have centered on the unintended consequences of Act 388, which created a one-cent sales tax to exempt owner-occupied homes from paying school operating taxes. This shifts the funding burden to other properties such as commercial and rental properties. Since property taxes and education funding are inextricably linked, the committee is having difficulties recommending changes that do not create funding "winners" and "losers" for school districts.

In the Senate, the K12 Education Finance Subcommittee is charged with studying equity related to the Supreme Court's ruling in favor of the Abbeville plaintiff school districts. The subcommittee is considering recommendations provided by various education organizations that include specific program funding, incentives for district consolidation or consolidation of services, ideas for teacher recruitment and retention and a proposal to restructure education funding by SCSBA.

## Position statement

SCSBA supports legislation to reform the state's education funding structure. Any revision should be based upon specific analysis and recommendations on the following:

- (1) the current tax structure and the state's taxing policy;
- (2) the current education funding formulas and their ability to equalize educational opportunities statewide; and,
- (3) a realistic means of computing a per pupil

funding amount, which is aligned with state-imposed student performance standards and expectations.

Recommendations for reforming the method of fully funding public education in South Carolina must do the following:

- expand local district revenue-raising options;
- generate revenue that is adequate, stable and recurring;
- ensure equitable and timely distribution, to include direct distribution from the state to a district;
- provide adequate funding for other operational needs such as transportation and fringe;
- include state-driven initiatives to ensure that every public school student has the opportunity to learn in permanent school facilities that are safe, structurally sound and conducive to a good learning environment;
- ensure that districts are held harmless from receiving less money through a new funding plan; and,
- grant all elected school boards full fiscal autonomy.

## Talking points

- The time is now to restructure the way our state funds education. We appreciate the General Assembly's actions in recent years to increase the base student cost (BSC). However, this year's \$2,425 BSC is still well below the statutorily required amount of \$2,984. This brings the total number of years since the last time the BSC was fully funded to 10 (2008).
- The State requires schools to ensure all students are college and career ready but there has never been a study to determine the resources necessary for all schools to meet this requirement.
- Lawmakers must consider education funding when changing the state's tax system.

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- The passage of the property tax relief act (Act 388) in 2006 has significantly impaired the ability of local school boards to raise operational millage at the local level by shifting the burden to commercial and rental properties. It also put in place a hard cap on a local board's ability to raise millage on the remaining classes of property.
- Locally-funded programs and community-driven school initiatives have suffered. It now becomes the legislature's responsibility to provide every district the funding necessary to meet the operational and programmatic requirements in state law and at the local level. Districts need more funding tools to address operational and capital needs.
- The funding of technology, school construction or other special non-recurring needs for school districts is a continuing concern. Current funding options, i.e. referenda or budgeted operations costs, do not lend themselves to addressing this concern.

## New state and federal accountability system

*No legislation filed*

### Overview

The South Carolina Department of Education (SCDE) and the South Carolina Education Oversight Committee (EOC) have completed their work to redesign the state education accountability system that will be used to hold districts and schools accountable for increased student achievement.

The accountability system redesign is the result of two major factors:

1. Passage of the federal Every Student Succeeds Act (ESSA), formerly known as the No Child Left Behind Act (NCLB), in December 2015.

2. Passage of state legislation in 2016 directing the EOC to develop and recommend to the General Assembly in the Fall of 2016 a single education accountability system that meets federal and state accountability requirements for implementation in the 2017-2018 school year.

The EOC voted in September to adopt a new state accountability system that takes effect this school year. The new system continues, and in some cases increases the rigor for, many of the elements in the former state accountability system.

The SCDE, on October 16, 2017, submitted to the U.S. Department of Education the state's consolidated ESSA plan. However, State Superintendent of Education Molly Spearman is requesting the EOC approve amending the plan with a series of changes that are aimed at using multiple measures other than standardized test scores to evaluate school performance. The EOC may take up the request in January.

The current plan establishes a state goal that 90 percent of students will graduate college, career and citizenship ready. It also sets a 90 percent on-time graduate rate goal for all high schools by 2035. High schools will be annually required to increase by five percent students who graduate ready to enter college without the need for remediation courses.

Highlights of the new system include the following:

- School rating terms are Excellent, Good, Average, Below Average and Unsatisfactory and will be based on a 100-point scale system.
- Elementary and middle schools' annual ratings will be based on student performance and growth (Academic Progress) in scores on standardized tests (90 percent of the rating) in the four subject areas and on student surveys to measure

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school quality and student success (10 percent).

- Elementary and middle schools with fewer than 20 English Language Learner (ELL) students, will receive four annual ratings for the following:
  1. Academic Achievement (English language arts and math test scores)
  2. Academic Progress (test scores from one year to the next)
  3. Preparing for Success (test scores)
  4. Student Surveys (surveys)

In addition to a summative rating, elementary and middle schools with more than 20 ELL students will also rating for Progress in Achievement English Language Proficiency (test scores).

- Annual ratings for high schools will be based student scores on end-of-course (EOC) tests and other tests (65 percent), four-year, on-time graduate rate (25-30 percent), and student surveys to measure school quality and student success (7.5 percent).
- High schools with fewer than 20 ELL students will receive five annual ratings for the following:
  1. Academic Achievement (EOC test scores)
  2. Graduate Rate
  3. Prepared for Success (test scores and other factors)
  4. Student Surveys
  5. Student Success (test scores in science and social studies)

High schools with more than 20 ELL students will receive another rating for Progress in Achievement English Language Proficiency (test scores).

- School Growth will be measured using a "value-added system" (VAM), which is a sophisticated statistical formula that

formulates what constitutes a year of growth for each student based on his/her historical performance, demographics, etc. At the end of the year, if the student has achieved what was computed to be one year of growth, the student is considered to have received an effective education. If the student shows more than one year of growth, the student has received a highly effective education. Students that show less than one year of growth are considered to have received a less effective education.

## Position statement

We support increased flexibility in state and federal accountability requirements to include (but not limited to) reduced testing and the elimination of annual school and district ratings based solely on test scores. A new accountability system should assist, encourage and reward education innovation focused on effective instruction and student learning.

## Talking points

- South Carolina missed an opportunity to use valid alternate measures for measuring student and school progress under the new federal system. The plan approved by the EOC and included in the SCDE plan to the feds continues to rely heavily on student scores on tests that are administered once at the end of the year or course and the results of which cannot drive instructional changes.
- The accountability system could be characterized as No Child Left Behind 2.0 because it sets unrealistic targets schools are expected to annually meet based on a value-added system that will be difficult to communicate to parents and the public.
- The new system is set to identify 10 percent of S.C. schools as "Unsatisfactory," but the State has only allocated enough school assistance funds for five percent of schools. This does not focus accountability on

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improvement but rather on labeling schools.

- The new system is supposed to include a point system that remains in place for at least five years. This helps schools set targets and goals for improvement from year to year. However, the VAM system to measure growth does not allow for there to be a fixed point system and needs to be removed from the system after the current school year.

## School start date

*No legislation filed*

### Overview

Following a lengthy legislative debate in 2006, the General Assembly enacted a uniform start date for South Carolina's public schools stating that – with few exceptions – no school could begin classes prior to the third Monday in August annually.

School districts have found that depending on when the third Monday in August is positioned in a calendar year, it is increasingly difficult to complete the first semester in 90 days before the winter holiday break, which many parents, teachers and students demand. Public pressure has led many school boards to end the first semester before the break and reduce the number of instructional days for students in completing first semester courses.

Ten years later in 2016, a bill to change the uniform start date turned into a new law changing how state testing would be administered. The new law changed the administration of state testing for all students on specific dates to allow districts to choose their testing date within a 20-day window at the end of the school year. This new testing window removes a barrier that has been used by proponents of a uniform school start date who contend that districts starting in early August would have an unfair advantage over students in districts starting later in August.

This past session, the General Assembly passed a joint resolution authorizing school districts to

start the school year two days earlier than the third Monday, but even that simple resolution met resistance. Efforts to move the start date as little as one week earlier have met resistance, which makes filing a bill to allow school districts the authority to set their own start date difficult.

School boards must determine whether or not members of their local legislative delegations (House members and Senators) would support a bill amending the uniform start date to give authority to local boards to set their school district's start date.

### Position statement

SCSBA believes that state law regarding when public schools may start the school year should be changed to give districts the flexibility of setting their own start date.

### Talking points

- Determining the school year calendar should be a core function of locally elected or appointed school boards.
- The flexibility of a new 20-day testing window allows districts that want to start earlier to test early in the window and the districts wishing to start later to test later in the window. Both districts would have the same number of instructional days before their students take the tests.
- School districts have found that depending on when the third Monday in August is positioned in a calendar year, it is increasingly difficult to complete the first semester in 90 days before the winter holiday break, which many parents, teachers and students demand. Public pressure has led many school boards to end the first semester before the break and reduce the number of instructional days for students in completing first semester courses.
- Many more high school students are taking dual credit courses at area technical colleges. Allowing districts to set their start date will better assist these students by

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aligning their second semester with local colleges and allowing students to begin their new classes in January.

- Students who graduate early can complete their final exams and receive their diplomas in December or early January in time to start their college classes at the beginning of the spring term in January.
- Districts have very few options for scheduling the statutorily required make-up days during the winter months due to required holidays, spring break, state testing, local benchmark testing, professional development and teacher work days. Allowing districts to set their own start date would provide more options for incorporating these scheduling requirements to complete the first semester before the winter holiday break.
- An earlier start date could allow students to complete the school year prior to Memorial Day, which provides greater flexibility for family vacations.

## continuing issues

### District consolidation

In April, the South Carolina Department of Education (SCDE) released the results of an efficiency study of small, rural districts. The study maintains the state could save \$35 million to \$89.6 million over five years if the districts were to consolidate, or at the very least, merge district level functions, such as accounting, human resources, procurement and transportation. A study of the 32 plaintiff school districts in the 1993 Abbeville school funding lawsuit was ordered by the General Assembly through a 2016-2017 budget proviso. The study did not evaluate indicators of student achievement such as income, community resources, etc.

Meanwhile, a bill to consolidate the three school districts in Orangeburg County was

making its way through the legislature. It ultimately passed but was vetoed by the Governor.

And finally, during a recent report on education, State Superintendent Molly Spearman told a Senate committee studying education equity that consolidation is “difficult and emotional,” but something the state needs to consider.

Currently, there are 81 school district in 46 counties in the state governed by boards that are elected, appointed or some combination of the two. In addition, no uniformity exists for school board fiscal autonomy.

Districts that have most recently undergone consolidation were Marion and Sumter. While some lawmakers acknowledge consolidation does not always save money, others continue to point to the savings argument.

As the General Assembly continues to face the challenges of funding core services, the issue of consolidating school districts may be seen by some as a way to save money for the state.

Several bills have been filed as follows:

- House bill 3023 is a joint resolution that would establish a committee to study the feasibility and cost effectiveness of consolidating school districts within individual counties. In making its determinations, the committee will consider potential savings that may occur from the centralization of the administrative and programmatic functions of several districts.
- House bill 3032 prohibits having multiple school districts within county boundaries and requires the consolidation of school districts by county, beginning July 1, 2019.
- Senate bill 36 would require each school district to have at least 2,500 students enrolled in the schools of the district in order to receive state funding but would not apply to a county school district that has less than 2,500 students.



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SCSBA believes in consolidation or deconsolidation of school districts provided that in each district affected a referendum is held and a majority of the voters voting in the referendum in each affected district authorizes consolidation or deconsolidation. Each district shall have equal voice in the consolidation or deconsolidation question.

## School and bus safety

In his budget vetoes for 2017-2018, Governor McMaster cut more than \$20 million in lottery funding for the purchase of new school buses. Statewide, the number of 1995-96 buses that have been known to catch on fire and experience thermal events is 1,140. These buses pose a great risk to our students. SCSBA supports the override of this veto when lawmakers return in January. In addition, SCSBA will continue to seek state funding to support school safety efforts including School Resource Officers and other safety measures.

## Teacher pay, recruitment and retention

Lawmakers this past legislative session established two committees to study and offer recommendations for addressing the growing teacher shortage crisis. One of the committees is charged with focusing on recommendations concerning teacher pay, and the second committee, led by State Superintendent Spearman, is considering efforts to recruit and retain teachers.

The teacher pay committee is expected to recommend increasing the starting salary for new teachers and adding annual step increases though year 30. According to the Teacher Supply and Demand Report by CERRA and the Commission on Higher Education, the number of teachers leaving the profession each year is significantly higher than the number of students graduating from state colleges who are eligible for teacher

certification. Overall, South Carolina does not produce a sufficient number of teachers through the state's teacher education programs to fill current and anticipated vacant positions. Graduates from in-state teacher education programs are the largest source of newly-hired teachers each year.

## Tuition tax credit/voucher expansion

The statewide tuition tax credit program, which has been operating for the past five years through a budget proviso, will likely seek additional state funding to expand the program in 2018 or to place it in permanent law. The current program awards scholarships that are provided by donors who receive a tax credit equal to the donation amount.

Meanwhile, two bills filed in the House and in the Senate would change the program to the Equal Opportunity Education Scholarship Account Act, which is similar to a program currently operating in six states. Basically, the program would directly provide taxpayer money in the form of a debit card from the state's general fund to parents who opt to take their child out of a public school and send them to a private school or other education services. Parents can use the funds to pay for tuition or other education-related expenses, including transportation, books, etc.

The House and Senate bills currently limit eligible students who have been identified with special needs, students in foster care, military family children and students eligible for free or reduced lunch. In Arizona, where the program has been operating since 2011, the expansion of eligible children has doubled, costing taxpayers more than \$99 million in 2017. Other states with similar programs are Florida, Mississippi, North Carolina, Nevada and Tennessee.

Legislation already filed are the following:

- House bill 4308 and Senate bill 622 would

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create the Equal Opportunity Education Scholarship Account Act.

- Senate bill 241 would provide up to a \$10,000 tax deduction for tuition or other education-related expenses to parents who opt to take their child out of a public school and send them to a private school or home school.
- House bill 3934 would provide up to a \$5,000 tax deduction for tuition or other education-related expenses to parents who opt to take their child out of a public school and send them to a private school or home school.

SCSBA strongly opposes state or federally-mandated efforts to directly or indirectly subsidize elementary or secondary private, religious or home schools with public funds.