

south carolina school boards association

2018
legislative
preview
webinar

Tuesday
October 30
Noon to 1 p.m.

2018 legislative preview webinar

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general information

SCSBA looks forward to your participation in our live Legislative Preview Webinar from noon to 1 p.m. on Tuesday, October 30, 2018.

The purpose of the webinar is to review some of the issues likely to be debated during the 2019 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 Gwen Hampton at ghampton@scsba.org by Friday, November 16, 2018, 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

State takeovers of school districts

Overview

Over the past several years, various state legislative and federal actions have gradually shifted greater authority to the state over local school districts.

Budget provisos and the enactment of a new fiscal accountability law in the past two years have resulted in the following:

- state takeovers in three school districts with additional districts under consideration;
- mandated consolidation of administrative services in one school district; and
- 13 school districts designated as being in fiscal caution.

A long-standing school technical assistance proviso (Proviso 1A.12) was amended to include criteria for the state superintendent of education to intervene and to declare a state of emergency in a school district. This was enacted in addition to existing law - the S.C. Education Accountability Act (EAA) - that already established intervention criteria

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and a process for the state superintendent to intervene in school districts. Even though a budget proviso is temporary (lasting only for the budget year that it was established), it

supersedes state law. The differences in criteria and procedures for taking over a school district between the proviso and the EAA are as follows:

Proviso 1A.12	EAA
<p>The state superintendent has sole authority to declare a state of emergency and take over the management of districts that meet one of the following:</p> <ul style="list-style-type: none"> • has an accreditation status of probation or denied • has a majority of schools that fail to show improvement • has a "high risk" financial risk status (10 different criteria) • has a deficit due to financial mismanagement 	<p>The state superintendent, with approval by the State Board of Education (SBE), can declare a state of emergency and take over the management of districts that have been rated At-Risk (districts no longer receive ratings) and do not meet expected student academic progress or have not satisfactorily implemented actions in their renewal plans.</p> <p>The local board of trustees is to appear before the SBE to state reasons why a state of emergency must not be declared in the district.</p>
<p>Management of a district may include any of the following:</p> <ul style="list-style-type: none"> • direct management • consolidation with another district • placed under a charter management • placed under public/private management • placed under a contract with an educational management organization or another school district 	<p>Management of a district may include any of the following:</p> <ul style="list-style-type: none"> • State will continue to advise and provide technical assistance in implementing the recommendations of the SBE to include establishing and conducting a training program for the board and superintendent to focus on roles and actions in support of increases in student achievement. • Mediate personnel matters between the district board and superintendent when the SBE is informed by majority vote of the board or the superintendent that the district board is considering dismissal of the superintendent, and the parties agree to mediation. • Recommend to the governor that the office of superintendent be declared vacant. If the governor declares the office vacant, the state superintendent may furnish an interim replacement until the vacancy is filled by the district board of trustees. District boards negotiating a new superintendent contract are to include a provision that the contract is void should the governor declare that superintendent's office is vacant. • Declare a state of emergency in the school district and assume management of the school district.

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Proviso 1A.12	EAA
	<p>The district board of trustees may appoint at least two non-voting members to the board from a pool nominated by the Education Oversight Committee (EOC) and the SCDE. The appointed members shall have demonstrated high levels of knowledge, commitment and public service, must be recruited and trained for service, and represent the interests of the SBE on the district board. Compensation for the non-voting members must be paid by the SBE in an amount equal to the compensation paid to the voting members of the district board.</p>

A new proviso (Proviso 1.102) was added this year that allows the state superintendent to direct the consolidation of administrative and professional services (finance, human resources, procurement, administrative functions, transportation and increasing instructional offerings) with one or more school districts that meet one of the following criteria:

- less than 1,500 students;
- designated in Fiscal Watch, Caution or Emergency status;
- a medium or high financial risk assessment;
- an accreditation status of probation or denied; or
- a school or schools that have been in improvement status for three years.

The proviso also authorizes the SCDE to withhold one percent of the district's Education Finance Act (EFA) funding until the district complies with the consolidation of services.

Finally, the new Fiscal Accountability Act gives greater oversight authority over local district finances. It directs the SCDE to work with district superintendents and finance officers to develop and adopt a statewide program with guidelines for identifying fiscal practices and budgetary conditions that, if uncorrected, could compromise the fiscal integrity of a school district and advise districts on the

corrective actions that should be taken.

The program has three escalating levels of fiscal and budgetary concern: Fiscal Watch, Fiscal Caution and Fiscal Emergency, with conditions and requirements associated with each.

"Escalating" was clarified to mean conditions must worsen to move from the lowest designation to the highest designation and that movement to "Fiscal Emergency" from "Fiscal Caution" could take place if a district has been designated on "Fiscal Watch" or "Fiscal Caution" for three of the previous five years.

The state superintendent is to give prior notification to the superintendent and board chairman of the district's potential to be placed on Fiscal Watch, Fiscal Caution or Fiscal Emergency and if any steps may be taken to avoid the designation.

Position statement

SCSBA believes in local decision-making in the governance of school districts.

In addition, the following resolution will be proposed during the 2018 SCSBA Delegate Assembly on December 8 as a new Statement of Belief: SCSBA opposes the takeover of schools, school districts and locally raised revenues and opposes legislative efforts to

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remove, diminish or interfere with the authority of local governing school district boards. (*note: to view the entire text of the resolution, see page 41 in the **Delegate Assembly handbook** at scsba.org*)

Talking points with lawmakers

- SCSBA is very concerned about growing state authority over the governance of school districts. The takeover of school districts by the state is a very serious action that has long lasting consequences for students, staff and school communities.
- Authorizing the state takeover via proviso of school districts by one authority without any right for local school boards to appeal to another body ignores a major, long-standing provision established under the EAA.
- A temporary budget proviso, which can be amended from year to year, is not appropriate for establishing criteria and procedures for making significant decisions regarding taking over the management of school districts. There is already a state law – the Education Accountability Act – that establishes criteria and procedures. If changes need to be made, then amend the law.
- The EAA recognizes the local school board's governance responsibilities under a state takeover. Proviso 1A.12 does not do this.
- The temporary budget proviso – Proviso 1A.12 – makes significant changes to existing law. It is unfair to school districts to be governed by a policy that can be changed from year to year.

District consolidation

Overview

Legislative calls for mandated consolidation of school districts and/or consolidation of administrative services of school districts have steadily increased over the past few years.

The consolidation issue was moved front and

center after a 2017 efficiency study of districts cited a potential \$35 million savings to the state through consolidation of districts and/or services. The study, required by the General Assembly, was part of a package of legislation aimed at responding to the ruling in the Abbeville school funding lawsuit.

As the General Assembly continues to face the challenges of funding core public services, the issue of consolidating school districts may be seen by some as a way to save money for the state. While some lawmakers acknowledge consolidation does not always save money, others continue to point to the savings argument.

While several consolidation bills have been filed, the only consolidation legislation enacted since the report is the consolidation of the three school districts in Orangeburg County. Interestingly, a transition committee appointed to help prepare for the consolidation announced recently that an estimated \$1.8 million is needed to equalize staff pay, which may require a tax increase.

Position statement

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.

Talking points with lawmakers

- Consolidation decisions should be left to the local citizens of the districts and not mandated by the state. Lawmakers should resist the convenient talking point of consolidation and urge for the tackling of hard decisions about adequately and equitably funding schools statewide.
- While mergers may serve the interests of some districts, what is good for some isn't

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necessarily right for all. As an abundance of research shows, consolidation is not the financial panacea its proponents imply, nor is it necessarily in the best academic interest of many of our state's students.

- Research clearly shows that there is no effective one-size-fits-all approach to school and district organization. As the school district efficiency study suggests, districts can achieve much of the efficiency we all want through collaboration, as many smaller districts already are doing. But consolidation works best when communities want it. Decisions about formal district and school governance should not be mandated by the legislature for the purpose of saving money; they should be carefully considered by the communities affected, based on the particular needs of their students.
- Most importantly, we need to recognize that there is no easy answer to the challenge of high-poverty students in high-poverty schools and no magic substitute for investing more in low-income populations. If we are serious about improving education, state leaders should be focused on the hard business of equalizing funding and increasing opportunities for students in whatever schools are best able to meet their needs.

Education funding reform

Overview

A review and discussion of education funding and state tax reform are underway by special committees in the House and the Senate.

The House Education Reform Committee, which was formed in 2017, has continued to meet to consider possible solutions for reforming the state's education funding system. The committee has directed the state Revenue and Fiscal Affairs office to conduct an analysis of K12 funding allocated by the General Assembly and how much of that funding is allocated to and spent at the local school district level.

The House 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 the idea of rolling up certain EIA and other line item program funding and allocating it on a block grant basis to local school districts. Also, past discussions have centered on the concept of a uniform statewide millage rate for school operations, which is one component of an SCSBA-backed funding restructure proposal.

In the Senate, a newly-created Taxation System Review and Reform Subcommittee has begun meeting. At its organizational meeting earlier this month, some members expressed the need to study the impact of Act 388 on school district funding. Others expressed the need to review all sales tax exemptions. The committee is scheduled to meet again before the start of the 2019 legislative session.

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:

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- 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 with lawmakers

- The time is long overdue 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, the current year's \$2,485 BSC is still well below the statutorily required amount of \$3,108. The last time the BSC was fully funded was in 2008 – nearly 11 years ago.
- Since property and sales taxes and education funding are inextricably linked, any changes to those taxes will likely impact education funding and create funding “winners” and “losers” for school districts. Past state tax policy changes have greatly impaired the ability of local school boards to raise operational millage at the local level by shifting the burden to commercial and rental properties.
- The State has set a laudable goal for schools to ensure all students are ready for college and/or careers but has never done a study

to determine the resources necessary to achieve this goal.

Teacher pay, recruitment and retention

Overview

News of teachers in several states protesting low wages and successfully lobbying for higher pay has generated increased discussions about teacher pay in South Carolina.

Teachers in West Virginia went on a nine-day strike, shutting down schools to demand livable wages. They won a five percent raise.

In Arizona, thousands of teachers took to the streets in Phoenix, Tucson and other cities to demand a 20 percent pay hike and increased school funding. They won a nine percent raise with an additional five percent raise in each of the next two years.

In Oklahoma, teachers walked out seeking better classroom conditions and higher pay. They won a raise of about \$6,000 depending on experience, while school support staff won a \$1,250 raise.

In South Carolina, lawmakers this year approved a one percent increase in teacher pay and increased the starting teacher pay from \$30,000 to \$32,000.

The state's current average teaching salary of \$48,769 is about \$2,200 less than the 16-state Southeastern average and almost \$10,000 less than the national average, according to the Southern Regional Education Board. It is about \$5,400 less than Georgia's average of \$54,190 but about \$1,000 higher than North Carolina's average of \$47,941.

Low pay is one contributor to decreasing numbers of students entering the teaching profession and is also a reason for newer teachers leaving the profession. According to a state teacher supply and demand

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report, 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.

Position statement

SCSBA believes in raising teacher pay to the national average for teacher salaries and establishing a salary structure that would be appropriate considering differentiated responsibilities so as to compensate teacher leaders in relation to skills and performance.

Talking points with lawmakers

- In the state's quest to improve student achievement, we must not overlook the importance of qualified, effective teachers in every classroom. If South Carolina is serious about raising student achievement, then a salary structure must be developed that is competitive with neighboring states that will allow us to hire and retain qualified teachers.
- Teacher and staff pay is the largest operating expenditure in most school districts. Any plan to increase teacher salaries must be fully funded by the state with recurring dollars.

School start date

Overview

The perennial uniform school start date issue is in need of closure.

For years, board members have expressed the need to change the law requiring schools to start no earlier than the third Monday in August.

The uniform start date law has been in place since 2006, and any effort to change the

law will not be made unless a majority of lawmakers are committed to voting for such an action.

In an SCSBA survey of school board chairs this past spring, there was not a clear response about local lawmakers' commitment to vote in favor of a change.

Efforts to move the start date as little as one week earlier have met resistance, which makes filing a bill and getting the bill to the floor of the House and Senate very difficult to achieve..

School boards must determine whether or not members of their local legislative delegations will support a bill amending the uniform start date to move the start date to earlier in August and/or a bill allowing local school boards to set their 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 with lawmakers

- Yes or no: will you support a bill to move the start date to earlier in August and/or a bill that would allow local school boards to set their district's start date?
- 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 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

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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.

- 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 aligning their second semester with local college schedules.
- 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 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 in the district's calendar.