

LEGISLATIVE UPDATE



SCSBA legislative priorities

1. Education funding reform

SCSBA supports legislation to reform the state's education funding structure.

So far, there is no appetite by the General Assembly to take up education funding reform or restructure. SCSBA requested consideration of its funding restructuring plan this past fall to a House Tax Reform Study Committee, a House Education Funding Reform Study Committee and to a Senate Equity Study Committee. But with a projection of only about \$292 million more in general fund revenues and an estimated \$39 million growth in Education Improvement Act (EIA) funds, the prospect of tackling funding reform is dim.

Legislation already filed

There are two Senate bills supported by SCSBA that have not moved but would address funding issues impacting K12 as follows:

- Senate bill 829 would create a study committee to review the effects of Act 388 on various classes of property, the impact on school district funding and on property taxpayers.
- Senate bill 830 would, in general, prohibit allocating any K12 funding for new programs until the General Assembly fully funds the Education Finance Act (EFA).

State budget underway

Meanwhile the House Ways and Means K12 Subcommittee has been working since early January on the state budget with a series of hearings with various education agencies and special schools. This past week, the subcommittee finalized K12 budget provisos that direct how funding is to be allocated. The amount of funding for most of the provisos, including the Education Finance Act (EFA) funding which sets the Base

Student Cost (BSC), has not been set. State Superintendent of Education Molly Spearman has requested a \$125 per student increase in the BSC (from \$2,425 to \$2,550). Gov. Henry McMaster, in his budget proposal, included a BSC increase of \$10 per student. The full Ways and Means Committee is scheduled to take up the budget the week of February 20. Highlights of the subcommittee actions on provisos are as follows:

- Amended the Education Finance Act Formula/ Base Student Cost Inflation Factor proviso to define students in poverty weighting as those who qualify for Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) or students who are homeless, transient or in foster care and to direct school districts to reimburse costs for students in dual enrollment courses.
- Amended the School Districts and Special Schools Flexibility proviso to exclude funding appropriated for the purchase of technology upgrades, related interior and exterior switches and connections from the funding that may be flexed.
- Amended the Professional Development proviso to allocate \$485,000 for professional development for the Youth Learning Institute and a pilot initiative in middle schools to assist educators in teaching students how to become self-regulated and self-directed learners.
- Amended a John de la Howe School proviso to transfer \$417,734 of the school's funds that were used to pay for teachers to McCormick County schools for educational services to the school's students.
- Amended the 4K proviso to require that by August 1, the Department of Education and the Office of First Steps must collect the documented waiting lists and determine a process to notify parents of eligible students of available slots in all approved public and private 4K providers.

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- Adopted a new Virtual School Makeup Days proviso that requires SCETV and the SCDE to develop guidelines and the methodology for delivering instruction virtually for up to three days of scheduled school makeup days to be implemented for the 2018-2019 school year.
- Adopted a Digital Learning Plan proviso that creates a seven-member committee to study the development of a Digital Learning Plan for the state's K12 public education system. The plan should set directions and priorities, support innovation and provide resources to enable educators and students to benefit fully from digital-age teaching and learning.

Some of the provisos that were not adopted are as follows:

- The state Public Charter School District's request for \$3.8 million increase in funding for growth.
- The state Public Charter School District's request for \$3.6 million in funding for transportation.
- The provision of an enhancement to the LIFE scholarship for students majoring in education.

Remaining budget deliberations schedule

The following is the remaining House schedule for developing and adopting its state budget:

- February 20 - 22: House Ways and Means Committee budget deliberations
- February 27 - March 1: appropriations bill printed
- March 6 - 8: printed appropriations bill placed on House members' desks
- March 12 - 15: House floor deliberations

2. Retired teacher salary cap

SCSBA supports legislation to eliminate the salary cap for retired classroom teachers.

There has been no movement on legislation filed to address the issue of losing hundreds of teachers statewide who will be retiring when the TERI program comes to an end this June. Currently, state retirees who return to work in a state supported agency are capped at a \$10,000 annual income in order to continue to draw their retirement pay. The only exception: teachers who teach in a critical needs subject area or in a school located in a critical needs geographical area as defined by the State Board of Education are not subject to the cap in pay. A proviso to allow teachers to return to employment after they retire unfortu-

nately was not adopted by the House Ways and Means K12 Subcommittee. In addition, to help with teacher recruitment and retention, Superintendent Spearman is requesting \$44.8 million to increase the beginning teacher salary to \$32,000 for educators with 0 to 1 year of experience and to provide a 1% increase in teacher salaries for all classes and years of experience.

Legislation already filed

- Senate bill 822 would exempt certified educators and police officers from the state retirement earnings limitation. (SCSBA supports this bill.)
- Senate bill 828 would authorize the State Board of Education to define critical subject areas and schools in critical geographical areas as it pertains to exempting retirement pay earnings for certified employees.

Teacher bill moving in Senate

A bill to allow school districts, subject to local school board approval, to annually provide teachers payment for unused, earned sick and annual leave days in excess of 90 days after July 1, 2018, at a rate of substitute pay or another amount (Senate bill 888) is moving through the Senate. Sen. Greg Hembree, the bill sponsor, said the legislation was an idea that originated from information he received as a member of the Teacher Recruitment and Retention Study Committee.

3. School bus safety

SCSBA supports legislation to allow the Department of Public Safety to obtain a civil penalty citation against the registered owner of a vehicle that unlawfully passes a stopped school bus.

There has been no movement on a bill (Senate bill 199) that passed the Senate in April 2017 that would authorize the S.C. Department of Public Safety to obtain a civil penalty citation against the registered owner of a vehicle illegally passing a stopped school bus. The General Assembly overrode budget vetoes totaling \$20.5 million in lottery funds to purchase/lease school buses and replace the rear engines buses that can overheat and catch fire. State Superintendent Spearman is requesting \$5 million to add to the existing \$5 million in recurring dollars for school bus purchase. It would take an estimated \$24 million annually to fund the existing 15-year school bus replacement cycle.

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Legislation already filed

Senate bill 199 passed the Senate and currently resides in the House Judiciary Committee.

4. School safety

SCSBA supports the allocation of state aid for school safety efforts in all South Carolina public school districts and legislation to allow school districts to freely negotiate the financing of school resource officers with local governments.

There has been no legislation filed to clarify the authority of school boards to freely negotiate with local municipalities and counties the salary of school resource officers (SROs). Some county governments that have previously shared the cost of financing SROs with their local school districts now claim that a provision in Act 388 prohibits them from funding this expense. They state that funding SROs with local property tax revenue violates Act 388 because the law exempts owner-occupied residential property taxes from being used for school operating purposes. School districts currently receive no state funding for school safety efforts. In his budget proposal, Gov. McMaster included a \$5 million school safety grants program aimed at placing an SRO in every school.

Legislation already filed

- House bill 4810 to create the School Metal Detector Study Committee has passed the House Education K12 Subcommittee. The bill was amended to provide for the appointment of at least one member on the committee who represents law enforcement.
- House bill 4386 to mandate metal detectors in every school was pulled.
- House bill 4701 would enact the B.P. Act that would direct schools to adopt specific and comprehensive policies and procedures to respond, report and remediate allegations of bullying. (SCSBA is very concerned about the overly prescriptive requirements of this bill that may cause unintended consequences for some students.)

5. School start date

SCSBA supports amending state law regarding when public schools may start the school year to give districts the flexibility of setting their own start date.

There has been no movement on legislation to give school boards greater flexibility to set their district's

school start date. SCSBA is asking school boards to contact their state representatives and senators to ask if they would support such legislation. This is being done to determine whether or not there is sufficient support to call for a vote on a bill to change the school start date statute.

Legislation already filed

- Senate bill 826 would eliminate the uniform, state-wide school start date and authorize local school boards to set the start date for the school districts they govern.
- Senate bill 823 is a joint resolution that would give school boards the option of beginning the 2018-2019 school year as early as the second Monday in August.

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.

6. Other

Private school tax credits program moving in House

A bill to codify the exceptional needs tuition tax credit program (House bill 4077) that has been operating for the past several years through an annual budget proviso has been sent to the House floor. The bill mirrors much of what is in the current year proviso with the exception of two provisions:

- it eliminates a requirement for the Department of Revenue to conduct a comprehensive review of the program and submit its findings to the General Assembly (SCSBA supports maintaining a similar provision to ensure a periodic review of the program)
- it decreases the cap on total tax credits from \$11 million to \$10 million and leaves in place the \$2 million tax credit cap on direct tax credits to parents

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The bill now heads to the floor of the House where it will likely be taken up soon.

The statewide program provides individual and corporate income tax credits for contributions to a state charity fund that awards scholarships to exceptional needs students to attend private and parochial schools. A second refundable tax credit was added in the current year's budget that applies to individual income tax for tuition and expenses for exceptional needs children attending private school within the taxpayer's custody or care. Cumulatively, the two credits may not exceed a total of \$12 million.

Child abuse hotline posters

A bill to require all public and charter schools to download, print and post at least five child abuse reporting information signs in schools (House bill 3920) has passed the House and currently resides in the Senate Education Committee. The signs are to be provided by the Department of Social Services and include a toll-free telephone number for students to report abuse.

Charter school authorizer raising questions

The Senate Finance K12 Education Subcommittee received information recently regarding charter school funding and charter school authorization concerns.

The concerns are the result of a number of charter schools wishing to leave the state charter school district and contract with Erskine College, which as a higher education institution is eligible to be a charter school authorizer under state law. A number of issues surfaced during the discussion as follows:

- Currently, nine of the 39 charter schools authorized by the Public Charter School District have requested to transfer their charters to Erskine College. Of those nine, five are considered in "breach" status (failure to meet the stated requirements or objectives of their charter with risk of charter revocation); two are in "caution" status (being watched or looked at closely); and two are brand new charter schools.
- The law does not designate how much funding a higher education institution can retain from the charter schools they authorize for administration. The state charter school district is authorized to retain 2%.
- Sen. John Matthews, who led the effort to amend the charter school law allowing colleges to become charter school authorizers, stated the change was never intended to allow colleges to authorize multiple charter schools, but rather to create their

own charter schools. By authorizing multiple charter schools throughout the state, does the college now become a state charter school district?

- Will there be defined separation between Erskine College and the authorized charters (co-mingling of public and private funds)?
- What degree of accountability and oversight will charter schools authorized by Erskine College be subject to since the statute does not clearly define this?

Stay in touch

The SCSBA legislative team is on Twitter and Facebook bringing you updates from the State House lobby and committee meetings.