

**south carolina school boards association**

**2019**  
**legislative**  
**preview**  
**webinar**

**Wednesday**  
**October 23**  
**Noon to 1 p.m.**

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# 2019 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 23, 2019.

The purpose of the webinar is to review some of the issues likely to be debated during the 2020 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

To register for the webinar, [click here](#). (There is no registration fee for this event; however, you must register to receive Boardmanship Institute credit.)

The webinar will be streaming via YouTube Live, and a link to tune in will be emailed to all registrants and 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 register and view the webinar will receive 1 point and 1 hour of credit in the SCSBA Boardmanship Institute.

## 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

#### Overview summary

A proposal for restructuring the state's system for funding education in kindergarten through 12th grade was released in early October and may serve as a road map for funding reform in 2020 and beyond.

The call by state leaders to study and propose changes to the state's funding system in January 2019 followed the filing of a massive education reform bill in the House and Senate. In addition, a long-standing Education Finance Act (EFA) budget proviso establishing, among other things, the annual Base Student Cost (BSC) was amended greatly this year to delete all references to the EFA funding formula, which was established in 1977.

Developed by the S.C. Office of Revenue and Fiscal Affairs (RFA) at the request of the governor and state legislative leaders, the proposed funding model would fund school districts based primarily upon the following:

- the cost of a teacher (salary and benefits)
- a targeted teacher to student ratio (1 teacher for 16.5 students in poverty and 1 teacher for 21.5 non-poverty students)

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- basic services to support instruction (buildings, transportation, security)

Using 2018-2019 data, the proposed funding model would redistribute \$4.2 billion in state funding provided to school districts to pay for certain expenses on an equity basis (Average Cost per Student). State funding would include the following:

- \$1.7 billion from Education Finance Act (EFA) funds
- \$763.3 million from Employer Contributions – EFA funds
- \$362.9 million from Education Improvement Act (EIA) funds
- \$60.2 million from Aid to Districts – Bus Shops funds
- \$30.2 million from Guidance/Career Specialists funds
- \$25.3 million from Student Health and Fitness funds
- \$38 million from Reading Coaches funds
- \$4.8 million from Other Aid to Districts funds
- \$14.4 million from Education Lottery funds
- \$1.2 billion from Property Tax Relief funds

The state share in the funding model would constitute 77.5 percent of the total cost of the model and would require districts to pay the remaining 22.5 percent of the cost. The report states the local share amount would total 75 mills statewide.

According to the model, the redistribution would result in a funding increase for 55 districts and a decrease in funding for 26 school districts (this includes two Orangeburg County districts that have since consolidated into one county-wide system) totaling about \$174 million.

Although the proposed funding model includes options for consideration, including alternative levels of funding and other slight changes, the amount of state funding allocated to districts in the model is based solely on the current level of state funding allocated to school districts.

The state funding is then distributed to school districts using a revised index of taxpaying ability (ITA) that “more closely reflects the tax base used to set the local millage rate” into three major expenditure categories as follows:

1. Instruction – defined as direct and indirect cost of instruction and resources in the classroom setting
2. Facilities – building and transportation costs to accommodate, transport and secure students
3. District Services – basic services to support the school operations

Within each of the three major expenditure categories is a common set of formulas for specific items that the state allocation will be based upon for each district as follows:

1. Instruction
  - One teacher for every 16.5 students classified as being affected by poverty
  - One teacher for every 21.5 students classified as not being affected by poverty
  - One aide for every kindergarten teacher
  - One additional teacher for each 17.5 students served under IDEA (special education and speech therapy services)
  - One specialty service provider for every 120 students served under IDEA (psychologists, therapists and others)
  - Additional resources for students classified as gifted and talented, academic assistance, limited English proficiency, dual enrollment or career and technology education
  - One guidance counselor for every 350 students and one guidance resource for every 350 students
  - One library/media specialist and one library aide for every 685 students
  - One career specialist for every 2,260 students
  - One nurse for every 600 students
  - One social worker for every 3,180 students
  - One school administrator for every 15 teachers

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- One school office staff member for every 15 teachers
  - \$3,344 for classroom materials and technology allocation for every teacher
2. Facilities
- \$1.80 for custodial services, \$2.40 for maintenance, and \$1.50 for utilities per 2,750 square feet per teacher (includes classrooms, common areas and administrative space)
  - One safety staff member for every 640 students
  - \$6,688 for security and equipment for every 640 students
  - One bus driver for every 110 students
3. District Services
- One superintendent per district
  - Range of 6 to 20 program directors (student services, HR/finance, IT, transportation, food services, etc.); minimum of 6 increased by 1 for every 35 teachers above 350, up to a maximum of 20 program directors
  - Range of 6 to 20 district staff (student services, HR/finance, IT, transportation, food services, etc.); minimum of 6 increased by 1 for every 35 teachers above 350, up to a maximum of 20 staff
  - An allocation of \$669 per teacher for technology at the district level

Note that the formula for funding is based either directly or indirectly on the number of students and a targeted ratio of students to teachers and resources. In some expenditure categories, for example, the number of students drives the number of required teachers. In other categories, the number of teachers determines the need for other resources such as school administrative or district staff.

Another important note is there is no inflation factor, which is currently a component of the EFA, built into the model.

The impact of the funding model in each school district based on its current level of students, staffing, etc. is provided in the funding report.

In addition to the local share requirement (22.5 percent) to fund the model, local districts would be responsible for funding all costs for teachers and staff outside of the model. Districts would also have to fund the cost of salaries and associated employer contributions above the state teacher salary schedule that the model requires.

## Position statement

The South Carolina School Boards Association has long advocated for comprehensive education funding reform. We believe that the funding system is broken, due in large part to tax policy changes over the years that have exacerbated the inequity among school districts, which is evidenced by the RFA's model. We also believe the system, which has been in place since 1977, has not kept pace with changing federal and state academic and financial accountability laws to ensure schools have the adequate resources necessary to meet federal and state standards and requirements. The RFA funding model addresses equity and not adequacy.

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

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- 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.

## Questions for local school boards to ask

- Will our district gain or lose funding?
- The funding model proposes to reallocate and redistribute existing state dollars based on a new set of criteria. What happens to the state mandates that these dollars may have helped to fund but are now being used to fund personnel, services or programs established in the model? For example, the model proposes to reallocate funding currently used to pay for reading coaches; however, the model does not fund reading coaches, which are mandated by law. As another example, the Governor has called for an SRO in every school; however, the model only funds a safety officer for every 640 students.
- What impact will the funding proposal have on our school district?

## Talking points with lawmakers

- We appreciate the work of the Revenue and Fiscal Affairs Office to study the state's education funding system and applaud the Governor and legislative leadership for recognizing that solutions are needed to reform a system that is more than 40 years old. School boards have long advocated for comprehensive education funding reform. We wholeheartedly agree that the system is broken, due in large part to tax

policy changes over the years that have exacerbated the inequity among school districts

- We believe the funding proposal opens the door for further discussion and is a real opportunity to consider adequate funding rather than only equity, which is what the RFA proposal addresses. We hope that moving forward, this model will be used by the legislature as a road map to address inequity and the difficult, but necessary, question of adequacy.
- We believe an in-depth review of our state's tax system and how public education is funded is long overdue; however, the plan must include certain components as follows:
  - It must generate adequate revenue for schools to meet the new state goal of ensuring every child is college and career ready.
  - It must set a per-pupil funding amount reflecting what it actually costs to educate a child.
  - It must expand local initiatives and the ability for districts to exceed the state minimum requirements.
  - It must include equitable components to lessen or erase the impact that a child's residence has on the quality of the education he/she receives.
- The funding adequacy lawsuit involving school districts primarily along the I-95 corridor has evidenced woefully inadequate school facility conditions for students and teachers. Just as South Carolina should not be satisfied with a constitutional requirement for a "minimally adequate" education for children, the state must take steps to ensure that all children attend schools that are safe and conducive to learning.
- The RFA funding proposal to allocate all state funding on an equity basis results in unbalanced distribution of state appropriations for education. For example, property tax relief funds account for more

than 28 percent of state support to local school districts, but the funds are distributed by several different formulas, none of which are tied to service needs or consider equity like in the EFA.

## Education Savings Accounts

A bill to enact the Equal Opportunity Education Scholarship Account (EOESA) program (S.556), which is currently being considered by a Senate Education Subcommittee, is estimated to result in a loss of funding of up to \$457 million and more to local school districts. The same bill was also filed in the House (H.3681).

The EOESA program would be implemented beginning with school year 2020-2021 and provide scholarships, which are technically publicly-funded vouchers, to eligible students to pay for tuition and other expenses to support attending a private school. Parents who withdraw their children from public school receive a deposit of public funds into government-authorized savings accounts with restricted, but multiple, uses. Those funds—often distributed to families via debit card—can cover private school tuition and fees, online learning programs, private tutoring and more.

The S.C. Education Oversight Committee (EOC) is directed to implement and administer the EOESA program and is authorized to retain up to four percent of all scholarships to oversee the scholarship accounts and administer the financial management of the program for the first three years. In subsequent years, the deduction is limited to three percent.

The scholarship amount is equal to the total state funding a district would receive for the student, referred to as the “shared expenses per pupil” of the school district in which the eligible student resides. It includes state Education Finance Act (EFA) funds, Education Improvement Act (EIA) funds, reimbursements for Act 388 of 2006 and other state sources the district would normally receive for the student. This amount is estimated to be approximately \$6,670 in 2020-21 (year one) and \$6,850 in

2021-22 (year two). “These estimated amounts are also a statewide average across all school districts,” according to the fiscal impact statement. “An individual student’s total state funding can vary greatly depending on the student’s grade, poverty standing, and any special educational needs.”

Unused funds in accounts may be rolled over, and the accounts can remain active until the student completes college or attains the age of 21.

The fiscal impact statement estimates that local school district revenues statewide could be reduced in year one by \$222 million. In year two, local school district revenues could be reduced by up to \$457 million. “The local school district revenue impact from reduced state per pupil funding when the program becomes unlimited in School Year 2022-2023 is undetermined,” according to the fiscal impact statement.

The Senate and House bills mirror legislation that passed in Nevada in 2015. Known as the most expansive ESA program in the country, Nevada’s program was ruled unconstitutional by the state’s Supreme court one year later in 2016.

There are currently five states that operate education savings account programs: Arizona, Florida, Mississippi, North Carolina and Tennessee. Florida, Mississippi and Tennessee restrict their ESAs to students with special needs. Arizona originally restricted ESA eligibility to students with special needs but has since included foster children, children of active-duty military personnel, students assigned to district schools rated D or F and children living in Native American reservations.

### Position statement

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

## Talking points

- There is no evidence to confirm existing ESA programs increase student achievement for students participating in the program or for students remaining in the public schools that would justify the loss of education funding to public schools that enroll a majority of the state's children. The loss of funding for public schools threatens academic programs and services for students who remain in public schools.
- The ESA program allows students to have an Individualized Education Plan (IEP) as a proof of special needs status; however, after a student is enrolled in a private school, there is no requirement or guarantee that a private school will provide the support outlined in a child's IEP or that it will remain in place.
- There is no test score data to determine whether students in the program are successful. Not all private schools use the same standardized tests as public schools or each other, so it is very difficult to compare the quality of schools or to verify what is being taught and what services and accommodations are being offered.
- The state is not funding public schools at the level required by law, yet lawmakers continue to consider expanding publicly funded, private school voucher programs that do not hold participating private schools to the same academic and financial accountability laws that public schools are mandated to adhere to.
- Proponents claim to be empowering parents by providing choices; however, it is the private schools that choose which students they will accept.
- ESAs help fund separate and unequal education. Private schools are not required to serve free/reduced lunch, offer transportation or provide special education services.

## School start date

Several bills to address the statewide uniform school start date were filed this past legislative session and are still "on the table" for 2020. The number of bills that have been filed may be due to advocacy efforts by school boards statewide over the past several years urging the elimination of the uniform start date. Board members should continue the push to give local school boards the authority to set their district's own start date.

After the House passed its version of the state budget this past spring, the K12 subcommittee took up, but took no action on, four bills related to school start date. There are four school start bills in the House. Two House bills (H.3347 and H.3256) and one Senate bill (S.240) would eliminate the uniform start date and give local school boards the authority to set their own start date. Another House bill (H.3095) would prohibit schools from starting before August 15, but can vary as much as five days before or after as needed to ensure students have 90 days of instruction before the winter break. The final House bill (H.4201) would prohibit schools from starting earlier than August 15. None of the provisions in any of the bills would apply to schools operating on a year-round modified school calendar.

One of the barriers to changing the uniform start date was removed several years ago when the General Assembly amended state law allowing the administration of state tests to occur during a 20-day testing window near the end of the school year. Prior to the change, the tests were given to all students on the same days. This made it difficult for school districts wishing to start the school year earlier because it was viewed as giving an advantage to their students who would have more instructional days prior to taking the test than students in districts wishing to start later. With a testing window, students in districts starting earlier in the year would test early in the window and those wishing to start later will test later in the window.



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School districts, especially those with high schools using a block schedule program, find that is increasingly difficult to complete the first semester with 90 instructional days before the winter holiday break. Depending on when the third Monday in August is positioned in a calendar year (as early as the 15th in 2016-17 and as late as the 21st in 2017-18), the 90-day semester is nearly impossible to reach. Public pressure from parents, students and teachers has resulted in many school boards allowing the first semester to end before the break, reducing the number of instructional days for students completing first semester courses. In addition, flexibility to move the start date assists districts in aligning their calendar with the schedules of local colleges to ensure students taking dual enrollment courses can begin their new classes on time in January. Finally, 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.

## 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. We support passage of House bills H.3347 and H.3256 and Senate bill S.240 that would eliminate the uniform start date and give local school boards the authority to set their own start date.

## Talking points

- Determining the school year calendar should be a core function of locally-elected or appointed school boards.
- 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 request.
- Many 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 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 will allow students to complete the school year prior to Memorial Day, which provides greater flexibility for family vacations.

## Education reform legislation

### TWO POSSIBLE DETERMINATIONS

#### State Takeover of School Districts and Removal of Local School Boards Senate Bill 419 (as of September 9, 2019)

If **65 percent or more** of the schools in your district have an overall rating of below average or unsatisfactory, it is at risk of being taken over by the state.

The state superintendent, after a review of the district and its schools, makes **one of two determinations**. For both determinations, the S.C. Department of Education (SCDE) submits an annual status report to the local legislative delegation, the district board, parents and the State Board of Education (SBE) on the district's progress.



**Your district is determined to be in a state of emergency and the state assumes management of the district. This action must be approved by the S.C. Board of Education and triggers a removal of the district board by the Governor.**



**Your district is determined to be eligible, but not in a state of emergency.**

#### IN A STATE OF EMERGENCY

The district is determined to be in need of additional interventions to prevent further decline based upon review of the district's:

- trends in school report cards;
- district strategic plan and finances; and,
- diagnostic review, provided a diagnostic review was completed.

Once the declaration is made, the state superintendent immediately:

- notifies the SBE, district board and legislative delegation;
- assumes district management;
- provides or conducts a diagnostic review of academics and finances;
- identifies factors affecting student performance; and,
- takes any action as reasonable and necessary to promote the educational interest of the district and support the state's Profile of the S.C. Graduate.

"Management" may include:

- direct or indirect management;
- consolidation with another district;
- a contract with a charter management organization;
- a public/private management; or,
- a contract with an educational

management organization or another school district to include the state Transformation School District.

The district superintendent and board may appeal the declaration to the SBE within 10 business days of declaration notice.

The SBE must hold an appeal hearing within 30 days after the filing of the appeal or at the next regularly scheduled board meeting, whichever is later.

Once the declaration is made and the state superintendent assumes district management, the governor removes all members of the district board within 90 days. The removed board is replaced by a five-member board, regardless of the prior number of board seats.

The replacement board is comprised of appointed members as follows:

- governor appoints three members
- state superintendent appoints one member
- local legislative delegation appoints one member

#### ELIGIBLE, BUT NOT IN A STATE OF EMERGENCY

The district board is required to:

- immediately contact and work with the SCDE on a corrective or turnaround action plan;
- schedule a public meeting to consult with and engage key stakeholders in plans for improvement within 30 days of being deemed eligible;
- place on its meeting agenda at least quarterly a discussion of the district's state of emergency eligibility status;
- place on its meeting agenda a discussion of the SCDE's annual report on the district's improvement status within 90 days of receiving the report.

## Position statement

SCSBA opposes the takeover of schools, school districts and locally-raised revenues and opposes legislative efforts to remove, diminish or interfere with the authority of local governing school district boards.

## Talking points

- Removing elected officials chosen by the voters to govern their local schools in a management takeover situation is unnecessary. Assuming management by the state leaves the school board with very limited power. Removal of locally-elected school boards is rare nationally.
- One of the major issues of takeovers is the ability of the local school district to sustain and institutionalize any improvements that may occur once the district is returned to the local community. School improvements will never be sustained when they are imposed instead of grown. Suspending democracy with the removal of elected school boards won't change the long-term viability of our schools. Instead of removing school boards, the state should, as part of any education reform initiative, actively involve and assist them in making improvements that lead to success in their schools. By experiencing and being a part of the success, it would create the kind of ownership researchers say is critical for lasting change. This must be the goal our state strives to achieve.
- The school governance system set out in state law places the management of schools in the hands of board members chosen directly by the community's voters, who trust these leaders to make decisions in the best interests of their children. No other elected body in South Carolina is faced with the prospect of wholesale removal.
- Overturning the voters' choices — invalidating elections and replacing duly-elected leaders with state-selected appointees reflects an unsettling conclusion that voters can't be trusted to choose their own leaders. It wipes out democracy and replaces it with something that is decidedly not.
- The accessibility, transparency and accountability afforded by local boards can't be maintained when schools are run from Columbia, by people who don't know the community, the parents and the students, have no stake in the community's success and have no incentive to respond to community concerns.
- District takeovers are very disruptive and the effects can be long lasting and difficult to overcome. What is ultimately lost in the takeover debate is the action of suspending local autonomy and democracy by usurping the appropriation of local revenues and eliminating responsibilities of duly-elected local school boards.