

# NEW BOARD ORIENTATION

## LEADING THROUGH CHANGE

### Agenda

**Thursday, March 4, 2021**

9 - 9:15 a.m.	<b>Welcome and about SCSBA</b> ..... Ballroom 1 Scott T. Price, <i>SCSBA Executive Director</i> Cheryl Burgess, <i>SCSBA President, Lexington School District Three</i>
9:15 - 10:15 a.m.	<b>Understanding roles and responsibilities</b> ..... Ballroom 1 <ul style="list-style-type: none"><li>• Setting the vision</li><li>• Establishing the structure and environment</li><li>• Identifying accountability measures and monitoring progress</li><li>• Being an advocate for schools and students</li><li>• Fostering positive board/superintendent relationships</li><li>• Adhering to a code of ethics</li></ul> ElizaBeth “Beth” Branham, <i>2019-20 NSBA President, SCSBA Past President, Lexington School District Two</i>
10:15 - 10:30 a.m.	<b>Break</b>
10:30 - 11:45 a.m.	<b>Avoiding the \$10,000 fine: What you need to know about South Carolina Ethics</b> ..... Ballroom 1 In this session, you will get an overview of the Ethics Reform Act with an emphasis on the rules of conduct for new school board members. Meghan Walker, <i>Executive Director, S.C. State Ethics Commission</i>
11:45 a.m. - 12:30 p.m.	<b>Lunch</b> ..... Ballroom 1
12:30 - 1:30 p.m.	<b>The South Carolina Freedom of Information Act: Government in the sunshine or in a fishbowl?</b> ..... Ballroom 1 This session will review the basic requirements of South Carolina’s FOIA, focusing on school boards’ obligations regarding board meetings and the disclosure of public records. Andrea White, <i>Esquire, White &amp; Story, LLC</i>
1:30 - 1:45 p.m.	<b>Break</b>

1:45 - 2:45 p.m.	<b>School finance 101</b> ..... Ballroom 1 A review of the revenue sources available to school districts with an emphasis on local and state funding. We will discuss property taxes, the Education Finance Act and other issues currently impacting the funding of education in South Carolina. Lyde Graham, <i>Director of Operations, Clarendon School District 2</i>
2:45 - 4 p.m.	<b>Best Practices for Working as a Team</b> ..... Ballroom 1 A healthy decision-making process naturally flows from board members working together to fulfill their responsibilities. When school board members gel as a unit, they exhibit many characteristics of other well-functioning groups: a shared respect and trust that recognizes the contribution of each individual, a feeling of cohesiveness, shared goals for the board, leadership within the board (often the board president), shared values, and agreement on the board's operating rules. The importance of school board responsibilities and the limited time and experience of individual board members make effective functioning as a group all the more important. Michele Branning, <i>SCSBA Board of Directors, Fort Mill Schools</i> Jamie Devine, <i>SCSBA President-elect, Richland One</i> Charles Govan, <i>SCSBA Board of Directors, Darlington County School District</i> Daniel Martin, <i>SCSBA Board of Directors, Lexington School District Four</i> Lisa Wells, <i>SCSBA Board of Directors, Greenville County Schools</i>
4 p.m.	<b>Workshop closing</b> ..... Ballroom 1



**The toughest job  
you will ever have**

**It's up to you  
to make it work**

**South Carolina School Boards Association  
New Board Orientation  
March 4, 2021**

1

**If you haven't ever felt this  
way...you will!**



2

## Let's talk about ...

1. Major roles and responsibilities of boards
2. Effective board/superintendent relationships
3. Building and maintaining a unified board
4. Excellent school board ethics
5. Confidentiality and liability

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## Boards in conflict

If any of these actions are happening, you are (or you will) have problems:

1. Members not “staying on their page”
2. Members acting as individuals
3. Members thinking they have authority
4. Individuals forgetting their success as a member is tied to the success of the board
5. Members breaking the promise of confidentiality leading to a lack of trust

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**Board members not  
“staying on their page”**

**News Flash #1...**

**As a school board member,  
it is not your job to  
run the schools!!!!**

5

**Board members acting  
as individuals**

**News Flash 2**

**Finding the balance between  
being an “individual” board  
member versus being a “team”  
board member**

6

**Board members thinking they have  
authority**

**News Flash 3**

**You have none!**

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**Forgetting to emphasize the success  
of the entire board**

**News Flash 4**

**There is no “I”  
in the word “team”**

8

**Lack of trust among  
members**

**News Flash 5**

**Nothing breaks down the  
board quicker than  
breaking confidentiality**

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**The reasons may vary,  
but many times...:**

**We have met the enemy  
and he is us!!**

Pogo Comic Strip  
Walter Kelly, 1971

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**Let's talk about these  
conflict “flash points”**

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**Your School District's  
Education Leadership Team**

**The board and the superintendent**

**To be effective, we start with agreeing on  
the work of the board  
versus  
the work of the superintendent.**

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## Governing and managing:

- Policy adoption is the function of the board
- Policy implementation is the function of the superintendent
- Stay on your page and remember lessons learned!!

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## Board Powers and Duties

(Spartanburg 3 Policy BBA)

- Policymaking...adoption of policy
- Executive...hold the supt. accountable
- Quasi-judicial...a court of appeals
- Appraisal...evaluate policy effective
- Planning...continuous improvement
- Interpretation...being the link to citizens
- Operational...effective board meetings
- Budget...providing necessary resources
- Reviewing action...the final authority
- Visits to schools...use proper protocol

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## BOARD–SUPERINTENDENT RELATIONSHIP

- There is nothing more important than both parties dealing with each other in an *ethical, honest, straight-forward, open-and-above-board manner*
- The superintendent is the CEO of the board and

In a sense, the superintendent is a “member” of the board ... with limits

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## BOARD–SUPERINTENDENT RELATIONSHIP Sample Policy Language

- The relationship that exists between a board and its superintendent is an intrinsic part of the educational process within a community.
- A knowledge of what each can reasonably expect of the other can help substantially in promoting sound working relationships.

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**School board's job versus Superintendent's job**  
Sample Policy BDD

**School Board**

**Superintendent**

Select Superintendent	Select Staff
Set policy	Recommends and implements
Adopts budget	Proposes and administers
Approves organization	Proposes organization
Approves personnel matters	Recommends personnel matters
Functions as a board only	Deals with the board as a whole
Staff matters through Supt.	Staff matters through Supt.
Acts as a court of appeals	Actions based on policy
Adopts curriculum	Recommends curriculum

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**In short ...**  
**Boards govern**  
**and**  
**Superintendents manage**

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## **What about Individual board members....**

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## **BOARD MEMBER AUTHORITY** **Sample Policy BBAA**

### ***Simply stated ...***

- **All powers of the board lie in its action as a body. Board members acting as individuals have no authority over personnel or school affairs**
- **Individual members of the board, including the chair, only have individual authority when given to them by the board**

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## **BOARD MEMBER AUTHORITY**

### **Sample Policy BBAA**

- The power of individual board members exists exclusively in their action as a group.
- Individual board members, including the chair, have only such authority as delegated by Board vote or policy provision
- The board and its members deal with administrative services through the superintendent and should not give orders to any subordinates (of the superintendent) either publicly or privately.

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## **BOARD MEMBER AUTHORITY**

### **Sample Policy BBAA**

- The board will not be bound in any way by actions or statements of an individual
- Individual board members making information requests to the superintendent
- The board officers may, when appropriate, counsel individual members who are acting outside his/her authority and responsibilities or abusing his/her privileges

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**It is not your job  
to “fix” things**

**You have to follow the proper chain of  
command**

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**The problem is....**

**Your “public” doesn’t  
know that**

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## **Memorize this statement**

This problem could end up requiring board action, and if I am involved in it at this level, I will be unable to act on it as a member of the board because it could be a violation of due process.

You really need to go through the proper channels.

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**Nothing breaks apart a board and the relationship between the board and their superintendent than the loss of trust**

**... and breaking confidentiality and being less than truthful are the two biggest reasons**

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## The FUN PART:

- Be an **ADVOCATE** for your schools and your students



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## Some discussion points –

- Do you vote for what is best for your specific “electors” or for the school district as a whole?
- How do you handle those situations where you are on the minority side of a vote?
- If the board is over-involved in personnel matters, you can’t hold the superintendent accountable for the outcomes

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## Some discussion points –

- Individual board member directives or requests to the superintendent...should there be any?
- Individual board members involvement in the day-to-day operations: how far is too far?
- How do you as a board member handle such situations when you see it happen?
- How do you want the superintendent to handle such situations when felt?

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## Some discussion points –

- Are surprises common at board meetings and how do you prevent them?
- Board unity: its importance, consequences of not having it, and the image/perception of not having it creates in the community and among the staff

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**Now the hard work begins**

**We are ready to go and  
nothing can go wrong**

**Right?**

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**Think Again!**



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# AVOIDING THE \$10,000.00 FINE

MEGHAN WALKER  
EXECUTIVE DIRECTOR  
SC STATE ETHICS COMMISSION  
SC SCHOOL BOARD ASSOCIATION  
MARCH 2020

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## SOUTH CAROLINA ETHICS COMMISSION

### PRIOR TO APRIL, 2017

Nine commissioners appointed by the governor.

The commission had no authority over members of the General Assembly.

### CURRENT COMPOSITION

8 commissioners appointed; 4 by the Governor, 1 by House Democrats, 1 by Senate Democrats, 1 by House Republicans and 1 by Senate Republicans.

The commission has the authority to investigate complaints against members of the General Assembly.

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## Who Does the Act Cover?

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- Public Officials
  - Any elected or appointed official of the state (excluding judges) and any candidate for such office.
- Public Members
  - An individual appointed to a noncompensated, part-time position on a board, commission or council.
- Public Employees
  - Any person employed by the state.

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## STATEMENTS OF ECONOMIC INTERESTS

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Every school board member  
*must* file an SEI every year.

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## WHEN TO FILE YOUR SEI

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- WHEN FIRST ELECTED: FILE BEFORE ASSUMING YOUR RESPONSIBILITIES.
- EVERY YEAR THAT YOU'RE ON THE BOARD: FILE BY MARCH 30<sup>TH</sup>.

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## Information Required On Your SEI

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- The source, type, and amount or value of income, not to include tax refunds, of substantial monetary value received from a governmental entity by the filer or the filer's immediate family.
- Description, value and location of real property owned/options to purchase real property by filer or immediate family if:
  - Public improvements were made in excess of \$200.00
  - OR
  - The interest can reasonably be expected to be the subject of a conflict of interest.
  - If a sale, lease, or rental of personal property is to a state, county or municipal instrumentality of government, a copy of the contract, lease or rental agreement must be attached to the SEI.

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## Information Required On Your SEI

The name of each organization which paid for or reimbursed actual expenses of the filer for speaking before a public or private group, the amount of such payment or reimbursement, and the purpose, date and location of the speaking engagement.

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The screenshot displays the SC State Ethics Commission's public disclosure page for a Statement of Economic Interests (SEI) report. The page is titled "Individual Reports" and "Statement of Economic Interests". It shows the filer's name as Nikki R. Haley, the year as 2012, the filing date as 4/16/2012, and the version as Original. The report is categorized under "Income & Benefits". The table below lists the sources of income and benefits, including the State of South Carolina and Penguin Group USA.

Source	Type	Amount / Value	Miscellaneous
State of South Carolina	Income State or Local Government	\$94,147.51	Personal Income
State of South Carolina	use of state car State or Local Government	\$1.00	Personal Income
State of South Carolina	use of state plane State or Local Government	\$1.00	Personal Income
State of South Carolina	use of state residence State or Local Government	\$1.00	Personal Income
Penguin Group USA	book advance State or Local Government	\$200,000.00	Personal Income

At the bottom of the page, there are links for "Home", "SC State Ethics Commission", and "Contact".

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## QUARTERLY CAMPAIGN DISCLOSURES

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## REQUIRED INFORMATION ON CAMPAIGN DISCLOSURES

- Total amount of contributions accepted.
  - Date and amount of each contribution.
  - Name, address and occupation of each person making a contribution.
- Total amount of expenditures made.
  - Name and address of each person/entity to whom an expenditure is made.
  - The date, amount and purpose of each beneficiary of an expenditure.

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## Campaign Expenditures and Cash

8-13-1348

A campaign expenditure more than \$25 must be made by (1) written instrument, (b) debit card, or (c) an online transfer.

A campaign expenditure of less than \$25 must be account for “by a written receipt or written record.”

A candidate may not withdraw more than \$100 from a campaign account to establish or replenish a petty cash fund. At no time may a petty cash fund exceed \$100.

Expenditures from a petty cash fund may only be used for office supplies, food, transportation expenses, and “other necessities” and may not exceed \$25 for each expenditure.

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## WHEN TO FILE A CAMPAIGN DISCLOSURE

- When you raise and/or expend five hundred dollars or more, you must file an initial certified campaign report.
- After filing an initial report, campaign reports must be filed within ten days following the end of each calendar quarter.
- Campaign reports must be filed for each quarter in which contributions are received or expenditures are made until a campaign account undergoes final disbursement.
- At least fifteen days, but not more that twenty days, before an election a candidate must file a campaign report showing contributions of more than one hundred dollars and expenditures for the period ending twenty days before the election.

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**SOUTH CAROLINA State Ethics Commission**  
Public Disclosure and Accountability Reporting System

Public Disclosure > Individual Reports > Candidates

**Public Disclosure**

- Individual Reports
  - Candidates
  - Committees
  - Statement of Economic Interests
- Contributions
- Expenditures
- Lobbying Activity

**Electronic Filing**

SC State Ethics Commission

Contact Us

**Individual Reports**  
Candidate Campaign Disclosure

**2017, January 10th Report**

**Candidate:** Haley, Nikki  
**Position Sought:** Governor  
**Election Type:** General  
**Election Date:** 06/10/2014  
**Filing Type:** Original  
**Filing Date:** 01/17/2017

Select a tab to view more.

Summary **Contributions** Expenditures Loans Loan Payments More »

\*\*\* No Contributions Reported. \*\*\*

Back Open Full Report >

Home | SC State Ethics Commission | Contact

## Quarterly Campaign Disclosure

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## CLOSING YOUR CAMPAIGN ACCOUNT

- You must file quarterly campaign disclosures until you close down your campaign account.
- You can close down your campaign account when you have a zero balance in your account. You can achieve a zero balance in the following ways:
  - Contribute to the Children's Trust Fund or another 501(c)(3).
  - Returned pro rata to all contributors
  - Contributed to the state's general fund

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## NONCOMPLIANCE

- Remember that this covers information from the previous year.
- Due upon assumption of official duties and then by March 30<sup>th</sup> of each calendar year.

### PENALTIES

- Initial \$100.00 penalty.
- After certified letter is delivered: \$10.00 dollars a day after ten days.
- After ten days: \$100.00 day until maximum penalty of \$5,000.00 is reached.
- There may also be a complaint filed which means possible additional fines and fees.

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## NONDISCLOSURE

- Must disclose all information required in your SEI.
- If you fail to disclose the required information, you may be given a chance to correct the omission.

### PENALTIES

- Maximum fine of \$2,000.00
- Complaint can be filed which may mean additional fees.

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## INFLUENCING THE OUTCOME OF AN ELECTION

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No person may use government funds, property or time to influence the outcome of an election.

This includes using government time and resources to influence the outcome of an election or ballot measure. For purposes of this statute, ballot measure means:

Referendum, proposition, or measure submitted to voters for their approval.

This is not a prohibition against a governmental entity preparing informational materials, conducting public meetings or responding to news media or citizens' inquiries concerning a ballot measure affecting the governmental entity.

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## CONFLICTS OF INTEREST

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## SELF DEALING AND NEPOTISM

- Section 8-13-700(A)
  - "No public official, public member, or public employee may knowingly use his official office, membership, or employment to obtain an economic interest for himself, a family member, an individual with whom he is associated, or a business with which he is associated."
  - Exception for incidental use not resulting in additional public expense.
- Section 8-13-700(B)
  - "No public official, public member, or public employee may make, participate in making, or in any way attempt to use his office, membership, or employment to influence a governmental decision in which he, a family member, an individual with whom he is associated, or a business with which he is associated has an economic interest."

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### **FAMILY MEMBERS**

Your spouse, parent, brother, sister, child, mother-in-law, son-in-law, brother-in-law, sister-in-law, grandparent or grandchild.

Dictionary defines brother-in-law as:

- a - the husband of one's sibling
- b - the husband of one's spouse's sibling

### **ECONOMIC INTEREST**

An interest distinct from that of the general public in a purchase, sale, lease, contract, option, or other transaction or arrangement involving property or services in which a public official, public member, or public employee may gain an economic benefit of fifty dollars or more.

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### PERSON WITH WHOM YOU ARE ASSOCIATED

An individual with whom the person or a member of his immediate family mutually has an interest in any business of which the person or a member of his immediate family is a director, officer, owner, employee, compensated agent, or holder of stock worth one hundred thousand dollars or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class.

### BUSINESS WITH WHICH YOU ARE ASSOCIATED

A business of which the person, or a member of his immediate family, is a director, an officer, owner, employee, a compensated agent, or holder of stock worth one hundred thousand dollars or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class.

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## Violations of 740

- Representing a person before any agency, unit or subunit of your board for which the public official has official responsibility except as required by law.
  - Applies unless representation occurs in the normal course of business, is ministerial or is personal in nature.

### PENALTIES

- Maximum fine of \$2,000.00

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## WHEN IN DOUBT...

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If you are unsure of your duties under  
the South Carolina Ethics Act...

DO NOT ACT

Take the following steps:

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## EVALUATE WHAT, IF ANY, CONFLICT YOU HAVE

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- 1) Is there an economic interest for you?
- 2) Is there an economic interest for a family member of yours?
- 3) Is there an economic interest for a person with whom you are associated?
- 4) Is there an economic interest for a business with which you are associated?

IF YOU ARE NOT SURE OF THE ANSWER TO ANY OF THESE QUESTIONS,  
CONTACT US AND REQUEST A FORMAL OR INFORMAL OPINION

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IF YOU HAVE A  
CONFLICT THEN  
YOU **MUST**  
RECUSE  
YOURSELF!

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## HOW TO RECUSE YOURSELF

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- 1) Prepare a written statement describing the matter requiring action or decision and the nature of your potential conflict of interest with respect to the action or decision.
- 2) Public Officials: Furnish a copy to the presiding officer of your board, who shall cause the statement to be printed in the minutes and shall require that you be excused from any votes, deliberation and other actions on the matter in question.

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## REQUESTING AN OPINION

As a public official, you can request either an informal or formal opinion from the State Ethics Commission.

A formal opinion is issued by the Commission and is binding.

An informal opinion is issued by Commission staff is not binding,

For sensitive matters, you may request a confidential formal or informal opinion. Requests must be made in writing.

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## Opinions You Need to Know

SEC AO 92-071: The State Ethics Commission would advise that public employees or officials weigh the impact on a case by case basis of offers by vendors who have contracts with a school district to provide meals, golf outings, etc. Vendors may sponsor conference activities in accordance with sponsor solicitation guidelines established in Advisory Opinion SEC AO92-061.

SEC AO 92-134: A family member of a school board member may continue as an employee of the school district without violating the Ethics Reform Act. A family member of a school board member may be hired by the school district provided the member does not cause the employment or participate in the employment of the family member. School board members who have family members employed within the school district may vote on general salary increases for school employees but may not participate in salary raises for the family member which are not general salary increases.

SEC AO 93-072: The spouse of a school board chairman may be hired as a principal within the chairman's district, provided the chairman takes no action regarding the hiring and has no supervisory or management authority over his spouse.

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## EX OFFICIO BOARD APPOINTMENTS

When you are serving on a board ex-officio, that board **does not** become a “business with which you are associated.”

If you are not serving ex-officio, meaning that you are not serving as part of your official duties as a member of your school board, then the board **is** a “business with which you are associated” and you must recuse yourself from any actions affecting that board.

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South Carolina State Ethics Commission  
201 Executive Center Drive, Suite 150  
Columbia, South Carolina 29210

(803) 253-4192 (office)

(803) 253-7539 (fax)

Office Hours: 8:30 a.m. - 5:00 p.m., Monday through Friday, excluding State Holidays

For questions about Statement of Economic Interests, please contact [lessie@ethics.sc.gov](mailto:lessie@ethics.sc.gov).

For questions about Campaign Disclosures, please contact [sandra@ethics.sc.gov](mailto:sandra@ethics.sc.gov).

For questions about the complaint process or the law, please contact [ami@ethics.sc.gov](mailto:ami@ethics.sc.gov).

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# **NEW BOARD MEMBER ORIENTATION**

## **SC Freedom of Information Act (“FOIA”)**

**ANDREA E. WHITE, ESQ.  
WHITE & STORY, LLC  
COLUMBIA, SC**

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### **PURPOSE**

Maximize citizen  
participation in government  
process and decision-making

Simple in abstract; more difficult in  
application

FOIA is continually changing as courts  
decide cases and school officials increase  
technology use

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**PREMISE**

With limited exceptions, all meetings of public bodies are open

- FOIA's intent is to for public bodies, such as school boards, to operate 'in the sunshine'

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**APPLIES TO:**

Meetings of boards as well as board committees and subcommittees—does it apply to meetings of Board Officers to set agenda?

It does not matter if a committee or subcommittee is composed of a quorum of the board or if there are other individuals on the committee/subcommittee

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### **WHAT IS A MEETING?**

- Any convening of a quorum (majority of members) of a public body to discuss or act upon the business of the public body
- Applies to both in-person and electronic gatherings

Includes Board work sessions, email conversations and texts between a quorum of members. Does not matter if personal technology is used.

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### **NOTICE**

#### **Regular meetings:**

- Written notice given at the beginning of the year; notice with agenda posted 24 hours prior; notify local media of all meetings

#### **Called or special meetings:**

- Notice and agenda posted at least 24 hours prior; written notice to local media

#### **Emergency meetings:**

- Make reasonable effort to give notice

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## AGENDA

- The final agenda must be posted at least 24 hours before any regular, called, special or rescheduled meeting SC Code Section 30-4-80(a)
- Items may be added only if the amended agenda is posted at least 24 additional hours before meeting
- Amendments at the meeting: Discouraged and require specific process to be followed

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## AMENDING AGENDA AT THE MEETING

1. If amendment would add an item upon which action can be taken (example: first reading/approval of a policy), 2/3 of the members present must vote to add the item.
2. If the amendment would add an item for final action, or if the item is one where there has not been and will not be an opportunity for public comment with prior public notice, the item may only be added if two things occur: 2/3 favorable vote AND upon a finding that an "emergency or an exigent circumstance exists" if the item is not added to the agenda.
3. An agenda for a special called meeting may not be amended at that meeting to add an item for action that was not on the original agenda for that meeting. (example: the agenda posted for the special meeting indicated only an Executive Session to discuss the employment of personnel, but, following the Executive Session, a motion is made to add for action "approval of a contract to purchase property.")

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## MINUTES

- **Must be written and available to public**
  - Include
    - ✦ Date, time and place of meeting
    - ✦ Members present and absent
    - ✦ Substance of all matters proposed, discussed or decided
    - ✦ Request for recording individual member votes
  - Available for review during regular hours
    - ✦ Copies immediately available for preceding six-month period
- Executive session minutes not required, but skeletal minutes may be useful

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## EXECUTIVE SESSION

Must vote in open session to enter executive session

Motion must state specific reason as permitted by law

Can take no action in executive session

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**EXECUTIVE SESSION****When may a meeting be closed?**

- Receipt of legal advice if that advice pertains to a pending, threatened or possible legal action
- Hiring, firing, discipline of an employee (except at employee's option, if an adversarial hearing is involved)
- Discipline of a student

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**EXECUTIVE SESSION****When can a meeting be closed?**

- Discussion of contractual negotiations and proposed sale or purchase of property
- Discussion of development of security personnel or devices
- Investigations of criminal misconduct

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## **PUBLIC RECORDS**

FOIA also permits the public to obtain copies or review “public records”

While certain records used, maintained or possessed by a public body are not “public records,” the law is murky as to other records.

Are personnel files of school employees subject to disclosure under FOIA?

May the public obtain emails sent between board members or between the board and the administration?

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## **PUBLIC RECORDS**

What about videos captured by cameras on school buses or on school grounds?

Can parents view and/or obtain a copy?

Can the media view and/or obtain a copy?

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### **COMMON FOIA VIOLATIONS**

Having a board “dinner” before or after the meeting and talking business

Calling a meeting a “work session”

Discussing general personnel matters in executive session

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### **COMMON FOIA VIOLATIONS**

Closing a meeting to receive “legal advice” just because your lawyer is present

Abuse of executive session – topic “drift”

Failure to state specific reason for closing a meeting; i.e., not permitted to merely state “personnel matters” or “contractual matters”

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## RESPONDING TO FOIA REQUESTS

Must respond within 10 working days

Can charge a fee if the District has a posted fee schedule

The fee must not be higher than the hourly rate of the lowest compensated employee who has the necessary skills to respond to the request

Can charge for gathering, copying and redacting records

FOIA does not require a public body to create a record where one does not exist

Disclosable records must be produced within 30 calendar days

# Financing Education in South Carolina

SCSBA New Board Members

March 4, 2021



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## High Level Overview

- **General Fund** – The principal operating fund of the District
- **Special Revenue & EIA Funds** – account for State and Federal funds which are allocated for specific programs or initiatives.
- **Debt Service** – accounts for the payment of interest and principal on long-term general obligation debt.
- **School Building Fund** – accounts for the construction, repair, renovation, and acquisition of school facilities. Can include capital equipment.
- **Food Service Fund** – accounts for the USDA's approved school breakfast and lunch programs.

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## What is a Budget

- “Simple Definition”: a school budget describes a district’s **plan** for the upcoming year as related to anticipated revenues and expenditures.
- Should convey your values and priorities
- A tool for monitoring actual results
- Provides a foundation for the next year

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## Where does the \$ come from?

### The Basic Building Blocks

- Local Revenue
- State Revenue
- Federal Revenue
- Other Financing Sources

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## Local Revenue

- Outside the issuance of General Obligation Bonds, this is the **major** source of revenue that the District has the ability to raise.
- Major Source: Property Taxes

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## State Revenue

- Education Finance Act (EFA) \*
- Fringe Benefit Employer Contributions \*
- Teacher Salary \*
- \* State Aid to Classrooms (FY 20)

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## State Revenue - Cont'd

- Education Improvement Act (EIA)
- Education Accountability Act (EAA)
- Education Lottery Act
- ACT 388 (Reimbursement for Local Property Tax Relief)

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## Education Finance Act (EFA)

- Passed in 1977
- Cornerstone of State Funding
- A National Model for Funding Education
- Has served us well for four decades

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## EFA

In 2014 the Governor's Education plan added additional weighting factors for:


- High Achieving Students
- Limited English Proficiency
- Academic Assistance
- Pupils in Poverty
- Dual Enrollment

These weighting are directed for individualized instruction based on the needs of the student.

All students are weighted at 1.0 except special needs students.

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## Education Improvement Act (EIA)

- The Education Improvement Act of 1984 was South Carolina's original blueprint for enacting a quality program of public instruction for current and future generations. A one cent state sales tax increase provides additional funds.

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## EIA

- Raise student performance by increasing academic standards;
- Strengthen the teaching and testing of basic skills;
- Elevate the teaching profession;
- Improve leadership, management and fiscal efficiency;
- Implement quality controls and reward productivity;
- Create more effective partnerships among schools, parents, community and business; and
- Provide school buildings conducive to improved student learning.

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## Education Lottery Act

- Higher Education receives the largest share
- In 2015 -16, these funds were included in the EFA Funding

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## ACT 388

- Applicable to General Fund
- Residential owner/occupied exemption from taxes on school operations
- Funded from:
  - Tier I: The 1995 \$100,000 Exemption
  - Tier II: The \$50,000 Homestead Exemption
  - Tier III: The additional penny sales tax
- For 2007-08, Districts to receive \$ for \$ reimbursement from the State
- For any subsequent year, Districts will receive the “base” established in 2007-08 plus a portion of the total additional funding available that will grow by the statewide inflation rate and population growth

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## ACT 388 - PROPERTY TAX REFORM

### MILLAGE CAP

- Millage caps are in place for all local governing bodies.
- Millage may be increased only by CPI plus the population growth of the entity from the prior year.
- The cap may only be exceeded with 2/3 vote of the local governing body and only for the following reasons:
  - ~ Deficiency from previous year
  - ~ National disaster/act of terrorism
  - ~ Court order
  - ~ Close of a business that decreases tax revenues by more than 10%
  - ~ Un-funded state or federal mandate.

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## ACT 388 PROPERTY TAX REFORM

### CONCERNS

- Growing school districts
  - ~ Revenues per student
  - ~ New school start-up costs
- Index of Taxpaying Ability
- Funding inequities among similar size districts
- The real concerns are the limitation imposed on local funding and the volatility of sales tax revenues.

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## Federal Revenue

### Major Sources

- School Food Service Programs
- Title I
- Individuals with Disabilities Education Act (IDEA)

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## Proceeds from General Obligation Bonds

- Applicable to School Building Fund
- Used to construct, renovate, repair, and equip school facilities
- Types
  - Referendum
  - 8% Debt

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## General Fund

- **Revenue**
  - Local
    - Property Taxes
  - State
    - EFA
    - Fringe
    - ACT 388
    - Bus Driver
  - Other
    - Interest
    - Rentals
    - Tuition

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## General Fund

- **Expenditures**
  - Salaries and Benefits      85 – 90 %
  - Fixed Cost                      3 – 5 %
    - Utilities
    - Contracts
  - Other                              5 – 12 %
    - Instructional Supplies
    - Staff Development
    - Other Supplies

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## Salary FOIA

- A common FOIA request from the newspapers is for a list of employees who make over \$50,000. This request applies to all employees including teachers, coaches and administrators

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## District Comparisons


As a Board member you will hear that your District spends **X** per pupil and that District A spends **Y** per pupil. When making comparisons...

**There are many factors to consider:**

- Size of schools
- Pupil teacher ratio
- Poverty
- Handicapped student population
- Salary schedules
- Programmatic Initiatives
- Geographic size

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## District Comparisons

Again.... Your District's budget and per pupil expenditure reflect the choices of your community.

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## Questions



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