Accountability Report Transmittal Form

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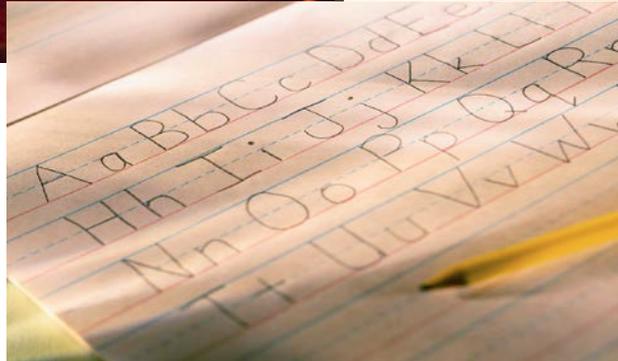
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South Carolina Department of Education
Annual Accountability Report
Fiscal Year 2004–05

The South Carolina Department of Education's annual accountability report for FY 2005 presents the performance of the Department and a concurrent review of the state's public education system, which relies on the agency for leadership and support. This accountability report addresses both agency and system: the South Carolina Department of Education in terms of its mission-driven, values-centered strategic focus and the public education system in terms of data that demonstrate how the state's schools are responding to our leadership.

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Section I: Executive Summary

The foundation of every state is the education of its youth.

—Diogenes Laertius

MISSION AND VALUES

Agency Mission: The mission of the South Carolina Department of Education (SDE) is to provide leadership and services to ensure a system of public education through which all students will become educated, responsible, and contributing citizens.

Agency Values: The SDE defines values as attitudes about the worth or importance of people, concepts, or things and recognizes that they influence our attitudes, priorities, and behavior. An organization's values reflect the collective attitudes and values of all its members. Thus, for an agency with the societal responsibilities that the SDE bears, values become critically important. Our strategic planning process has led us to seven core human values, believing that their embrace by all of our employees will strengthen our ability to fulfill our educational mission:

- **Respect.** Treat all people with dignity and respect in all circumstances.
- **Trust.** Be trustworthy, believable, credible, and truthful in character and competence.
- **Honesty.** Be truthful in words and deeds.
- **Integrity.** Be consistent and do what is right all the time.
- **Responsibility.** Willingly accept the obligations and duties for both success and failure.
- **Accountability.** Be answerable for what was done with what was given and the results that were achieved.
- **Service.** Put success and service to students before personal success and self-service.

MAJOR ACHIEVEMENTS FROM THE PAST YEAR

In FY 2005, we made significant progress toward realizing our vision of a system of public education through which all students will become educated, responsible, and contributing citizens. This past year marked the sixth successive year of dramatic gains in educational achievement in South Carolina. There is clear and compelling evidence that education reforms since 1998 have moved South Carolina's schools in the right direction and fueled significant progress. Although many challenges remain, those individuals who have invested years of effort in education in our state—parents, teachers, students, legislators, business leaders, and other supporters—can be very proud of what they have accomplished and can look to the future with optimism.

- South Carolina's progress in strengthening our education system and raising achievement again won accolades as among the most outstanding in the nation:

  - The national research journal *Education Next* ranked South Carolina as one of the two top states in the nation for the rigor of our academic standards. South Carolina received an A in every category used to rank state standards.

  - *Quality Counts 2005,* the annual report card on the state of school reform published by *Education Week,* ranked South Carolina second in the nation for our progress in improving teacher quality and sixth in the nation for raising standards and improving accountability.

- The United States Secretary of Education singled out South Carolina as one of the few states that has followed not just the letter of the No Child Left Behind law but also the spirit, setting "robust and rigorous" targets for *adequate yearly progress* under the Act.

- South Carolina is one of the states leading the nation in improvement on the National Assessment of Educational Progress (NAEP), also known as the Nation's Report Card. An analysis by the nonprofit organization Education Trust concluded that South Carolina's eighth graders have the top math improvement in the nation, while its fourth graders are second in the nation for improvement in math. Analyses by the Educational Testing Service and the Council of Chief State School Officers reached similar conclusions.

- PACT (Palmetto Achievement Challenge Tests) spring 2005 results showed significant improvements in English language arts for grades three and eight. Grades three, eight, and five made improvements in mathematics. Scores on also increased significantly in science in grades three and four and in social studies in grades three, four, and eight.

- South Carolina continues to lead the nation in improvement on the SAT, gaining 7 points in 2005, while the national average increased only 2 points. This year's increase brings South Carolina's total five-year gain to 42 points, the largest gain in the nation for the past three years and more than three times the national increase.

- South Carolina's students also continued to improve performance on the ACT despite a five percent increase in the number of students taking the test. The average ACT score for 2005 was 19.4, up from 19.3 in 2004 and 19.2 in 2003. (One-tenth of a point on the ACT is comparable to 4 points on the SAT.) The national average remained the same at 20.9. South Carolina is one of only a few states to improve performance on the ACT while dramatically increasing the number of students taking the test.

- The number of schools rated "unsatisfactory" under the Education Accountability Act dropped from 73 in 2000 to 22 last year. SDE data indicate that state assistance—in the form of teacher specialists, principal specialists, and principal leaders—has been instrumental in improving the lowest-performing schools.

- The percentage of the state's 1,130 schools rated "average" or above under the state accountability system increased from 76 percent in 2001 to 83 percent in 2004.

- In the 2004–05 school year, 50,170 teachers were evaluated under the state's ADEPT (Assisting, Developing, and Evaluating Professional Teaching) system: 92 percent met the state's teaching performance standards.

- The SDE implemented the South Carolina Reading Initiative, SC READS, and SC Reading First in 48 school districts and 218 schools by training 188 literacy coaches, who in turn worked with 3,593 teachers to improve the achievement of 31,727 students in kindergarten through grade eight.

- More than 400 South Carolina schools received Palmetto Gold and Silver Awards for outstanding educational improvement under the state accountability system: 283 schools received the Palmetto Gold Award, and 135 received the Palmetto Silver Award.

- More than 1,100 educators have been reached through the online professional development system that offers forty-four different courses for teacher-license renewal and graduate school credit.

- South Carolina high school seniors have won more than $1.2 billion in college scholarships over the past three years. The class of 2005 in South Carolina won $554 million in college scholarships. This amount is an $82 million increase over the previous year's total.

KEY STRATEGIC GOALS FOR THE PRESENT AND FUTURE YEARS

Vision: Our shared vision is for a system of public education through which all students will become educated, responsible, and contributing citizens.

Strategic aims:
1. High Student Achievement
2. Teacher Quality
3. Early Childhood Education
4. Parental and Community Partnerships
5. Safe and Healthy Schools
6. Education Leadership

Strategic goals:
1. High Student Achievement
    1.1. Students are held to rigorous and relevant academic standards.
    1.2. Students demonstrate essential knowledge and skills as described in the curriculum standards.
    1.3. Students graduate from high school ready for college or a career.
    1.4. Students use technology to reach higher levels of learning.
    1.5. The state educational system components are accountable and aligned so that all students reach a high level of academic achievement.

2. Teacher Quality
    2.1. Teacher recruitment and retention programs are successful.
    2.2. Teacher preparation programs produce competent teachers.
    2.3. Teachers are highly qualified, competent, ethical, and caring.
    2.4. Teacher professional development programs are effective.

3. Early Childhood Education
    3.1. Children enter the first grade ready to learn and succeed.
    3.2. Children have access to quality early childhood programs.
    3.3. Children and their families have access to quality family literacy programs.

4. Parental and Community Partnerships
    4.1. Parents are active partners in their child's learning.
    4.2. Communities are active partners in student learning.

4.3. Businesses are active partners in student learning.

5. Safe and Healthy Schools
   5.1. Schools are safe, healthy places with environments that are conducive to learning.
   5.2. School facilities are safe, functional, and adequate.
   5.3. The public school transportation system is safe, functional, and adequate.
   5.4. Schools form community and state alliances that promote the health, safety, and well-being of students.

6. Education Leadership
   6.1. School leaders are highly qualified, caring, and supportive.
   6.2. State education leadership is aligned.
   6.3. Education leadership is accountable.
   6.4. Professional development programs support education leaders.

OPPORTUNITIES AND BARRIERS

We have identified the following conditions that present opportunities and obstacles with regard to the accomplishment of the SDE mission.

Opportunities:

- Economic recovery and the resulting increase in state revenue enabled the General Assembly to fully fund the base student cost for the first time since FY 2000, bringing education funding back in line with what the legislature considers to be adequate funding.

- The Education and Economic Development Act, along with comprehensive high school reform initiatives, will focus the state's attention on improving graduation rates and better preparing graduates for college and career.

- The Education Accountability Act and the federal No Child Left Behind Act continue to set high goals for student achievement and teacher quality, to provide a climate for continuous improvement, and to target resources to schools most in need of improvement.

- School and district report cards continue to highlight performance so that local communities can make needed changes and support improvement.

- Expanding business and community partnerships are offering support for programs. The SDE has partnered with Time Warner Cable to promote adult education and the GED diploma. Four leading South Carolina corporations have joined forces with the SDE to create a coalition that will support high-quality math and science education for the state's K–12 public schools.

Barriers:

- Without equitable funding, South Carolina's poorest districts continue to struggle for resources to hire and retain qualified teachers and to offer programs to help disadvantaged children such as early childhood education and year-round schools.

- South Carolina's aging school bus fleet and a lack of logistical support for the education transportation system (fuel, parts and maintenance, bus drivers' and mechanics' salaries) hamper schools' ability to provide needed before- and after-school assistance to students. Maintenance

difficulties resulting from the age of the fleet continues to reduce instructional time for thousands of South Carolina students, who arrive late to school on many days.

- A teacher shortage continues to hamper education reform. An expected future shortage of qualified administrators will add to the difficulties schools are already experiencing.

- Escalating fuel and maintenance costs will continue to squeeze the SDE's operating budget and constrict its ability to provide needed services to districts, particularly the poorest districts that most rely on SDE support.

- Without adequate funding, thousands of disadvantage children cannot benefit from high-quality four-year-old programs that enable preschool children to enter school ready for success.

- The additional data collection and analysis required by the No Child Left Behind Act have the potential to overwhelm not only the current systems in the school districts but also the SDE's ability to do research, to develop data for the Education Accountability Act and federal report cards, and to provide proper monitoring of performance.

- The SDE's inability to pay competitive salaries to attract and retain high-quality employees impacts this agency's growing responsibilities and employee morale.

HOW THE ACCOUNTABILITY REPORT IS USED TO IMPROVE ORGANIZATIONAL PERFORMANCE

We use the accountability report for multiple purposes. First, the report is an effective tool for managing the organization. Second, the report serves as an after-action review (AAR) for the most recently completed fiscal year. The Baldrige criteria serve as the framework for the analysis of current action plans, for the modification of existing strategies and action plans, the development of new strategies and action plans, and the assessment of strategic results. Finally, the report is used to identify opportunities for improvement (OFI).

Section II: Business Overview

NUMBER OF EMPLOYEES AND OPERATING LOCATIONS

The entire South Carolina public school system consists of more than 90,000 employees located in 1,134 schools within 85 school districts and in related operating units throughout the state. The SDE—which is housed in Columbia in the Rutledge Building, at 1429 Senate Street, and in other nearby facilities—has 455 staff members. An additional 442 staff work in 46 school bus maintenance shops or rebuild facilities located throughout the state. The following table provides both a current and a historical summary of full-time equivalency (FTE) authorization for the SDE:

Year	Agency State FTE	Agency EIA FTE	Agency Fed/Other FTE	Agency Total FTE	Other Entity State FTE	Other Entity Fed/Other FTE	Other Entity Total FTE	Total State FTE	Total EIA FTE	Total Fed/Other FTE	Total FTE
1991	886	81	198	1,165	23	1	24	909	81	199	1,189
1992	821	71	196	1,088	24	1	25	845	71	197	1,113
1993	819	71	191	1,081	24	1	25	843	71	192	1,106
1994	775	72	201	1,048	24	1	25	799	72	202	1,073
1995	775	72	201	1,048	25	1	26	800	71	202	1,074
1996	775	72	201	1,048	25	1	26	800	72	202	1,074
1997	750	58	162	970	25	1	26	775	58	163	996
1998	732	57	141	930	39	1	40	771	57	142	970
1999	731	54	130	915	85	1	86	816	54	131	1,001
2000	743	55	124	922	100	3	103	843	55	127	1,025
2001	768	64	138	970	108	13	121	876	64	151	1,091
2002	772	77	147	996	108	13	121	880	77	160	1,117
2003	772	77	147	996	108	17	125	880	77	164	1,121
2004	763	77	159	999	108	21	129	871	77	181	1,129
2005	751	77	171	999	108	21	129	859	77	193	1,129
Change 1991–2005	-135	-4	-27	-166	+85	+20	+105	-50	-4	-6	-60

Note: The "Other Entity" designation includes the Governor's School for Math and Science, the Governor's School for Arts and Humanities, and First Steps.

The following table shows FY 2005 FTE authorization, excluding "Other Entity" FTE authorization, by bus shop and non-bus shop operating units:

Bus Shop FTEs	Non-Bus Shop FTEs	Total FTEs
464	535	999

The following table shows FY 2005 total agency employees, excluding "Other Entity" employees, by transportation system support and non-transportation system support:

Transportation System Support Employees	Non-Transportation System Support Employees	Total Employees
457	440	897

The SDE's primary operations are conducted in the Rutledge Building in Columbia, in the schools, and in the district offices. School bus maintenance operations are conducted in shops and maintenance facilities strategically located to serve all public schools throughout the state.

EXPENDITURES AND APPROPRIATIONS

The following tables provide expenditures and appropriations for the years listed for the SDE, the Governor's School for Math and Science, the Governor's School for Arts and Humanities, and First Steps:

Base Budget Expenditures and Appropriations
(Note: Nonrecurring expenditures are reflected in major budget categories.)

Major Budget Categories	2003–04 Actual Expenditures		2004–05 Actual Expenditures		2005–06 State Appropriation Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	$43,289,607	$28,655,384	$41,601,198	$25,661,047	$45,272,971	$29,425,025
Other Operating	$90,212,330	$62,503,532	$88,812,755	$61,372,560	$84,567,037	$52,744,300
Special Items	$203,936,321	$71,346,077	$24,316,459	$58,137,181	$156,017,722	$33,246,926
Permanent Improvements	$2,214,425	$0	$292,300	$149,982	$0	$0
Case Services	$0	$0	$0	$0	$0	$0
Distributions to Subdivisions	$2,740,500,068	$1,563,786,397	$2,841,054,383	$1,675,389,338	$2,956,510,594	$1,878,422,860
Fringe Benefits	$15,544,107	$11,668,346	$19,028,653	$14,383,121	$14,828,605	$11,597,177
Nonrecurring	$0	$0	$0	$0	$85,110,790	$33,610,790
TOTAL	**$3,095,696,858**	**$1,737,959,736**	**$3,205,105,748**	**$1,835,093,229**	**$3,342,307,719**	**$2,039,047,078**

Other Expenditures
(The below expenditures are reflected in the above totals.)

Sources of Funds	2003–04 Actual Expenditures	2004–05 Actual Expenditures
Supplemental Bills	$0	$0
Capital Reserve Funds	$0	$0
Bonds	$74,205,508	$0

Interim Budget Reductions

Total 2003–04 Interim Budget Reduction	Total 2004–05 Interim Budget Reduction
$30,922,110	$0

MAJOR PROGRAM AREAS CHART. See Excel workbook *SDE Charts,* worksheet "Major Program Areas Chart."

KEY CUSTOMER SEGMENTS AND STAKEHOLDERS LINKED TO KEY PRODUCTS/SERVICES

Baldrige Education Criteria for Performance Excellence focuses on students and stakeholders, who are the key beneficiaries of educational programs and offerings. As all businesses must do, education organizations must respond to a variety of requirements—all of which should be incorporated under customer focus. This approach distinguishes between students and stakeholders for purposes of clarity and emphasis. Stakeholders include parents, employers, schools, and communities. Therefore,

the primary and most important customers of the public school system and the SDE are the students. The product/service linkage is the state's public school system and the SDE's leadership and services, which are focused on learning-centered education to ensure student achievement. However, in truth, SDE customers and stakeholders are diverse and many. They are categorized as internal and external and are identified as part of our strategic planning process. The internal customers/stakeholders include the State Superintendent of Education; the State Board of Education; and the SDE's administrative, professional, clerical, and trades staff. External customers/ stakeholders include teachers, administrators, school districts, other professional staff, and support staff in schools; parents, the business community, and the general public; state government personnel and the General Assembly; professional organizations and special interest groups; the news media; and state universities, public colleges, private colleges, and technical colleges. More information on key customers is provided below, in Section III, Category 3—Customer Focus.

The system's end product is an educated, responsible, and contributing citizenry. Our core business is education—bringing students, teachers, and information together to instill knowledge and to encourage the proper application of that knowledge. The SDE's products are leadership and services delivered to school districts and their staff members who assist in the development of teaching and learning programs. We provide a number of products and services to accomplish this end, including direction and motivation; monitoring and technical assistance; transportation; instructional materials; testing materials; technology support and infrastructure; food services; and financial resources.
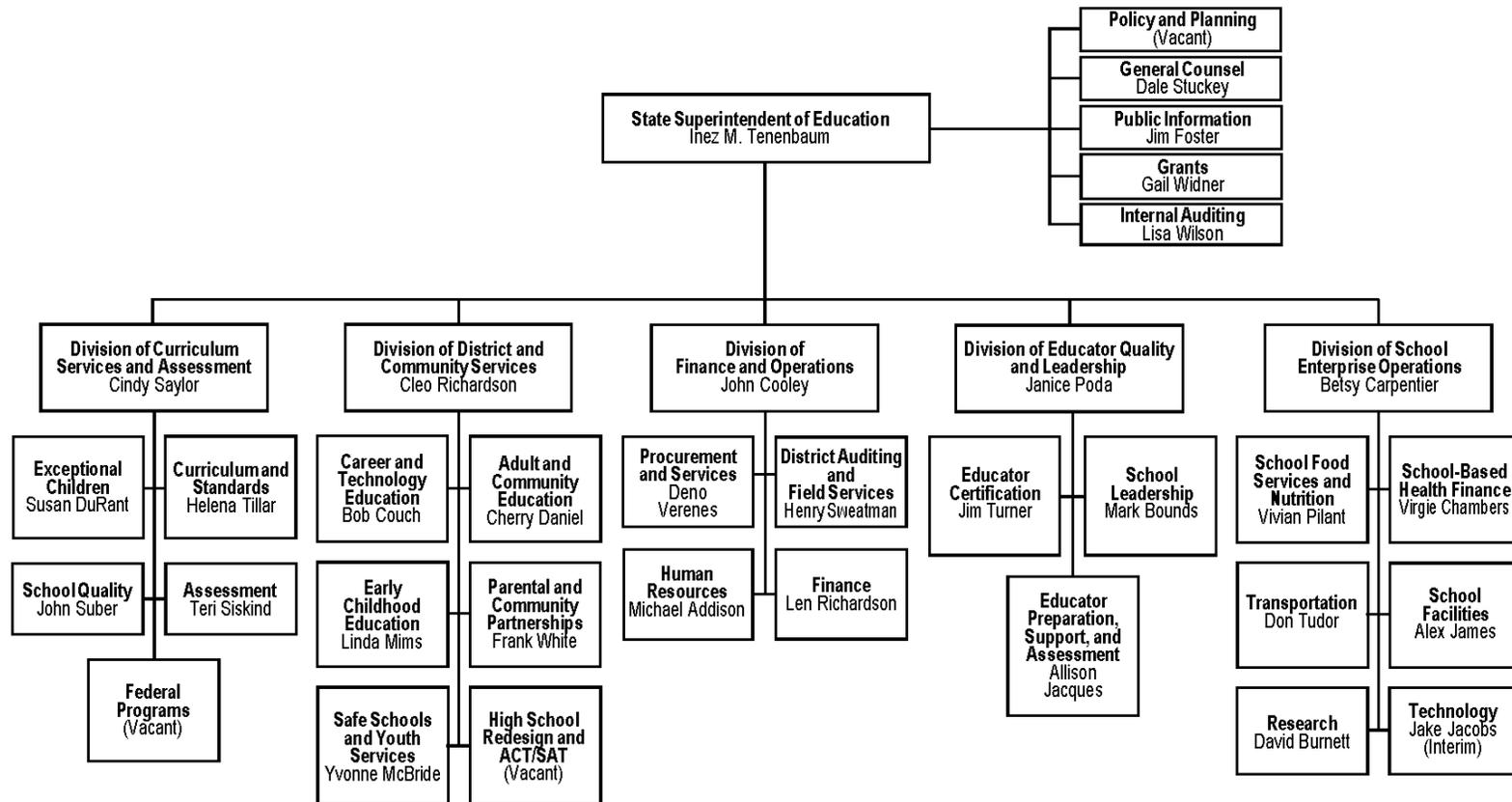
KEY SUPPLIERS

Suppliers of the state system and the SDE are also diverse and many. Parents and families supply students; higher education supplies teachers and training for teachers; bus manufacturers supply buses; textbook publishers supply textbooks and instructional materials; testing companies supply and score assessment instruments. As are our customers, our internal and external suppliers are identified in our strategic planning process. The internal suppliers include the State Superintendent of Education, the State Board of Education, and the SDE staff. External suppliers include not only those mentioned above but also state government personnel and the General Assembly; teachers, administrators, school districts, and other professional staff; and state universities, public colleges, private colleges, and technical schools.

ORGANIZATIONAL STRUCTURE

The SDE is led by the State Superintendent of Education, who is a constitutional officer of the state. The State Superintendent also serves as secretary to the State Board of Education. Five deputy superintendents and twenty-two directors administratively carry out the mission of the agency.

The chart on the following page graphically displays our organizational structure.

South Carolina Department of Education

State Superintendent of Education
Inez M. Tenenbaum

Policy and Planning
(Vacant)

General Counsel
Dale Stuckey

Public Information
Jim Foster

Grants
Gail Widner

Internal Auditing
Lisa Wilson

Division of Curriculum Services and Assessment
Cindy Saylor

Division of District and Community Services
Cleo Richardson

Division of Finance and Operations
John Cooley

Division of Educator Quality and Leadership
Janice Poda

Division of School Enterprise Operations
Betsy Carpentier

Exceptional Children
Susan DuRant

Curriculum and Standards
Helena Tillar

School Quality
John Suber

Assessment
Teri Siskind

Federal Programs
(Vacant)

Career and Technology Education
Bob Couch

Adult and Community Education
Cherry Daniel

Early Childhood Education
Linda Mims

Parental and Community Partnerships
Frank White

Safe Schools and Youth Services
Yvonne McBride

High School Redesign and ACT/SAT
(Vacant)

Procurement and Services
Deno Verenes

District Auditing and Field Services
Henry Sweatman

Human Resources
Michael Addison

Finance
Len Richardson

Educator Certification
Jim Turner

School Leadership
Mark Bounds

Educator Preparation, Support, and Assessment
Allison Jacques

School Food Services and Nutrition
Vivian Pilant

School-Based Health Finance
Virgie Chambers

Transportation
Don Tudor

School Facilities
Alex James

Research
David Burnett

Technology
Jake Jacobs
(Interim)

# Section III: Elements of Malcolm Baldrige Award Criteria

CATEGORY 1: LEADERSHIP

1.1.a How do senior leaders set, deploy, and ensure two-way communication for short and long term direction?

The SDE senior leadership team consists of the State Superintendent of Education and five deputy superintendents, who lead the agency's divisions: Curriculum Services and Assessment, District and Community Services, Educator Quality and Leadership, Finance and Operations, and School Enterprise Operations. The leadership team sets, deploys, and communicates short- and long-term direction based on the SDE's strategic plan. The senior leadership team is actively involved in guiding the organization by setting, deploying, and communicating strategic aims, strategic performance goals, and short- and long-term objectives and by monitoring operational action plans. Our middle management leadership team consists of the office directors in the divisions. Directors work with deputy superintendents to effectively communicate, implement, and reinforce the senior leadership's strategic direction and to formulate operational objectives and action plans, policies, and practices to ensure high expectations clear direction, and accomplishment of objectives. The Aligned Management System provides the SDE leadership's operating framework.

1.1.b How do senior leaders set, deploy, and ensure two-way communication for performance expectations?

Performance expectations are set, deployed, and communicated as part of the SDE's strategic planning process. The SDE's strategic aims, strategic performance goals, and short- and long-term objectives form the basis of performance expectations. These expectations are communicated by the senior leadership team to SDE staff and stakeholder and customer groups through a variety of methods. The primary method is our published strategic plan, which is available on the SDE Web site, and constant communication internally and externally. Internally, our middle management leadership team provides continuing focus on performance expectations, assessment against those expectations, and appropriate feedback to SDE staff. Externally, constant dialogue is maintained through various public forums and frequent meetings.

Aligned Management System
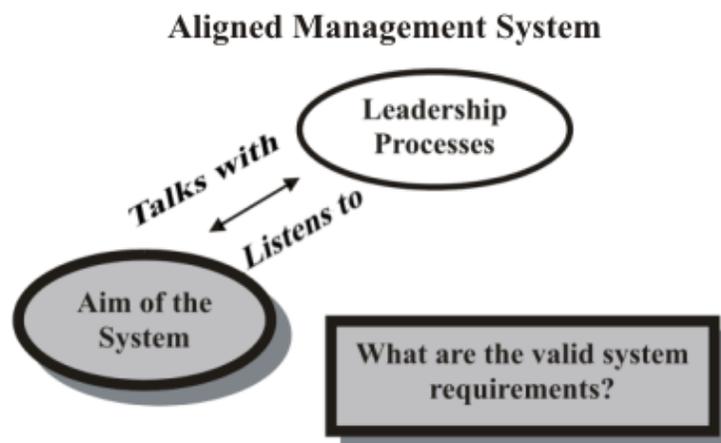
> **1.1.c** How do senior leaders set, deploy, and ensure two-way communication for organizational values?
>
> **1.1.f** How do senior leaders set, deploy, and ensure two-way communication for ethical behavior?

The leadership team is responsible for communicating and modeling our organizational values, which form the basis for standards of ethical behavior. Our values and standards of ethical behavior are consistently articulated both inside and outside the organization. These values provide the underlying foundation for our culture of continuous improvement and high performance. Our personal values include respect, trust, service, integrity, honesty, accountability, and responsibility. Our organizational values include leadership, customer focus, results orientation, responsibility and citizenship, partnership development, management by fact, long-range outlook, designing in quality, fast response, employee participation, continuous improvement, teamwork, open communication, and recognition. The SDE promotes ethical behavior by keeping its staff informed of expectations and standards, conducting briefings on legal and ethical issues, providing EPMS (Employee Performance Management System) counseling, and offering counseling to employees who have breached ethical standards.

> **1.1.d** How do senior leaders set, deploy and ensure two-way communication for empowerment and innovation?

Our employees are empowered and innovation is fostered through the leadership climate. SDE leadership establishes key goals and objectives and provides guidance. Within this framework, our employees are permitted to determine the methods by which goals and objectives are accomplished. Employees are challenged to seek out innovative methods and solutions to the challenges faced by the education system and the SDE. Employees are given appropriate freedom to act, and leadership avoids the temptation to micromanage. SDE leadership accepts the fact that if employee growth and learning are to occur, mistakes will be made.

> **1.1.e** How do senior leaders set, deploy and ensure two-way communication for organizational and employee learning?

As mentioned above, organizational and individual learning is promoted for all employees through extensive internal and external learning opportunities. Our Office of School Leadership facilitates internal and external training opportunities for all employees. In addition, all employees are encouraged not only to participate in internal training that enhances personal, organizational, and professional development but also to attend conferences and job-related workshops. For example, all deputy superintendents and directors participated in organizational and personal training with the Center for Creative Leadership that involved team evaluation and 360-degree evaluation by superiors, peers, and subordinates. In addition, all employees were provided a two-day training session on the Baldrige Quality Criteria and the Aligned Management System, conducted by the Andrews Group. In addition, employees are surveyed and asked to identify their training needs.

> **1.2** How do senior leaders establish and promote a focus on customers and other stakeholders?

Leadership establishes and promotes a focus on customers through constant contact with key customers/stakeholders. Senior leaders meet with customers/stakeholders on a regular basis to determine progress and needs. The State Superintendent and senior staff meets regularly with district superintendents and the leadership teams from the seven school districts participating in the Baldrige

collaborative effort. Promotion of customer focus is inherent in the implementation of our mission to "provide leadership and services." The focus is concentrated on providing service rather than monitoring. An example of customer focus is the fact that the SDE maintains an ombudsman and a toll-free number (1-800-763-KIDS) to assist the public.

1.3 How do senior leaders maintain fiscal, legal, and regulatory accountability?

The SDE maintains fiscal, legal, and regulatory accountability through various proactive oversight activities. The Offices of General Council, Internal Auditing, and District Auditing and Field Services provide strategic-level oversight coupled with operational oversight and monitoring conducted by the responsible offices. Results are reported to the leadership team.

1.4 What key performance measures are regularly reviewed by your senior leaders?

The following are the key strategic performance measures used by the SDE to determine if we are making progress toward our vision and the accomplishment of our mission:

- student performance and academic progress as measured by multiple tests,
- school readiness data,
- teacher quality statistics (test scores, evaluation results, waivers, the number of National Board–certified teachers, accreditation ratings),
- district and school report card results,
- infrastructure measures (school facilities, transportation, textbooks, food service),
- crime report statistics,
- ratings of the education system by professional external organizations,
- leadership measures (unsatisfactory and below average schools and districts),
- customer and stakeholder surveys (educators, special interest groups, parents of students, and the general public), and
- human resource statistics (attrition, average years with agency, employee survey).

1.5 How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness and the effectiveness of management throughout the organization?

The leadership team uses organizational performance review findings and employee feedback to improve its own leadership effectiveness and the effectiveness of management throughout the SDE. For example, all members of the leadership team participated in leadership development activities sponsored by the Center for Creative Leadership that included a 360-degree feedback and a team assessment of management.

The use of the Employee Performance Management System (EPMS) and the employee survey has established a two-way communication system between managers and employees within the organization. Job tasks are discussed, clarified, measured, and changed to meet our mission statement. Our senior leaders act on feedback given by SDE employees during the EPMS review and on the employee survey. In senior staff meetings, feedback is discussed and acted upon as needed to enhance our efficiency and effectiveness. Senior managers in turn give feedback to their employees so that they know the *how* and the *why* of the organization and its mission.

| 1.6 | How does the organization address the current and potential impact on the public of its products, programs, services, facilities and operations, including associated risks? |

Through a systematic and logical analysis, the SDE addresses the current and potential impact, including associated risks that its products, programs, services, facilities, and operations have on the public. Senior leadership—as part of the course of action development and the recommendation process—assesses all current and potential strategic actions. Risk assessments are performed as part of this process. For example, the SDE conducted public hearings before recommending a uniform school start date as directed by the South Carolina General Assembly. In addition, the Office of Internal Auditing performs risk-based audits.

| 1.7 | How does senior leadership set and communicate key organizational priorities for improvement? |

SDE senior leadership works with the executive and legislative branches of state government to convey a bipartisan spirit to improve the education system. We actively communicate the needs of our students, schools, and districts to the General Assembly. We work with specific districts for common alignment of strategic aims and goals. In addition, we continually interact with school district administrators and teachers, providing two-way communications for improvement. Examples include monthly superintendent and instructional leader roundtable meetings. The SDE's strong relationship with school and district administrators, teachers, parents, public and private businesses, our elected officials, and the general public have contributed to the continuous improvement of the public education system.

| 1.8 | How does senior leadership actively support and strengthen the community? Include how you identify and determine areas of emphasis. |

SDE leadership and employees recognize their responsibility for good citizenship and community involvement. Our areas of primary interest are education related. For example, we participate in the Lunch Buddies program with Richland School District One, and we strongly support the annual school supply drive sponsored by Cooperative Ministry. Both of these efforts provide support for selected children to enhance their potential for success in school. Internally, the Employee Activity Committee supports a number of worthy activities to enhance internal employee involvement and participation. Our employees are involved in a number of civic, social, charitable, and faith-based organizations that support local communities. Employees voluntarily give their time, effort, and money to a variety of worthwhile organizations that benefit the community as well as the nation: the Red Cross; the National Guard and Army Reserve; the Boy Scouts, Girl Scouts, and Explorer Scouts; and local churches and temples. In addition, they contribute to the United Way and March of Dimes campaigns as well as the walks for cancer and diabetes research.

CATEGORY 2: STRATEGIC PLANNING

2.1 What is your Strategic Planning process including KEY participants?

Upon assuming the role of State Superintendent of Education in 1999, Inez Moore Tenenbaum commissioned an extensive study of the education climate, culture, and environment of South Carolina and the SDE. The firm Management, Analysis, and Planning (MAP), of Davis, California, conducted the study that provided our starting point for strategic planning. This nearly two-hundred-page report gave us great insight both into the circumstances producing the current education situation and into customer/stakeholder identification and expectations and provided the general direction for our strategic planning efforts.

Armed with information from the MAP study, we adopted as our strategic planning model the Aligned Management System, a Baldrige-type approach to strategic planning and operations. This graphic displays this model:

Aligned Management System
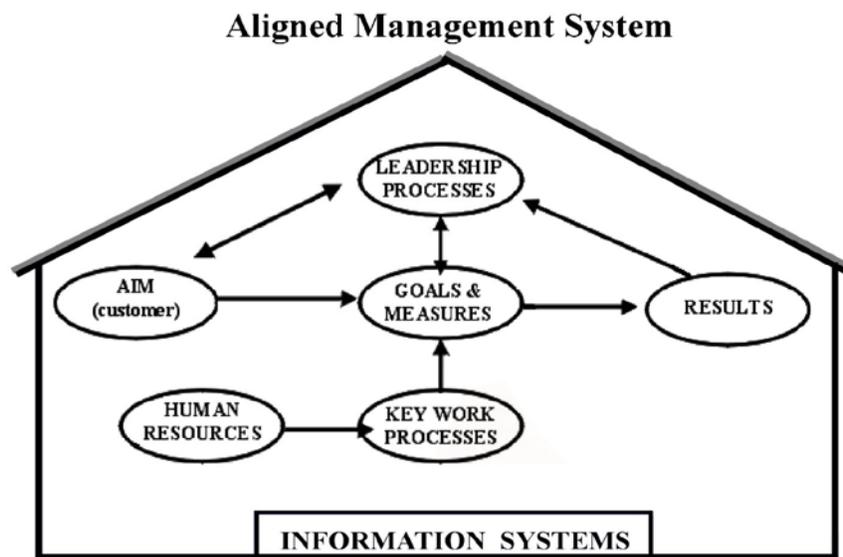
Such a structure provides for a logical relationship among all elements and affords a framework for strategic planning, the development of strategic goals and measures, the alignment of activities, and the monitoring of results. The desired end is a high-performing SDE and delivery of value-added services that improve teaching and student learning. The components of the system are as follows:

A. **Leadership** is responsible at all levels of the SDE for promoting alignment and core values and sharing with internal and external stakeholders the progress on the aim/goal and the measures/results.

B. **Aim** is the strategic purpose as determined by the voice of the customers and by leadership's filtering process.

C. Aim is translated by the SDE into **goals and measures.** These become the stated deliverables for which the SDE holds itself accountable.

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D. **Results** are the degree to which the SDE has been successful in accomplishing its goals and the measure as to whether or not it has produced the stated deliverables.

E. The SDE established its **strategic plan** by forging a clear link between the customer and planning at all levels within the agency.

F. **Key work processes** are the methods, programs, and services the SDE uses to produce its stated goals (deliverables). Data are regularly collected on processes for guidance or improvement of the processes.

G. **Human resources** (staff development, recognition programs, and employee well-being) are aligned with processes.

H. **Information systems** are the data collected throughout the system on benchmarks, results, and all the other components of the system.

2.1.a	What is your Strategic Planning process, including key participants, and how does it account for customer needs and expectations?

Our strategic plan is guided by input from a variety of sources that include the Governor, the General Assembly, the federal government, educators, students, parents, professional organizations, the general public, and other groups internal and external to the SDE. These constituents, stakeholders, and customers serve as links for identifying, documenting, and articulating concerns regarding the implementation and operation of educational programs and the performance of the SDE. A continuous line of communication exists between the SDE and customers for the free flow of needs and expectations.

2.1.b	What is your Strategic Planning process, including key participants, and how does it account for financial, regulatory, societal and other potential risks?

As part of the strategic process, SDE leadership assesses environmental factors with regard to barriers, obstacles, threats, and risks. The assessment includes the analysis of financial, societal, and political risks. Financial risks stem from dependence on appropriations and from the volatility of state revenues. Societal risks stem from the reactions of the public to the conduct of the SDE and the leaders of the education system. Political risks are inherent in the strategic environment of state government and in the actions of elected leaders. For all contemplated strategic actions, a systematic and logical risk assessment is performed to determine both the most probable and the unintended consequences. Once possible sources of risk are identified, selected actions are shaped into a single course of action that will minimize or reduce the financial, regulatory, societal, and political risks.

The use and deployment of the Baldrige criteria allows us to develop budget objectives to support action plans that address the strategic goals and objectives. Funding is provided for activities and action plans that will lead to the achievement of goals and objectives.

2.1.c	What is your Strategic Planning process, including key participants, and how does it account for human resource capabilities and needs?

Execution of strategic and operational plans requires various resources. One of the most important is human resources. Potential strategic actions are constrained by available human resources and the capabilities and skills of these resources. Senior and operational leaders assess human resource needs. In addition, open communication exists between leadership and employees for the purpose of allowing employees to express their perceived needs. The SDE's employee survey provides valuable human resource data that leadership analyzes and acts upon. When shortcomings are identified as part of the strategic planning process, actions are taken to improve human resources, or contemplated plans are modified.

2.1.d	What is your Strategic Planning process, including key participants, and how does it account for operational capabilities and needs?

Strategic planning yields the operational concepts or the *how* of executing plans to achieve goals and objectives. Leadership assesses potential strategic and operational courses of action based on current and potential operational capabilities. If current or future capacity and capabilities are insufficient for a desired course of action, steps are taken to increase or improve capabilities, or the course of action is modified to conform to capabilities.

2.1.e	What is your Strategic Planning process, including key participants, and how does it account for supplier/contractor/partner capabilities and needs?

The SDE considers supplier/contractor/partner capabilities and needs as part of the strategic process. Potential courses of action are analyzed and decisions made with these considerations in mind. Operational capabilities and needs are accounted for primarily by the support functions of the SDE. For example, the capabilities of suppliers of assessment services are key SDE considerations.

2.2	What are your key strategic objectives?

See Excel workbook *SDE Charts,* worksheet "Strategic Planning Chart."

2.3	What are your key action plans/initiatives?

See Excel workbook *SDE Charts,* worksheet "Strategic Planning Chart."

2.4	How do you develop and track action plans that address your key strategic objectives?

Action plans that support strategic goals and objectives are developed at the operational level. The leadership team monitors the development of these plans to ensure adequacy, feasibility, and acceptability. Middle- and senior-level leadership hold monthly meetings to review the status of operational action plans. The State Superintendent meets individually with each deputy on a monthly basis and reviews the progress of operational action plans that address key strategic goals and objectives. A Web-based template for tracking and reviewing action plans and performance measures is currently being developed.

2.5 How do you communicate and deploy your strategic objectives, action plans and performance measures?

Strategic objectives, action plans, and performance measures are communicated and deployed by the leadership team through meetings and training sessions for all SDE personnel. All employees have access to the SDE's strategic plan. Frequent updates on results against performance measures are provided through e-mails and agency reports. Leadership also conducts periodic agency meetings to inform and update all employees on the progress toward achieving strategic goals and objectives and to solicit feedback from employees.

2.6 The strategic plan is available to the public through the agency's Internet home page.

The SDE's strategic plan is available on the SDE's Web site at http://www.myscschools.com/offices/bd/FINALPLAN2002.doc.

CATEGORY 3: CUSTOMER FOCUS

3.1 How do you determine who your customers are and what their key requirements are?

The SDE's external customers are people or groups of people who receive or use the goods we produce and/or the services we provide or whose success or satisfaction depends on our actions. Stakeholders are people or groups of people with a vested interest in the actions we might be considering. The end customers of both the system and the SDE are students. It is ultimately their long-term satisfaction with the education provided to them and their educational achievement that will determine our success. The SDE uses the strategic planning process to identify customers/stakeholders and their key requirements.

3.2 How do you keep your listening and learning methods current with changing customer/business needs?

The State Superintendent holds bimonthly meetings throughout the year to receive input from district superintendents and district officials. The discussion-based agenda allows for clearer understanding of how policies are being implemented. In addition, the State Superintendent and the SDE senior leadership team participate in frequent meetings with customer and stakeholder organizations such as the South Carolina Association of School Administrators, the South Carolina School Boards Association, the South Carolina Education Association, the Palmetto State Teacher's Association, school improvement councils, the deans of college teacher-education programs, local school boards, and parent-teacher organizations.

> 3.3 How do you use information from customers/stakeholders to keep services or programs relevant and provide for continuous improvement?

Many of the processes used to determine customer needs and expectations rely on the results of surveys. Therefore, the method for improving these processes is continually to evaluate and examine the reliability of the survey instruments and the accuracy of survey results and then to improve the methods of analyzing the results. Personnel in each SDE office who perform the analysis of their survey results take notes on how the survey could be changed to improve the reliability of feedback received. Key changes in survey results are indicators of changes in customer needs and expectations and help us assess how effective we are at anticipating particular issues or changes in educational trends. All stakeholders are given the opportunity to suggest improvements in services and procedures either through conversations or in writing. SDE customer focus is driven in part by federal regulations, state statutes, legislative mandates, State Superintendent directives, and the State Board of Education's regulations and guidelines. These governing entities create customer needs for technical assistance. The SDE uses both formal and informal means to identify the short- and long-term requirements and expectations of its customers. Constant feedback is obtained so that action plans can be updated, appropriate training services can be designed, specific technical assistance can be provided, and new products and procedures can be developed to improve learning and educational opportunities.

> 3.4 How do you measure customer/stakeholder satisfaction?

We use several measures to determine customer satisfaction with our services. Since these services range widely—from on-site classroom instructional assistance to the purchase and maintenance of school buses, for example—the measurements of customer satisfaction must also span a wide range. Likewise, the improvement and evaluation of the measures are relative to the services provided and the customers served. As a public agency, elected officials, who determine the final priority for funding, measure us each year. Private citizens communicate with these elected officials and the SDE on how we are doing our job. The willingness of private businesses to locate in our state is partly determined by the quality of education that will be provided to their employees' children. The economic expansion in South Carolina is a measure of satisfaction with public education. But most important measure comes through the SDE's constant interaction with and feedback from school districts throughout the state.

> 3.5 How do you build positive relationships with customers and stakeholders? Indicate any key distinctions between different customer groups.

Customer focus and satisfaction is one of the core values of the Aligned Management System. It serves as the foundation for our continuous improvement efforts and includes all attributes that contribute to improved customer satisfaction. Our customer relationships are developed based on trust, confidence, and loyalty as well as sensitivity to emerging customer requirements and measurements of customer satisfaction factors.

The Division of Educator Quality and Leadership has shortened the certification processing time for over 50,000 instructional staff and 4,300 other staff currently employed in the public schools. The Division has successfully managed the certification process for over 140,000 certified educators and has assisted thousands more who applied for initial certification or certification renewal. During the

past fiscal year alone, the Division fielded over 74,000 phone calls, responded to 68,000 e-mails, assisted 2,777 walk-ins, and worked 78,037 certification cases.

SDE has put increased emphasis on customer service by conducting training in that subject for all employees and adding it as a training subject for all new employees.

Educator resources, reporting tools, contact information, and program support need to be available to customers at any time of the day. The agency's Web site (http://www.myscschools.com) is therefore a key tool in the SDE's effort to build positive relationships and serve customer needs. Averaging 2,100 visits per day, the site is a portal of news and information, an organizational directory, and the source of more than thirty-five Web-based applications for data collection and reporting. These applications reduce paper, enhance data quality, and improve timeliness for our schools, districts, and the agency itself.

CATEGORY 4: MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT

4.1 How do you decide which operations, processes and systems to measure for tracking financial and operational performance?

Information and analysis requirements are determined by our strategic plan. Operations, processes, and systems that impact learning-centered education to ensure student achievement are measured. All data/information analysis flows from our vision of a system of public education where all students will become educated, responsible, and contributing citizens. For each strategic aim there are multiple strategic goals. Each of these goals has supporting objectives. Both the goals and the objectives have related performance measures. Key operations and processes that have strategic implications for mission accomplishment are selected for measurement. Then, the information that supports the measures and gives indication of progress toward goal and objective achievement is selected for collection. In those cases where information for measuring a specific operation or process is not readily available, a cost-benefit analysis is performed. State, federal, and legislative mandates also determine many of the SDE operations and processes that are measured. Key customer segments and users of our data also drive the operations and processes that are selected for measurement. For example, the Education Oversight Committee (EOC) and the performance measures established for the school and district report cards have determined data/information selection and analysis. Finally, public interest determines additional processes, operations, and systems that are measured.

4.2 What are your key measures?

A variety of key measures are used to track strategic financial and operational performance. Among the strategic financial measures are current per-pupil expenditures based on In$ite™ data; expenditures by major budget categories, functions, and objects; and distribution of total expenditures. Strategic operational measures include the following: for technology operations, classroom connectivity and ratio of students to computers; for transportation system operations and safety operations, average age and mileage for school buses, route miles per bus, count of student-transport trips per day, and student transportation accident statistics.

4.3 How do you ensure data integrity, timeliness, accuracy, security, and availability for decision making?

Our data integrity, timeliness, accuracy, security, and availability are enhanced through detailed instructions to providers, consistent definitions, and data collection methods. Checks are performed to verify the accuracy of data elements. Much of the data used for key decision making originates at the individual level (student, employee, customer). For example in the case of student data, the individual student will generate data in the form of test results. These data are then aggregated at the class, school, district, and state levels. At each level, checks for quality, reliability, and completeness are performed. Significant verifications are performed at the district and state levels. In some cases, outside vendors perform reviews. Upon validation at the state level, information is returned to individual districts and schools for verification. For example, the data/information quality, reliability, completeness, and availability requirements for the school and district report cards are spelled out as part of an accountability manual published by the EOC.

4.4 How do you use data/information analysis to provide effective support for decision making?

Management by fact is a key organizational value of the Aligned Management System. We attempt to make all our decisions on the basis of facts. Data/information analysis is used by SDE leadership to verify, support, or adjust our strategic plan. In addition, we provide this information to the executive and legislative branches of state government to assist in their decision-making process. Our goal is well-informed decision makers.

An example of the use of data analysis to support decision making centers in report card data and the evaluation of school and district performance. On the basis of this data/information analysis, assistance is provided to below average and unsatisfactory schools and districts. Decisions and recommendations are made involving targeted assistance and the deployment of state education resources such as the placement of teacher specialists. In addition, report card information is used to reward schools for high and/or improving performance.

Another example of the use of data/information analysis to provide support for decision making centers in In$ite™ data. In$ite is an expenditure (cost) accounting system that permits analysis of expenditure data/information at the school, district, and state levels. Expenditure analysis is available in a user-friendly display by five major functions, fifteen subfunctions, and thirty-three detail function categories. This tool permits analysis of financial resources and their application.

4.5 How do you select and use comparative data and information?

Comparative data/information analysis is employed in a number of instances. For example, comparative data and information is used to assess our education system's progress against that of the education systems in surrounding states and in the nation. We acknowledge that adjacent states are one group of South Carolina's major competitors for key education and economic resources. Because we compete with other states for teachers, we need to compare and track teacher salaries against national and Southeast-state data. Another example of comparative data/information is student performance based on race, ethnicity, sex, and economic status. This comparative analysis is done to measure the progress toward the objective of reducing the achievement gap among the varied student population segments. We also use comparative data analysis of our own performance over time to identify areas of progress and improvement.

> 4.6 How do you manage organizational knowledge to accomplish the collection and transfer and maintenance of accumulated employee knowledge, and identification and sharing of best practices?

The SDE manages organizational knowledge to accomplish the collection, transfer, and maintenance of accumulated employee knowledge by integrating the staff development, retention, hiring, and recruiting functions into a holistic and systematic process. Talent management and preparation for possible "brain drain" are primary concerns for the senior leadership team. Projected key staff turnover is monitored, and actions are taken to provide for a smooth transition, the transfer of knowledge, and the sharing of best practices.

CATEGORY 5: HUMAN RESOURCE FOCUS

> 5.1 How do you and your managers/supervisors encourage and motivate employees (formally and/or informally) to develop and utilize their full potential?

Our leadership team encourages and motivates employees to develop and utilize their full potential through multiple means. Through the EPMS, supervisors communicate job expectations for employees to maximize their knowledge and skills. This formal process also requires a review of each employee's job description to ensure accuracy. Employees are encouraged to participate in staff development actives and to attend additional training and education to realize their full level of ability. Flexible scheduling has allowed employees to attend school while still meeting their job requirements. Employees actively participate on different organizational committees, an experience that exposes them to the variety of the SDE's activities. Employees continually have their technology skills updated, expanding not only their own potential but also their worth to the agency.

> 5.2 How do you identify and address key developmental and training needs, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation and safety training?

Through an employee survey, the SDE asked its employees to identify their professional training needs. New technology has required training and new performance expectations. The number of promotions and additional job duties granted within the agency demonstrates the variety of development skills that our employees have acquired. Today the SDE has a well-balanced workforce that represents the population of our state. All our employees have had training in the Malcolm Baldrige model so that the organization as a whole demonstrates continuous improvement in meeting the objectives in our mission statement. Staff development and training are an active part of the agency's day-to-day operation. All new employees go through a comprehensive orientation program. Safety training for safety-sensitive positions is conducted annually, with specific training being provided throughout the year as needed.

> 5.3 How does your employee performance management system, including feedback to and from employees, support high performance?

If employees are to attain high levels of performance, they first must understand the expectations of their supervisors and the requirements detailed in their respective position descriptions. The EPMS provides the means for these expectations and requirements to be communicated. In the planning

stage the employee and supervisor first review the employee's position description for accuracy and understanding; at this time the position description can be updated or modified to ensure these two factors. The employee can now ask for the supervisor's expectation and can express his or her own expectations. Also during the planning stage the supervisor or the employee can recommend a performance objective that the employee can accomplish over the course of the rating period. By this means, the employee can demonstrate performance that even exceeds the supervisor's expectation. In addition, the employee and the supervisor can meet to discuss progress at any time throughout the rating period. This process of active communication between supervisor and employee does support high performance.

5.4 What formal and/or informal assessment methods and measures do you use to determine employee well being, satisfaction, and motivation?

The SDE utilizes multiple assessment methods and measures to determine employee well-being, satisfaction, and motivation. First, the EPMS requires feedback between management and the employee. Second, the Employee Activity Committee, which is composed of employees from each division, meets monthly to address issues within the agency. Feedback is encouraged at the monthly division and directors meeting between management and employees. Third, the SDE conducts an agencywide survey to determine employee expectations and perceptions. Survey responses are given serious consideration by leadership, and appropriate actions are taken. Fourth, the Office of Human Resources has an open-door policy whereby any employee with a concern can communicate that concern without reprisal. Only with the employee's approval will Human Resources communicate the concern to the appropriate authority. Finally, leadership seeks and encourages feedback from employees at all levels within the organization at all times.

5.5 How do you maintain a safe, secure, and healthy work environment?

Our facilities comply with OHSA (Occupational Health and Safety Administration) standards and are reviewed on a regular basis for compliance. Both the air quality and the water quality in the building are tested. In addition, the Budget and Control Board has tested for asbestos. Each floor of the Rutledge Building has a safety officer and two assistant safety officers. Preparation for workplace emergencies and disasters include controlled access to the building and monitoring by security personnel. The building has a fire plan, a bomb threat plan, and a Clean Indoor Air Act policy. Safety training is conducted yearly for safety-sensitive positions. Employees notify either the Office of Human Resources or Administrative Services if they identify any unsafe condition within their work environment. In addition, the SDE has attempted to make the physical facilities more pleasant by improving the appearance of the landscaping. Student art now dresses the walls of many offices, halls, and conference rooms within the physical facilities.

5.6 What activities are employees involved with that make a positive contribution to the community?

The SDE's primary involvement in the community is focused on education support. For example, the SDE just completed collecting school materials that will be used for disadvantaged students who cannot buy school supplies. We have also participated in the Lunch Buddies program, where our employees go to local schools to have lunch with disadvantaged children.

The SDE is active in the United Way, the Good Health Appeal, and the blood drives of the local community. Many employees are active in civic groups, faith organizations, school activities, and public and private professional organizations. Our employees participate in many local community activities as well. We also participate in "Walk for Life," a campaign that supports breast cancer research.

See also above, Section III, Category 1, Question 1.8.

CATEGORY 6: PROCESS MANAGEMENT

6.1 What are your key processes that produce, create, or add value for your customers and your organization, and how do they contribute to success?

Processes differ greatly among the various public school systems and SDE operations. The most important system process is the learning process—which brings together students, their families and teachers, and information and the success of which is measured by students' academic achievement. The SDE's processes range from providing leadership and technical assistance to schools and districts to providing public education services such as support for teachers and teacher certification, transportation, school facilities plan and building approval, food service support, human resources, purchasing, and finance. Therefore, factors such as the nature and the type of the products and services, the technology requirements and limitations, customer and supplier relationships and involvement, and product and service customization impact our process management.

6.2 How do you incorporate organizational knowledge, new technology, changing customer and mission-related requirements, cost controls, and other efficiency and effectiveness factors into process design and delivery?

The design and delivery of our products and services are based primarily on the requirements of our customers. Through the SDE's performance of formal needs assessment, changes in customer needs and the impact of technology are incorporated into the design and delivery of our future products and services. This procedure is followed for services both internal and external to the SDE. In some cases, SDE product and service design, production, and delivery processes are determined by state law or legislative mandates. For example, the SDE strictly adheres to the state-established procurement code and the state-established human resource process.

6.3 How does your day-to-day operation of these processes ensure meeting key performance requirements?

Our teams, work groups, and individual employees accomplish the day-to-day operation of key production/delivery processes. Therefore, their input is solicited for the creation of new processes and for the improvement of existing processes. Cross-functional teams are also employed to bring the widest range of disciplines into the design of products and services. The leadership team establishes key performance expectations and requirements and then communicates them to the cross-functional teams, work groups, and individual employees. Our goal is to obtain process management at the execution level and to achieve self-monitoring of processes at the work-unit level. Periodic reviews are performed by leadership to ensure that all processes are operating within upper and lower control levels.

Our day-to-day work with districts, schools, teachers, bus shop personnel, and other specialized local staff provide immediate and continuous feedback to the SDE. We constantly seek input from key suppliers, contractors, and partners in order to improve our processes. For example, a major component of the transportation system is the process of purchasing school buses. A subcomponent of this process is the school bus specification process. Through input and feedback from bus suppliers and vendors, it was determined that the current school bus specification process was neither efficient nor effective. As a result of supplier input, a school bus specifications committee was established to bring major stakeholders together. SDE employees, General Assembly members, and school bus suppliers jointly modified the existing process, thereby improving performance in the process of determining school bus specifications.

6.4 What are your key support processes, and how do you improve and update these processes to achieve better performance?

Multiple key support processes help the SDE achieve better performance across a wide range of activities. Key support processes within the SDE include the following:
- human resource services,
- finance and accounting services,
- research and planning services,
- district and internal auditing services,
- information technology services,
- legal counsel services, and
- government relations services.

Key support processes within the public education system include the following
- curriculum and assessment services,
- district and community services,
- professional development and school quality services,
- teacher services (e.g., certification guidance, instructional materials and resources),
- professional development and school leadership services,
- grant support services,
- food services,
- school facility services,
- transportation services, and
- technology services.

These processes are periodically reviewed by the leadership team to determine adequacy and quality and to identify opportunities for improvement. Employees are empowered to identify and recommend improvements.

6.5 How do you manage and support your key supplier/contractor/partner interactions and processes to improve performance?

To improve organizational performance, the SDE manages key supplier/contractor/partner interactions based on the unique requirements of each product and/or service. The SDE's support functions provide the lead in management of key supplier/contractor interactions. Management and support of key supplier/contractor/partner interactions and processes to improve performance are

primarily accomplished through maintaining healthy vendor relations. Suppliers and contractors must adhere to all state and federal procurement codes and regulations. SDE vendors are partners in our endeavors and are key to our success. The SDE seeks long-term partnerships with suppliers and contractors in order to achieve cost-efficient operations.

CATEGORY 7: BUSINESS RESULTS

7.1 What are your performance levels and trends for the key measures of customer satisfaction?

Figure 7.1.1

Evaluations by Teachers, Students, and Parents

Response	2002–03 Survey Results	2003–04 Survey Results	2004–05 Survey Results
Teachers:			
Satisfied with learning environment	87.2%	87.3%	88.3%
Satisfied with social and physical environment	88.4%	88.5%	89.6%
Satisfied with home-school relations	70.4%	72.0%	73.9%
Students:			
Satisfied with learning environment	75.4%	76.6%	77.5%
Satisfied with social and physical environment	77.3%	78.7%	79.1%
Satisfied with home-school relations	83.8%	84.5%	84.8%
Parents:			
Satisfied with learning environment	82.0%	82.3%	82.9%
Satisfied with social and physical environment	79.1%	78.2%	78.9%
Satisfied with home-school relations	68.9%	68.7%	69.6%

Recognizing the need to help schools improve their ability to engage families and their communities, the SDE developed Red Carpet Schools, a statewide initiative promoting the importance of family-friendly schools and excellent customer service. Red Carpet Schools are inviting places where visitors are welcome and where parents and community members are actively involved in the decision-making process.

Figure 7.1.2

Red Carpet Schools

Applicants and Awards	2003	2004	2005
Number of schools applying	324	307	277
Number of schools earning awards	127	78	54

NOTE: Schools maintain award status for three years. The total number of Red Carpet Schools for 2005 is 259.

7.2   What are your performance levels and trends for the key measures of mission accomplishment and organizational effectiveness?

Students in grades three through eight continue to show improvement on the Palmetto Achievement Challenge Tests (PACT). Spring 2005 results will be announced in September 2005.

Figure 7.2.1
PACT English Language Arts
Percentage of Students Scoring Basic and Above

	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8
2000	74	72	71	65	68	65
2001	79	80	73	68	69	69
2002	79	79	74	72	73	69
2003	82	76	68	66	70	67
2004	86	81	77	64	72	73
2005	87	80	77	64	72	75
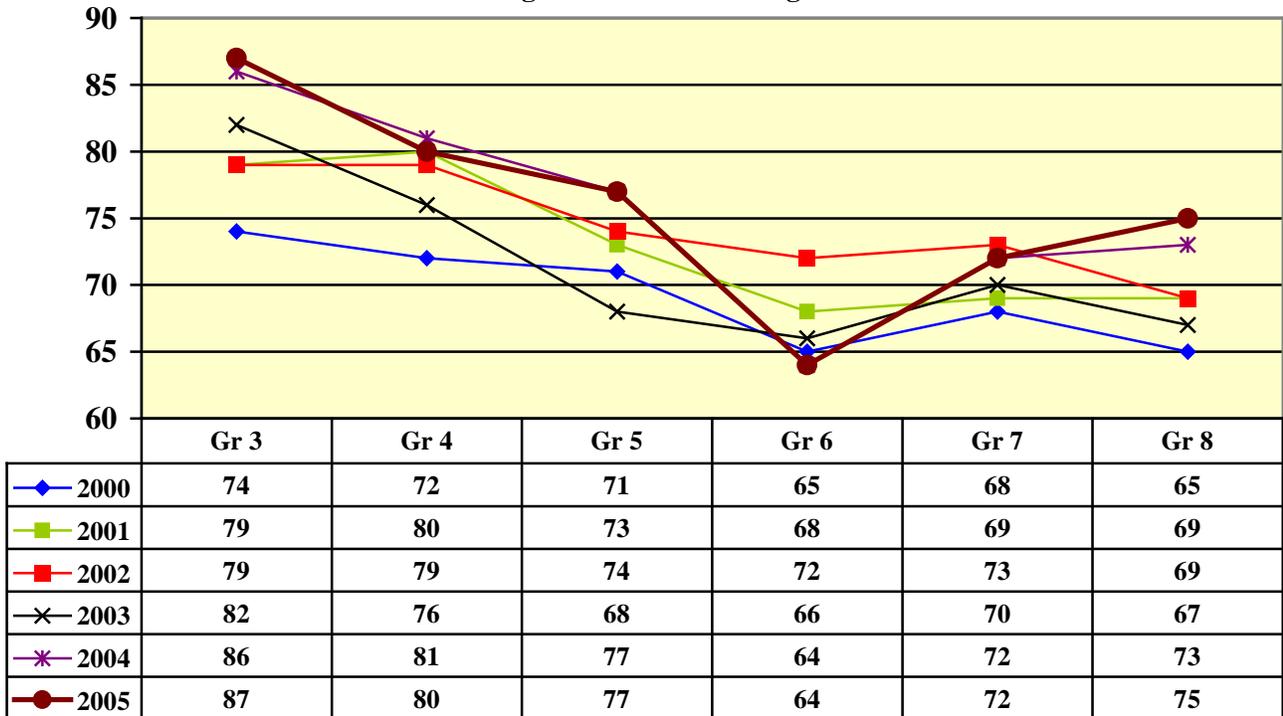
Figure 7.2.2
PACT Mathematics
Percentage of Students Scoring Basic and Above

	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8
2000	69	62	59	59	59	62
2001	72	67	62	63	57	62
2002	74	74	70	70	60	62
2003	82	81	75	76	69	67
2004	82	80	76	77	72	68
2005	83	79	77	79	72	66
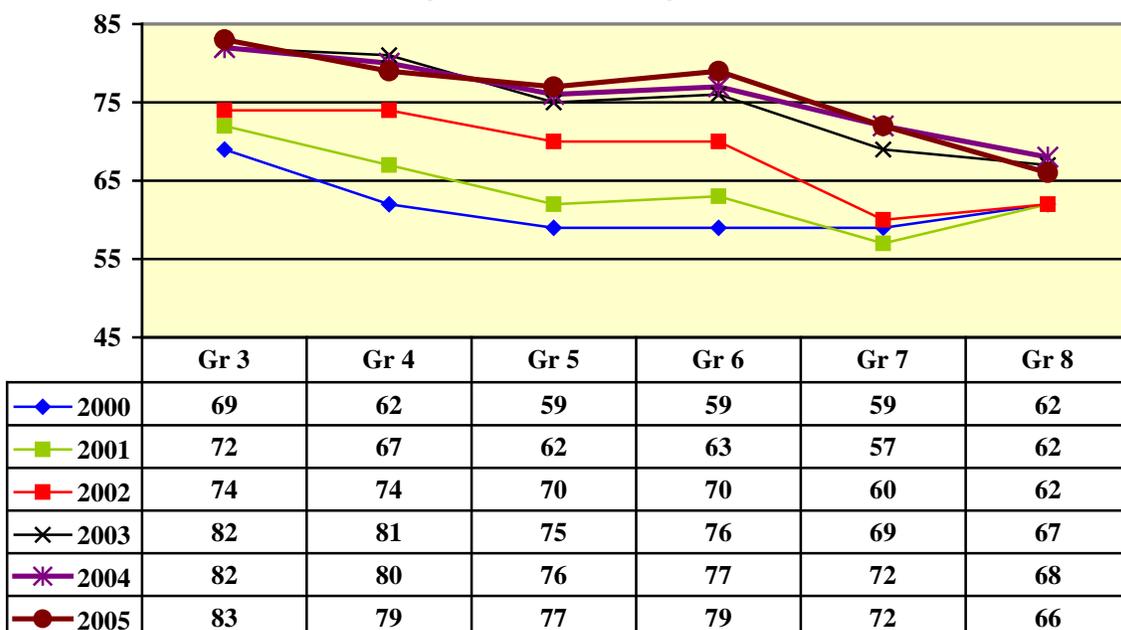
Figure 7.2.3
PACT Science
Percentage of Students Scoring Basic and Above

	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8
2003	56	57	58	59	59	57
2004	60	62	60	54	63	59
2005	64	62	57	56	62	60
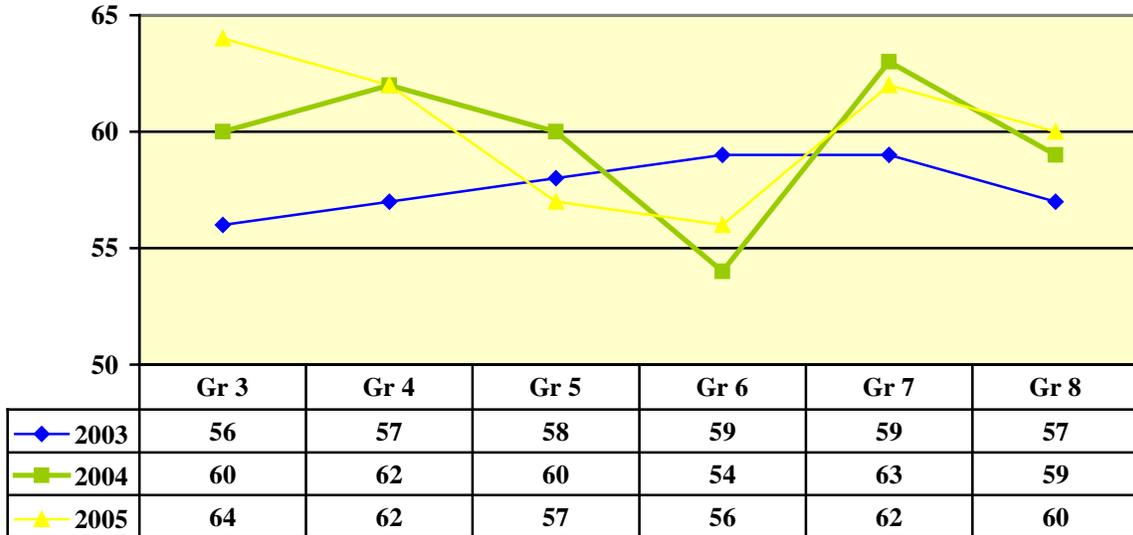
Figure 7.2.4
PACT Social Studies
Percentage of Students Scoring Basic and Above

	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8
2003	58	64	60	59	59	61
2004	72	71	64	65	60	65
2005	79	77	64	65	59	67

27
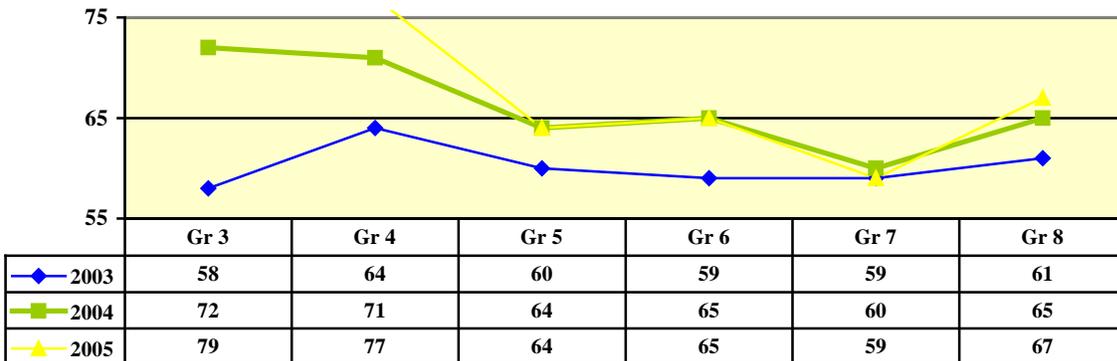
South Carolina students show improvement equal to or greater than those in the nation as a whole on the National Assessment of Education Progress (NAEP), also known as the Nation's Report Card:

Figure 7.2.5

NAEP Subject Area and Test Year	Average Scale Score	
	S.C.	**Nation**
Grade 4:		
Reading 1998	210	215
Reading 2000	[not tested]	215
Reading 2002	214	217
Reading 2003	215	216
Mathematics 1996	213	222
Mathematics 2000	220	226
Mathematics 2003	236	234
Writing 2002	145	153
Grade 8:		
Reading 1998	255	261
Reading 2002	258	263
Reading 2003	258	261
Mathematics 1996	261	271
Mathematics 2000	266	274
Mathematics 2003	277	276
Writing 1998	140	148
Writing 2002	146	152
Science 1996	139	148

Figure 7.2.6
SAT Average Composite Scores

Figure 7.2.7

	Verbal		Mathematics		Composite	
Year	**S.C.**	**Nation**	**S.C.**	**Nation**	**S.C.**	**Nation**
1998	478	505	473	512	951	1017
1999	479	505	475	511	954	1016
2000	484	505	482	514	966	1019
2001	486	506	488	514	974	1020
2002	488	504	493	516	981	1020
2003	493	507	496	519	989	1026
2004	491	508	495	518	986	1026
2005	494	508	499	520	993	1028
Change 1998–2005	+16	+3	+26	+8	+42	+11
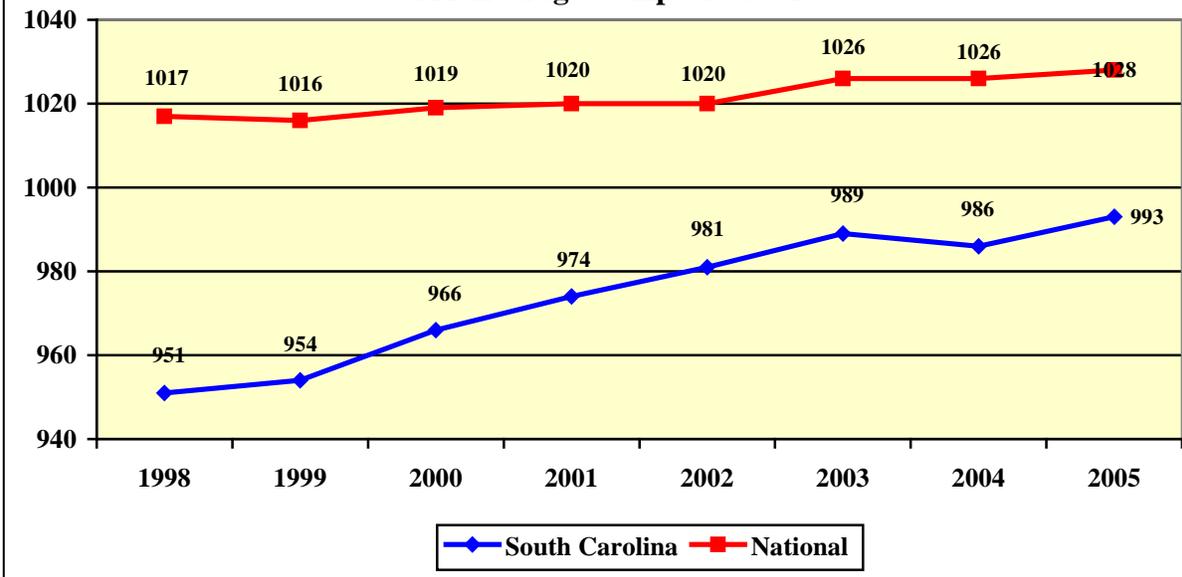
Title: South Carolina and National Average SAT Scores

Figure 7.2.8

ACT Average Composite Scores

Figure 7.2.9

Year	Number	English	Mathematics	Reading	Science	Composite
			SOUTH CAROLINA			
1997	4,994	18.1	18.9	19.1	19.0	18.9
1998	5,385	18.4	18.8	19.4	19.0	19.0
1999	6,766	18.6	19.0	19.3	19.2	19.1
2000	9,051	18.7	19.2	19.5	19.2	19.3
2001	10,800	18.8	19.3	19.5	19.2	19.3
2002	11,978	18.8	19.1	19.3	19.2	19.2
2003	13,359	18.7	19.0	19.4	19.2	19.2
2004	13,332	18.8	19.1	19.4	19.3	19.3
2005	13,867	18.8	19.3	19.6	19.3	19.4

Title: ACT Average Scores for Subject Area and Composite — South Carolina and the Nation

Figure 7.2.9

ACT Average Scores for Subject Area and Composite South Carolina and the Nation						
Year	Number	English	Mathematics	Reading	Science	Composite
			NATION			
1997	959,301	20.3	20.6	21.3	21.1	21.0
1998	995,039	20.4	20.8	21.4	21.1	21.0
1999	1,019,053	20.5	20.7	21.4	21.0	21.0
2000	1,065,138	20.5	20.7	21.4	21.0	21.0
2001	1,069,772	20.5	20.7	21.3	21.0	21.0
2002	1,116,082	20.2	20.6	21.1	20.8	20.8
2003	1,175,059	20.3	20.6	21.2	20.8	20.8
2004	1,171,460	20.4	20.7	21.3	20.9	20.9
2005	1,186,251	20.4	20.7	21.3	20.9	20.9

Figure 7.2.10

TerraNova, Total Battery, 2001
Percentage of Students Scoring Above Average

Figure 7.2.11

TerraNova
Percentage of Students Scoring Average

Legend:
- Nation
- South Carolina

Categories: Grade 4, Grade 7, Grade 10

Y-axis: 0, 10, 20, 30, 40, 50, 60

Figure 7.2.12

South Carolina High Graduation Rates

2003	2004
78.0%	77.3%

Y-axis: 55%, 60%, 65%, 70%, 75%, 80%
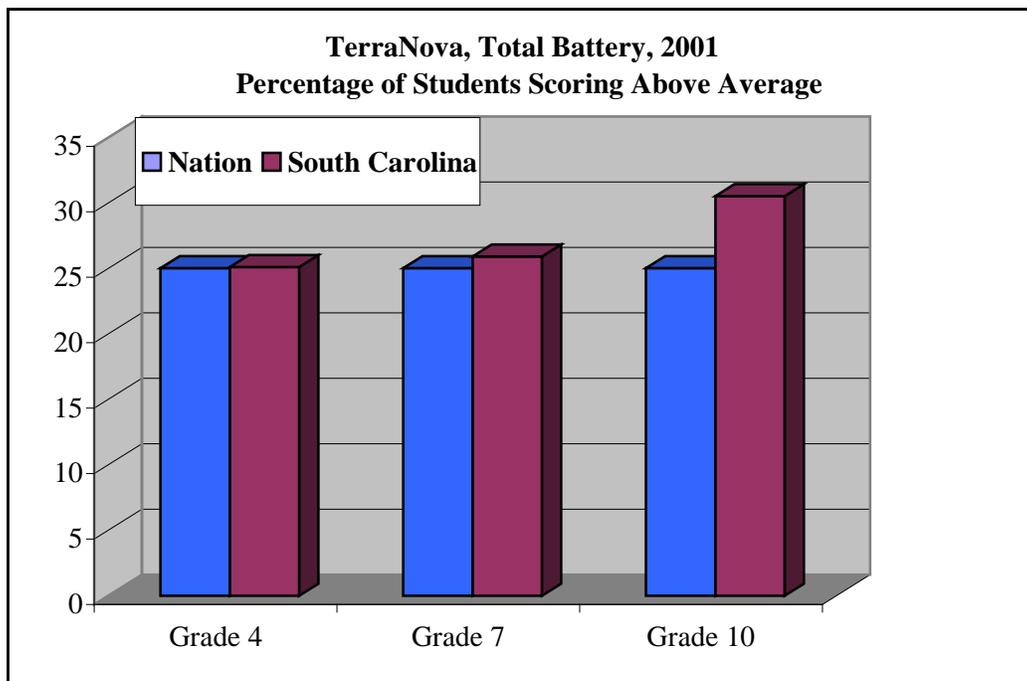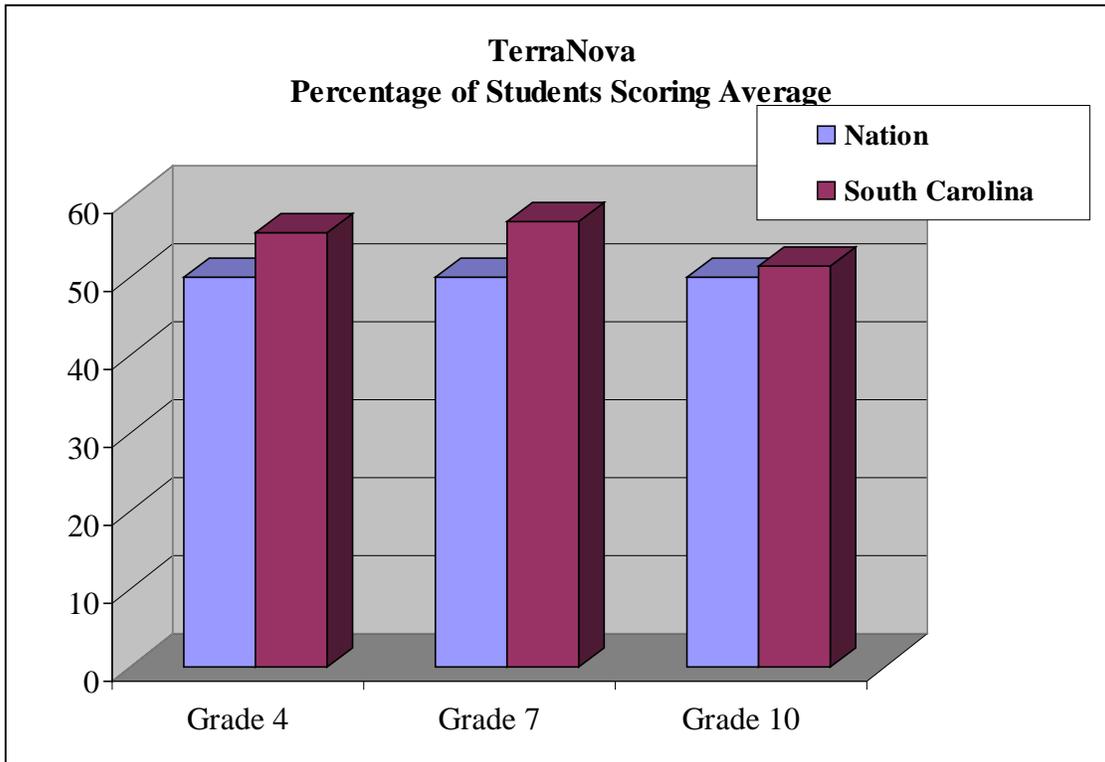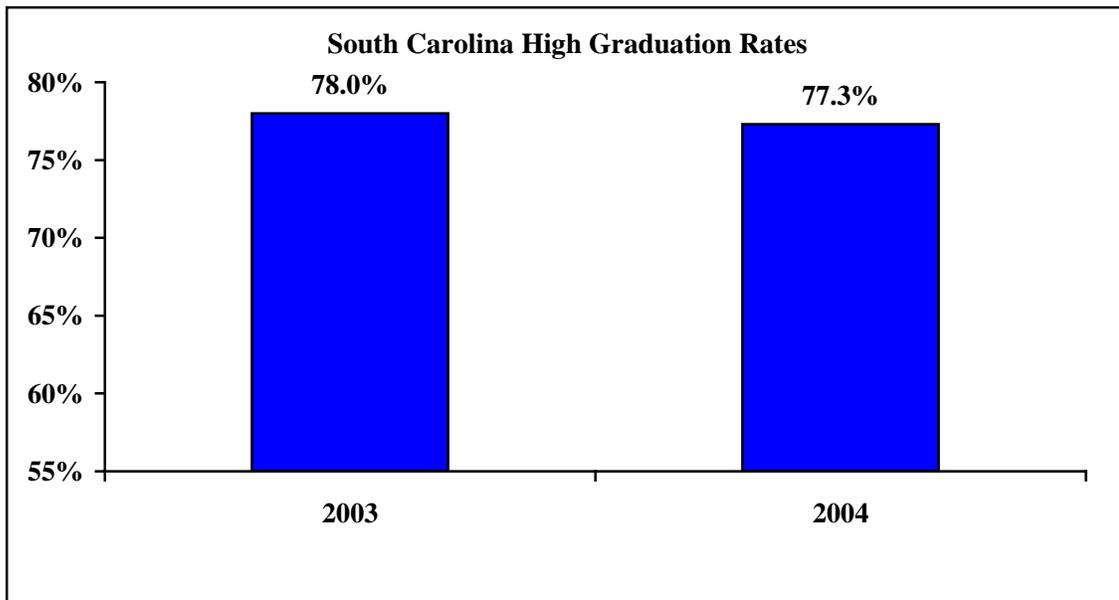
School report card results are based on Education Accountability Act standards, criteria, and measures of performance as established by the Education Oversight Committee. High schools are not included in the data for the year 2000.

Figure 7.2.13

State Report Card Absolute Ratings
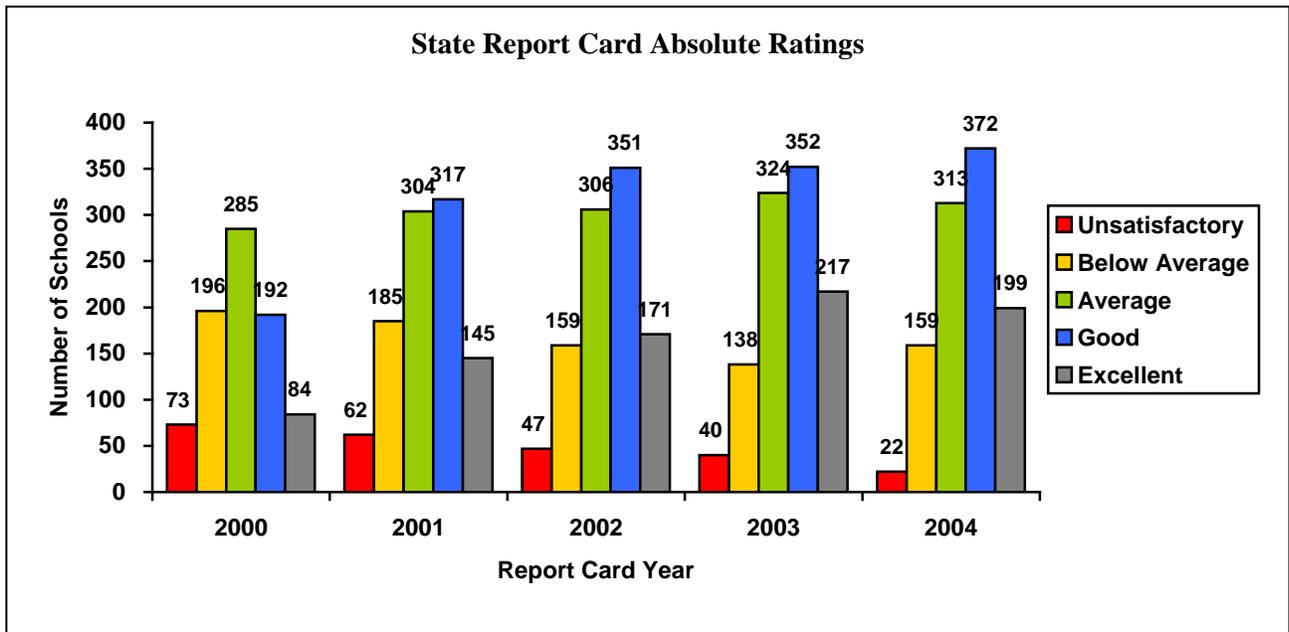
Students use technology to reach higher levels of learning, a fact indicated by increased school and classroom connectivity.

Figure 7.2.15
Figure 7.2.14

Public Classrooms Connected to the Internet
Public Schools Connected to the Internet with T-1 or Greater Bandwith
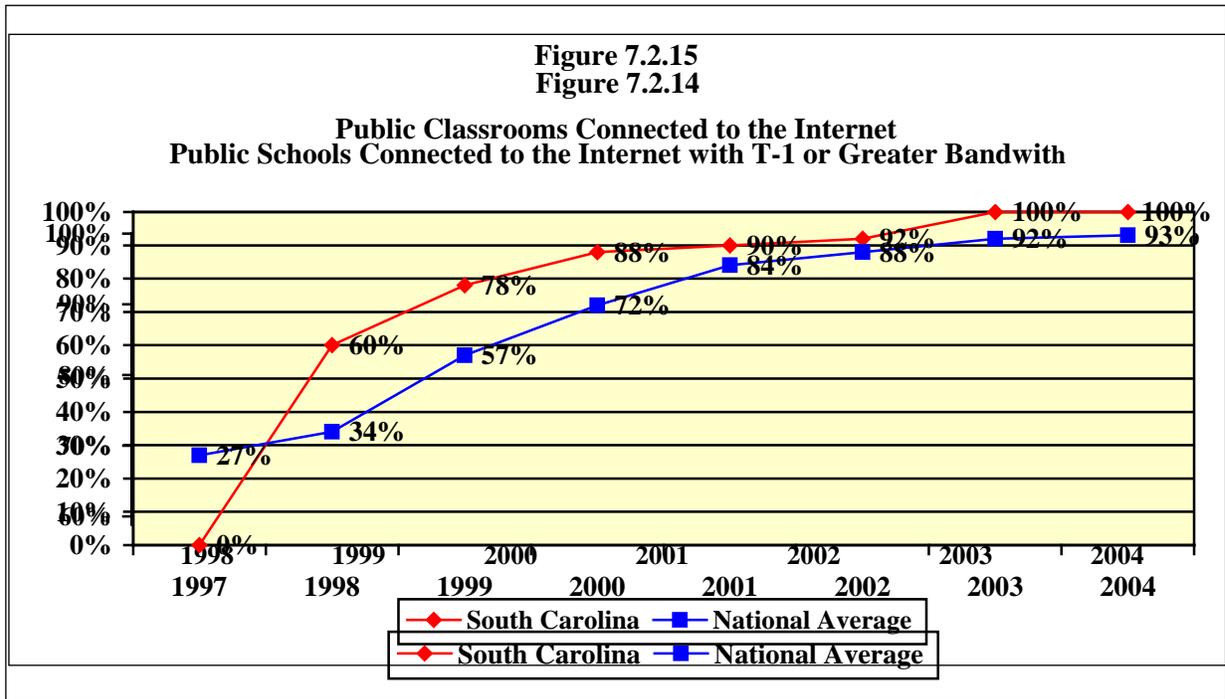
The lower its student-to-computer ratio, the better positioned a school is to establish a digital learning environment:

Figure 7.2.16
Ratio of Students to Computers
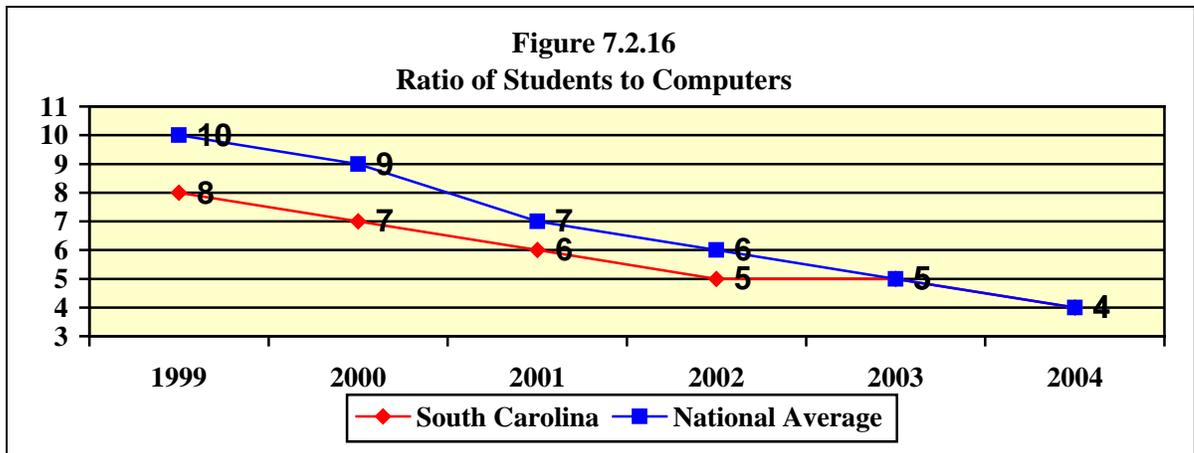
South Carolina's average teacher salary has risen slightly faster than the national average teacher salary but still trails the national average by approximately $5,600 annually:

Figure 7.2.17

Teacher Salaries

	1999	2000	2001	2002	2003	2004	2005
National average	$40,580	$41,754	$43,400	$44,632	$45,810	$46,752	$47,750
Georgia average	$39,671	$41,058	$42,141	$43,933	$45,414	$45,847	$46,437
N.C. average	$35,314	$39,404	$41,496	$41,991	$42,673	$45,713	$44,252
S.C. average	$34,506	$36,081	$37,938	$39,923	$40,362	$41,162	$42,189
Proviso Average	$34,565	$36,194	$37,772	$39,166	$39,851	$40,959	$41,691
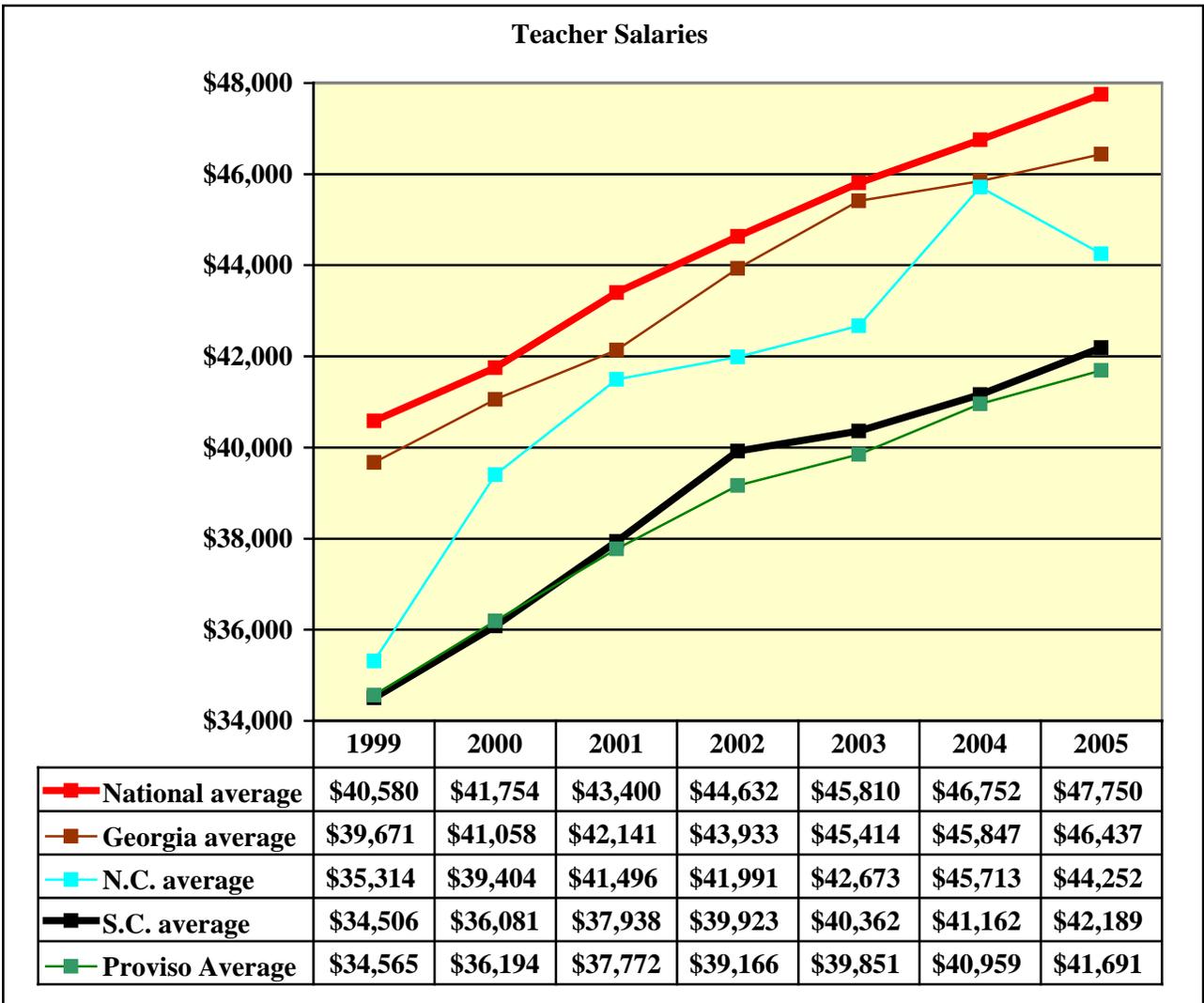
A measure of teacher quality in a state, the number of teachers earning certification by the National Board for Professional Teaching Standards has increased significantly in South Carolina:

Figure 7.2.18
National Board–Certified Teachers

Year	Number
1998	17
1999	34
2000	361
2001	695
2002	1,292
2003	2,358
2004	3,140
2005	3,899

Figure 7.2.19
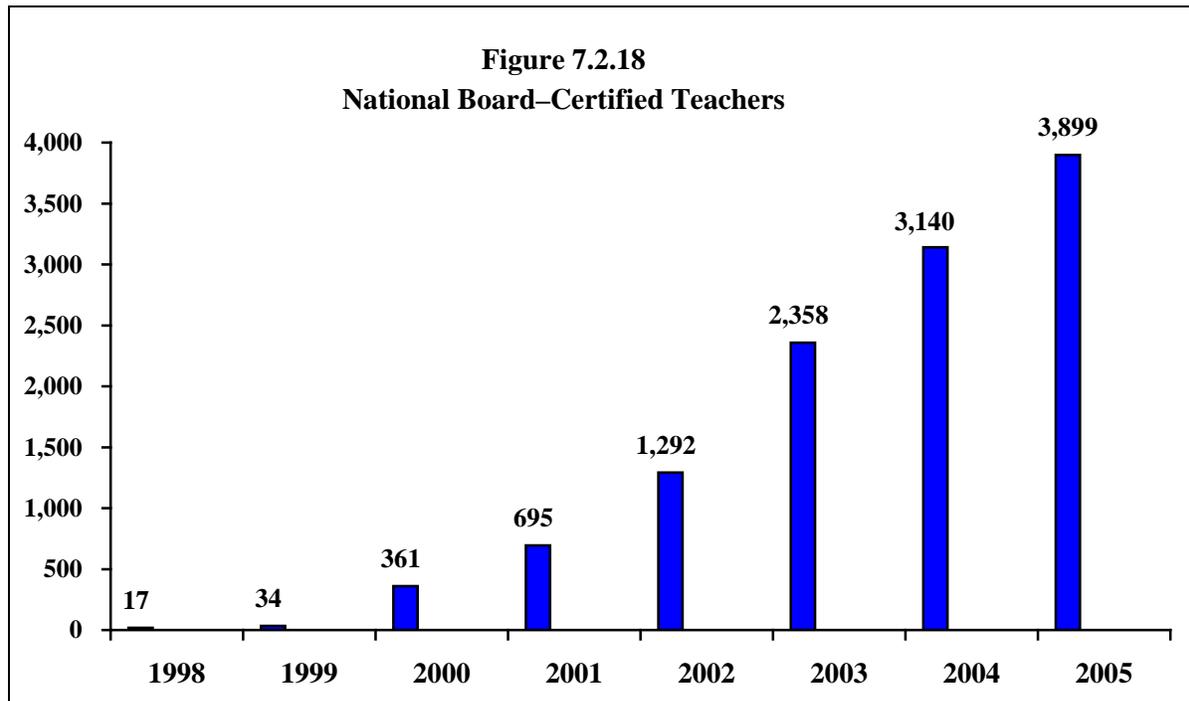
Teacher Turnover Rate

	2000	2001	2002	2003	2004	2005
State average	9.0%	10.7%	10.4%	10.4%	8.7%	10.3%
District median	12.1%	13.3%	12.5%	10.8%	9.3%	12.4%
District's range	1.3%–31.8%	4.2%–31.6%	4.4%–31.2%	3.5%–33.3%	2.0%–29.3%	6.2%–34.2%

ADEPT (Assisting, Developing, and Evaluating Professional Teaching) evaluation results indicate that South Carolina teachers meet required standards:

Figure 7.2.20

	2000	2001	2002	2003	2004	2005
Number of teachers evaluated	46,102	42,983	45,331	51,608	47,578	50,170
Number meeting standards	45,830	42,808	44,477	49,797	45,427	46,156
Percentage meeting standards	99.4%	99.6%	98.1%	96.5%	95.5%	92%

The SDE's teacher certification–process improvement measures indicate increased productivity:

Figure 7.2.21

Activity	2000	2001	2002	2003	2004	2005
New certificates issued	NA	6,874	5,075	4,186	3,447	4,594
Renewal and add-on certificates issued	13,338	14,249	13,648	14,520	14,988	15,229
Out-of-field permits issued	945	1,266	1,427	1,212	795	677
Critical need certificates issued	488	1,282	997	1,388	1,106	1,596
Certification average processing days	60	20	30	30	30	35
Teacher visits to certification office	18,277	9,895	5,483	4,082	2,722	2,777
Certification database Web hits		233,458	342,540	420,990	365,058	405,491
Documents scanned		317,336	257,824	222,660	209,225	271,520
Cases processed				58,878	60,427	78,037

School transportation system results indicate an efficient, effective, and safe system despite the increasing mileage and age of school buses:

Figure 7.2.22

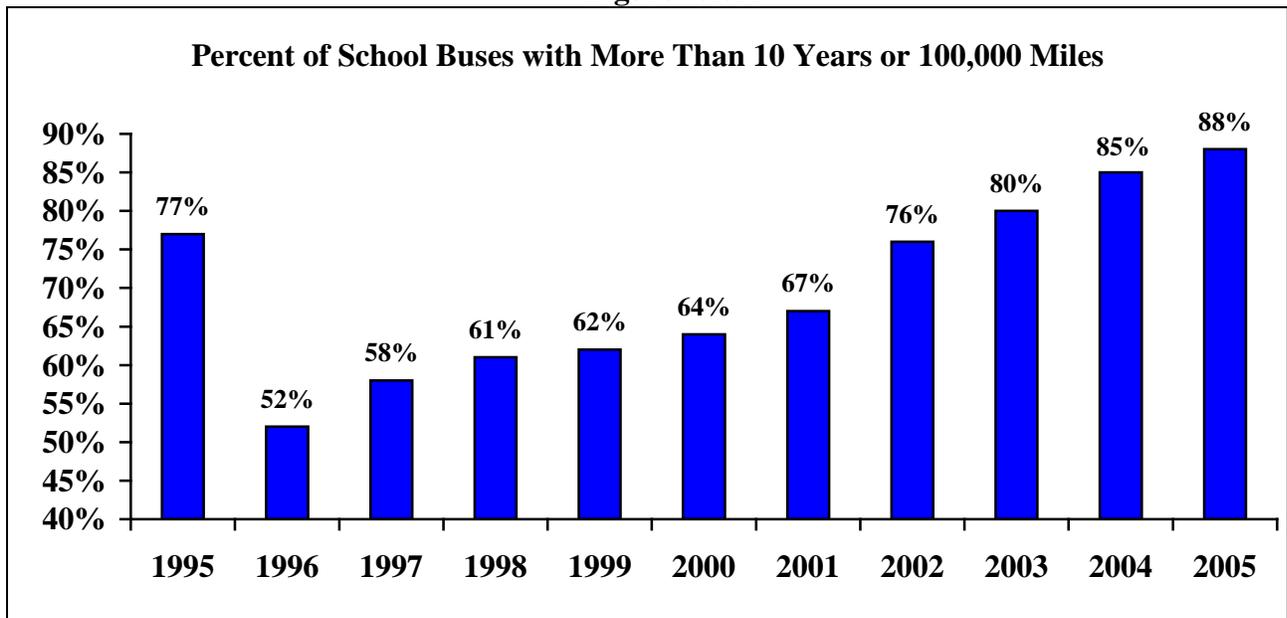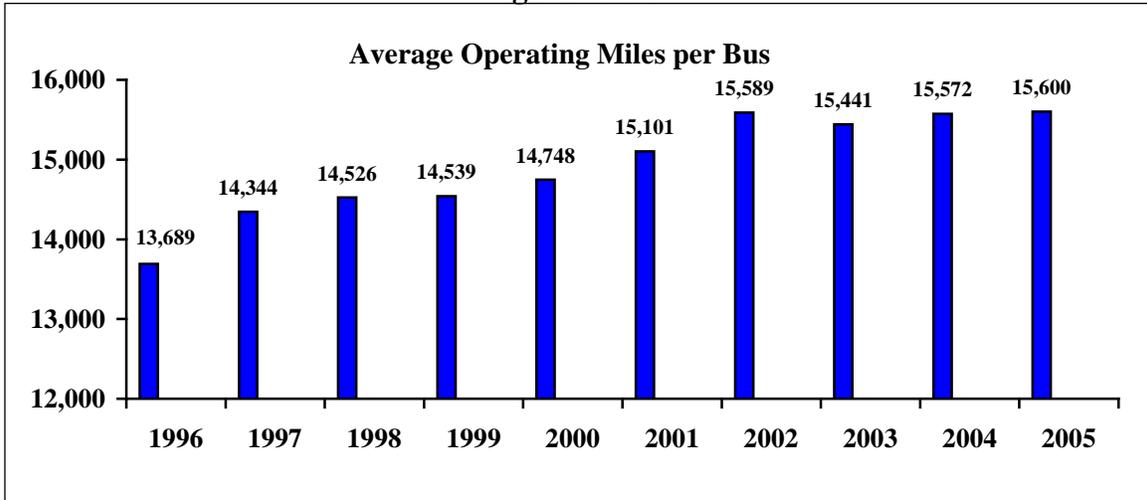**Percent of School Buses with More Than 10 Years or 100,000 Miles**

Year	Percent
1995	77%
1996	52%
1997	58%
1998	61%
1999	62%
2000	64%
2001	67%
2002	76%
2003	80%
2004	85%
2005	88%

36

Figure 7.2.23

Average Operating Miles per Bus

Year	Value
1996	13,689
1997	14,344
1998	14,526
1999	14,539
2000	14,748
2001	15,101
2002	15,589
2003	15,441
2004	15,572
2005	15,600

Figure 7.2.24

Operating Fleet Size per Day

Year	Value
1995	5,476
1996	5,177
1997	5,004
1998	5,002
1999	5,004
2000	5,010
2001	5,034
2002	5,020
2003	5,043
2004	5,018
2005	5,032

Figure 7.2.25

Count of Student-Transport Trips per Day

Year	Value
1996	424,662
1997	514,523
1998	535,000
1999	492,000
2000	534,626
2001	667,786
2002	673,121
2003	677,138
2004	712,707
2005	710,107

Figure 7.2.26

Student Transportation Collision Statistics

Collisions per 1,000,000 Miles
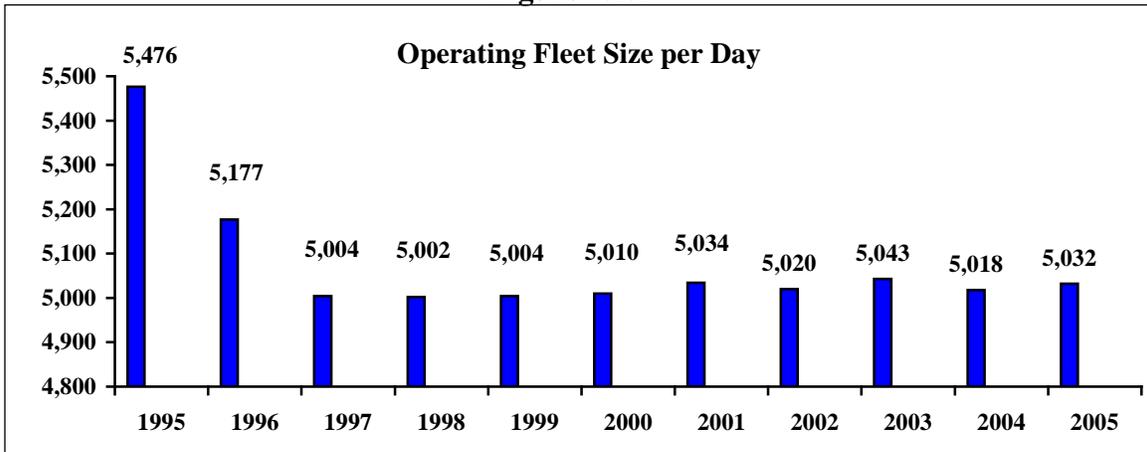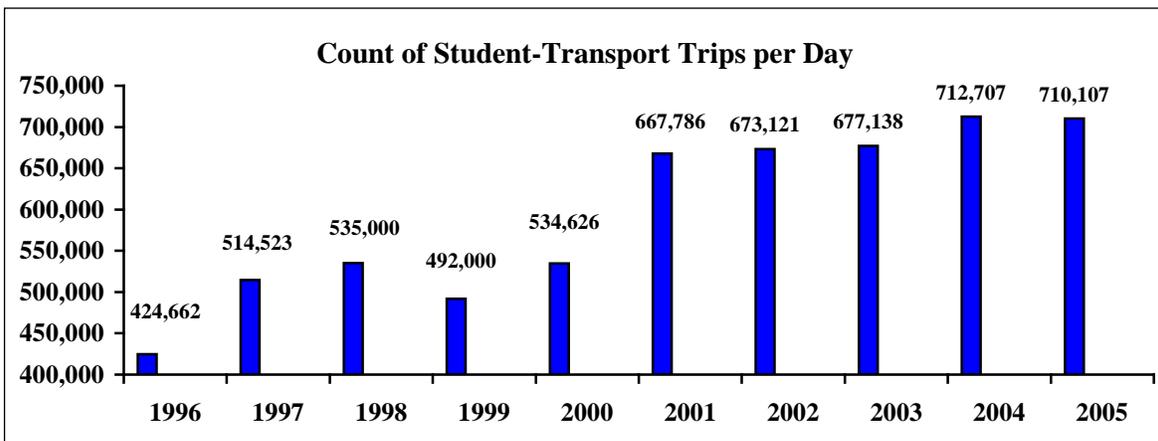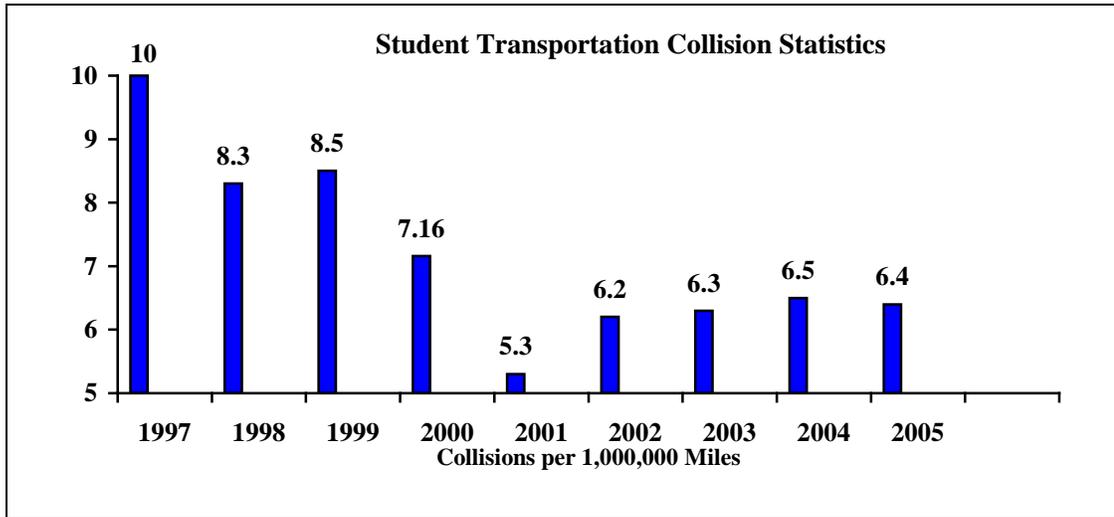
7.3 What are your performance levels for the key measures of financial performance?

The In\$ite™ expenditure model reveals that over 72 percent of South Carolina's public education expenditures are for direct classroom instruction and instructional support.
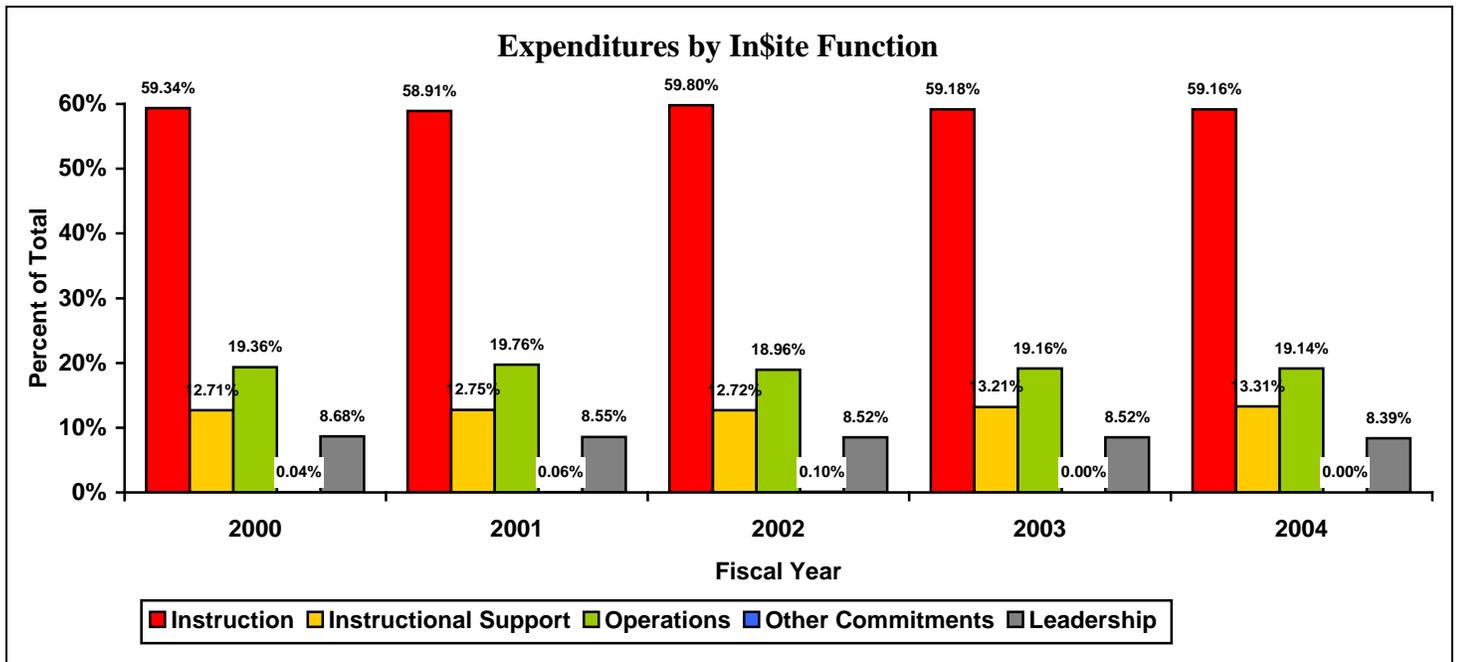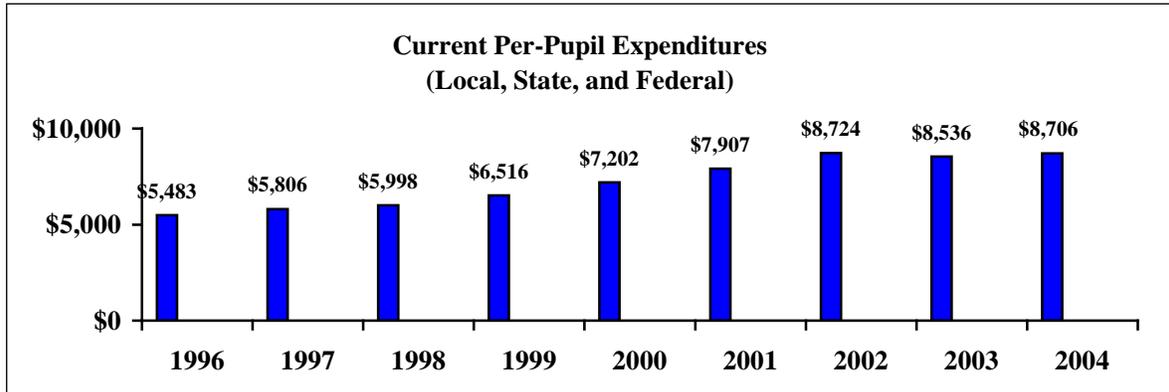
Figure 7.3.1

Expenditures by In\$ite Function

Figure 7.3.2

Current Per-Pupil Expenditures
(Local, State, and Federal)

Year	Amount
1996	$5,483
1997	$5,806
1998	$5,998
1999	$6,516
2000	$7,202
2001	$7,907
2002	$8,724
2003	$8,536
2004	$8,706

Figure 7.3.3

SDE Expenditures by Major Budget Categories

Major Budget Categories	2003–04 Actual Expenditures		2004–05 Actual Expenditures		2005–06 State Appropriation Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service Agency Leadership	$25,242,856	$12,536,746	$25,227,044	$1,999,305	$25,238,025	$11,842,372
Personal Service Transportation	$12,761,776	$11,050,085	$13,137,939	$8,026,718	$13,356,273	$11,568,751
Other Operating Agency Leadership	$27,472,564	$5,439,628	$23,588,280	$3,218,595	$27,004,149	$2,385,150
Other Operating Testing and Assessment	$23,802,342	$15,774,275	$22,238,579	$13,386,532	$16,904,171	$0
Other Operating Textbooks	$37,385,124	$35,986,964	$41,402,308	$35,568,307	$51,320,587	$37,498,804
Other Operating Transportation	$42,563,343	$21,507,840	$47,471,370	$28,156,703	$24,444,593	$20,169,593
Distributions to Subdivisions and Entities	$2,912,316,005	$1,625,256,990	$3,021,081,537	$1,728,264,673	$3,085,545,875	$1,911,711,490
Fringe Benefits Agency Leadership	$7,188,098	$3,874,241	$7,197,823	$3,876,965	$6,894,313	$3,958,237
Fringe Benefits Transportation	$6,964,750	$6,532,968	$3,760,868	$2,595,431	$6,452,943	$6,301,891
TOTAL	**$3,095,696,858**	**$1,737,959,737**	**$3,205,105,748**	**$1,835,093,229**	**$3,257,160,929**	**$2,005,436,288**

Figure 7.3.4

FY 2003 Distribution of Total Expenditures

1.05% 0.89%
3.99%

- SDE Salary and Fringe
- SDE Operating
- Direct Services
- Flow Through

94.08%
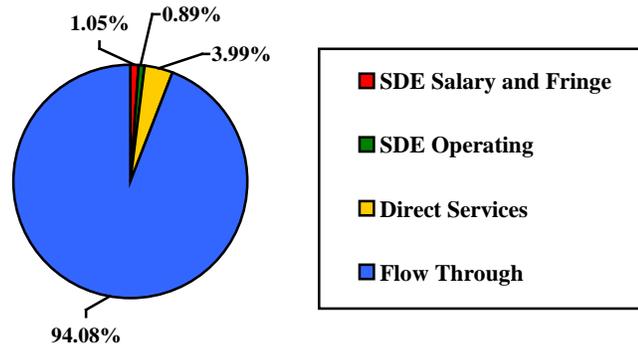
Figure 7.3.5

FY 2004 Distribution of Total Expenditures

1.01% 0.74%
3.99%

- SDE Salary and Fringe
- SDE Operating
- Direct Services
- Flow Through

94.26%
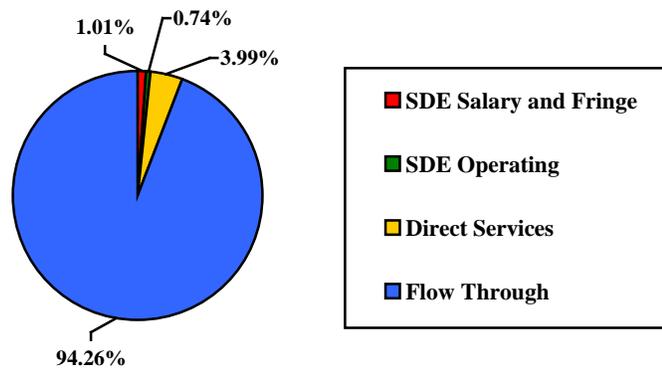
Figure 7.3.6
FY 2005 Distribution of Total Expenditures

0.99% 0.83%
3.45%

- SDE Salary and Fringe
- SDE Operating
- Direct Services
- Flow Through

94.73%

40
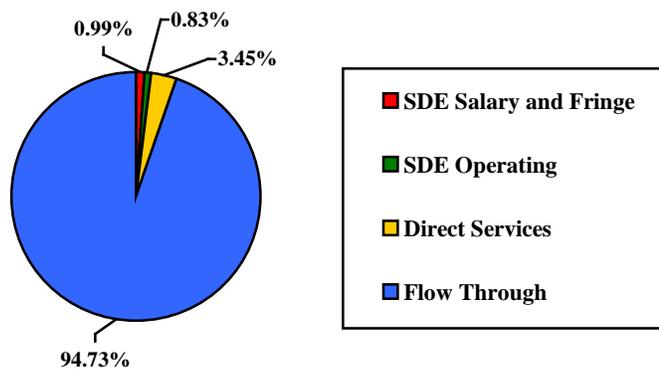
7.4	What are your performance levels and trends for the key measures of Human Resources Results?

SDE Employee Satisfaction, Involvement, and Development

The following information is based on the feedback provided by a survey population of 476 SDE employees, with a response rate of over 85 percent (406):

Figure 7.4.1

(A score value of 1 means "strongly disagree," and a score value of 10 means "strongly agree.")

Survey Statement	Mean Score Value	Mode Score Value	Median Score Value
I am proud to work at the SDE.	8.19	10	9
Overall, I am satisfied with my work at the SDE.	7.79	10	9
Overall, I am satisfied with my job.	7.86	10	9
Overall, my working conditions are good.	7.71	9	8
My job is important to the overall success of the SDE.	7.78	10	8
My job uses my abilities at an adequate level.	7.42	10	8
I understand the requirements of my job.	8.62	10	9
I receive adequate training to do my job.	6.67	5	7

Figure 7.4.2

Reasons Given for Position Turnover	2001	2002	2003	2004	2005
Different position in the SDE	38	28	25	31	38
Different position in different state agency	13	4	3	5	6
Retirement	22	21	24	20	38
Better pay/opportunity private/public	28	31	24	43	70
School district employment	10	8	10	8	5
Personal	12	26	24	26	19
Other	30	30	25	19	30
Position Turnover Rates					
Total number of SDE employees	930	927	933	918	903
Total number of SDE position turnovers	153	148	135	152	206
Percentage of total position turnovers	16.5%	16.0%	14.5%	16.6%	22.8%
Number of employees who left the SDE	115	120	110	124	168
Percentage of employees who left the SDE	12.4%	13.1%	11.8%	13.5%	18.6%

Figure 7.4.3

Number of Grievances	
2000	2
2001	2
2002	4
2003	2
2004	2
2005	0

Figure 7.4.4

Number of Disciplinary Actions	
2000	34
2001	27
2002	41
2003	28
2004	12
2005	7

Figure 7.4.5

Affirmative Action Goal Attainment

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Percent of Goal	80.2%	84.1%	82.1%	94.4%	93.2%	90.7%	89.3%	92.4%	85.50%
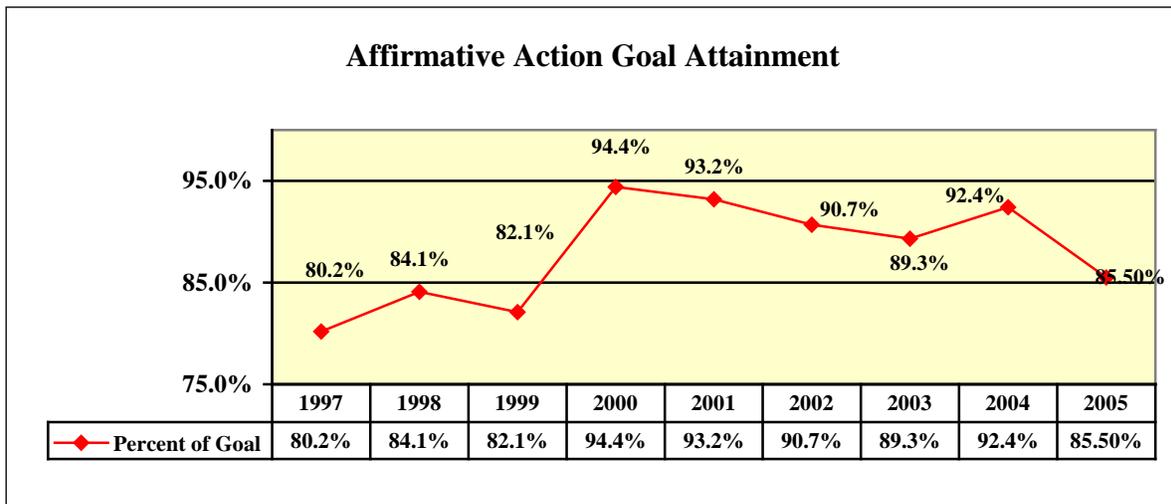
7.5 What are your performance levels and trends for the key measures of regulatory/legal compliance and community support?

Regulatory/Legal Compliance

Figure 7.5.1

(SDE results on the statewide single audit conducted by the State Auditor's Office)

Single Audit	2001	2002	2003	2004
Material Weakness	0	0	0	0
Reportable Conditions	1	0	0	0

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