

EDUCATION OVERSIGHT COMMITTEE  
Fiscal Year 2003-04  
EIA and EAA Budget Recommendations  
To the Governor and General Assembly  
Executive Summary

**By 2010, South Carolina's student achievement will be ranked in the top half of the states nationally. To achieve the goal we must become one of the five fastest improving systems in the country.**

**The 2010 goal is challenging, but a goal that local and state officials are pursuing with great determination and vigilance. We are examining the way we teach our children, the resources we provide our schools, and the aspirations we hold for ourselves. The cumulative impact of accountability systems, support for high quality teaching, parental involvement and strong leadership is showing results.**

To meet the goal, all districts regardless of their local property tax wealth must be able to recruit and retain quality teachers and leaders in their schools. South Carolina faces critical shortages in the areas of mathematics, science and special education. Some geographic areas are unable to attract sufficient numbers of teachers; others cannot compete with higher-paying neighboring school districts. The schools and districts exhibiting the lowest student achievement typically have the highest rates of turnover among administrators and teachers. To compound the problem, the Bureau of Labor and Statistics projects that 40% of current principals are expected to retire in the next ten years.

**One of the EOC's objectives for this year is to advocate legislation and align budget recommendations to implement systems and structures to ensure that there is a highly qualified teacher in every classroom and highly qualified leaders in schools and districts. This important objective is the cornerstone of the EOC's budget recommendations for FY2003-04.**

First, the EOC proposes the following programs and initiatives to address leadership at the district, school and classroom levels:

- Provide funding for professional development for all school board members and superintendents with training to focus on how to promote the success of historically underachieving students and how to obtain high levels of community and parental support for higher student achievement (\$151,570)
- Assist schools and districts in the identification and development of existing teachers and community leaders for administrative positions through multi-year grants to districts (\$250,000)
- Expand the responsibilities of the Center for Teacher Recruitment to include the identification of teacher supply and demands by geographic regions and certification categories. The Center would also be responsible for reporting to the EOC and the State Department of Education on current teacher recruitment and retention strategies and on recommendations for initiatives to assist districts in retention efforts. (\$195,577)
- Fund three new centers at the Centers of Excellence which will focus on training pre-service teachers to be better prepared to work with children and their families in low-performing schools (\$150,000)
- Expand the Teacher Cadet Program to all high schools in order to recruit additional students into the teaching profession (\$100,000)
- Create a multi-year grant program for districts to implement performance contracts with teachers and principals based on student academic goals (\$250,000)
- Fund the next cohort of students entering the Teaching Fellows Program (\$1,138,696)

Regarding teacher salaries, the Office of Research and Statistics has projected the southeastern average teacher's salary for FY2003-04 to be \$40,659. For the prior school year the average teacher salary in South Carolina was \$39,923, and the projected salary for the current year is \$40,148. In its budget recommendations to the EOC and the Governor, the Department of Education determined that the EIA teacher salary supplement and related fringe benefit appropriations could be reduced by \$84.7 million if the EFA is fully funded at an increase of \$194.5 million. Without knowing the level of EFA funding that the General Assembly will appropriate, the EOC could not recommend a reduction of \$84.7 million. The EOC did recognize that there will be an increase in the number of teacher specialists hired, there will be an increase in the number of teacher specialists earning National Board Certification, and there will likely be an increase in EFA funding in Fiscal Year 2003-04. Consequently, the EOC did recommend a reduction of only \$10.4 million reduction in the EIA teacher salary supplement to guarantee an average teacher salary of at least \$40,959.

Second, in order to meet the goal and the requirements of the federal legislation No Child Left Behind, South Carolina must continue to fund the EAA and related initiatives. The EOC recommends that the following initiatives be funded using recurring or non-recurring funds from revenues sources as determined by the General Assembly. These initiatives will assist educators and policymakers in making data-based decisions, to satisfy reporting and evaluation requirements, and to document longitudinal student progress. The objective is to provide administrators, educators, parents, students, and state policymakers with timely, efficient and consistent information on South Carolina's education system.

- Fund a data warehouse that will link data from different sources and years (\$1,041,200)
- Fund the provision and maintenance of student identifiers (\$1,000,000)
- Fund the development and maintenance of a system through consortiums of districts that will allow parental access to student data on the Web (\$1,450,000)
- Allocate EIA funds for the mailing of the parent survey so that the results of the survey can be used to improve local schools (\$150,000)
- Fund the purchase of calculators for students taking end-of-course tests for Algebra I/Mathematics for the Technologies II (\$2,000,000)

Regarding the technical assistance component of the EAA, the EOC recommends that nonrecurring Lottery Funds appropriated for technical assistance be funded in recurring funds and that the total amount of funds allocated to technical assistance in the current fiscal year be maintained at the same level in Fiscal Year 2003-04. The reallocation of existing technical assistance monies would fund 300 teacher specialists, which represents five teacher specialists at 60 schools. In the current fiscal year there are 203 teacher specialists employed. Second, approximately \$5.8 million would be allocated for technical assistance services to below average schools. Third, all below average and unsatisfactory schools would also be eligible for a homework center at \$25,000 per center. All below average and unsatisfactory schools would be also eligible for a retraining grant at an average allotment of \$30,000 per school. And, two additional principal specialists would be funded for a total of ten. In addition, the EOC recommends \$2.0 million for the Palmetto Gold and Silver Award program.

It is important to note the following. The EOC continues to evaluate the effectiveness of the technical assistance programs, publishing the first formative review of the Teacher Specialist on Site Program in December. Second, based on the 2002 report cards, 230 report card units were rated below average or unsatisfactory as compared to 271 in 2001. Conversely, thirty-four (34) schools, which had previously scored average or better, scored below average or unsatisfactory in 2002. In 2004 the bar will be raised for schools. Students will be expected to perform at a higher level. Consequently, the

EOC recommends increasing the amount allocated to the Gifted and Talented Program to fully fund all academically gifted and talented students in grades 3-7 and to increase the appropriation to Act 135 by the EFA inflation factor of 3.2%. The EOC also recommends an increase in the Advanced Placement Program of \$800,000 to support higher academic achievement.

Finally, the EOC recommends that several EIA programs not be funded or funded at a reduced cost. These programs include the Sumter Environmental Initiative and the Winthrop Child Abuse Awareness Center that did not submit program and budget reports.

## EOC BUDGET RECOMMENDATIONS for the EIA

Fiscal Year 2003-04

EOC BUDGET RECOMMENDATIONS for the EIA			
Fiscal Year 2003-04			
<b>REVENUES</b>			
2003-04 EIA Revenue Projection	<b>546,986,435</b>		
2002-03 EIA Base Appropriation	<b><u>543,282,467</u></b>		
<b>ADDITIONAL REVENUES:</b>	<b>3,703,968</b>		
EIA Programs:	EOC Recommendation:	Explanation:	Funded Outside EIA:
Advanced Placement	<b>800,000</b>	To fund increase in number of teacher institutes and to defray increased cost of AP tests. Objective is to increase academic preparation, achievement and rigor at the high school level.	
Gifted and Talented Program	<b>5,144,979</b>	Increase would fully fund academically gifted and talented students in grades 3-7. Objective would be to increase number of students scoring proficient and advanced on PACT.	
Higher Education Awareness Program	<b>(402,250)</b>	Annually, EOC has recommended that this program not be funded in the EIA.	
Act 135	<b>3,853,197</b>	Increase appropriation by EFA inflation factor of 3.2%	
Teacher Salary Supplement	<b>(10,583,258)</b>	EOC assumes that General Assembly will increase appropriation for EFA at a level that will require less funds in Teacher Salary Supplement in order to provide for \$300 above the SE average teacher salary of \$40,659.	

EAA Technical Assistance Programs	<b>0</b>	EOC recommends reallocation of existing funds for technical assistance as described on the attached chart.	
Mailing of Parent Survey	<b>150,000</b>	Required by the EAA and the Parental Involvement in Their Children's Education Act, the parent survey should be mailed to parents with a return, postage-paid envelope to ensure the confidentiality and validity of the survey results.	
<b>EIA Programs:</b>	<b>EOC Recommendation:</b>	<b>Explanation:</b>	<b>Funded Outside EIA:</b>
Data Warehouse		To complete the installation of the data warehouse. Purpose is to organize data and make it easily available to administrators and policy makers for analyzing data to identify areas for improvement, to support school reform, to provide accountability, and to comply with federal reporting requirements. (In the first year, the expenses are non-recurring. In the second year of implementation, maintenance and updating of the data warehouse would cost \$250,000 in recurring funds.)	<b>1,041,200</b>

Unique Student Identifier		No Child Left Behind requires individual student data. Every student will need a unique student identifier. (In the first year, all expenses are non-recurring. In the second year of implementation, there would be a recurring cost of \$300,000 for maintenance of the system.)	<b>1,000,000</b>
Web-Based Parent Access to Student Data Through Consortium of Districts		To allow parents easy access to student test scores and other data related to their child. (In the first year, all costs are non-recurring. In the second year of implementation, there would be a total of \$250,000 in recurring funds to maintain the system and \$100,000 in non-recurring funds for equipment, supplies and materials.)	<b>1,450,000</b>
Purchase of Calculators for End-Of-Course Test for Algebra I/Mathematics for the Technologies II		To be used in the instruction and testing of students in Algebra I and Mathematics for the Technologies II classes. (All non-recurring funds.)	<b>2,000,000</b>
Palmetto Gold and Silver	<b>2,000,000</b>	Increase in the awards program from current level of \$1.0 million.	
Winthrop Child Abuse Awareness	<b>(100,000)</b>	Did not submit a program and budget report to the EOC	
<b>EIA Programs:</b>	<b>EOC Recommendation:</b>	<b>Explanation:</b>	<b>Funded Outside EIA:</b>
Kingtree Elementary Project	<b>(25,000)</b>	Annually, EOC has recommended that this program not be funded in the EIA.	

Center for Teacher Recruitment: Teaching Fellows Program	<b>1,138,696</b>	To fund final year of staggered implementation of the Teaching Fellows Program	
Other Agencies - Teacher Salary Supplement	<b>725,178</b>	To compensate teachers in special schools to SE average	
Sumter Environmental Initiative	<b>(94,947)</b>	Funds allocated last year for the program were not expended.	
<b>INITIATIVES FOR ENSURING HIGHLY QUALIFIED LEADERS AND TEACHERS:</b>	<b>EOC Recommendation:</b>	<b>Explanation:</b>	<b>Funded Outside EIA:</b>
Professional Development for Superintendents and School Board Members	<b>151,570</b>	To fund six hours of continuing education training for all school board members and superintendents in the state. Initially the training would focus on promoting the academic success of historically underachieving students and higher levels of community and parental support for higher student achievement.	
Leadership Consortium Grant Program	<b>250,000</b>	To fund multi-year grants to school districts who, in collaboration with institutions of higher education, will recruit and educate school personnel and community leaders to become principals.	
Manpower Planning Unit at Center for Teacher Recruitment	<b>195,577</b>	To expand responsibilities of the Center for Teacher Recruitment to include the development, implementation, evaluation and coordination of teacher recruitment and retention programs which will result in a sufficient number of qualified teachers in all geographic regions of the state and in all certification categories.	
Centers of Excellence	<b>150,226</b>	Three additional centers to support state efforts in raising the academic achievement of students in low performing schools and districts through direct service to schools and districts and through teacher education	
<b>INITIATIVES FOR ENSURING HIGHLY QUALIFIED LEADERS AND TEACHERS:</b>	<b>EOC Recommendation:</b>	<b>Explanation:</b>	<b>Funded Outside EIA:</b>



Expansion of Teacher Cadet Program	<b>100,000</b>	To fund 50 high schools that currently do not have Teacher Cadet Programs.	
Performance Contracts Grant Program	<b>250,000</b>	To provide multi-year grants to school districts for instituting performance contracts with principals and teachers. The contracts would recognize and monetarily reward principals and teachers who meet or exceed specified goals for student academic achievement.	
<b>TOTAL EIA RECOMMENDED INCREASES:</b>	<b>3,703,968</b>		
<b>TOTAL OTHER FUNDS RECOMMENDED INCREASES:</b>			<b>5,491,200</b>

**EOC BUDGET RECOMMENDATIONS for the  
Technical Assistance Programs of the EAA  
Fiscal Year 2003-04**

<b>EAA TECHNICAL ASSISTANCE PROGRAM</b>	<b>TOTAL FUNDS APPROPRIATED IN FY2002-03</b>	<b>EOC Recommendation for FY2003-04</b>	<b>Explanation of EOC Recommendation:</b>
Teacher Specialists	31,592,287	28,469,400	To provide for an additional 73 teacher specialists for a total of 300 teacher specialists which is an average of 5 teacher specialists in 60 unsatisfactory schools. (Teacher specialists cost \$89,898 for salary and fringe and \$5,000 per teacher specialist for professional development, training, supplies, etc.)
Principal Specialists	2,270,302	2,550,030	To provide for 2 additional principal specialists for a total of 10 principal specialists. (Principal specialists cost \$139,864 in salary and fringes.)
Home Work Centers	3,616,376	5,750,000	To fund 230 homework centers at \$25,000 per homework center.
External Review Teams	5,466,872	598,980	To fund 60 External Review Audits at \$9,893 per audit.
Retraining Grants	9,265,645	9,000,000	Grant of \$30,000 per 300 eligible schools
Curriculum, Materials and Equipment for Unsatisfactory Schools		0	Not Required by EAA
Curriculum, Materials and Equipment for Below Average		0	Not Required by EAA
SDE Training and Support		0	No Available EIA Funds
SDE Agency Leadership and Support		0	No Available EIA Funds

Tiered System:		5,843,072	Provide technical assistance to the 170 below average schools based on the external review team evaluation and the tiered system of intervention.
Principal Mentor			See Tiered System
Principal Leader			See Tiered System
Curriculum Specialists			See Tiered System
Curriculum /Instruction Facilitator			See Tiered System
<b>TOTAL:</b>	<b>52,211,482</b>	<b>52,211,482</b>	

**EDUCATION OVERSIGHT COMMITTEE**  
**Proviso Recommendations**  
**Regarding EIA and EAA**  
**Fiscal Year 2003-04**

**Delete Section 1A.4. which allocates \$402,250 from the Gifted and Talented Program to the Higher Education Awareness Program.**

**Amend Section 1A.19. to reflect the Southeastern average teacher salary projection of \$40,659:**

"The projected Southeastern average teacher salary shall be the average of the average teachers salaries of the southeastern states as projected by the Division of Budget and Analyses. For the current school year the Southeastern average teacher salary is projected to be ~~\$39,551~~ \$40,659. It is the intent of the General Assembly to exceed the Southeastern average teacher salary as projected by \$300. The General Assembly remains desirous of raising the average teacher salary in South Carolina through incremental increases over the next few years so as to make such equivalent to the national average teacher salary.

Funds appropriated in Part IA, Section 1 XI.C.3. for Teacher Salaries must be used to increase salaries of those teachers eligible pursuant to Section 59-20-50 (b), to include classroom teachers, librarians, guidance counselors, psychologists, social workers, occupational and physical therapists, school nurses, orientation/mobility instructors, and audiologists in the school districts of the state."

**Amend Section 1A.23. to eliminate funding for the Kingstree Elementary school**

"Of the funds appropriated in Part IA, Section 1 XI.E.3. for EIA Implementation, Other Operating Expenses, \$349,124 may only be used by the State Department of Education to support its contracted program

evaluations and the conduct of the of the State Board of Education's annual assessment of EIA-funded education reforms and the related report, pursuant to Section 59-6-12. The remaining ~~\$225,000~~ \$200,000 appropriated in Part IA, Section 1 XI.E.3. for EIA Implementation, Other Operating Expenses shall be used to support the continuation of program and policy evaluations and studies and to support the state's participation in the Middle Grades Project, at no less than \$100,000; ~~the middle grade reading, science and math resource and career exploration project of the sixth grade class at Kingstree Elementary School at no more than \$25,000.~~ Provided further, for the current fiscal year, \$100,000 shall be provided to the South Carolina Educational Policy Center for collaborative projects with the Department of Education and the Education Oversight Committee to provide research based information and consultation services on technical issues related to establishing amore thorough accountability system for public schools, school districts, and the K-12 education system."

**Amend Section 1A.24. to increase funding for the Teaching Fellows Program by \$1,138,696, the Teacher Cadet Program by \$100,000, and the budget of the Center for Teacher Recruitment by \$195,577 to reflect expanded responsibilities of the Center regarding manpower planning unit.**

"Of the funds appropriated in Part IA, Section 1 XI.F.3. for the Teacher Recruitment Program, the S.C. Commission on Higher Education shall distribute a total of ~~\$4,701,751~~ \$6,136,024 to the S.C. Center for Teacher Recruitment for a state teacher recruitment program, of which ~~\$3,146,056~~ \$4,284,752 must be used for the Teaching Fellows Program and of which \$200,000 must be used for specific programs to recruit minority teachers, and shall distribute \$467,000 to S.C. State University to be used only for the operation of a minority teacher recruitment program and therefore shall not be used for the operation of their established general education programs. The S.C. Commission on Higher Education shall ensure that all funds are used to promote teacher recruitment on a statewide basis, shall ensure the continued coordination of efforts among the three teacher recruitment projects, shall review the sue of funds and shall have prior program and budget approval. The S.C. State University program, in consultation with the Commission on Higher Education, shall extend beyond the geographic area it currently serves. Annually, the Commission

on Higher Education shall evaluate the effectiveness of each of the teacher recruitment projects and shall report its findings and its program and budget recommendations to the House and Senate Education Committees, the State Board of Education and the Education Oversight Committee by October 1 annually, in a format agreed upon by the Education Oversight Committee and the Department of Education.”

**Amend Section 1A.27. to delete funding for the Winthrop Child Abuse Awareness program:**

“Funds appropriated in Part IA, Section 1 X1.B. for the Parenting/Family Literacy Programs and allocated to the school districts for parenting projects in the prior fiscal year may be retained and expended by the school districts for the same purpose during the current fiscal year. Of the funds appropriated in Part IA, Section 1 XI.B. for the Parenting/Family Literacy, ~~\$100,000 must be used for the Child Abuse Awareness and Prevention Project at Winthrop University and~~ \$125,000 must be used for the Accelerated Schools Project at the College of Charleston.”

**Amend Sections 1.43. and 1A.45. to stipulate that the average number of teacher specialists per school cannot exceed five and to allow the Department to place teacher specialists across grade levels and core subject areas including special education.**

“Notwithstanding any other provision of law, the Department of Education may assign teacher specialists, principal specialists, principal leaders, and curriculum specialists to schools designated as unsatisfactory or below average according to the enrollment of the school and as recommended by the review team. Teacher specialists may be assigned to kindergarten level, if recommended by the review team. Furthermore, the average number of teacher specialists assigned to schools must not exceed five. Teacher specialists may be placed across grade levels and across core subject areas when placement meets program criteria based on external review team recommendations, need, number of teachers receiving support, and certification and experience of the specialist. A teacher specialist may be assigned to support classroom teachers in the area of

special education when warranted by the needs of the student population, recommended by an external review team, and approved by the State Board of Education. Retired educators may be hired as teacher specialists, principal specialists, principal leaders, or curriculum specialists and shall be exempt from the earnings limitations of the State Retirement System. Teacher specialists who have successfully completed three years of service as a teacher specialist may reapply for assignment as a teacher specialist. Unsatisfactory schools that had previously received technical assistance under the Impaired School District Program may continue to receive the service of teacher specialists provided by the State for a fourth year if recommended by the review team and approved by the State Board of Education if the school meets the criteria of the tier proposal. Teacher specialists who serve beyond three years are no longer guaranteed employment in their previous district as provided in Section 59-18-1530 (F) of the South Carolina Code of Laws. A principal specialist may be continued for a third year if requested by the local school board, recommended by the external review team, and approved by the State Board of Education. For the third year, only the principal specialist salary supplement will be paid by the State. Provided, further, that the Education Oversight Committee and the State Department of Education shall examine base and supplementary compensation for teacher specialists and those fulfilling similar responsibilities in other states to determine if adjustments in the compensation should be made to encourage teacher specialists to serve rural areas. Recommendations should be provided to the General Assembly by December 31, ~~2002~~ annually."

**Amend Proviso 1A.46. to allow the annual report card to be printed in two color inks.**

"The State Department of Education is prohibited from printing the Annual School and District Report Card in more than two color inks ~~any other color other than black and white~~. School districts must advertise the results of their schools' report cards in an audited newspaper of general circulation in their geographic area within 45 days. If the audited newspaper has previously published the entire report card results as a news item, this requirement is waived for the school and district."

## **The Following Provisos are New Provisos:**

### **Professional Development for Superintendents and School Board Members**

"Of the funds allocated for Leadership, \$151,570 must be expended on professional development for school board members and superintendents. Each fiscal year, all school board members and superintendents must attend a minimum of six hours of continuing education training. The Department of Education may contract with independent entities to provide the training. For the current fiscal year, the training must focus on providing professional development so that governing boards and superintendents can take actions to promote the success of historically underachieving students and to promote higher levels of community and parental support for higher student achievement. The funds must be used only for the cost of the training and for mileage reimbursement for school board members and superintendents. No more than ten percent of the funds appropriated for the training may be used to cover the cost of supplies and administration. By August 1 of the following fiscal year, the Department of Education must report to the House Education and Public Works Committee, the Senate Education Committee, and the Education Oversight Committee the names of the individuals who complied with this requirement."

### **Leadership Consortium**

"Of the funds appropriated for Leadership Development, \$250,000 must be used to provide multi-year grants to school districts who, in collaboration with institutions of higher education, are recruiting and educating school personnel and community leaders to become principals. Grant recipients will be selected by a committee composed of two members from the Education Oversight Committee, two members from the State Board of Education, and two members from the Commission on Higher Education. All awards will be made no later than October 1 of the fiscal year. No later than January 1 of each subsequent fiscal year, the selection committee shall report to the State Board of Education and to the Education Oversight Committee on the effectiveness of the grants in recruiting education leaders."



## **Manpower Planning Effort**

"In cooperation with the Teacher Quality Commission at the Department of Education and the Commission on Higher Education, the S.C. Center for Teacher Recruitment will be responsible for developing, implementing, evaluating and coordinating programs which will result in a sufficient number of qualified teachers in all geographic regions of the state and in all certification categories. The S.C. Center for Teacher Recruitment will: (1) work with school districts and public and private institutions of higher education to assess teacher supply and demand trends; (2) assist school districts in recruitment efforts, especially low-performing school districts and schools having a significant number of teachers with out-of-field permits or long-term substitutes; and (3) implement a statewide teacher recruitment strategy designed to employ teachers for immediate and future vacancies. The Center is required to submit by January 1, 2004 to the Education Oversight Committee and the State Department of Education a review of the state's current teacher recruitment and retention strategies, the current teacher supply and demand trends, and recommendations for strategies to assist all school districts in retaining quality teachers in the classroom."

## **Performance Contracts**

"Of the funds appropriated for Leadership, \$250,000 must be used to provide multi-year grants to school districts who will institute performance contracts with principals and teachers in schools. The performance contracts must recognize and monetarily reward principals and teachers who meet or exceed specified goals for student academic achievement. Grant recipients will be selected by a committee composed of two members from the Education Oversight Committee, two members from the State Board of Education, and two members from the Commission on Higher Education. All awards will be made no later than October 1 of the fiscal year. No later than January 1 of each subsequent fiscal year, the selection committee shall report to the State Board of Education and to the Education Oversight Committee on the program."