

Executive Summary and Rationale

Education Oversight Committee's EIA and EAA Recommendations for FY2006-07

The release of the 2005 annual school report cards provides a compelling reason for new initiatives to improve student academic performance using a shared services approach to education. As reflected on the report cards, the needs of our schools, students, and communities are so significant that South Carolina must provide long-term solutions to meeting the needs of students, parents, teachers and communities.

The 2005 School and District Ratings identified 287 schools that are performing below expectations. Sixty-five schools have an absolute rating of Unsatisfactory, and 222 schools have an absolute rating of Below Average. We find that 84 percent of these schools have been identified and served with state technical assistance since 2001. We must address the technical assistance program in a way that recognizes the reasonable limits on state-delivered assistance and builds local capacity. These schools face chronic challenges; we have the data to identify their greatest needs and we must provide support for local initiatives and long-term remedies to improve student achievement.

Moreover, there is a significant increase in student poverty in our state. The number of schools in poverty increased. Of the 1,058 schools which received an absolute report card rating in both 2004 and 2005, 797 or 75.3% showed an increase in the poverty index. Half of all South Carolina schools have at least 70% of their students living in poverty. Poverty exercises a great negative impact on school ratings for middle schools. In 2005 no middle schools having a poverty index of 80% or greater earned an absolute rating of Excellent or Good while 93.7% of these schools earned an absolute rating of Unsatisfactory or Below Average.

This new direction encompasses the following vision:

Through shared responsibilities and services, South Carolinians working at state and community levels can create conditions in which all of South Carolina's students can achieve successfully at high academic levels.

Following are budget and policy recommendations for addressing the state's underperforming schools and districts and for promoting policies that rapidly advance improvement in student achievement:

Unsatisfactory Schools –According to the 2005 school and district report cards, 4.5% of students in South Carolina are enrolled in a school with an absolute rating of Unsatisfactory. One-half of these schools are middle schools. These schools all have the following challenges.

- Average poverty index of 74.1%;

**PROVISO CHANGES RECOMMENDED FOR
FISCAL YEAR 2006-07**

**By the Education Oversight Committee
(Numbers refer to Renumbered Base)**

1A.3. (SDE-EIA: XI.A-Gifted & Talented) Notwithstanding the provisions for Section 59-29-170, ~~ten percent (10%)~~ fifteen percent (15%) of the total state dollars appropriated annually for gifted and talented programs shall be set aside for serving artistically gifted and talented students in grades 3-12. The State Department of Education shall allocate to districts a proportionate share of the ~~ten percent (10%)~~ fifteen percent (15%) based on the preceding year's total average daily membership in grades 3-12. School districts shall ~~service~~ serve students identified as artistically gifted and talented in one or more of the following visual and performing arts areas: dance, drama, music and visual arts areas. Districts may utilize their proportionate share of the ~~ten percent (10%)~~ fifteen percent (15%) for the purpose of contracting with other entities to provide services to students identified as artistically gifted and talented if personnel or facilities are not available in the school district for that service. Of the remaining ~~ninety percent (90%)~~ eighty-five (85%) of state dollars appropriated for gifted and talented programs, not more than \$850,000 may be used to provide testing and teacher training. The remaining funds shall be expended in accordance with Section 59-29-170. Each district receiving funds for the gifted and talented program shall include an accelerated component as a part of its academically gifted and talented program. EIA-Gifted and Talented funds may be carried forward and expended for the same purpose in the current fiscal year.

Explanation: In June 2005 the South Carolina Educational Policy Center issued a report, A Descriptive Study of South Carolina's Gifted and Talented Program, for the EOC. The report noted that the 10% allocation for artistically gifted and talented students has not been increased since 1998-99. While nineteen school districts did not expend any EIA funds for the artistic program in FY04, an increase in the allocation should provide the funds needed by a district to offer a program and to increase the number of students served.

1A.17. (SDE-EIA: XI.C.2-Teacher Evaluations, XI.E.3- Implementation/Education Oversight) The Department of Education shall provide a review of the evaluation results for teachers employed under induction, ~~provisional~~, annual, ~~second-year annual~~, and continuing contracts to be presented by September 30, annually, to the State Board of Education and the Education Oversight Committee. The Department of Education is directed to oversee the evaluation of teachers at the School for the Deaf and the Blind, the John de la Howe School and the Department of Juvenile Justice under the ADEPT model.

Explanation: The changes in the proviso reflect recent amendments to state law, Sections 59-26-30 and 59-26-40, regarding teacher certification and annual contract teachers.

1A.18. (SDE-EIA: XI.C.3.-Teacher Salaries/SE Average) 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 ~~\$42,437~~ \$43,691. 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.

Explanation: On August 8, 2005, the Board of Economic Advisors Based estimated the southeastern teacher salary average to be \$43,691 for FY2007. This estimated is based upon the average teachers' salaries in the following Southeastern states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, Virginia and West Virginia.

1A.23. (SDE-EIA: XI.F.3-CHE/Teacher Recruitment) 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 \$5,404,014 to the Center of Educator Recruitment, Retention, and Advancement (CERRA-South Carolina) for a state teacher recruitment program, of which \$4,200,000 must be used for the Teaching Fellows Program and of which \$166,302 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. Working with districts with an absolute rating of Unsatisfactory or Below Average, CERRA will provide shared initiatives to recruit and retain teachers to schools in these districts. CERRA will report annually by October 1 to the Education Oversight Committee and the Department of Education on the success of the recruitment and retention efforts in these schools. 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 use 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.

Explanation: The 2005 school and district ratings reveal that schools with an absolute rating of Unsatisfactory have 60.0% of teachers on continuing contracts and only 77.3% of teachers returning from the previous year. Similarly, schools with an absolute rating of Below Average have 74.9% of teachers on continuing contracts and 82.3% of teachers returning from the previous year. Intensive and collaborative teacher recruitment and retention initiatives are needed in these schools.

1A.26. (SDE-EIA: XI.B-Parenting/Family Literacy) Funds appropriated in Part IA, Section 1 XI.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. These funds must be allocated only to school districts that provide comprehensive family literacy programs which address intergenerational cycles of poverty through adult education, early childhood education and parenting programs. Furthermore, any school district that does not provide the evaluation information necessary to determine effective use as required by Section 59-139-10 (A) (1) and by regulation is not eligible to receive additional funding until the requested data is provided. The minimum amount allocated to a district shall be \$35,000. Of the funds appropriated in Part IA, Section 1 XI.B. for the Parenting/Family Literacy ~~\$125,000~~ \$200,000 must be used for the Accelerated Schools Project at the College of Charleston and \$100,000 is to be used for the South Carolina Urban Leagues state-wide parental involvement programs.

Explanation: The amendments to the proviso are contingent upon additional funding for the Parenting and Family Literacy Program and for the Accelerated Schools Project.

In 2003 the EOC conducted a review of the parenting/family literacy program. One of the recommendations of the report was that all districts implement comprehensive parenting/family literacy programs that address intergenerational cycles of poverty through adult education, early childhood education and parenting programs. Beginning in the 2004-05 school year, all school districts developed plans for implementing a comprehensive parenting/family literacy programs. The Department of Education provided extensive training opportunities to assist districts in their planning and design. Last year the Department of Education reported to the Parental and Community Involvement Subcommittee on the implementation schedule of these programs in the state and on potential barriers to implementation. Due to wide variations in funding across districts, increasing the minimum amount per districts would assist districts hire or contract with an individual to coordinate and implement the

program. The cost of providing a minimum funding of \$35,000 per district is \$171,202.

The \$75,000 increase for the Accelerated Schools Project will provide more services to underperforming schools. The data provided to the EOC by the Accelerated Schools Project shows substantial student academic gains in schools served.

1A.44. (SDE-EIA: Technical Assistance) Notwithstanding any other provision of law, and in order to best meet the needs of low-performing schools, ~~the funding provided in Section 1 XI.A.4 Special Items may be reallocated among the programs specified in this section. The Department of Education shall establish criteria for reviewing and assisting schools that will be rated unsatisfactory using a tiered system with the lowest performing schools receiving highest priority. Not to exceed the statewide total number of specialists stipulated by the Education Accountability Act, the highest priority schools assistance shall include a year long technical assistance team that may include a lead principal and/or curriculum specialist. All specialists shall have a demonstrated record of success in their field and shall be entitled to the incentives and benefits of the teacher specialist. Technical assistance for below average schools shall be provided to the extent possible, in order of need. The Department of Education shall provide information on the technical assistance strategies and their impact to the State Board of Education, the Education Oversight Committee, the Senate Education Committee, the Senate Finance Committee, the House of Representatives Education and Public Works Committee, and the House of Representatives Ways and Means Committee annually. The Department of Education shall pilot a structured academic mentoring program for students scoring below average on PACT in up to thirty schools including ten unsatisfactory schools, ten below average schools and ten average schools. Data shall be compiled and a report given to the State Board of Education and the Education Oversight Committee by January 12 annually. schools receiving an absolute rating of Below Average must submit to the Department of Education a school renewal plan that includes actions consistent with each of the alternative research-based technical assistance criteria as approved by the Education Oversight Committee and the Department of Education. Upon approval of the plans by the Department of Education and the State Board of Education, the school will receive an allocation of not less than \$75,000, taking into consideration the enrollment of the schools. The funds must be expended on strategies and activities as expressly outlined in the school renewal plan which may include, but are not limited to professional development, the Teacher Advancement Program (TAP), homework centers, diagnostic testing, supplement health and social services, or comprehensive school reform efforts. The schools will work with the Department of Education to broker the services of technical assistance personnel as needed and as stipulated in the school renewal plan. Funds not expended in the current fiscal year may be carried forward and expended for the same purpose in the next fiscal year.~~

Schools receiving an absolute rating of Unsatisfactory will be provided an external review team evaluation. Based upon the external review team evaluation, the schools

must submit to the Department of Education a school renewal plan that includes actions consistent with the alternative research-based technical assistance criteria as approved by the Education Oversight Committee and the Department of Education. Upon approval of the plan by the Department of Education and the State Board of Education, the schools will receive an allocation of not less than \$250,000, taking into consideration the enrollment of the schools and the recommendations of the external review team. The funds must be expended on strategies and activities as expressly outlined in the school renewal plan which may include, but are not limited to professional development, the Teacher Advancement Program (TAP), homework centers, diagnostic testing, supplement health and social services, or comprehensive school reform efforts. The schools will work with the Department of Education to broker the services of technical assistance personnel as needed and as stipulated in the school renewal plan. Funds not expended in the current fiscal year may be carried forward and expended for the same purpose in the next fiscal year.

With the funds appropriated to the Department of Education for technical assistance services, the Department will assist schools with an absolute rating of Unsatisfactory or Below Average in designing and implementing school renewal plans and in brokering for technical assistance personnel as needed and as stipulated in the school renewal plan. In addition the Department must monitor the expenditure of funds and the academic achievement in schools receiving these funds and report to the General Assembly and the Education Oversight Committee by January 1 of the fiscal year,

Explanation: To provide technical assistance to underperforming schools that recognizes the reasonable limits on state-delivered assistance and builds local capacity.

1A.52. (SDE-EIA: EAA Summer School, Grades 3-8) Funds appropriated for summer school shall be allocated to each local public school district based on the number of academic subject area scores below the basic on the prior year Spring PACT administration for students in grades three through eight and on the number of students entering ninth grade who score below proficient in reading. Individual student scores on the PACT shall not be the sole criterion used to determine whether a student on an academic plan the prior year will be placed on probation or retained. Individual student scores on the PACT shall not be the sole criterion for requiring students to attend summer school. School districts may consider other factors such as student performance, teacher judgment, and social, emotional, and physical development in placing students on academic probation or requiring summer school attendance. Students may not be placed on academic probation or retained based solely on the PACT scores. The State Department of Education working with the Education Oversight Committee must develop a method to supplement the PACT with diagnostic training and materials aligned to the content standards. Current year appropriations may be expended for prior year EAA summer school purposes. Local public school districts shall utilize these funds in accordance with the requirements of Section 59-18-500 of the 1976 Code. The State

Department of Education is directed to utilize PACT-like tests aligned with standards to be administered to students on academic probation required to attend summer school.

The test shall be a determinate in judging whether the student has the skills to succeed at the next grade level. The State Board of Education shall establish regulations to define the extenuating circumstances including death of an immediate family member or severe long-term student illness, under which the requirements of 59-18-900(D) may be waived.

~~Furthermore, of the funds appropriated for summer school, up to \$250,000 will be allocated to the Education Oversight Committee for an evaluation of the impact of summer school and other remediation programs on student achievement. The Fiscal Year 2004-05 estimated Education Improvement Act surplus of \$25,232,021 shall be used to fund Summer Schools. Furthermore, the State Department of Education, working with and through the SC Afterschool Alliance, will provide \$250,000 to produce a model of voluntary quality standards for out-of-school time programs, develop a directory of technical assistance and identify gaps of service.~~

Explanation: The funds, \$250,000, allocated to the EOC in the current year for the evaluation of extended learning time programs in South Carolina will be expended, and the final report released in December of 2006. The South Carolina Afterschool Alliance and the Department of Education have agreed to work together to create a model of quality standards for out-of-school programs. The collaboration will build local capacity to address student academic performance, and truancy.

1A.49. (SDE-EIA: Critical Geographic Area) Notwithstanding the provision of Section 59-26-20 (j) for those students seeking loan cancellation under the Teacher Loan Program after July 1, 2004, "critical geographic area" shall be defined as schools that have an absolute rating of below average or unsatisfactory, schools where the average teacher turnover rate for the past three years is 20 percent or higher, or schools that meet the poverty index criteria at the 70 percent level or higher. The list shall also include special schools, alternative schools, and correctional centers as identified by the State Board of Education. After July 1, 2005, students shall have their loan canceled based on those schools or districts designated as a critical geographic area at the time of employment. The definition of critical geographic area shall not change for those students who are in the process of having a loan canceled, on or before June 30, 2005. Beginning in Fiscal Year 2005-06 the maximum loan amount will be increased to an amount not to exceed \$20,000. ~~Beginning July 1, 2005, freshmen may continue to apply for the Teacher Loan Program, but only freshmen who have participated in the Teacher Cadet Program are eligible to receive a loan. Furthermore, of the funds appropriated for the Teacher Loan Program, up to \$50,000 may be retained by the Commission on Higher Education and used to establish and maintain a Policy Board of Governance for the Teacher Loan Program. The Policy Board of Governance is to be composed of one representative or staff member from the following six cooperating entities: Commission on Higher Education, State Board of Education, Department of Education, Education Oversight Committee, Student Loan Corporation and Center for Educator Recruitment and~~

Retention. The six-member Board will establish goals for the Teacher Loan Program, facilitate communication among the cooperating agencies, advocate for the loan participants and effectively market the Teacher Loan Program.

Explanation: The 2005 annual review of The South Carolina Teacher Loan Program, which was conducted by the EOC and the South Carolina Educational Policy Center at USC, made the following recommendations. First, the study recommended that all freshmen be allowed to participate in the program whether they had participated in the Teacher Cadet Program, or not. Due to lack of funding and time, some high schools in South Carolina do not yet offer a Teacher Cadet Program. And, second, the evaluation recommended the establishment of a Policy Board of Governance that would exist as the central authority over the implementation of the program.

Add an appropriately numbered paragraph to read:

1A. __ (SDE-EIA: XI.A.1- Gifted & Talented) “Of the funds appropriated in Part IA, Section 1 XI.A.1. Gifted & Talented, \$400,000 must be provided to the Department of Education to use for program development grants to expand the number of Gifted and Talented Endorsement programs (six credit hours) as well as the number of Gifted and Talented Add-on Certification programs (18 hours), including the development of on-line coursework to ensure availability of the endorsement and certification programs throughout the state.”

Explanation: In June 2005 the South Carolina Educational Policy Center issued a report, A Descriptive Study of South Carolina’s Gifted and Talented Program, for the EOC. The report found that “approximately 62% of the teachers currently teaching gifted students have the required credentials and only 51% of the gifted education directors had either a gifted and talented endorsement or an add-on certification in gifted education.” Moreover, the report found that “only three institutions of higher education in South Carolina offer the needed coursework and only one college in the state offers a program leading to a master’s in gifted education.” One recommendation of the report was to improve the availability of sources for the gifted and talented teacher endorsement, “possibly by providing incentives to institutions of higher education to provide the necessary graduate courses in gifted education.” The funds recommended in this proviso would provide a mechanism to improve the availability of courses for gifted and talented endorsement.”

Add an appropriately numbered paragraph to read:

1A. __ (SDE-EIA: XI.E.1- Community Education Outreach Grant) “With the funds provided to the Department of Education for the Community Education Outreach Grant program, grants of up to three thousand dollars will be awarded to non-profit organizations that implement or expand community education outreach programs. These grant funds could be expended on such expenses, including but not limited to, legal fees and filings, instructional supplies and materials, and specialized program expenses. The charitable organizations receiving grants are required to document the services to public schools and communities including, but not limited to, after school tutoring programs and book clubs.”

Explanation: To build local capacity and support for public schools, the grant program would provide start-up or expansion funds to non-profit organizations that are providing support to local public schools.

Add an appropriately numbered paragraph to read:

1A. __ (SDE-EIA: XI.C..1- Teacher Compensation) “Beginning July 1 of the fiscal year, any public school classroom teacher or classroom teacher, excluding teacher specialists and curriculum specialist, who works with classroom teachers in a school with an absolute rating of Unsatisfactory or Below Average on the 2005 annual school report card, who is certified by the State Board of Education, and who has obtained an Advanced Degree will be paid a \$2,000 salary supplement. If the teacher continues teaching in the same school in the subsequent school year, the teacher will be paid a \$3,000 salary supplement. For the third year of employment and thereafter in the same school, the teacher will receive a \$5,000 salary supplement even if the school’s absolute rating improves to Average or better.”

Explanation: To address teacher retention and teacher quality, the proviso would provide teachers who are certificated, who have an advanced degree and are teaching in a school with an absolute rating of Unsatisfactory or Below Average a \$2,000 increase in salary for teaching in the school one year. The bonus would be \$3,000 if the teacher teaches a second year in the same school, and \$5,000, for the third and all subsequent years.

1A. __ (SDE-EIA: XI.C.1- Teacher Compensation) “The Education Oversight Committee shall convene a task force to evaluate current teacher recruitment and retention policies, particularly those that impact on schools that have historically underachieved. Included in the task force will be representatives from the Department of Education, the Center of Educator Recruitment, Retention, and Advancement (CERRA-South Carolina), institutions of higher education, the Student Loan Corporation, the Commission on Higher Education, and classroom teachers from throughout South Carolina.”

Explanation: The EOC would convene a task force to study the issue of teacher recruitment and retention in the State.

1A. __ (SDE-EIA: XI.A.1- Young Adult Education) “Of the funds appropriated for Young Adult Education, \$1.6 million must be used by the Department of Education to coordinate adult education services for parents who do not have a high school diploma or GED and who have a child enrolled in a school with an absolute rating of Unsatisfactory or Below Average.”

Explanation: Targeting these additional adult education funds to parents whose child attends a school with an absolute rating of Unsatisfactory or Below Average is imperative in improving the academic success of these children and their families.

EDUCATION ACCOUNTABILITY ACT PROGRAMS	FY2005-06 TOTAL	FY2006-07 EOC
	Appropriation	Increase/Decrease (December 12, 2005)
Technical Assistance		
External Review Teams	\$586,800	\$212,210
Principal Leader	\$1,275,240	(\$1,275,240)
Technical Assistance to Unsatisfactory and Below Average Schools		\$45,600,000
Teacher Recruitment and Retention		\$6,663,300
Young Adult Education		\$1,600,000
DHEC Screenings		\$3,000,000
Community Grant Program		\$300,000
Early Childhood Initiatives		\$1,090,328
Technical Assistance to Below Average Schools	\$10,810,000	(\$10,810,000)
Retraining Grants	\$5,565,000	(\$5,565,000)
Homework Centers	\$6,810,000	(\$6,810,000)
Teacher Specialists	\$15,087,776	(\$15,087,776)
Principal Specialists	\$2,278,799	(\$2,278,799)
Principal Mentors (General Fund)	\$33,135	(\$33,135)
Alternative Technical Assistance	\$4,000,000	(\$1,590,000)
Subtotal: Technical Assistance	\$46,446,750	\$15,015,888
Reward		
Palmetto Gold and Silver	\$3,000,000	\$2,000,000
Subtotal: Total Technical Assistance & Reward	\$50,418,543	\$17,015,888
SDE		
SDE Agency Leadership and Support	\$1,988,862	\$4,650,000
Report Card	\$971,793	\$0
Assessment		
EAA	\$16,940,171	\$2,880,000
SASI	\$1,049,375	\$499,075
Unique Student Identifier (SUNS)	\$891,370	\$266,785
Related		
Professional Development	\$4,413,485	\$2,586,515
Summer School	\$31,000,000	\$0
K-5 Reading, Math, Science & Social Studies	\$46,500,000	\$0
6-8 Reading, Math, Science & Social Studies	\$2,000,000	\$0
Alternative Schools	\$10,976,277	\$0
TOTAL EAA and Related:	\$113,770,678	\$27,898,263

EOC Objectives	FY2005-06 EIA Budget	EOC Recommended EIA Increases or Decreases for FY07	Explanation
Objective 1: Continue the implementation of the Education Accountability Act of 1991			
Summer Schools (The FY06 budget reflects \$25,232,021 in non-recurring funds.)	\$31,000,000	\$25,232,021	Annualization of non-recurring EIA funds
SASI	\$1,049,375	\$499,075	Requested by SDE
Unique Student Identifier (SUNS)	\$891,370	\$266,785	Requested by SDE
Assessment (This figure reflects a \$6.4 million carry forward, but does not reflect an additional \$6,309,439 in federal funds.)	\$24,374,590	\$2,880,000	Formative assessment for students in grades 3 through 8 at \$9 for 320,000 students
Professional Development:			
Accelerated Schools Project	\$125,000	\$75,000	To expand number of underperforming schools served.
Professional Development on Standards	\$4,413,485	\$2,586,515	To expand professional development efforts in content areas (ELA, Math, Science and Social Studies)
Centers of Excellence	\$721,101	\$13,624	To provide an additional Center that will focus on colleges and universities working to assist the State's low-performing schools and districts in the area of reading at the middle and high school level
Geographic Alliance	\$184,508	\$22,879	To expand professional development services in geography to teachers.
Palmetto Gold and Silver	\$3,000,000	\$2,000,000	To increase the amount schools receive for exemplary performance.
Technical Assistance: (\$46,413,615			See Below
External Review Teams	\$586,800	(\$586,800)	
Retraining Grants	\$5,565,000	(\$5,565,000)	
Homework Centers	\$6,810,000	(\$6,810,000)	
Teacher Specialists	\$15,087,776	(\$15,087,776)	
Principal Specialists	\$2,278,799	(\$2,278,799)	
Alternative Technical Assistance	\$4,000,000	(\$4,000,000)	
Assistance to Below Average Schools	\$10,810,000	(\$10,810,000)	
Principal Leaders	\$1,275,240	(\$1,275,240)	

EOC Objectives	FY2005-06 Budget	EOC Recommended EIA Increases or Decreases for FY07	Explanation
Technical Assistance: (\$66,022,638			
Alternative Technical Assistance		\$2,410,000	Maintain current alternative technical assistance programs.
Technical Assistance to Below Average and Unsatisfactory Schools		\$45,600,000	A minimum of \$75,000 would be allocated to each school with an absolute rating of Below Average (222) and a minimum of \$250,000 to each school with an absolute rating of Unsatisfactory (65). Additional funds would be allocated based upon the enrollment of the school. The funds would be used for professional development, supplemental health services, tutoring, instructional materials, etc., as reflected in each school's renewal plan. The renewal plans must be consistent with the alternative research-based technical assistance criteria as jointly adopted by the EOC and SDE as well as must include progress benchmarks. In addition, the school renewal plans must be approved by SDE and the State Board of Education. In calculating the cost of the technical assistance services, an average of \$100,000 per Below Average school and \$360,000 per Unsatisfactory school were used.
External Review Teams		\$799,010	65 external review teams at \$11,750 per team and \$35,260 for training. The review teams would also make follow-up visits to the schools to determine the progress of the schools.
Health Initiative with DHEC		\$3,000,000	Each school with an absolute rating of Unsatisfactory would be served with an extensive health initiative to address the health and dental needs of students with provision of services as needed.
Early Childhood Initiatives in Unsatisfactory Districts		\$1,090,328	Four school districts that had an absolute rating of Unsatisfactory on the 2005 school report card would receive funding for expanded early childhood initiatives. Districts could use the funds for transportation as well as expanded early childhood opportunities. Cost estimates are based on the average daily membership in kindergarten in these districts during the prior school year plus a ten percent increase for potential enrollment growth. (\$1,867 for 584 children).

EOC Objectives	FY2005-06 Budget	EOC Recommended EIA Increases or Decrease for FY07	Explanation
Community Grant Program		\$300,000	Provide \$3,000 grants to assist communities in developing or expanding non-profit organizations that address community education and health and social service needs such as mentoring clubs, afterschool clubs, etc.
Recruitment and Retention of Teachers		\$6,663,300	There are 6,750 teachers in schools with an absolute rating of Unsatisfactory or Below Average. In these schools, only 47% of the teachers have an Advanced Degree. These funds would be used to pay certificated teachers having an advanced degree and teaching in a school with an absolute rating of Unsatisfactory or Below Average an extra \$2,000 for teaching one year. If the teacher teaches in the same school for a second year, the teacher would receive a \$3,000 bonus. For three or more years in the same school, the teacher would be paid \$5,000 per year even if the school's absolute performance rating increases to Average or better. (Assume 5% increase in number of teachers with an Advanced Degree teaching in these schools)
			Proviso--To require Center for Educator Recruitment and Retention to work with districts rated Unsatisfactory and Below Average to provide shared recruitment initiatives aimed at recruiting and retaining quality teachers for these schools.
Young Adult Education	\$1,600,000	\$1,600,000	Expand efforts in communities where schools are underperforming
Department of Education -- Technical Assistance Services		\$4,560,000	These funds would be used by SDE to assist schools with an absolute rating of Below Average or Unsatisfactory in devising, evaluating, and implementing school renewal plans.
Objective 3: Promote changes in policies that rapidly advance improvements in student achievement:			
Gifted and Talented Program	\$29,497,533	\$27,404,938	Fully fund Gifted and Talented Program while also increasing the percentage going to Artistically Gifted and Talented students from 10% to 15%
	\$0	\$400,000	SDE: G&T Endorsement Program
Institute of Reading -- Middle Grades	\$1,312,874	\$1,650,000	SDE requested to improve reading skills in middle grades
Vocational Certification Exams	\$0	\$1,000,000	Like AP exams, these funds would help defray costs of certification tests and increase number of certified instructors which is an objective of the EEDA

EOC Objectives	FY2005-06 Budget	EOC Recommended EIA Increases or Decreases for FY07	Explanation
OTHER:			
Parent/Family Literacy Program		\$172,202	To provide a minimum grant of \$35,000 for each district to implement a comprehensive parenting/family literacy program
Service Learning Engagement	\$65,000	(\$20,000)	Requested decrease by CHE. Initial start up costs have been incurred.
State Agency Teacher Pay	\$0	\$612,082	Request by agencies to maintain salaries at average teacher salary for the state.
Department of Disabilities and Special Needs	763,653	(\$60,000)	Request by agency
Teacher Grant Program	\$1,287,044	(\$1,287,044)	This program was evaluated in the December 2005 issue of <u>What is the Penny Buying for South Carolina?</u> There was no evidence given that the program had a positive and statistically significant impact on student academic achievement.
Office of First Steps	\$2,000,000	(\$2,000,000)	Fund with non-EIA revenues
Instructional Materials	\$12,278,783	(\$12,278,783)	Fund with non-EIA revenues
Credits High Schools Diploma	\$23,632,801	(\$23,632,801)	Fund with non-EIA revenues
Teacher Salaries & Employer Contributions		(\$5,662,326)	Maintain teacher salaries at \$43,991 or \$300 above the Southeastern average. There is a reduction due to full funding of the EFA and bonus compensation
Subtotal Increases:		\$39,483,190	
Available Recurring Revenue Growth:		<u>\$39,483,190</u>	
Balance:		\$0	

- Significantly more teachers with emergency or provisional certificates and fewer teachers with advanced degrees;
- Greater teacher turnover;
- Teachers, on average, paid \$3,570 less in salaries than teachers employed in schools with an absolute rating of Excellent;
- Lower student attendance rates; and
- Lower prime instructional time.

To address these issues, the EOC proposes the following intervention strategies which target the teachers, students, parents, schools and communities.

1. **Teachers** – To address teacher retention and teacher quality, the recommendation is to provide teachers having an advanced degree and teaching in a school with an absolute rating of Unsatisfactory or Below Average a \$2,000 increase in salary for teaching in the school one year; \$3,000 for teaching the second year in the same school; and \$5,000 for the third and all subsequent years in the same school.
2. **Students** -Working with DHEC all students in schools with an absolute rating of Unsatisfactory would receive extensive health and dental screenings along with the provision of services as needed. Each district with an absolute rating of Unsatisfactory would receive additional funding for early childhood initiatives which would include funds for transportation.
3. **Parents** – The EOC recommends an increase in funding for Young Adult Education of \$1.6 million with the Department of Education targeting parents who do not have a high school diploma or GED and who have children enrolled in underperforming schools.
4. **Schools** -- Each school with an absolute rating of Unsatisfactory would continue to receive an external review team evaluation. Upon completion of the external review team evaluation, the school would submit a school renewal plan that incorporates the research-based alternative assistance criteria approved by the Department of Education and the Education Oversight Committee. Upon approval of the school renewal plan by the Department and by the State Board of Education, the school would receive a minimum allocation of \$250,000. Additional funds would be allocated based upon the enrollment of the school. The school could expend the funds only on activities expressly outlined in the school renewal plan. The Department would assist the school in brokering for any additional technical assistance personnel as needed. Most importantly, the EOC would recommend that this allocation be maintained for at least three years in order to give the school adequate resources and time to make structural and institutional changes. Additional funds equal to ten percent of the grant are allocated to the Department of Education for assisting these schools in designing and implementing school renewal plans, in brokering technical assistance

personnel and in monitoring expenditures and improvement in student achievement.

5. **Communities** -- To build local capacity and support for public schools, a grant program would be established in the Department of Education. The program would provide up to \$3,000 in start-up or expansion funds to non-profit organizations that address the education, health and/or social services needs of local communities. Such services would include but are not limited to mentoring clubs, tutoring clubs, after school clubs, etc. The grant funds could be expended on such expenses as legal fees for developing non-profit organizations, for purchasing supplies and materials, and for supporting specialized programs.

Below Average – Of the 222 Below Average schools, only fifty-one had never received a rating lower than Average on the annual school report card. These 222 schools have 15.7% of the student enrollment of the entire state.

For these schools the EOC proposes a similar approach to technical assistance.

The school would submit a school renewal plan that incorporates the research-based alternative assistance criteria approved by the Department of Education and the Education Oversight Committee. Upon approval of the school renewal plan by the Department and by the State Board of Education, the school would receive a minimum allocation of \$75,000. Additional funds would be allocated based upon the enrollment of the school. The school could expend the funds only on activities expressly outlined in the school renewal plan. The Department would assist the school in brokering for any additional technical assistance personnel as needed. Most importantly, the EOC would recommend that this allocation be maintained for at least three years in order to give the school adequate resources and time to make structural and institutional changes. Again, additional funds equal to ten percent of the grant are allocated to the Department of Education for assisting these schools in designing and implementing school renewal plans, in brokering technical assistance personnel and in monitoring expenditures and improvement in student achievement.

ALL Schools and Students– The 2005 school and district ratings reveal that all students and schools in South Carolina need additional resources to improve academic achievement by all students. The ratings reveal that only 57 schools in our state elevated their absolute ratings. Another 675 remained the same, but 354 received lower ratings. The lower ratings are reflective of student performance on PACT and HSAP. Seventy-five percent of students in grades three through eight scored Basic or above on English Language Arts. Similarly, 76% of students scored Basic or above on math. On the other hand, only 60% of students scored Basic or above on Science and 68% on Social Studies. Approximately, one-third of students scored Proficient or Advanced on ELA and Math. Comparatively, only 26% of students scored Proficient or Advanced on Science and 27% on Social Studies. At the high school level, in 2005 72% of tenth grade students passed both sections of the High School Assessment Program Test (HSAP) on the first attempt as compared to 76% in the prior school year.

To reward schools making significant progress and to provide additional resources for schools to have all students performing at high standards of learning, the EOC proposes the following:

For Students:

- Full funding of the Gifted and Talented Program at \$56.9 million along with funding of Gifted and Talented Endorsement programs at the state's colleges and universities;
- Funding for vocational education exams which will allow more students to be certified in a vocation;

For Teachers:

- Increasing professional development funding from \$4.4 million to \$7.0 million;
- Increased funding for the Institute of Reading in the middle grades;
- Maintaining the average teacher salary at \$43,991 or \$300 above the Southeastern average teacher salary;

For Schools:

- Full funding of the Education Finance Act (EFA);
- Increasing the Palmetto Gold and Silver Program from \$3.0 million to \$5.0 million;
- Funding for formative assessment for all students in grades 3 through 8 at \$2.9 million;

The complete recommendations for the EIA and EAA and provisos are in the attached documents.