

**EIA and EAA Budget and Proviso Recommendation for FY 2020-21
As Adopted by the Education Oversight Committee
December 9, 2019**

Section 59-6-10 of the Education Accountability Act requires the Education Oversight Committee (EOC) to “review and monitor the implementation and evaluation of the Education Accountability Act and the Education Improvement Act programs and funding” and to “make programmatic and funding recommendations to the General Assembly.” To meet this statutory requirement, the EOC required each EIA-funded program or entity to submit a program and budget report detailing the objectives and outcomes of each program for Fiscal Years 2018-19 and 2019-20 and including any requests for Fiscal Year 2020-21. In addition, entities requesting new EIA funding in Fiscal Year 2020-21 also submitted detailed requests. Additional EIA requests for Fiscal Year 2020-21 totaled \$90,208,256.

The EIA and Improvement Mechanism Subcommittee met on the following dates:

- October 28, 2019: Held public hearing for all entities funded by or requesting EIA revenues
- November 18, 2019: Held public hearing for all entities funded by or requesting EIA revenues and convened to discuss EIA budget priorities and recommendations; convened to discuss EIA budget recommendations.

On November 8, 2019, the Board of Economic Advisors (BEA) issued revenue projections for FY 2020-21. The BEA identified a \$69.5 million increase in EIA funds for FY 2020-21, as well as \$31.2 million in surplus EIA revenues for the current fiscal year. See Table 1.

**Table 1
EIA Revenue Projections**

Fiscal Year 2020-21	
EIA Projection (November 8, 2019)	\$930,273,000
EIA Recurring Base 2019-20	\$860,735,000
Projected EIA Growth	\$69,538,000
Fiscal Year 2019-20	
EIA Projection (November 8, 2019)	\$892,482,200
EIA Recurring Base Appropriation 2019-20	\$861,235,000
Projected EIA Surplus (Non-Recurring)	\$31,247,200

I. EIA Surplus FY 2019-20

For the current Fiscal Year, the EIA surplus is expected to be \$31.2 million. With the request from the South Carolina Department of Education for additional funds for instructional materials and to ensure the instructional materials for schools and teachers are up-to-date and aligned with newly revised academic standards, a recommendation is made to utilize the nonrecurring funds of \$31.2 million for instructional materials with a priority for instructional materials that are evidence-based in grades K-12 English/language arts, grades 9-12 mathematics and grades K-12 social studies. The academic standards for these subjects were adopted in 2015 and 2019, and the materials on the state adopted list have older copyright dates.

II. EIA Projected Growth FY 2020-21

With EIA additional requests totaling \$90,208,256 and available EIA growth of \$69,538,000, the Subcommittee prioritized funding for the following objectives:

- Ensure all students graduate with the world-class knowledge and skills and characteristics of the Profile of the South Carolina Graduate.
- Improve the recruitment and retention of teachers.

Based on these objectives, the following recommendations are being made for consideration.

Objective 1: Ensure all students graduate with the world-class knowledge and skills and characteristics of the Profile of the South Carolina Graduate.

Recommendation 1: Post-secondary Enrollment and Success (E500) \$56,100

According to the Every Student Succeeds Act (ESSA) plan submitted in 2017 by the South Carolina Department of Education, several state goals are related to high school graduate enrollment and success in post-secondary institutions. See attachment A on page 13. In addition, in order for states to keep pace with the demands of a more advanced workforce, the Lumina Foundation recommends at least 65% of the individuals should have a post-secondary education/credential by 2020.¹

Currently, South Carolina uses the College Freshman Report as a means to capture post-secondary enrollment. The report does not have the means to accurately collect all high school graduates progress for in-state and out-of-state post-secondary institutions. The College Freshman Report is outlined below.

Section 59-101-130 of the SC Code of Laws requires high schools to submit:

- The number of high school graduates that entered the freshman class, either in or out of state, for whom the first semester report has been received

¹ <https://www.luminafoundation.org/facts-and-figures>

- A breakdown of all courses passed
- And a breakdown of all courses failed.

Institutions of higher learning in South Carolina submit a report to high schools based on the first semester accomplishments of each freshman.

This information is populated on the school's state report card.

The process outlined above is labor intensive and often does not accurately reflect the high school graduates who enroll in all post-secondary institutions across the nation. In addition, the matriculation of students in an institution, student transfers, and student completion data is not obtained.

The Subcommittee is recommending securing the services of the National Student Clearinghouse for the purpose of providing a clear and accurate picture of every South Carolina high school graduate's enrollment and success in a two/four-year colleges/universities/technical colleges/community colleges (in-state and out-of-state). The National Student Clearinghouse follows the path of students from enrollment to graduation. The National Student Clearinghouse meets FERPA (Family Educational Rights and Privacy Act) compliance. The data, already available at the national level, could be further disaggregated at the state, district and school levels. For an example of a state level document, see attachment B on page 14.

The Office of Revenue and Fiscal Affairs would receive the funds appropriated for these services and serve as the intermediary agency between the South Carolina Department of Education (SCDE) and National Student Clearinghouse.

The implementation of the National Students Clearinghouse would reduce the paperwork in high schools and eliminate the need for Section 59-101-130.

(Note: Cost for the services to the National Student Clearinghouse is reduced each of the first five years.)

Add 1A. (New Proviso) With the funds appropriated to the Revenue and Fiscal Affairs Office, the state will utilize the services of the National Student Clearinghouse to comply with Section 59-18-1950 of the South Carolina Code of Laws. The funds will allow the state as well as all high schools to receive timely and accurate information about the college-going rate and success of South Carolina students who attend postsecondary institutions. The Department of Education will collaborate with the Revenue and Fiscal Affairs Office to facilitate the exchange and safeguarding of data.

Recommendation 2: Regional Computer Science Specialists \$568,000

In 2017, the state adopted computer science and digital literacy standards for grades K-8, and in 2018 the state adopted computer science standards for grades 9-12. The SCDE is currently offering training on the grade K-5 standards in a blended model with both face-to-face and virtual training.

In order to implement the grades 6-12 computer science standards, the SDE is requesting funds for four regional positions as computer science specialists whose role will be to assist schools/districts with the implementation of these standards. A total of \$568,000 is requested which includes \$320,000 for salaries, \$128,000 for fringe and \$120,000 for travel and supplies.

The Department request is attachment C on page 15.

Recommendation 3: Professional Learning for Computer Science \$700,000

The SCDE is requiring funding to support the implementation of grade 6-12 Computer Science Standards. Professional development will be provided in the specific areas of algorithms, coding, programming, networking, cyber security and other pertinent topics related to computer science instruction. Of the funds requested, \$200,000 would be used for education certification.

The Department request is attachment D on page 17.

Recommendation 4: Charter School Funding \$5,532,200

Based on projected weighted pupil units (WPU) for 2019-20, \$126 million was appropriated to the two charter school districts in South Carolina. For the actual 5-day count for 2019-20 obtained from each charter district, the charter schools would be eligible for approximately \$118,512,649.80 based on the WPU of 36,762.02. The difference between what was appropriated for 2019-20 and the actual WPU for 2019-20 is \$8,000,000.

The requests for charter schools for FY2020-21 is \$163,946,039 which represents a \$45,433,390 increase of which \$25,773,574 is for growth of new students.

Estimating the number of students can be difficult, especially with schools expecting to open but close, the transitory nature of some students and new school openings. However, a process should be developed that more closely estimates the realistic number of students so that the state can make available the appropriate funds for students attending the charter schools across South Carolina without excessive funds in surplus.

In the future, one option would be for each district to outline projections for the new year by school with a rationale and submit to the EOC as part of their program review report. In addition, a percentage could be used to estimate the number of new students based on patterns in the past.

For 2020-21, it is recommended that a 5% increase in WPU be used to allocate funds to the charter schools. This increase equates to 1,797 additional WPUs in the amount of \$5,460,000 new funds. (The increase in funding is based on the current percentage of students in brick/mortar and virtual.) It is further recommended that the 45-day count for Fiscal Year 2019-20 be secured for both charter districts to adjust the projected enrollment, up or down, for 2020-21. It is estimated that there would be \$17 million in previously allocated funds to charter schools as a surplus should either district need to draw funds based on WPUs for Fiscal Years 2019-20 or 2020-21.

Note: For schools requesting to move from one charter district to the other, the funding would follow the students in the schools to the new district.

Recommendation 5: Partnerships for Innovation **\$7,000,000**

The Department is requesting \$7,000,000 to award innovative grants to school districts and/or to commercial vendors with innovative ideas to support and assist student performance.

It is also recommended that the proviso be amended to ensure each grant awarded is evaluated annually by an independent party and that the results be shared in a report as to its effectiveness/impact on student performance with the General Assembly, the Governor and the EOC. If the Department chooses, a part of each grant awarded can be used for the evaluation.

Amend Proviso 1A. 67. accordingly:

1A.67. (SDE-EIA: Grants Committee) Of the funds appropriated to the Department of Education for Innovation Grants, the grants committee, ~~in Fiscal Year 2019-20, shall give priority to funding projects funded by the Education Oversight Committee Partnerships of Innovation in the prior fiscal year while keeping with its established criteria. Additionally, the committee~~ shall accept applications per the established process for new grantees not to exceed the amount appropriated by the General Assembly.

The Superintendent of Education is directed to appoint an independent grants committee to develop the process for awarding the grants or directly purchasing services. The committee members shall serve four year terms. The process shall include the application procedure, selection process, and matching grant formula if applicable. The grants committee must be comprised of seven members, three members selected from the education community and four members selected from the business community. The chairman of the committee shall be selected by the

committee members at the first meeting of the committee. The suggested criteria for awarding the grants to schools or school districts or directly purchasing services must include, but are not limited to:

- (1) a demonstrated ability to meet the match throughout the granting period;
- (2) a demonstrated ability to implement the initiative or model as set forth in the application;
- (3) identification of key measurable benchmarks in the education continuum that must be improved to raise student achievement and ensure all students graduate college, career and civic ready;
- (4) a demonstrated ability to be both replicable and scalable with priority given to those projects that focus on applied learning opportunities and experiences, especially in the STEM or STEAM fields;
- (5) blended and personalized learning focused on content mastery and experiential learning; and
- (6) innovative strategies to close student achievement gaps, with a focus on below average and unsatisfactory schools.

No matching amount will exceed more than seventy percent of the grant request or be less than ten percent of the request. The required match may be met by funds or by in-kind donations, such as technology, to be further defined by the grants committee. Public school districts and schools that have high poverty and low achievement will receive priority for grants when their applications are judged to meet the criteria established for the grant program. ~~The committee shall submit an annual report to the Governor, the Chairman of House Ways and Means and the Chairman of Senate Finance by June 30, 2020.~~

Grantees and service providers will be required to participate in an external, independent evaluation as prescribed by the committee and agreed upon in the application and award process. The evaluation must identify the impact and effectiveness of the initiative to include where applicable the impact on student performance or student outcomes. The evaluation must be provided to the General Assembly, to the Governor and to the Education Oversight Committee by June 30 annually.

Recommendation 6: Partnerships: Arts Curricular **\$500,000**

The S.C. Arts Commission currently serves 85 sites and 171,000 students across South Carolina. The Commission is requesting funds to expand the number of grant opportunities to schools to expand the arts as part of its curriculum.

Recommendation 7: Center for Educational Partnerships **\$437,500**

The Center is requesting funds to expand its Carolina TIP program, which mentors induction (first-year) teachers. Last year, 100% of the teachers who started the program returned to their classrooms. The Center is developing a model of tiered support for teachers as well as Carolina Coaching for teacher support.

The funds requested are to expand the teacher support to include all of the USC teacher graduates in five surrounding districts and to add three high needs districts.

It is recommended the Center be allocated funds to expand this program.

Recommendation 8: Industry Certifications

In fiscal year 2019-20, \$550,000 was allocated in EIA funds for industry credentials. The Department allocated another \$2,450,000 from savings from the EIA assessment line item. Districts are allotted \$10,000 for industry certifications with the remaining funds allocated based on the number of completers the previous year.

In order to know the needs of districts, it is recommended for districts to submit to the department by student, the name of the assessment(s) and the cost for each assessment at the end of each school year. This data would not serve only to support the needs for sufficient funding for schools but also provides a more transparent picture of specific industry certifications students obtain.

Recommendation 9: Reach Out and Read

\$750,000

Reach Out and Read would like to pilot a team-based approach to the medical home model with co-located and partner organizations, such as Healthy Steps and others. Multiple opportunities for intervention would amplify the impact of Reach Out and Read and the touch point of the well-child visit in early childhood development and parental skill-building and support.

Recommendation 10: Artificial Intelligence

\$1,500,000

The Subcommittee is recommending initiating the development of an artificial intelligence curriculum for high school students. Southern Regional Education Board (SREB) has expressed an interest in working with SC in developing a curriculum to include lesson plans, assessment, training and equipment. Sites in SC would be identified to implement the curriculum during this pilot period. The final product would be a 2-3 year long program and is intended to be an addition as a career completer pathway for students.

Recommendation 11: Innovation Grants

\$49,382,633

The Subcommittee recommended the balance of the EIA monies be used to establish a competitive grants program to recognize and reward innovation in schools. Modeled after programs like the Innovation Fund Foundation in Georgia, priority

should be given to schools and districts who serve children in high poverty. Practices in these Identified models of innovation, which could help advance quality and equity in all SC schools, should be communicated out widely for the purpose of bringing up the education status of all students.

Objective 2: Improve the recruitment and retention of teachers

From the most recent teacher recruitment and retention data available from CERRA, South Carolina continues to show a gap in the number of teaching vacancies across South Carolina². The number of teachers completing a teacher education program in South Carolina continues to decline with only 1,642 teachers completing a teacher education program representing 25% fewer teachers completing a program over the past five years. Teachers who left their position and are no longer teaching in any school in South Carolina increased to 5,341, which represents a 30% increase over the past five years. Finally, the number of first year teachers who left the profession increased to 690 teachers representing a 30% increase over the past five years.

South Carolina schools are struggling to find teachers to fill classroom vacancies and across the country over 100,000 classrooms go unfilled each year. Research shows teacher turnover affects student achievement, school climate and the effectiveness of professional learning opportunities. Teachers report job dissatisfaction is related to: lack of administrative support, disinterest in teaching as a career, and with working conditions. However, the data suggests teachers who are compensated well, are well prepared in their teacher education programs and feel supported by their administration are more likely to continue teaching.³

Recommendation 12: Increase Compensation for Teachers

A. Increase teacher salaries

The South Carolina Department of Education has requested that teacher salaries be increased by 5 percent in Fiscal Year 2020-21 using general fund revenues. States throughout the Southeast are also focusing on increasing the minimum starting salary as well as increasing all teachers by a specific dollar amount. Last year the state of Georgia funded \$3,000 per teacher increases.

How the General Assembly decides to increase teacher salaries, the EOC recognizes that the starting salary and the average teacher salary for teachers in South Carolina

² <https://www.cerra.org/supply-and-demand.html>

³ Carver-Thomas, D., & Darling-Hammond, L. (2017). *Teacher turnover: Why it matters and what we can do about it*. Palo Alto, CA: Learning Policy Institute.

must be increased to stay competitive with the region. Revenue and Fiscal Affairs projects the average teacher salary for the Southeast to be \$54,165 in Fiscal Year 2020-21. The average teacher salary in South Carolina in school year 2018-19 was \$50,882. Assuming that teachers in the state have the same educational degrees and years of experience in the current fiscal year as in the prior, one can estimate that the South Carolina average teacher salary for the current fiscal year will be approximately \$52,917.

Fiscal Year	Southeastern Average Teacher Salary *	% Increase	SC Actual Average Teacher Salary	% Increase	Difference in SC Actual versus SE Average	% Above or Below SE Average
2013-14	\$48,289		\$48,430		\$141	0.3%
2014-15	\$48,985	1.4%	\$48,561	0.3%	(\$424)	-0.9%
2015-16	\$49,363	0.8%	\$48,769	0.4%	(\$594)	-1.2%
2016-17	\$50,119	1.5%	\$50,050	2.6%	(\$69)	-0.1%
2017-18	\$50,750	1.3%	\$50,182	0.3%	(\$568)	-1.1%
2018-19	\$51,854	2.2%	\$50,882	1.4%	(\$972)	-1.9%
2019-20	\$53,207	2.6%				
2020-21	\$54,165	1.8%				

* Source: SC Revenue and Fiscal Affairs Office, August 23, 2019 letter to State Superintendent of Education. The numbers for FY2014, FY2015, FY2016 and FY2017 updated through August 2018. FY2018 numbers were updated in July of 2019. FY2019, FY2020 and FY2021 numbers are estimates last updated in August of 2019.

B. Other Agencies' Teacher Salary

\$1,022,067

The recommended increases will allow the special schools to increase salaries of instructional staff by the same percentage as provided by the local school districts in which the special school resides and to increase salaries of instructional personnel by 5%, in the event teacher salaries are increased by 5%.

Recommendation 13: Support for ProTeam/Teacher Cadet and Expansion of Teaching Fellows

\$1,840,000

In order to encourage and attract quality high school graduates to the teaching profession the Subcommittee concurs with CERRA's recommendation of \$1 million for: 15 additional Teaching Fellows, support for ProTeam (middle school program) and Teacher Cadet (high school program). In addition, the Subcommittee recommends an additional \$840,000 to increase the number of Teaching Fellows to a total of 250 per year.

Currently, CERRA awards 200 Teaching Fellows per year to high school graduates interested in becoming a teacher. Approximately 1,000 applications are received by CERRA each year for teaching fellows with 500 students being offered an interview. About 400 high school graduates are deemed eligible for Teaching Fellows with only 200 being awarded.

Based on data from the 2000-2004 Teaching Fellows cohorts, 77.7% of the Fellows graduated in the program. Seventy-one percent of the Fellows are employed in South Carolina school districts. Nine-two percent of the Fellows' graduates have either satisfied their loan to CERRA or are currently teaching for loan forgiveness in South Carolina.

(Note: Applications are expected to increase in 2020-21, as Clemson University will be added as a host Teaching Fellows site.)

Recommendation 14: South Carolina Teacher Working Conditions Survey

\$250,000

Increasing the number of teachers entering the teaching profession is one strategy for reducing the teacher shortage. However, simultaneously addressing the problem of teacher turnover is equally as critical to providing teachers for all of our schools. Research on teacher retention indicates teachers cite working conditions as the number one reason for leaving the teaching profession⁴. A growing body of research suggests working conditions for teachers influence the quality of teaching, teacher retention and school improvement⁵.

Currently, teachers can participate, annually, in an optional teacher climate survey online. This survey originated in 1985 as part of the 1984 Education Improvement Act. The survey focuses on six indicators of effectiveness: positive school climate, instructional leadership of principals, emphasis on academic, high expectations for students, frequent monitoring of students' success and positive home/school relations. The results of this survey are reported on the school report card by three categories: percent satisfied with the learning environment, percent satisfied with the social and physical environment, and percent satisfied with home/school relations.

The Subcommittee recommends the utilization of a new Teacher Working Conditions Survey either adopted or adapted from the North Carolina Teaching, Empowering,

⁴ Podolsky, A., Kini, T., Bishop, J., & Darling-Hammond, L. (2016) Solving the Teacher Shortage. Palo Alto, CA: Learning Policy Institute

⁵ Johnson, S.N., Berg, J.H., Donaldson, M.L. (2005) Who stays in teaching and why: A review of the literature on teacher retention. Cambridge, MA: Harvard School of Education.

Leading and Learning survey (TELL). Multiple states, including Colorado, Kentucky, Maryland, North Carolina, and Oregon, are now using TELL as part of their strategy to learn more about what should be done to retain teachers from a state policy perspective as well as a district/school policy. A South Carolina Teacher Working Conditions Survey would provide a voice for all teachers in the following areas:

- Community support and involvement
- Teacher leadership
- School leadership
- Managing student conduct
- Use of time
- Professional development
- Facilities and resources
- Instructional practices and support
- New teacher support

The South Carolina Teacher Working Conditions Survey would be assigned to CERRA to secure services for the development and/or administration of the survey. The results would be reported at the state, district and school level. Minimum thresholds for teacher participation at the school level would need to be identified as well as the minimum number of teachers at a school/grade level so as not to be able identify a specific teacher. All teacher responses would be anonymous.

An example of a North Carolina teacher survey document showing district level teacher responses in aggregate is shown in attachment E on page 19.

Note: A working conditions survey similar to the proposed survey above is also referenced in S.419/H.4759, section 59-25-52.

Additional Considerations

Consideration 1: Program Reviews

Many of the EIA programs currently funded do not provide the detailed data needed to ensure the programs are working for the purpose stated. In order to know the effectiveness/impact an EIA program has, it is recommended that each program review include a detailed data review of its effectiveness/impact. It is also recommended the program review timeline be amended for the program reviews to be submitted to the EOC no later than August 1, so the staff has the time to assess each EIA application

Consideration 2: Professional Development /Learning

Research suggests professional development/learning initiatives undertaken often are ineffective in supporting changes in teachers' practices and student learning. Through its research, Learning Policy Institute has identified features of effective research.

- Is content focused
- Incorporates active learning
- Supports collaboration
- Uses models for effective practices
- Provides coaching and peer support
- Offers feedback and reflection
- Is of sustained duration⁶

Effective professional development/learning can support teachers in their quest to improve student achievement as well as developing their own teacher efficacy. The design and implementation of professional development models that are likely to be effective include the features listed above.

For many of the professional development/learning items in the EIA program reports, the opportunities for sustained, deep teacher learning are not evident. Often, the opportunity is for a one-day event. It is recommended that for all EIA programs with a professional learning component the features listed above should be considered in the professional learning design and detailed in the program review submitted.

Consideration 3: Working with High Poverty Schools

With over 900 million dollars in EIA funds and in a state with the average poverty rating at 62%, the EOC should ensure EIA funds substantially impact high poverty districts for developing teacher capacity and increased student performance. Some of the EIA programs funded state they work with poverty districts; however, the districts listed do not appear to be high poverty. There are ample numbers of opportunities to work with schools across South Carolina with high concentrations of poverty. Let's take advantage of this opportunity.

(Note: 44% of districts have a concentrated poverty rate of 75% or better)

⁶ <https://learningpolicyinstitute.org/product/effective-teacher-professional-development-factsheet>