



## **EIA and EAA Budget and Proviso Recommendations Fiscal Year 2019-20**

**As Adopted by the Education Oversight Committee on December 10, 2018**

**(All references to provisos refer to the renumbered base for Fiscal Year 2019-20)**

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 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 2017-18 and 2018-19, and including any requests for increased funding or for proviso changes for Fiscal Year 2019-20. Initial EIA requests for Fiscal Year 2019-20 totaled **\$191,333,828**. The original request by the South Carolina Department of Education (SCDE) to increase teacher salaries by five percent accounted for \$154,561,555 of the total amount of these increases.

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

- October 29, 2018: Held all-day public hearing for all entities funded by or requesting EIA revenues
- November 26, 2018: Convened to discuss EIA budget recommendations.

On November 8, 2018 the Board of Economic Advisors (BEA) issued its first official revenue projections for Fiscal Year 2019-20. The BEA identified a **\$16.2 million** increase in new EIA revenues for FY 2019-20. There will not be any surplus EIA revenues for the current fiscal year (Table 1).

**Table 1  
EIA Revenue Projections**

<b>Fiscal Year 2019-20</b>	
Preliminary Estimate ( <i>August 22, 2018</i> )	\$870,786,000
First Official EIA Projection ( <i>November 8, 2018</i> )	\$853,129,000
EIA <i>Recurring</i> Base Appropriation 2018-19*	<u>\$836,887,000</u>
Projected EIA Growth	<b>\$16,242,000</b>
<b>Fiscal Year 2018-19</b>	
Preliminary Estimate ( <i>August 22, 2018</i> )	\$837,341,100
First Official EIA Projection ( <i>November 8, 2018</i> )	\$828,458,000
EIA <i>Recurring</i> Base Appropriation 2018-19*	<u>\$836,887,000</u>
Projected EIA Surplus	<b>(\$8,429,000)</b>

\*Gubernatorial veto of \$100,000 was sustained.

The Revenue and Fiscal Affairs Office explained the current year's EIA revenue shortfall as the result of two factors:

- (1) While total general fund revenues experienced a surplus in Fiscal Year 2017-18, the sales tax component fell short of the estimate by about \$7 million. Similarly, EIA revenues fell short last fiscal year by \$5.2 million. Therefore, a lower base was used to project EIA revenues for Fiscal Year 2018-19.
- (2) In addition, the EIA still receives a portion of the old \$300 sales tax cap on cars whereas the General Fund does not receive any car tax cap money as it has been redirected to the Department of Revenue for roads. Therefore, when forecasting EIA revenues, the Revenue and Fiscal Affairs Offices uses a separate calculation for revenue from the sales tax cap on cars and that estimate was lowered because of an expected decline in car sales.

The EOC recommends that the following three EIA line items be increased:

**SC Public Charter Schools (\$15,404,235)**

Currently, one in eight dollars generated by the EIA are appropriated for the operation of the public charter schools. In addition, growth in the number of students attending charter schools and the number of new charter schools scheduled to open in school year 2019-20 essentially absorb the entire growth projected for the EIA in Fiscal Year 2019-20. The recommended increase of \$15.4 million is for projected student enrollment growth at the existing charter schools under the South Carolina Public Charter School District and the Erskine Charter Institute. The increase does not reflect any increase in the per pupil funding. In addition, the South Carolina

Public Charter School District anticipates three new schools operating in school year 2019-20, and the Erskine Charter Institute projects four new schools operating in school year 2019-20.

	Increase FY2019-20
SC Public Charter School District	\$6,623,173
Erskine Charter Institute	\$8,781,062
<b>TOTAL:</b>	<b>\$15,404,235</b>

**Teacher Salary Supplement Line Items (\$417,544)**

The recommended increase will allow the special schools to increase salaries of instructional personnel by the same percentage as provided for in the local school districts in which the special schools reside and to increase salaries of instructional personnel by two percent, in the event that teacher salaries are increased by 2 percent.

Governor's School for Arts & Humanities	\$101,929
Wil Lou Gray Opportunity School	\$27,340
SC School for Deaf & Blind	\$189,295
Disabilities & Special Needs	(\$60,000)
Clemson Agriculture Teachers	\$55,780
Governor's School for Science & Math	\$103,200

**Industry Certifications/Credentials (\$420,221)**

In Fiscal Year 2018-19 the General Assembly appropriated \$3.0 million for industry certifications, \$550,000 in recurring funds and \$2,450,000 in non-recurring funds. The recommendation is to annualize funding to pay for the national industry credentials, which is a total of **\$2,450,000**. The EOC recommends \$420,221 in recurring EIA revenues and \$2,029,779 in other revenues, which could be recurring or non-recurring.

The EOC also identified additional public education funding needs and four provisos for consideration by the Governor and General Assembly that focus on two objectives:

## Objective 1: Ensure all students graduate with the world-class knowledge, skills and characteristics to be college and/or career ready.

### Computer Science (CS)

The Code.org Advocacy Coalition released the *2018 State of Computer Science Education – Policy and Implementation*, a “status of computer science education policy across the nation and a first look at school-by-school data on the availability of computer science in high schools.”<sup>1</sup> The report noted that only 35% of high schools in the United States teach computer science with Black and Hispanic students, students in poverty and students from rural areas less likely to attend a school that provides computer science. The Code.org Advocacy Coalition has recommended nine policies to make computer science fundamental and accessibility to all students in a state.

One of the nine specific policies is to “allocate funding for rigorous computer science teacher professional learning and course support.” Currently nineteen states provide such funding including the states of Alabama, Arkansas, Georgia, North Carolina, Maryland and Virginia in the Southern Regional Education Board (SREB) region. South Carolina, to date, has not provided funding. The next two recommendations focus on state funding of computer science.

#### **SC Department of Education - Professional Development (\$750,000)**

SCDE requested a \$2 million increase for professional development to provide training to teachers regarding the new Grades 9-12 Computer Science Standards and to educators in school safety planning. The basis for the \$2 million request was not provided.

#### **Computer Science 4 South Carolina (\$300,000 in non-recurring funds)**

CS4SC is a partnership among the University of South Carolina, the Citadel and Lexington School District One. The CS4SC Initiative is a professional development program that establishes a statewide regional network to support teachers in the instruction and understanding of computer science, computational thinking and problem solving. Primary goals of the initiative are to:

- Increase access to CS training
- Establish a baseline understanding of CS concepts
- Expand CS outreach across SC
- Provide CS mentoring and coaching and
- Establish regional network for collaboration

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<sup>1</sup> 2018 State of Computer Science Education – Policy and Implementation. [https://code.org/files/2018\\_state\\_of\\_cs.pdf](https://code.org/files/2018_state_of_cs.pdf)

- Provide resources for CS instruction
- Support industry pipeline through awareness.

There are three methods CS4SC will use to address the high demand for training: (1) workshops to prepare teachers for High School Computer Science standards; (2) coaching to establish professional networks within their regions; and (3) resources to provide classroom sets of educational robotics and physical computing devices.

CS4SC requests EIA funding to replace Code.org funding that is no longer available. Fully implemented, the initiative’s budget is \$930,000. However, an initial pilot to provide proof of concept would cost \$300,000. Currently, SCDE focuses on promulgation of computer standards and Computer Science 4 SC focuses on computing and engineering and is also beginning to address information technology.

Salary/Benefits		Expenses	
CS4SC Director	\$75,000	Resources/Materials	\$20,000
Fringe	\$27,000	Travel	\$41,400
Regional Coach	\$60,000	Consultant Fees	\$15,000
Fringe	<u>\$21,600</u>	Facilities	<u>\$40,000</u>
Subtotal	\$183,600	Subtotal	\$116,400

Should future Board of Economic (BEA) revenue projections identify additional EIA revenues, the EOC recommends the following:

**Additional:**

**Arts Curricula (H910) (\$250,000)**

The SC Arts Commission requested an increase of \$500,000. The EOC recommends an increase of \$250,000 to fund new grants Arts in Basic Curriculum (ABC) Advancement Grants and Arts Education Projects (AEP) Grants in rural schools in South Carolina.

**Provisos:** In addition to Advanced Placement (AP) and International Baccalaureate (IB) Exams to determine “college ready” for purposes of accountability, the EOC approved in October of 2018 the addition of Cambridge International Examinations in high school as a metric for college readiness. The following provisos are recommended to be amended to include Cambridge International Examinations as part of the definition of gifted and talented for high schools under the Education Finance Act (EFA) and as part of the allocation formula for EIA funds for assessment.

**Amend Proviso 1.3.** (SDE: EFA Formula/Base Student Cost Inflation Factor) and the definition of gifted and talented students in high school:

Gifted and talented students are students who are classified as academically or artistically gifted and talented or who are enrolled in Advanced Placement (AP), ~~and~~ International Baccalaureate (IB), and Cambridge International courses in high school. Districts shall set-aside twelve percent of the funds for serving artistically gifted and talented students in grades three through twelve.

**Amend Proviso 1A.26.** to include Cambridge International Assessments

**1A.26.** (SDE-EIA: Assessments-Gifted & Talented, Advanced Placement, & International Baccalaureate Exams) Funds appropriated and/or authorized for assessment shall be used for assessments to determine eligibility of students for gifted and talented programs and for the cost of Advanced Placement, ~~and~~ International Baccalaureate, and Cambridge International exams.

## Objective 2: Recruit and retain teachers who can prepare students to be college and/or career ready.

Nationally, approximately 40 percent of all new teachers leave the classroom within the first five years of employment as compared to all other professions that have a cumulative turnover rate of approximately 17.9 percent.<sup>2</sup> Compounding the national issue is the reduction in the number of individuals pursuing a postsecondary degree in education. Between 2009 and 2014, there has been a 35 percent decline in enrollment in educator preparation programs in the country.<sup>3</sup> Low unemployment rates in the nation make recruitment of individuals into teaching even more challenging as do the following realities:

- In a 2017 survey of 137,456 first-year students at 184 American colleges and universities, 4.6% of students reported “education” as their probable field of study, down from 10.1% in 2003 and 13.3% in 1990.<sup>4</sup>

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<sup>2</sup> Alliance for Excellent Education (AEE). (2014). On the path to equity: Improving the effectiveness of beginning teachers. <https://all4ed.org/wp-content/uploads/2014/07/PathToEquity.pdf>.

Ingersoll, R., Merrill, L., and Stuckey, D. (2014) Seven trends: the transformation of the teaching force. CPRE Research Report #RR-80. Philadelphia, PA: Consortium for Policy Research in Education.

[http://www.cpre.org/sites/default/files/workingpapers/1506\\_7trendsapril2014.pdf](http://www.cpre.org/sites/default/files/workingpapers/1506_7trendsapril2014.pdf).

Darling-Hammond, L. (2001) The challenge of staffing our schools, *Educational Leadership*, 58(8), 1217.

Boushey, H. & Glynn, S.J. (2012). There are significant business costs to replacing employees. Center for American Progress. <https://cdn.americanprogress.org/wp-content/uploads/2012/11/16084443/CostofTurnover0815.pdf>.

<sup>3</sup> Sutchter, L., Darling-Hammond, L., and Carver-Thomas, D. (2016) A Coming Crisis in Teaching? Teacher Supply, Demand, and Shortages in the U.S. [https://learningpolicyinstitute.org/sites/default/files/product-files/A\\_Coming\\_Crisis\\_in\\_Teaching\\_REPORT.pdf](https://learningpolicyinstitute.org/sites/default/files/product-files/A_Coming_Crisis_in_Teaching_REPORT.pdf).

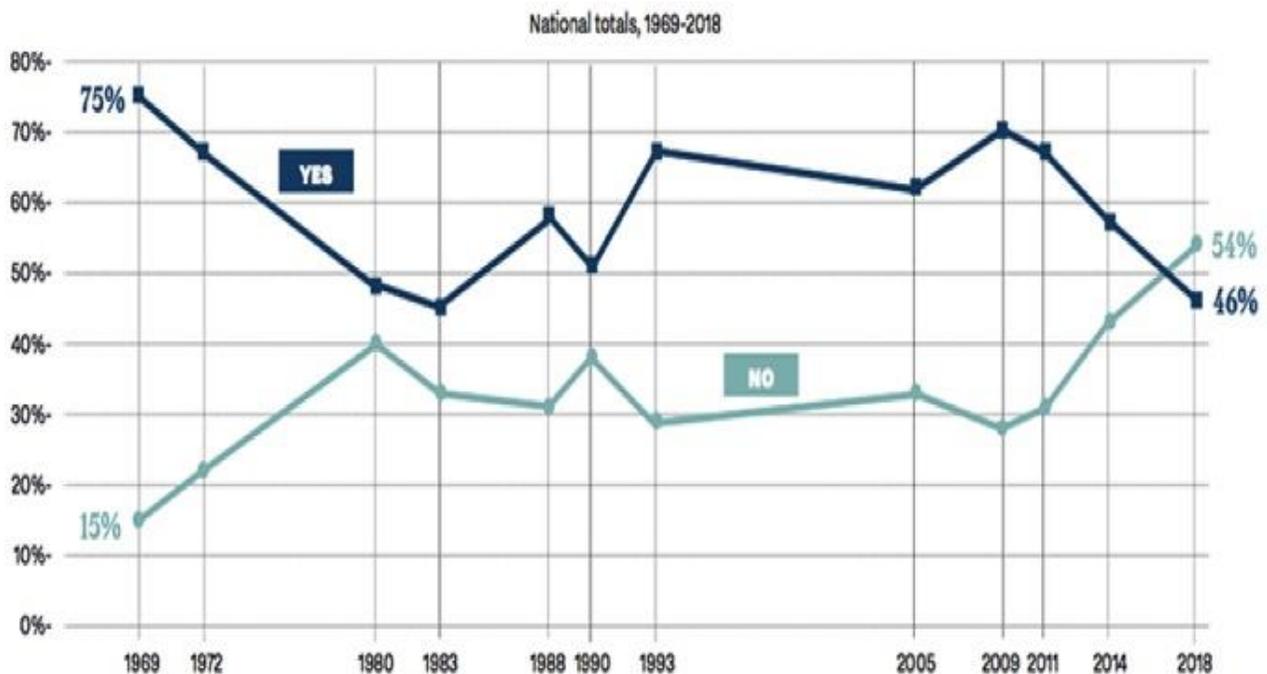
<sup>4</sup> CIRP Freshman Survey, 2016 <https://www.heri.ucla.edu/monographs/TheAmericanFreshman2016.pdf>.

- Due to the rising cost of a college education and corresponding increase in student loan debt, many economists and financial planners are encouraging students and parents to understand the value of their educational investment and return on their investment by looking at earnings information by careers. In a recent study of undergraduates at Rutgers University, researchers found that “labor market information has an impact on students by lowering their earnings expectations, particularly in the typically high paying fields of business, health, and STEM. Many students hold higher-than-realistic views of their potential future earnings in these fields, and viewing national data on earnings and employment served to lower these expectations. . . Students’ optimistic expectations about earnings in these fields may be cause for concerns to the extent that these perception lead students away from other fields that they may prefer and may be more lucrative than they think.”<sup>5</sup> Consequently, as more information on earnings potential is publicized, fewer students may choose education as a career.
- For the first time since the public opinion poll was conducted in 1969, the majority of parents do not want their children to become public school teachers. In 1969 75 percent of parents would have liked for their child to become a teacher. In 2018 46 percent of parents would have liked for their child to become a teacher. As the following chart documents, the sharp increase in the negative perceptions of the profession by parents started in the aftermath of the Great Recession, the first time in our nation’s history when teachers were laid off due to revenue shortfalls.

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<sup>5</sup> Ruder, Alex & Van Noy, Michelle. (2018) Adjusting Expectations: The Impact of Labor Market Information on How Undergraduates View Majors and Careers. Rutgers Education and Employment Research Center.

# Would you like your child to become a teacher?



Gallup produced the PDK polls from 1969 to 2015. Langer Research Associates has produced the PDK poll since 2016, including the 2018 poll.

## PDK poll, 2018

South Carolina mirrors the national statistics. Much of the following data come from the annual teacher supply and demand reports published annually in January by the Center for Educator Recruitment, Retention, and Advancement (CERRA). The following statistics are focused on recruitment (the *pipeline into teaching*) and retention (the *pipeline out of teaching*):

### Pipeline into teaching:

- **4%** of the 2018 graduating class in South Carolina reported education as a career interest when taking The ACT®, down from **5%** in 2017.
- Applicants to the SC Teacher Loan Program are down **40%** over the past 7 years.
- Students completing a traditional SC teacher education program are down **30%** in four years.
- **21%** of newly hired teachers in 2017-18 were graduates from a SC teacher education program, a decline of 25% over the past five years.
- **9%** of newly hired teachers in 2017-18 completed alternative certification.

Pipeline out of teaching:

- **4,900** teachers left positions during or at end of the 2016-17 school year and were no longer teaching in 2017-18.
- Of these 4,900, **35%** had 5 or fewer years of classroom experience, and **12%** had only one year or less.
- At the start of the 2017-18 school year, there were 550 vacant teaching positions, a **16%** increase over the prior school year.

The above statistics would have been even direr if school districts had not employed exchange visitor teachers. As the following table notes, the number of international teachers hired has almost doubled in just three years. The cost of securing an international teacher is approximately \$10,000 that covers the cost of employing the services of a private vendor to recruit, place transition and orient the new teacher.

**Exchange Visitor Teachers with International Certificates in South Carolina**

School Year	# Exchange Visitor Teachers	# Districts Employing Exchange Visitor Teachers	Total Number of Certification Areas*	Number (%) Certifications in non-foreign language areas **
2015-16	430	50	654	477 (73%)
2016-17	546	54	853	619 (73%)
2017-18	822	55	1,160	869 (75%)

Source: SC Department of Education, Office of Educator Services, October 2, 2018

\* A teacher may be certified in multiple content areas; therefore, the total number of certification areas exceeds the number of teachers.

\*\* Excluded are teachers certified in Chinese, English as a Second Language, French, German, Latin and Spanish.

What does the research say about job satisfaction in teaching and other careers that can lead to policies and strategies for improving teacher recruitment and retention in South Carolina?

- Employees who are satisfied with their jobs are less likely to consider leaving. Working conditions that provide support, resources, and opportunities to learn and that encourage autonomy have higher job satisfaction and lower turnover.<sup>6</sup>
- High employee turnover causes a decline in productivity that, in turn, results in added costs to an employer. In education, high teacher turnover rates result in lower morale and

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<sup>6</sup> Laschinger, H.K.S. (2012). Job and career satisfaction and turnover intentions of newly graduated nurses. *Journal of Nursing Management*, 20, 472-484.

lower student achievement, especially in high-poverty schools. “The rate of attrition is roughly 50 percent higher in poor schools than in wealthier ones.”<sup>7</sup>

- There is a strong relationship between job satisfaction and intent to remain in teaching. Teachers with high levels of job satisfaction were influenced by the intrinsic values in teaching (helping students, contributing to society, etc.) and by extrinsic values like salary, vacations, and retirement benefits. In a study of elementary teachers, teachers who did not intend to remain in teaching were motivated to leave solely by extrinsic variables like workload, salary, etc.<sup>8</sup>
- The cost of recruiting a teacher i.e. (marketing, personnel costs, retraining of staff, signing bonus, etc.) is approximately 20 percent of the salary of the individual. In public education, the average cost is approximately \$18,000 per teacher or \$20,000 per teacher in an urban area.<sup>9</sup> In 2005 the Alliance for Excellent Education estimated that in the United States, states spend annually \$2.2 billion to replace a teacher who left the profession and another \$2.7 billion for teachers who transferred schools. In South Carolina alone, the annual estimate was \$30.5 million to replace teachers leaving the profession and another \$44 million for teachers who change jobs.<sup>10</sup>
- 90% of open teaching positions are created by teachers who leave the profession. Some are retiring but two-thirds are leaving, primarily due to dissatisfaction with teaching (lack of administrative support, low salaries, dissatisfaction with testing and accountability, lack of opportunities for advancement and working conditions).<sup>11</sup>
- A higher percentage of teachers are leaving the profession in the South than in the Northeast.<sup>12</sup>

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<sup>7</sup> Alliance for Excellent Education (2005). Teacher attrition: A costly loss to the nation and to the states.

<sup>8</sup> Perrachione, B.A., Petersen, G.J., & Rosser, V.J. (2008). Why do they stay? Elementary teachers’ perceptions of job satisfaction and retention. *Professional Educator*, 32(2), 25-41.

<sup>9</sup> Learning Policy Institute (September 13, 2017) <https://learningpolicyinstitute.org/product/the-cost-of-teacher-turnover>.

Barnes, G., Crowe, E., & Schaefer, B. (2007). The cost of teacher turnover in five school districts: A pilot study. Washington, DC: National Commission on Teaching and America’s Future. (Cost adjusted for inflation using the Bureau for Labor Statistics Consumer Price Index Inflation Calculator.)

Boushey, H. & Glynn, S.J. (2012). *There are significant business costs to replacing employees*. Center for American Progress. <https://cdn.americanprogress.org/wp-content/uploads/2012/11/16084443/CostofTurnover0815.pdf>.

<sup>10</sup> Alliance for Excellent Education (2005).

<sup>11</sup> Carver-Thomas, D. and Darling-Hammond, L. (August 2017) Teacher Turnover: Why it Matters and What We can do. [https://learningpolicyinstitute.org/sites/default/files/product-files/Teacher\\_Turnover\\_REPORT.pdf](https://learningpolicyinstitute.org/sites/default/files/product-files/Teacher_Turnover_REPORT.pdf)

<sup>12</sup> Carver-Thomas, D. et. al.

- The most effective induction programs for teachers focus on having expert mentors and intensive training.<sup>13</sup>
- When controlling for other factors, “teachers in districts with a maximum teacher salary greater than \$72,000 are 20% to 31% less likely to leave their schools than those in districts with maximum salaries under \$60,000.”<sup>14</sup>

The SREB Teacher Preparation Commission met between 2016 and 2018 to design strategies that would increase the number of highly effective teachers in our schools. The Commission recognized the growing teacher shortage issue in many SREB states. Following are the four strategies and recommendations for improving teacher preparation programs that the Commission adopted:

**Clinical Experiences:** Place all teacher candidates in high-quality clinical experiences:

- Require programs to place candidates in high-quality clinical experiences
- Develop and offer support for training mentor teachers
- If states fund stipends for full-year residencies, prioritize any available funding for candidates who intend to teach in hard-to-staff schools, and
- Require educator preparation programs to report on quality of clinical experiences.

**Data Systems:** Bring together data from across state and local agencies to inform improvement:

- Implement a statewide data system to link across state and local agencies,
- Disseminate data widely, tailored to needs of audiences, and
- Empower change and expect improvement.

**Partnerships:** Encourage strong partnerships between teacher preparation programs and local school districts:

- States should provide incentives and support for strong partnerships between teacher preparation programs and local school districts.

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<sup>13</sup> Howe, E.R. (2006). Exemplary teacher induction: An international review. *Educational Philosophy & Theory*, 38(3), 287-297.

<sup>14</sup> Carver-Thomas, D. et. al.

**Licensure:** Hold all new teachers to the same standard, no matter their route into the profession:

- Require all teacher candidates to meet the same standard for initial licensure,
- Adopt practice-based assessments of teacher readiness, and
- Identify a continuum of teacher development and link it to the licensure system.

Based upon research and the SREB report, the following are strategies and policies for improving the recruitment and retention of teachers in South Carolina for the next three years. With 4,900 individuals leaving teaching in 2016-17 and not returning to teach in our state, at a minimum, districts are spending as much as \$88.2 million in state and local funds. These strategies are focused on both recruitment and retention of teachers. For recruitment, the objective is to address the cost of obtaining a postsecondary degree in education. For retention, the objective is to focus on retaining more teachers especially during the first five years of their careers and on addressing the critical shortages in STEM teachers.

**Revise the State Minimum Salary Schedule and Increase Starting Pay from \$32,000 to \$35,000**

Without a significant increase in EIA revenues in Fiscal Year 2019-20, any increase in salaries for teachers will have to occur with increased funding of the Education Finance Act (EFA) and/or with the transfer of line item appropriations from the EIA to the General Fund. The EOC recommends, at a minimum, that the state consider amending the existing the state minimum salary schedule accordingly. The state could pilot a new minimum salary schedule in several districts before statewide implementation. Increasing the starting salary from \$32,000 to \$35,000 would require an additional \$59.9 million. The 2017-18 average teacher salary in South Carolina was \$50,182. The following chart compares the actual average teacher salary in South Carolina over the past three fiscal years to the estimated Southeastern average teacher salary.

Average Teacher Salary

Fiscal Year	SC Actual	Southeastern	Difference
2017-18	\$50,182	\$50,756	(\$574)
2016-17	\$50,050	\$50,119	(\$69)
2015-16	\$48,769	\$49,363	(\$594)

Source: S.C. Revenue and Fiscal Affairs Office, August 22, 2018.

Using the Fiscal Year 2018-19 state minimum salary schedule and increasing the starting pay from \$32,000 to \$35,000 and the maximum pay from \$65,378 to \$68,000, the state minimum salary schedule could be simplified across five career bands. Increasing the starting salary to \$35,000 is a policy decision to recognize a living wage salary for instructional teachers.

Classroom teachers as defined by the Professional Certified Staff (PCS) Position Codes of 03 through 09, 10, 11, 17, 18 and 23, the same codes that define the teachers who are eligible for teacher supply funds, would be paid at the minimum of these bands. As is the practice today, districts would still retain the ability to increase the minimum and maximum salaries above the statewide minimum within the pay bands as determined by the local school district using local revenues.

The General Assembly would have to clearly define the minimum qualifications for movement between bands that would be established in law. For example, a Level I teacher could be defined as any teacher who had not completed the induction program. Upon earning his or her teaching credential, the teacher would move from being a Level 1 to a Level 2. As the chart below notes, a teacher would be classified as a Level 2 teacher for a maximum of five years and then move into Level 3. If the teacher earned an advanced degree or met other qualifications, then the teacher would move from Level 3 to Level 4 and then Level 5. In addition, the General Assembly might want to consider requiring at a minimum that each teacher receive within the pay bands at least a one percent increase in salary each year. This could be accomplished by a legislative directive in the annual general appropriation bill. The General Assembly could also consider piloting the revised pay structure with districts prior to statewide implementation. The minimum salary schedule could be updated annually as well through a proviso in the budget.

<b>Career Bands</b>	<b>Example of Qualifications</b>	<b>Minimum Salary Range</b>
Level 1	<ul style="list-style-type: none"> <li>Once the teacher completes induction program, he or she moves to the next band</li> </ul>	\$35,000 to \$45,000
Level 2	<ul style="list-style-type: none"> <li>Maximum of five years in this band</li> </ul>	\$45,001 to \$53,000
Level 3	<ul style="list-style-type: none"> <li>No maximum number of years in this band</li> </ul>	\$53,001 to \$58,000
Level 4	<ul style="list-style-type: none"> <li>Must have a master’s degree or higher</li> <li>3 years or more of experience as a mentor or instructional coach</li> </ul>	\$58,001 to \$63,000
Level 5	<ul style="list-style-type: none"> <li>Master’s degree or higher</li> <li>Highly effective teacher</li> <li>Leadership roles in school or district</li> </ul>	\$63,001 to \$68,000

Districts could establish additional qualifications to move from one band to the next. Districts would annually submit their pay schedules to the State Board of Education for approval. For example, a district who needs to attract career changers in STEM fields, including Career and Technology Education (CTE) instructors, might include private sector employment as a rationale

for moving a teacher from Level 3 to Levels 4 or Level 5, counting the individual's prior industry experience.

As is the current practice, the bands on the statewide minimum salary schedule would be funded through the following sources: state and local Education Finance Act (EFA) funds and EIA teacher salary supplement funds. Districts desiring to pay more than the statewide minimum salary schedule would supplement EFA and EIA funds with local revenues.

One of the factors that impacts employee satisfaction is salary and the ability to "move up." The current South Carolina statewide minimum salary schedule is known as a single salary schedule or "steps and lanes." Teachers are paid based on steps that represent years of services or seniority and on lanes that are their educational attainment i.e. bachelor's degree, master's degree, etc.

In addition to the single salary schedule, districts may give salary supplements or additional pay to teacher through stipends or bonuses. For example, teachers gaining National Board certification or leading extracurricular activities at the school may receive stipends. Teachers may also be eligible for hiring or performance bonuses while other districts offer bonuses for teachers who teach hard-to-staff subjects or in hard-to-staff schools.

The South Carolina 2018-19 state minimum salary schedule compensates teachers for years of experience from 0 to 23 years and educational level across five different levels - bachelor's degree; bachelor's degree plus 18 hours; master's degree; master's degree plus 18 hours; and doctorate.

A single salary schedule is used by most states because it minimizes pay bias regarding favoritism, gender and race. They system also gives predictability to teachers while incentivizing teachers to remain in the profession. The longer an individual is employed in the profession, the more pay he or she earns annually, even if the pay is only a 1 or 2 percentage increase. Most salary schedules "stop" after a certain number of years. In our state, the salary schedule stops at 23 years.

The criticisms of the current system focus on its rigidity. The single salary schedule does not give flexibility to attract, reward and retain teachers with added compensation. The single salary schedule also favors teachers with more seniority when across-the-board pay increases are implemented. In the event district revenues decline, districts are typically locked into paying teachers. Finally, research questions the link between a teacher's education and seniority and students' academic performance.

In Fiscal Year 2009-10, when South Carolina experienced multiple mid-year revenue shortfalls, districts were given the flexibility to freeze the step increases. For all practical purposes, the salary schedule stopped working because seniority was not recognized for compensation. As recently as the fall of 2017, nine school districts had not “caught up” with step increases for teachers affected by the suspension of the step increase.

If South Carolina wanted to consider simplifying the salary schedule and implementing career levels, bands or ladders, the experience of Wisconsin should be considered. The state of Wisconsin recently underwent significant amendments to its salary schedule after passage of Act 10 in 2011.<sup>15</sup> Act 10 “eliminated collective bargaining rights for most public employees, retained teacher compensation bargaining only for base pay increases, and limited that bargaining to the percentage change in the consumer price index.”<sup>16</sup> Many districts used the passage of Act 10 to redesign their compensation practices.

A report by the Wisconsin Center for Education Research documents the changes made. All districts moved away from the single salary structure to some degree. Several Wisconsin districts moved away from automatic step increases, choosing instead to create compensation systems that: embraced district goals, recognized teacher contributions to the organization, aligned with the state’s teacher effectiveness system and moved to a career pathway approach.<sup>17</sup> “The districts limited the number of lanes or change the lanes from education-based to a more career-level approach. All districts modified the steps.”<sup>18</sup> “To reflect a professional path for educators (as opposed to a uniform step and lane system), about half of the districts (in the sample survey) adapted a career level approach, also referred to as career bands or ladders.”<sup>19</sup>

A career-level approach for South Carolina could be implemented to address the following objectives:

- Teachers would be compensated for more than just seniority and educational achievement;
- Such as system might create career pathways that encourage individuals to remain classroom teachers; and
- Provide greater flexibility for schools and districts in recruiting teachers, especially teachers in hard-to-staff disciplines.

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<sup>15</sup> Teacher Compensation: Standard Practices and Changes in Wisconsin. August 2016. Wisconsin Center for Education Research. [https://wcer.wisc.edu/docs/working-papers/Working\\_Paper\\_No\\_2016\\_5.pdf](https://wcer.wisc.edu/docs/working-papers/Working_Paper_No_2016_5.pdf).

<sup>16</sup> Ibid, p. 1.

<sup>17</sup> Ibid, page 9.

<sup>18</sup> Ibid, page 12.

<sup>19</sup> Ibid, page 15.

### **Maintenance of ProTeam, Teacher Cadet and Teaching Fellows (\$1,000,000)**

There has been a 30 percent decline in the number of individuals completing teacher education programs over the last four years. Teacher Cadets and ProTeam sites in the last two years have grown by 30 and 23 sites respectively. To continue offering 200 Teaching Fellows, CERRA will need an increase of \$1 million. CERRA has funded the revenues from out-of-state sales of the Teacher Cadet curriculum and funds collected on Teaching Fellows loans in default. This increase was also approved by the South Carolina Commission on Higher Education.

The next two recommendations deal with the state providing financial incentives and support to develop strong partnerships between teacher preparation programs and local school districts. The recommendation is to begin with the six institutions of higher education that produce the most number of students graduating with a bachelor's degree and eligible for teacher certification. The University of South Carolina – Columbia campus has already initiated the Carolina TIP program. Other institutions like Clemson University have developed residency programs. The objective is to encourage each institution to create or expand existing partnerships and support those initiatives through grants provided through the Centers of Excellence program administered by the Commission on Higher Education.

### **Center for Educational Partnerships (\$287,500)**

The first of a three-year expansion of Carolina TIP, the recommendation is to fund all graduates employed in the Midlands, which totals at 115 at \$2,500 per teacher.

### **Centers of Excellence (\$340,369)**

In the first year, the Commission on Higher Education would award grants that equal up to \$2,500 per student for approximately 136 students graduating with a bachelor's degree and eligible for teacher certification to the following higher education institutions: Clemson University; College of Charleston; USC-Upstate; Winthrop; and Coastal Carolina. The funds would have to be spent on creating strong partnerships between the universities and the districts as noted below in the proposed proviso.

#### **Amend Proviso 1A.31.**

**1A.31.** (SDE-EIA: Centers of Excellence) Of the funds appropriated for Centers of Excellence, \$350,000 must be allocated to the Francis Marion University Center of Excellence to Prepare Teachers of Children of Poverty to expand statewide training for individuals who teach children of poverty through weekend college, nontraditional or alternative learning opportunities.

In addition, \$340,000 of the funds appropriated for Centers of Excellence must be used to award grants to Clemson University, the College of Charleston, USC-Upstate, Winthrop University and Coastal Carolina University to support high-quality partnerships between teacher preparation programs and local school

districts. Such partnerships may include, but are not limited to, residency programs or mentoring programs. The goal of this program is to increase the retention rate of teachers during the first five years of their careers. The Commission must collect evidence and data to document how the funds are expended and the outcomes of these efforts and report the findings annually to the General Assembly.

Should future Board of Economic (BEA) revenue projections identify additional EIA revenues, the EOC recommends the following:

**Additional:**

**CERRA (\$600,000)**

The recommendation is to increase the number of Teaching Fellows from 200 to 225.

**S<sup>2</sup>TEM Centers SC (\$250,000)**

The recommendation is to fund the initial design and implementation of a STEM Teacher Fellows program targeted at recruiting and retaining STEM teachers with four to seven years of teaching experience. In the first year, the goal would be to identify non-profit and business support for the program as well. The EOC recommends that, before implementation of the program, that S<sup>2</sup>TEM Centers SC identify matching funds that would support the program and a detailed project design of the program.

**Proviso:**

Add a new Proviso to read to increase maximum loan amounts for the Teacher Loan Program

1A.\_\_\_\_ With the funds appropriated for the Teacher Loan Program and with funds in the revolving fund, in the current fiscal year the annual maximum award for eligible juniors, seniors and graduate students is \$7,500 per year and the aggregate maximum loan amount is \$27,500.

The following is a chart that identifies a three-year phase-in of these recommendations to improve the recruitment and retention of teachers.

### Increase in Recurring Appropriations Across Three Years

<b>Teacher Recruitment</b>	<b>FY2018-19</b>	<b>FY2019-20</b>	<b>FY 2020-21</b>
Expansion of ProTeam Sites, initially 20 new sites and then plan ahead for 15 additional sites per year (CERRA)	\$40,000	\$20,000	\$20,000
Expansion of Teacher Cadet Sites, initially 23 new sites (CERRA)	\$60,000	--	--
Teaching Fellows – Maintenance of effort	\$900,000		
Teaching Fellows Increase the award amount from \$6,000 to \$7,500 (CERRA)			
Teaching Fellows – Increase from 200 to 225 the number of Teaching Fellows (CERRA)	\$600,000		
Policy: Increase the starting salary of teachers from the current \$32,000 per year to \$35,000 per year.			
Policy: Increase the annual and maximum awards of the SC Teacher Loan Program accordingly. The annual maximum award for juniors, seniors and graduate students would increase from \$5,000 to \$7,500 per year. The aggregate maximum loan amount would also need to increase from \$20,000 to \$27,500.			
<b>Teacher Retention</b>			
STEM Teacher Fellows Program coordinated by S <sup>2</sup> TEM Center to recruit and retain STEM teachers	\$250,000	\$562,500	\$312,500
Center for Educational Partnerships (USC-Columbia)			
Year 1 – Serve all USC graduates with Carolina TIP program in Midlands (115 at \$2,500 per teacher)	\$287,500		
Year 2 – Serve all USC graduates throughout the state (222 at \$2,500 per teacher)		\$555,000	
Year 3 - Expand program to historically black college/university (HBCU)			\$100,000
Support or develop partnerships with colleges of education and school districts that could include: residencies, support and training of mentors, etc. Require colleges of education to report on outcomes and partnerships.			
Year 1 – Focus first on the 6 institutions that produce the highest number of students graduating with a bachelor’s degree and eligible for teacher			

<p>certification in SC, which, in addition to USC-Columbia (283), are: College of Charleston (134), Clemson (120) Coastal Carolina (107), USC-Upstate (134), and Winthrop (172) An estimated 667 graduates</p> <p>Year 1 - \$2,500 per 136 graduates.</p> <p>Years 2 - Continue expansion by to an additional 531 graduates at \$2,500 per graduate</p> <p>Year 3- Expand to all other traditional teacher preparation programs, private and public, (\$2,500 per 700 graduates)</p>	<p>\$340,369</p>	<p>\$1,327,500</p>	<p>\$1,750,000</p>
<p>Policy: Working Conditions Survey (CERRA) to survey teachers anonymously to determine their intent to stay or leave teaching and why they are choosing to stay or leave teaching. The information will assist state and local officials. To reduce costs, questions could be added to the current annual teacher survey. Funded with non-recurring EIA revenues.</p>			
<p>Policy - Allow teacher preparation programs to provide alternative teacher preparation programs</p>			
<p>Policy – Development of the longitudinal database at Revenue and Fiscal Affairs Office will address the need for data to inform both higher education and K-12 on effectiveness of teachers from both traditional and alternative educator preparation programs.</p>			