Education Oversight Committee  
Budget and Proviso Recommendations for FY2016-17  
(Approved December 14, 2015)

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. These reports were submitted to the EOC on or before October 2, 2015.

The EIA and Improvement Mechanisms Subcommittee met on three occasions in the fall of 2015:

- September 21: Discussed budget overview
- November 9: Held public hearing for all entities funded by or requesting EIA revenues
- November 16: Held additional public hearings and formalized recommendations.

On November 10, 2015 the Board of Economic Advisors (BEA) issued its preliminary outlook for the Fiscal Year 2016-17 General Fund and EIA revenue forecast. The BEA identified additional one-time EIA revenues due to increased revenue collections in the current fiscal year of $12.1 million and a $54.9 million increase over the current year’s EIA appropriation base (Table 1).

<table>
<thead>
<tr>
<th>Table 1</th>
<th>EIA Revenue Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fiscal Year 2015-16</strong></td>
<td></td>
</tr>
<tr>
<td>Revised EIA Projection (November 10, 2015)</td>
<td>$716,345,000</td>
</tr>
<tr>
<td>EIA Total Appropriation 2015-16 *</td>
<td>$704,198,250</td>
</tr>
<tr>
<td>Projected EIA Surplus</td>
<td>$12,146,750</td>
</tr>
<tr>
<td><strong>Fiscal Year 2016-17</strong></td>
<td></td>
</tr>
<tr>
<td>Preliminary Estimate (November 10, 2015)</td>
<td>$751,585,000</td>
</tr>
<tr>
<td>EIA Recurring Base Appropriation 2015-16</td>
<td>$696,598,250</td>
</tr>
<tr>
<td>Projected “New” EIA Revenue</td>
<td>$54,986,750</td>
</tr>
</tbody>
</table>

* Includes one-time transition payments to districts of $7,600,000

Source: Board of Economic Advisors
Objective 1: Support Educators for 21st Century Learning

There are two critical needs facing public education in South Carolina:

1. The current educator pipeline is not sufficient to meet existing or future needs with significant shortage of special education and STEM teachers; and
2. Teachers need assistance in teaching and facilitating the learning of 21st century skills like communication, collaboration, critical thinking, and creativity.

On the Path to Equity: Improving the Effectiveness of Beginning Teachers, a 2014 report by Alliance for Excellent Education, determined that half a million teachers in the United States leave the classroom or profession annually at a cost to public education of $2.2 billion. The high turnover rate “disproportionately affects high-poverty schools and seriously compromises the nation’s capacity to ensure that all students have access to skilled teaching. . . . Turnover is especially high among new teachers, with 40 to 50 percent leaving the profession after five years.” 1

In South Carolina, the Center for Educator Recruitment, Retention, and Advancement (CERRA) releases an annual report on teacher supply and demand. In its Fall 2014 report, CERRA found that 5,300 teachers did not return to their classroom in 2014-15, up 5.5% from the prior year. “Of those who left during or at the conclusion of the 2013-2014 school year, 34% did so in the first five years of their career and 13% after just one year or less in the classroom.” And, “based on current and historical data, South Carolina is not producing enough teachers to “keep up with the needs of our public schools. As a result, districts must hire teachers from other states or those with an alternative teaching license.” 2 As reported this fall, teacher shortages are affecting states throughout the country including North Carolina, California, Georgia and Ohio.

To begin addressing these issues, the EOC recommends the following budget and policy proposals:

Recommendation 1A: Teacher Supplies - $750,000
The South Carolina Department of Education (SCDE) projects there were 49,940 teachers who received $250 during FY 2015-16. The EOC recommends fully funding this line item at the maximum allowable amount of $275. For FY 2016-17 an increase in teacher supply

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appropriation of $750,000 would accommodate approximately 52,166 teachers receiving $275 each for the cost of supplies.

**Recommendation 1B: 2STEM Centers SC – STEM Teacher Fellows Initiative - $350,000**

Nationally, student interest in STEM is high; almost half of students in the 2013 ACT-tested graduating class have an interest in STEM majors or occupations. The academic gap that exists in general for ethnically diverse students is even more pronounced among those interested in STEM fields. While student interest may be high, the supply of teachers for STEM-related fields in South Carolina continues to be a challenge. Data from CERRA’s annual Supply and Demand Survey demonstrates the need. Vacancies in secondary mathematics, science, agriculture, and industrial technology education are among the ten most critical needs subject areas.

The EOC recommends allocating EIA funding to develop an initiative to recruit highly qualified STEM teachers at the secondary levels in rural communities. In and of itself, STEM is an interdisciplinary approach with hands-on and problem-based learning. Students benefit from quality STEM education by becoming:

- **Problem-solvers** – able to define questions and problems, design investigations to gather data, collect and organize data, draw conclusions, and then apply understandings to new and novel situations.
- **Innovators** – creatively use science, mathematics, and technology concepts and principles by applying them to the engineering design process.
- **Inventors** – recognize the needs of the world and creatively design, test, redesign, and then implement solutions (engineering process).
- **Self-reliant** – able to use initiative and self-motivation to set agendas, develop and gain self-confidence, and work within time specified time frames.
- **Logical thinkers** – able to apply rational and logical thought processes of science, mathematics, and engineering design to innovation and invention.
- **Technologically literate** - understand and explain the nature of technology, develop the skills needed, and apply technology appropriately.

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Recommendation 1C: State Agency Teacher Pay
The following state agencies/special schools requested increases in their line-item appropriation for teacher salaries. Pursuant to Proviso 1A.5, “each state agency shall receive such funds as are necessary to adjust the pay of all instructional personnel to the appropriate salary provided by the salary schedules of the school district in which the agency is located.” The EOC contacted the seven special schools that receive EIA funds, and four responded by the deadline.

Table 2
Increased Funding to the Following Special Schools and Line Items

<table>
<thead>
<tr>
<th>School/Agency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governor’s School for the Arts &amp; Humanities</td>
<td>$138,025</td>
</tr>
<tr>
<td>Governor’s School for Math &amp; Science</td>
<td>$63,241</td>
</tr>
<tr>
<td>Department of Disabilities and Special Needs</td>
<td>($65,000)</td>
</tr>
<tr>
<td>State Agency Teacher Salary</td>
<td>$217,474</td>
</tr>
</tbody>
</table>

Recommendation 1D: Teacher Salary
The South Carolina Department of Education requested an increase of $6.9 million in EIA revenues to extend the statewide minimum teacher salary schedule from 22 to 23 years. Currently, there are 24 school districts whose teacher salary schedules do not extend beyond 22 years, leaving 57 school districts that pay beyond 22 years. The Department projects that 20 percent of the teaching workforce would be affected by the change.

While extending the statewide minimum teacher salary schedule may assist in retaining some of the state’s most veteran teachers, it will not address recruiting more teachers into the pipeline. Therefore, the EOC recommends the following:

- Engaging an outside expert, like the Moore School of Business, in a study to develop a teacher salary schedule that would attract and retain high quality teachers for our classrooms. The salary schedule would guarantee an entry level salary that would attract our best and brightest into the profession and a professional pathway to reward teachers for their performance and responsibilities. The schedule would also be used to keep the average teacher salary at or above the Southeastern average teacher salary (Table 3). In addition, looking at rural districts that have high teacher turnovers, the salary schedule might also include a supplement for working conditions. The outside expert would work with current and pre-service teachers, district human resource directors, and school business officials.
### Table 3

**Average Teacher Salary**

<table>
<thead>
<tr>
<th></th>
<th>SC Actual</th>
<th>SE Actual</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012-13</td>
<td>$48,375</td>
<td>$47,964</td>
<td>$411</td>
</tr>
<tr>
<td>FY2013-14</td>
<td>$48,430</td>
<td>$48,289</td>
<td>$141</td>
</tr>
<tr>
<td>FY2014-15</td>
<td>$48,561</td>
<td>$49,223</td>
<td>($662)</td>
</tr>
<tr>
<td>FY2015-16</td>
<td></td>
<td>$50,239</td>
<td></td>
</tr>
<tr>
<td>FY2016-17</td>
<td></td>
<td>$51,495</td>
<td></td>
</tr>
</tbody>
</table>

**Sources:**
Revenue and Fiscal Affairs Office, September 8, 2015 Letter to State Superintendent of Education
Email from Chief Financial Officer, SCDE, October 19, 2015

Note: Salaries in bold are estimates.

- Reallocating current, available appropriations to improving the overall teacher salary schedule or to the Rural Teacher Initiative. For example, the EOC analyzed the recurring EIA appropriations for National Board Certification and Teacher Salary Supplement and Fringe Benefits (Tables 4 and 5). Based upon the unexpended funds from FY14 and FY15, the EOC staff anticipates at least $16.5 million in funds from these line items will not be expended in FY16. These unexpended funds could be reallocated to an initiative to increase the statewide minimum teacher salary for teachers with less than five years of experience.

### Table 4

**National Board Certification**

<table>
<thead>
<tr>
<th></th>
<th>Appropriation</th>
<th>Expenditures</th>
<th>Transfer In</th>
<th>Unexpended</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012-13</td>
<td>$68,564,000</td>
<td>$56,822,696</td>
<td>$0</td>
<td>$11,741,304</td>
</tr>
<tr>
<td>FY2013-14</td>
<td>$54,000,000</td>
<td>$55,117,175</td>
<td>$1,117,175</td>
<td>$0</td>
</tr>
<tr>
<td>FY2014-15</td>
<td>$55,500,000</td>
<td>$53,651,386</td>
<td>$0</td>
<td>$1,848,614</td>
</tr>
<tr>
<td>FY2015-16</td>
<td>$54,000,000</td>
<td>$50,114,161</td>
<td>$0</td>
<td>$3,885,839</td>
</tr>
</tbody>
</table>

**Sources:**
Annual EIA Program and Budget Reports submitted by the SCDE to EOC
[http://apps.ed.sc.gov/agency/cfo/Finance/Financial-Services/reports//Reports/StateTotalForm](http://apps.ed.sc.gov/agency/cfo/Finance/Financial-Services/reports//Reports/StateTotalForm)

Note: Expenditures for FY2015-16 are estimates based on SCDE’s October 2015 EIA Allocation to school districts.
Table 5
Teacher Salary Supplement & Fringe Benefits

<table>
<thead>
<tr>
<th></th>
<th>Appropriation</th>
<th>Carry Forward</th>
<th>Expenditures</th>
<th>Transfer In</th>
<th>Unexpended</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012-13</td>
<td>$92,828,102</td>
<td>$402,367</td>
<td>$89,318,197</td>
<td>$3,912,272</td>
<td>$3,912,272</td>
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<tr>
<td>FY2013-14</td>
<td>$141,523,712</td>
<td>$2,953,180</td>
<td>$133,011,842</td>
<td>$0</td>
<td>$11,465,050</td>
</tr>
<tr>
<td>FY2014-15</td>
<td>$143,407,443</td>
<td>$7,526,552</td>
<td>$140,804,803</td>
<td>$0</td>
<td>$10,129,192</td>
</tr>
<tr>
<td>FY2015-16</td>
<td>$145,907,443</td>
<td>$10,129,192</td>
<td>$139,708,359</td>
<td>$0</td>
<td>$16,328,276</td>
</tr>
</tbody>
</table>

Sources:
Annual EIA Program and Budget Reports submitted by the SCDE to EOC
http://apps.ed.sc.gov/agency/cfo/Finance/Financial-Services/reports//Reports/StateTotalForm

Note: Expenditures for FY2015-16 are estimates based on SCDE’s October 2015 EIA Allocation to school districts.

Recommendation 1E: Technology
The state should continue to invest in school technology, which is critical for equipping teachers with tools to engage students. The EOC recommends continued funding of technology to school districts that is at least at the current year’s level of $29,288,976. School technology was funded in FY2014-15 and FY2015-16 through lottery funds. The SCDE also requested EIA funds for technology upgrades for the agency. If the General Assembly allocates additional funds for the technology needs of the agency, then the EOC recommends that those funds be General Fund revenues and not EIA revenues.

Recommendation 1F: Leadership Training
With the pending retirement of a significant percentage of principals and superintendents in South Carolina, finding effective leaders will likely require focused and innovative initiatives to recruit and retain school and district leaders, especially in our most challenged schools and districts. For example, highly effective principals have a direct impact on student achievement. A 2013 report by Gregory F. Branch, a program manager at the University of Texas at Dallas Education Research Center, Eric A. Hanushek senior fellow at the Hoover Institution of Stanford University. Steven G. Rivkin, professor of economics at University of Illinois at Chicago found the following:

- Highly effective principals raise the achievement of a typical student in their schools by between two and seven months of learning in a single school year; ineffective principals lower achievement by the same amount.
Teachers who leave schools with the most-successful principals are much more likely to have been among the less-effective teachers in their school than teachers leaving schools run by less-successful principals; and

Constrained by salary inertia and the historical absence of good performance measures, the principal labor market does not appear to weed out those principals who are least successful in raising student achievement. This is especially true in schools serving disadvantaged students. This is troubling, as the demands of leading such schools, including the need to attract and retain high-quality teachers despite less desirable working conditions, may amplify the importance of having an effective leader.6

The EOC, therefore, recommends that the Governor and General Assembly begin now to expand initiatives to recruit and train leaders for schools and districts. These leaders will need specialized training in the areas of instruction management and leadership. There will also be a state need to develop innovative and alternative certification paths for leaders. While the Principal Induction Program instructs as many as 130 new principals annually, which equates to ten percent of all principals in the state, in the next decade the demand for more qualified principals will expand. Where possible, partnerships between higher education, business, the South Carolina Association of School Administrators and others should be explored."

**OBJECTIVE 2: Improve Students’ College & Career Readiness**

The second objective focuses on providing students with the opportunities and experiences needed to graduate from high school career, college and civic ready for the 21st century. The following recommendations are based on initiatives to support the Profile of the South Carolina Graduate.

**Recommendation 2A: High Schools that Work ** $1,309,051

The Education and Economic Development Act (EEDA) of 2005 required that, by the 2009-10 school year, every high school in the state had to implement the principles of the High Schools that Work model (Section 59-59-130). These principles include:

- Set high expectations and get students to meet them;
- Increase rigor so that students complete a challenging program of study with an upgraded academic core and a major;
- Have teachers work together to integrate academic and technical studies;

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• Increase access to challenging vocational & technical studies, with a major emphasis on using high level mathematics, science, language arts and problem-solving skills;
• Give students access to a system of work-based and school-based learning planned cooperatively by educators and employers;
• Actively engage each student in the learning process;
• Involve students and parents in a guidance and advisement system;
• Provide a structured system of extra help; and
• Use student assessment and program evaluation data for continuous improvement. (Southern Regional Education Board)

In the current school year in South Carolina, there are 432 schools (227 high school and career centers and 205 middle schools) that have implemented either a High Schools that Work program or Making Middle Grades Work program. The goals of these programs are: include 85% of all students meeting college and career ready standards in reading, mathematics and science and achieve a 90% graduation rate. The cost per site is approximately $8,000 for the staff development, technical assistance, communications and publications, and assessment services. Currently, districts have to absorb much of the cost of the program. The $1.3 million increase would fully fund the programs.

Recommendation 2B: Assessments – To Be Determined
For the current fiscal year, the General Assembly appropriated $27,261,400 in recurring EIA revenues and $7.3 million in non-recurring EIA funds for assessments. SCDE also carried forward $11.2 million in assessment funds into the current fiscal year. According to information provided by the Department, $10.9 million of the $11.9 million in carry forward funds from FY2014-15 will pay for the cost of the ACT Aspire and the ACT assessments administered in the prior school year (Table 6).
Table 6
Obligations to be Paid from EIA Funds Carried Forward ($11,932,229)

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT for Spring 2015</td>
<td>$2,603,225</td>
</tr>
<tr>
<td>Aspire for Spring 2015</td>
<td>$6,116,575</td>
</tr>
<tr>
<td>WorkKeys for Spring 2015</td>
<td>$1,105,558</td>
</tr>
<tr>
<td>AP Remaining from 2015 (estimated)</td>
<td>$100,000</td>
</tr>
<tr>
<td>NCSC Remaining from 2015</td>
<td>$28,902</td>
</tr>
<tr>
<td>SC-Alt Science and Social Studies from Spring 2015</td>
<td>$365,106</td>
</tr>
<tr>
<td>PSAT for Fall 2015</td>
<td>$585,225</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,904,591</strong></td>
</tr>
</tbody>
</table>

Source: SCDE, November 12, 2015

The assessments for grades 3-8 in English language arts (ELA) and mathematics and grade 11 college readiness are currently being procured and final costs are unknown. At this time, the EOCs unable to recommend specific increases for this line item. However, data submitted by the Department document that the agency will have sufficient funds to administer all assessments currently required by state and federal accountability in the current fiscal year and may have as much as $6.6 million in additional carry forward funds to address several items on the Department’s budget request for FY2016-17 (Table 7). This analysis assumes the cost of the assessments for grades 3-8 and grade 11 will be comparable to the cost of the ACT Aspire and the ACT plus Writing assessments administered in the prior school year:

Table 7
Requests made by SCDE for FY2016-17

| End-of-Course Assessments in English 2 and Geometry, if needed | $3,000,000 |
| College readiness assessment in Grade 9 or 10                   | $1,250,000 |
| Augmentation of Grades 3-8 assessments, if needed               | $2,000,000 |
| **TOTAL:**                                                      | **$6,250,000** |

The EOC recommends that, if funds are available, the college readiness assessment be implemented in grade 9 or grade 10 but not in both grades. The EOC also recommends the cost of assessments for 4K and kindergarten continue to be paid out of unexpended EIA revenues allocated for the half and full-day 4K programs.
<table>
<thead>
<tr>
<th></th>
<th>FY 2015-16 Projected Costs</th>
<th>FY 2015-16 EIA Appropriations</th>
<th>FY 2015-16 Federal Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring</td>
<td></td>
<td>$27,261,400</td>
<td>$6,062,702</td>
</tr>
<tr>
<td>Non-Recurring</td>
<td></td>
<td>$7,300,000</td>
<td></td>
</tr>
</tbody>
</table>

**Test Administration**

- **PASS Science and Social Studies**
  - FY 2015-16: $6,180,789

- **EOCEP (All Subjects)**
  - FY 2015-16: $3,714,527

- **ACT (invoices for FY 15 administration will be paid in FY 16)**

- **Aspire (invoices for FY 15 administration will be paid in FY 16)**

- **WorkKeys (invoices for FY 15 administration will be paid in FY 16)**

- **Grade 3-8 Assessment for FY 16 (Costs Unknown)**
  - FY 2015-16: $6,200,000

- **Grade 11 Assessment for FY 16 (Costs Unknown)**
  - FY 2015-16: $2,650,000

- **Grade 9-10 Assessment for FY 16 (Costs Unknown)**

- **EOCEP ELA and Math (New) for FY 16 (Costs Unknown)**

- **WorkKeys for FY 16**
  - FY 2015-16: $1,500,000

- **ACCESS for ELLs**
  - FY 2015-16: $1,351,518

- **Adoption List Call for Submission and Distribution**
  - FY 2015-16: $3,100,000

- **Performance Task Assessments**
  - FY 2015-16: $495,780

- **Grade 2 Census Tests**
  - FY 2015-16: $852,294

- **AP 2015 (remaining invoices for FY 15 administration will be paid in FY 16)**
  - FY 2015-16: $3,251,926

- **Monitoring Test Administrations**
  - FY 2015-16: $6,000

**Students with Disabilities**

- **SC-Alt (Science and SS only) (remaining invoice for FY 15 to be paid in FY 16)**
  - FY 2015-16: $833,946

- **NCSC (remaining invoice for FY 15 to be paid in FY 16)**
  - FY 2015-16: $1,133,517

**Total**

- **Projected Carry Forward Funds to FY2016-17:**
  - FY 2015-16: $27,951,316
  - FY 2015-16: $34,561,400
  - FY 2015-16: $6,610,084
  - FY 2015-16: $3,318,981

Source: SCDE email to EOC, November 9, 2015.
Recommendation 2C: STEM Premier® (Department of Commerce) - $300,000

STEM Premier® is a digital platform that allows students ages 13 and older to create a profile that showcases their skills, talents, interests, and assessment scores. Colleges and companies can then search the platform for students and communicate through the internal private and secure STEM Premier messaging system. Messages contain opportunities from organizations, schools and industry. STEM Premier® and the SC Manufacturers Education Foundation (SCMEF), a 501C3 organization affiliated with the South Carolina Manufacturers Alliance (SCMA), are working together to promote the platform to high schools, technical schools and college students in South Carolina. The EOC recommends funds be allocated to the SC Department of Commerce who would coordinate the expansion to high schools using the Regional Education Centers. In the spring of 2014, STEM Premier initiated its first pilots in two South Carolina high schools. Since then, STEM Premier has expanded its implementation to over 29 high schools in 18 school districts and 50 high schools in South Carolina.

Cost: First, the premium level subscription component of the platform is free to all students. If the school would like to use the dashboard component of STEM Premier® for data analysis, the cost is $1,500 annually per school. This cost covers the use of the software, technical support and upgrades. The dashboard allows the schools to gather data that provides useful information about their students and programs being offered. Additionally, there is a one-time per school implementation cost of $1,500 that includes one (1) eight-hour on-site training day for student implementation and dashboard training. The dashboard price reflects a 25% discount. Table 9 describes how the program could be implemented over multiple years in schools.

<table>
<thead>
<tr>
<th>Year School Implemented</th>
<th>Number of Schools Implemented</th>
<th>Annual Program Cost (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Year-1</td>
</tr>
<tr>
<td>Year-1</td>
<td>100</td>
<td>$300,000</td>
</tr>
<tr>
<td>Year-2</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Year-3</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>$300,000</td>
</tr>
</tbody>
</table>
Recommendation 2D: Modernization of Vocational Equipment $1,501,307

The recommendation is to annualize the appropriation and to increase the base allocation per district from $20,000 to $50,000. Proviso 1A.37 is recommended to read:

Amend Proviso 1A.37. (SDE-EIA: Career and Technology Education Consumables) Funds appropriated for Modernize Vocational Equipment shall be allocated accordingly. Each district and multi-district career center will receive a base allocation of $50,000. The remaining funds will be distributed to school districts and multi-district career centers based on the prior year actual student enrollments for career and technology education courses. In the district plan submitted to the Department, each district and multi-district career center must document that the district plan for equipment is aligned to current and future industry jobs in the community and state and must include information on the availability of vocational equipment at local technical colleges. A maximum of twenty-five percent of the funds appropriated for Modernize Vocational Equipment, Career and Technology Education may be utilized to purchase textbooks, instructional materials and other consumables used in classroom instruction. The department may carry forward unexpended Modernize Vocational Equipment and Tech Prep funds to be used for the same purpose.

Recommendation 2E: SC Public Charter School District (SCPCSD) - $12,987,128

Created by the General Assembly in 2006, SCPCSD increases the number of public school options for students and parents. It authorizes public charter schools, setting high expectations and holding schools accountable for student achievement. Any K-12 student eligible to attend public school in South Carolina can attend a public charter school. SCPCSD currently includes 32 schools with 18,467 students. SCPCSD is the twelfth largest school district in the state.

When a student transfers from a traditional school district to a school within the SCPCSD, the federal and state dollars follow the child, but the local tax dollars do not. To compensate for this loss, an annual proviso provides $3,600 for student who attends a brick-and-mortar school and $1,900 for a student who participates in a virtual school. SCPCSD projects FY 2016-17 student enrollment to be 23,273 students, exceeding the General Assembly’s projection of 22,749 students. The requested increase will fund SCPCSD’s projected student enrollment numbers. This increase does not address the confirmed or potential new schools; 28 new letters of intent have been filed with SCPCSD.

Recommendation 2F: Industry Credentials - $1,000,000

The South Carolina Department of Education requested $3.0 million to pay for national industry exams and $2.0 million to establish an incentive program to reward schools for their performance on these exams.

The EOC concurs with the Department of Education of the need to pay for industry exams, especially for students and schools that do not have the financial resources to pay for these exams, which typically cost as much as $100 per exam. Career Centers who participated in the EOC’s report card working group raised this issue. However, implementing a comprehensive
system will take time, time to identify the national industry exams to be administered and time to prepare teachers and schools. Collaboration between the South Carolina Department of Education and the business community is required to identify the national industry exams that should be included. Therefore, the EOC recommends that the Department’s proposal be phased in over time:

- FY2016-17 Identify national industry exams and allocate $1.0 million ($100 per student) for exams administered
- FY2017-18 Increase the appropriation by $1.0 million; add to or delete exams from the list
- FY2018-19 Increase the appropriation by $1.0 million
- FY2019-20 Institute the incentive program using results

**Add New Proviso to read:**

“The funds appropriated for Industry Credentials must be allocated to school districts based upon the number of national industry exams administered in the current fiscal year. Funds may be carried forward from the current fiscal year into the subsequent fiscal year and expended for the same purpose. Annually, the Department, in collaboration with the Department of Commerce will identify the national industry exams that qualify for funding.”

**Recommendation 2G: Instructional Materials $12,146,750**
The EOC recommends that all non-recurring EIA revenues be allocated to instructional materials.

**Recommendation 2H: Aid to Districts $36,435,524**
The EOC recommends the balance of EIA revenues be allocated to school districts under the Aid to District line item. These funds are allocated based on the number of weighted pupil units. While districts have flexibility over the expenditure of these funds, the EOC recommends districts expend these additional funds to support and enhance skills and knowledge students need to be successful in college and careers in the 21st Century. These 21st Century skills and knowledge are reflected in the SC Profile of the High School Graduate.

**Recommendation 2I: Dual Enrollment**
The Department of Education recommends that the Education Finance Act (EFA) be amended to include a weighting for dual enrollment of 0.15. The weighting is based upon a projected 12,000 students who take dual enrollment courses. The EOC concurs with the Department’s funding of dual enrollment courses and its definition of a dual enrollment course, “a course that will lead to both high school credit and post-secondary credit.”
Recommendation 2J: College Readiness Benchmarks

At its August retreat, the EOC invited former Kentucky Commissioner of Public Education, Terry Holliday to discuss Kentucky’s college and career readiness initiatives. Beginning in the fall of 2012, all public postsecondary institutions in Kentucky set benchmarks as college readiness indicators. Upon admission to a public postsecondary institution, students scoring at or above the scores indicated were not required to take developmental, supplemental, or transitional coursework and would be allowed to enter into college credit-bearing coursework that counts toward degree credit requirements. Dr. Holliday noted that adopting these benchmarks has saved Kentucky parents more than $15 million in tuition costs.

The Institute for College Access and Success reports that the average debt for seniors who graduated from South Carolina’s public and nonprofit colleges in 2014 was $29,163, 14th highest in the nation. Fifty-nine (59) percent of seniors had debt.

The EOC recommends that the Commission on Higher Education and the Technical College System adopt benchmarks as college readiness indicators with at least one of the indicators being the college readiness assessment that all 11th graders in South Carolina take. Students scoring at or above the scores indicated would not be required to take remedial courses in English language arts or mathematics and would be allowed to enter into college credit-bearing coursework.

Recommendation 2K: Computer Science Initiative

During the cyclical review of the math standards in 2015, several members of the EOC’s working group recommended that the high school math standards include a course description for computer science. In 2015 there were 26,750 South Carolina public school students who took 42,303 AP exams; however, only 262 or 0.6% of all exams were in AP computer science.7

For students to be prepared for the 21st century, they must understand at least the principles of computer science. Computer science is best defined as “the study of computers and algorithmic processes, including their principles, their hardware and software designs, their applications, and their impact on society.” Computer science teaches critical thinking skills that are useful in all disciplines.

As schools become increasingly aware of the need to prepare students for work in the 21st century, 27 states allow computer science to count toward high school math or science graduation requirements. Some estimates suggest that 67 percent of new STEM jobs are in computing, yet only 8 percent of STEM graduates are in computer science.8 Other southeastern states have supported this effort, including Georgia, North Carolina, Florida, Kentucky, Alabama, Arkansas, Tennessee, and Virginia.

8 [https://code.org/advocacy/state-facts/SC.pdf](https://code.org/advocacy/state-facts/SC.pdf)
Kentucky adopted this policy and was recognized as having an innovative state policy by Code.org, a national non-profit organization that promotes computer science education and computer programming. In addition to AP Computer Science, Kentucky schools offer coding classes as part of regular course offerings or as an extracurricular activity. This year every high school in Arkansas must offer a computer science course. The Huntsville City Schools in Alabama incorporate computer science instruction into its curriculum beginning in kindergarten.

Some higher education institutions are also making computer science courses available. In November 2014, Purdue University announced it would offer an introductory computer science and programming course for free to Indiana high school students. Although the course is ungraded and does not count for credit, it prepares students to test out of freshman programming classes at Purdue and other universities.9

The EOC recommends that a Computer Science Initiative, a public-private partnership, be implemented in FY2016-17 to:

- Establish rigorous K-12 computer science standards, modeled after the Computer Science Teachers Association’s K-12 Computer Science Standards;
- Identify available curriculum for schools;
- Determine what professional development teachers should receive and determine the cost;
- Determine a clear certification pathway for computer science teachers that includes alternative certification pathways;
- Determine what incentives institutions of higher education could offer pre-service teachers in computer science; and
- Determine a timeline for phasing in a requirement that all secondary schools offer computer science. Computer science instruction could be a requirement of each career cluster.

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9 http://www.purdue.edu/newsroom/releases/2014/Q4/purdue-offers-free-online-computer-programming-course-to-indiana-high-school-students.html
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Note: Provisos in **bold** reflect amendments or additions recommended.