



**A Historical Analysis  
of Funding for  
South Carolina's  
Public Schools**

DECEMBER 2005



**NEW CAROLINA**  
SOUTH CAROLINA'S COUNCIL ON COMPETITIVENESS

## Acknowledgement

The South Carolina Council on Competitiveness views education and economic development as inextricably linked. But this is not a question of which comes first, such as the chicken or egg debate. It is clear in today's global high-tech economy, that the ability to attract, create and grow a set of robust businesses in South Carolina that create value and improve per capita income is dependant on the caliber of workforce skills and knowledge.

The Council's Task Force on Education and Workforce Development, co-chaired by Don Herriott, head of Global Chemical Manufacturing at Roche Carolina, Inc., and Jim Reynolds, president of Total Comfort Service Center, identified confusion and misunderstanding of K-12 funding as an item that, at best, protracts debate on educational improvement and root cause problem analysis. At worst, misinformation and partial views lead to bad policy or divisive actions.

Seeking to establish a fact base for informed dialogue and debate on this topic, the Task Force asked member Jo Anne Anderson, executive director of the South Carolina Education Oversight Committee, to conduct research into the historical basis and current situation for K-12 funding. This document is the result of her research, and the review of the 20-member Task Force.

Special thanks on behalf of the Council go to Don and Jim for their exceptional leadership of the Task Force on Education and Workforce Development, and to Dr. Anderson and all members of the Task Force for their contribution to educational issues, and to the Council's goal of increasing per capita income for all South Carolinians.



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Chair, South Carolina Council on Competitiveness  
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## Preface

The linkages among economic vitality, student achievement and educational funding continue to be a matter of public discussion and, in some instances, considerable controversy. This document is written with the intent of informing citizens and policymakers on the roles of various governmental entities and the recent history of school funding. This information can be used to identify barriers, define appropriate solutions and recommend policies that support continued improvements in student achievement of South Carolina's goals.

The intent of this publication is to be as fact-based as possible and to avoid biased conclusions. Because of the complexity of the subject matter, it is unlikely that a reader will find the "right" answer to the education funding question. Hopefully, the data clearly can be used for informed debate on the topic. That debate also includes philosophical approaches, economic perspectives and priorities for public funding.

Following the presentation of historical data, the Council on Competitiveness Task Force on Education and Work Force Development raises a number of issues that the Task Force believes must be explored during the Council's work to improve the South Carolina economy.

And finally, a thorough review of educational programs and services, the alignment (or lack thereof) among services, costs, expenditures and revenues and the range of solutions would result in a publication far lengthier than this. Our intent is to start the discussion; our commitment is to work with the appropriate individuals and groups for a stronger South Carolina.



## Introduction

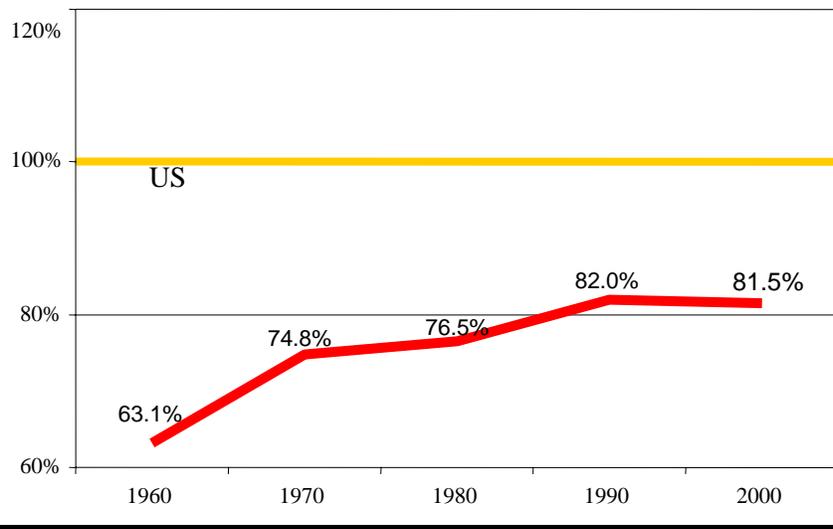
South Carolina, like many Southern states, is faced with the loss of her traditional economic base and a shortage of workers prepared for the jobs of the twenty-first century. For nearly three hundred years, South Carolina's economy has depended upon the low wages that characterize agriculture, textiles and tourism industries.

In the nineteenth and twentieth centuries, South Carolina used her relative poverty in comparison to the United States generally to foster a textile and light manufacturing economy. The state was able to attract businesses from other parts of the country by offering low wages and a non-union environment. As late as the 1970s, South Carolina workers were earning only three-quarters of the national average.

Over the last fifty years, the agricultural, textile, and light manufacturing economies have shifted to South America and to the Pacific Rim. When many Southern states diversified their economic bases, attracted knowledge-based industries, and converted their manufacturing to new technologies, South Carolina was slow to act. Therefore, the state's workers continue to earn significantly less than their peers nationally—in 2000, 82 percent of the national average, as shown in figure 1.

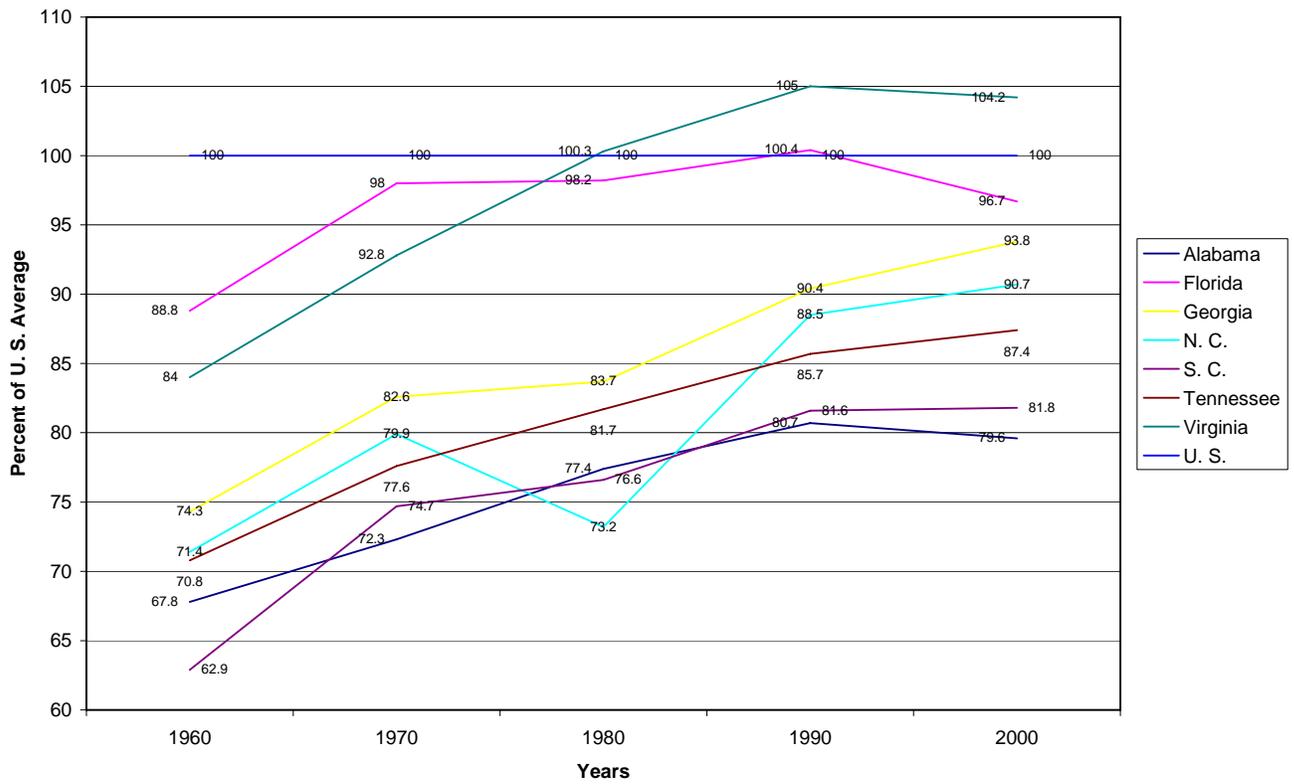
Figure 1

South Carolina Per Capita Income as a Percent of US Per Capita Income



Source: US Bureau of Economic Analysis

**Figure 2**  
**Per Capita Income in Selected Southern States**



Source: Bureau of Economic Analysis, Annual State Personal Income, 2004

Figure 2 displays changes in per capita income in selected southern states that are competing with South Carolina for new industries and business enterprises.

When analysts focus on the need for a stronger, more progressive economic base and the opportunities and barriers before the state, the shortage of workers prepared to enter these jobs is cited as the principal barrier. And the blame for not having workers often is laid at the feet of a public education system that historically has not been competitive when compared to those in the rest of the United States.

The following criticisms dominate discussions of the pre-kindergarten through grade twelve education system:

- The state's low scores on college admission tests, such as the SAT, symbolize the state's educational aspirations.
- The percentage of students graduating from high school in four or five years ranks last in the nation and is evidence that there is an insufficient work force prepared for complex technological jobs.
- The percentage of young adults without a high school diploma leads to a cycle of poverty, increasing costs for early childhood programs, indigent care, corrections, and public assistance.

But educators counter that the problem is not theirs alone. While most admit that schools are responsible for continuous improvement, educators cite the debilitating effects of multigenerational undereducation, isolation of rural communities, historic racial and ethnic prejudices, and inadequate resources to overcome a culture of poverty.

Few disagree that South Carolina's public schools are the heart and soul of her economic, social, and political lives. As Horace Mann wrote (1855):

Education must be universal . . . With us, the qualification of voters is as important as the qualification of governors, and even comes first, in the natural order . . . that every man, by the power of reason and the sense of duty, shall become fit to be a voter. Education must bring the practice as nearly as possible to the theory. As the children now are, so will the sovereigns soon be.

But the arguments are long and hard if the question is phrased in terms of the education community's will to achieve transformational results within current appropriations or the public and legislative will to provide schools with additional resources (i.e., tax dollars) so that the results can be accomplished.

The purpose of this paper is to examine the historical funding of South Carolina's public schools and to inform the debate. The debate goes well beyond the appropriation and expenditure of dollars and reaches into the balance of responsibilities among federal, state, and local levels of government.

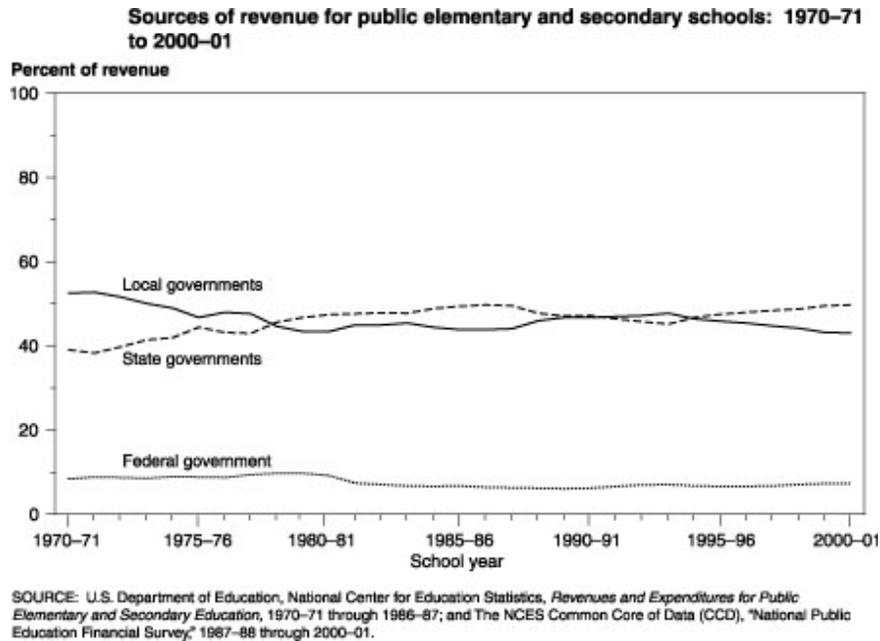


**Federal, State, and  
Local Contributions**

## Federal, State, and Local Contributions

Revenues available for schools are drawn from three sources—federal, state, and local. In fiscal year 2003, federal dollars composed 9 percent of revenues, state dollars made up 50 percent, and local dollars contributed 41 percent (NEA, 2004). Nationally, the trend has been for an increase in state contributions and a decrease in the proportion paid from local contributions.

Figure 3



### Federal Funds

The United States Constitution does not assume education as a federal responsibility. The powers and duties often described in the "reserve clause" held by the states include the responsibility to educate the people of a state. The first federal legislative action in support of education was contained in the Northwest Ordinance of 1787, which authorized land grants for the establishment of educational institutions. Over the next century, the majority of federal investment in education was through actions to support a system of higher education, such as the Morrill Acts that established the land grant colleges. In the first half of the twentieth century, the federal government made the first of many investments in the school lunch program and in vocational education. Although we are familiar with many federal programs (e.g., Elementary and Secondary Education Act, Perkins Vocational Technical Education Act, Individuals with Disabilities Education Act), these programs are means to a federal purpose. The Elementary and Secondary Education Act (ESEA) is a component of the sweeping reforms enacted in the 1960s to extend civil and economic rights. The ESEA provided grants to elementary and secondary school programs for children of low-income families. Authorized expenditures included teachers, school library resources, textbooks and other educational materials, supplementary services, research, and training.

Over the years, South Carolina has benefited from significant investments of federal aid. A history of federal, state, and local contributions for pre-kindergarten through grade twelve programs demonstrates increases over time.

As mentioned earlier, the federal investments in pre-kindergarten through grade twelve education have been tied to federal objectives in areas outside of education. For example, both the ESEA and the Individuals with Disabilities Education Act (IDEA) (and their subsequent amendments) are intended to extend civil rights to individuals who have faced discrimination; the Perkins Vocational Education Program is to increase individual, and therefore national, economic strength. The federal government also has provided funds to support full civic participation by individuals for whom English is not their first language or to provide supplementary resources to communities in which the federal government has a facility and therefore makes an economic impact.

The ESEA was enacted during the 1960s as the education component of the wide-reaching and comprehensive civil rights legislation. The bulk of funding is provided through Title 1 programs serving students living in communities with a high concentration of poverty. These funds are provided to supplement, not supplant, existing state and local funding. Seventy percent of South Carolina's elementary schools and 50 percent of all schools generally qualify for Title 1 funding—evidence of the widespread economic disadvantages experienced by South Carolina's students (S.C. Department of Education, 2003). The 2001 No Child Left Behind amendments to the ESEA broadened the federal influence by extending the responsibility to report and achieve levels of student performance to all schools in states accepting ESEA funds. In 2005, South Carolina received \$178,282,474 for Title 1 grants to local school districts. A total of \$290,582,577 was provided to South Carolina for implementation of the No Child Left Behind reauthorization of the ESEA.

IDEA is an outgrowth of legislation enacted in the early 1970s (Public Law 94-142) to ensure that students with disabilities received a free and appropriate public education (FAPE). The law provides that students with disabilities must be provided with supplementary services so that the students may benefit from the educational program. Although South Carolina received \$162,681,672 for IDEA in 2005, the National School Boards Association argues that these funds fall well short of the 40 percent federal commitment made when the law first was enacted.

The third major source of federal funding for schools is workforce preparation. Through the original Perkins Vocational Education Program, the school-to-work transition funds, and the Workforce Investment Act, federal funds flow to the state to improve career and technology education programs. The fiscal year 2006 budget proposed by President George Bush discontinues funding for the Perkins Vocational Education Act and school-to-work transition programs. These programs have been reauthorized by Congress, yet (as of this writing) no funds appropriated.

Other, smaller programs offer either per-pupil allocations or competitive grants. Programs to support students with limited English proficiency, the children of migrant workers, programs to extend the use of technology, and community learning centers are among these. Appropriations for the formula or student-allocated programs are displayed in appendix B.

**Table 1**  
**History of Federal Funds to South Carolina by Major Program**

Program	2001	2002	2003	2004	2005	Proposed 2006*
Title 1 to local education agencies (LEAs)	\$115,017,162	\$142,363,522	\$157,877,214	\$165,456,776	\$178,282,474	\$186,005,497
Reading First	0	\$14,093,097	\$14,370,958	\$14,466,509	\$15,542,046	\$15,543,109
Even Start		\$2,964,417	\$3,077,373	\$3,014,273	\$2,960,745	\$2,819,350
Comp. School Reform	\$2,776,542	\$2,985,137	\$3,089,502	\$3,069,299	\$2,667,682	0
21st Century Learning	0	\$4,026,962	\$7,522,110	\$13,173,936	\$12,913,334	\$13,500,102
Safe, Drug-Free Schools	\$5,664,453	\$6,459,108	\$6,520,328	\$5,664,453	\$5,643,564	0
Eisenhower Prof. Dev.	\$5,746,229	Collapsed into Improving Teacher Quality grants				
Class Size Reduction	\$19,630,312	0	0	0	0	0
Special Education	\$98,231,807	\$115,429,949	\$137,796,637	\$154,478,352	\$161,681,672	\$168,662,093
Special Education, Pre-School	\$7,293,431	\$7,293,431	\$7,257,030	\$7,254,971	\$7,203,090	\$7,203,090
Vocational Education	\$17,647,448	\$18,969,349	\$19,338,298	\$19,111,134	\$18,900,458	0
Tech Prep	\$1,738,505	\$1,779,808	\$1,772,993	\$1,731,379	\$1,731,379	0
Total, all elementary /secondary programs	\$313,709,466	\$391,663,387	\$435,432,580	\$462,533,638	\$480,194,040	\$473,083,707

Source: National Center for Education Statistics, [www.ed.gov/nces](http://www.ed.gov/nces)

\*President's Proposed Budget

Note: The total figure includes several limited programs not displayed in the table.

The proportion of federal funds allocated to any one district varies depending upon eligibility. Data presented in appendixes C and D detail the fiscal year 2003 dollars spent per student (excluding capital/debt service dollars) and the percentage from federal sources. The range is from a low of 4.45 percent in Lexington School District Five to a high of 29.01 percent in McCormick County School District.

## State Funding

The South Carolina Constitution provides that “the General Assembly shall provide for the maintenance and support of a system of free public schools open to all children in the State and shall establish, organize and support such other public institutions of learning, as may be desirable” (article 11, section 3). To carry out its responsibilities, the General Assembly established local school districts, governed to some extent by locally elected school boards of trustees. Originally formed around individual schools, the number of districts has declined over time.

**Table 2**  
**Number of South Carolina School Districts,**  
**Enrollment and Per Pupil Expenditures**

Year	# Districts	Average Pupils per district	Average Expenditure per pupil	Estimated Value in 2000 Dollars
1950	1220	10,937*	\$117	\$836.00
1960	108	4,920	\$179	\$1041.00
1970	95	6,319	\$508	\$2254.00
1980	92	6,596	\$1,381	\$2886.00
1990	91	6,757	\$3,788	\$4991.00
2000	86	7,539	\$6,339	

Source: State Superintendent’s Annual Reports. (columns 2-4) Calculation (column 5) American Institute of Economic Research Cost-of-Living Calculator  
NOTE: \* This figure is not realistic; however, this is the number reported in 1950.

In recent years, the degree of responsibility that the state should bear has been a source of legal action. The purposes have shifted from the narrower issues of opportunity and access to school to the broader aspiration of achievement. In the early 1990s, thirty-seven school districts sued the state for not providing resources sufficient to meet the needs of students. In 1999, the state supreme court ruled that the state was responsible for providing a minimally adequate education to include “providing students adequate and safe facilities in which they have the opportunity to acquire: 1) the ability to read, write, and speak the English language, and knowledge of mathematics and physical science; 2) a fundamental knowledge of economic, social, and political systems, and of history and governmental processes; and 3) academic and vocational skills” (S.C. Supreme Court, 1999).

State funding for public education has increased from the original appropriation of \$37,000 in 1811 to fund one elementary school in each House of Representatives district to nearly \$2.5 billion for fiscal year 2005. State funds currently compose 50 percent of per-pupil expenditures.

Over time, the state has called upon schools to provide a broader curriculum and array of services than envisioned in 1811. Today’s curriculum is designed to prepare students in the core academic areas so that they exhibit competence in the following:

- (1) read, view, and listen to complex information in the English language;
- (2) write and speak effectively in the English language;
- (3) solve problems by applying mathematics;
- (4) conduct research and communicate findings;
- (5) understand and apply scientific concepts;
- (6) obtain a working knowledge of world, United States, and South Carolina history, government, economics, and geography; and
- (7) use information to make decisions.

(Section 59-18-300, S.C. Codes of Laws of 1976, as amended)

Other provisions of law define responsibilities for student learning in the arts, health, physical education, foreign languages, technology, and career readiness. Schools additionally are asked to address financial literacy, character development, and substance abuse prevention. Schools also are expected to succeed with every student, regardless of the advantages or disadvantages the student brings to the school setting.

Schools receive funding through a variety of sources and mechanisms. Generally, state appropriations for education are distributed either by a categorical appropriation or through a per-pupil weighting. Categorical funds generally are appropriated to the State Department of Education for implementation of a program or service. Per-pupil funding flows through the state agency to the local district based upon student eligibility. Some appropriations require that local school districts match state funding on a predetermined proportion; in other areas the state appropriation pays all the program costs. And, to confound understanding even further, there are a number of circumstances in which state appropriations are considered full funding, but local administrators and trustees argue that the state funds are insufficient for the task and that local supplements are necessary (e.g., summer school, bus driver salaries).

Public schools initially were funded by the state primarily with property tax revenues. In the early 1920s, South Carolina eliminated the property tax as a source of state revenue, reserving it for counties, municipalities, school districts, and other local government entities. In 1922, the state added an income tax and an inheritance tax to the existing tax on gasoline and fees on businesses. In 1925, the General Assembly added taxes on soft drinks and cosmetics, the first sales taxes (Hite, 1984).

Today the state funds schools through a combination of sales, income, and miscellaneous taxes. Funds from the education lottery, by statutory prescription, supplement these revenues. Slightly over 36 percent of General Fund appropriations are targeted to the public school system (excluding EIA and lottery funds). The percentage has changed little over the last twelve years, as is evident in the table below; however, readers should note that in the most recent years of mid-year budget reductions, public education was protected in that mid-year reductions were applied more intensively to other areas of government than to public education.

**Table 3**  
**Percentage of General Fund Appropriations to Public Education**

<b>Fiscal Year</b>	<b>General Fund Appropriations to Education</b>	<b>Per Capita Appropriation</b>	<b>Percent of Total General Fund</b>
1994	\$1,288,644,829	\$347.78	33.96
1995	1,321,144,789	\$352.44	33.60
1996	1,347,295,398	\$354.91	32.81
1997	1,424,107,697	\$368.97	32.53
1998	1,512,215,078	\$385.85	32.35
1999	1,620,222,259	\$407.64	35.11
2000	1,783,233,279	\$443.25	36.06
2001	1,913,185,969	\$471.24	36.07
2002	2,016,094,789	\$491.28	36.31
2003	1,996,120,864	\$481.32	36.66
2004	1,816,662,915	\$433.72	36.67
2005	1,893,041,763	\$447.53	36.25

Source: Office of the State Budget, Historical Analyses, 2005

Three shifts in state funding for K-12 in the last fifty years are worth noting:

- The additional sales tax imposed in the 1950s
- The Education Finance Act enacted in 1977
- The Education Improvement Act of 1984

In 1951 the state enacted a comprehensive 3 percent tax on retail sales, and in 1969 the rate of was increased to 4 percent. Dedicated to public schools, the funds raised from the 3 percent tax more than doubled school funding. Sales tax revenues were used to support the consolidation of school districts and capital investments in new school buildings. Few dollars were added to school operations (Hite, 1984). As facilities were constructed and these funds were greater than the demand for the facilities purpose, sales tax revenues were shifted to operational costs

The Education Finance Act (EFA) came on the heels of actions to end the historic dual system of education and to provide for the differences in community wealth and student needs. The EFA and its attendant regulations known as the defined minimum program focused on the necessary elements to support teaching to students within grade levels and program groupings. The EFA further incorporates the distribution of state funds on the basis of a school district's index of taxpaying ability, which is the value of property in a local school district in ratio to the value of property statewide.

The EFA is built upon three components: the base student cost, the weighted pupil unit, and the index of taxpaying ability. The base student cost, developed in 1973, was projected from a compendium of regulations addressing such factors as the number of pupils per teacher, the maximum teacher load, and the minutes of instruction per course. The base student cost presumes school districts of 6,000 students in kindergarten through grade twelve and is premised on a defined series of administrative, operational, and instructional requirements. Changes in the requirements over time have led to the addition of funds through designated appropriations. Adjusted annually by an inflation factor, the base student cost grows as does the cost of government services in an educational model.

The base student cost includes the following:

- Teacher salaries, excluding the southeastern average supplement
- Administrator salaries, including the superintendent
- Guidance services
- Media services
- Plant operations/maintenance
- Staff development
- Support functions (e.g., purchasing)

The base student cost does *not* include the following:

- Facility construction
- Pupil transportation
- Food services
- Instructional materials
- Employee benefits
- Adult education

Over time, the base student cost has risen from \$747 in fiscal year 1978 to \$2,290 in fiscal year 2006.

The second EFA component is the weighted pupil unit. Students are counted in one of fifteen classifications. Each classification is assigned a weighting factor in order to reflect the costs of providing instruction to students with differing needs. The weightings are multiplied by the number of students in each category and applied to the base student costs. A student with no special needs in grade four is weighted 1.0; a student with autism is weighted 2.57. Therefore the number of weighted

pupil units exceeds the number of students in the system at any one time. Over time, the weightings have been amended to add categories of students with disabilities and to reflect the costs of a full-day kindergarten program.

The change in the base student cost and the number of weighted pupil units across the years is shown in the table below.

**Table 4  
History of Education Finance Act Appropriations**

Fiscal Year	Base Student Cost	Inflation Factor	Actual Weighted Pupil Units	TOTAL EFA Expenditures
'77-'78	\$747	5.57%	NA	NA
'78-'79	\$791	5.90%	758,194	\$346,344,466
'79-'80	\$846	6.97%	754,151	\$390,436,794
'80-'81	\$913	7.90%	744,799	\$449,435,576
'81-'82	\$986	8.00%	735,829	\$494,240,571
'82-'83	\$1,056	7.10%	730,620	\$523,144,912
'83-'84	\$1,116	5.70%	720,219	\$562,672,048
'84-'85	\$1,180	5.70%	718,964	\$609,139,536
'85-'86	\$1,240	5.10%	722,640	\$629,404,985
'86-'87	\$1,302	5.00%	729,715	\$649,634,748
'87-'88	\$1,366	3.00%	735,363	\$692,418,665
'88-'89	\$1,392	3.80%	735,921	\$719,301,046
'89-'90	\$1,467	5.40%	735,015	\$762,794,071
'90-'91	\$1,539	4.90%	739,773	\$800,195,135
'91-'92	\$1,604	1.50%	746,592	\$789,973,489
'92-'93	\$1,585	3.10%	751,490	\$809,805,156
'93-'94	\$1,581	0.00%	754,101	\$840,134,618
'94-'95	\$1,619	2.40%	760,016	\$866,016,423
'95-'96	\$1,684	4.00%	761,994	\$901,426,193
'96-'97	\$1,760	4.50%	769,788	\$948,437,643
'97-'98	\$1,839	4.50%	780,676	\$1,005,890,299
'98-'99	\$1,879	2.20%	814,739	\$1,041,329,925
'99-'00	\$1,937	3.10%	816,853	\$1,113,949,270
'00-'01	\$2,012	3.90%	817,731	\$1,159,684,485
'01-'02	\$2,073	3.04%	823,179	\$1,089,307,621
'02-'03	\$2,033	0.00%	827,033	\$1,033,548,770
'03-'04	\$1,745	0.00%	836,085	\$1,027,089,281
'04-'05	\$1,852	0.00%	842,000	\$1,079,180,573
'05-'06	\$2,290	Corrected*	852,863	\$1,367,140,076
'06-'07	\$2,367	SDE Projections	849,940	\$1,416,903,715

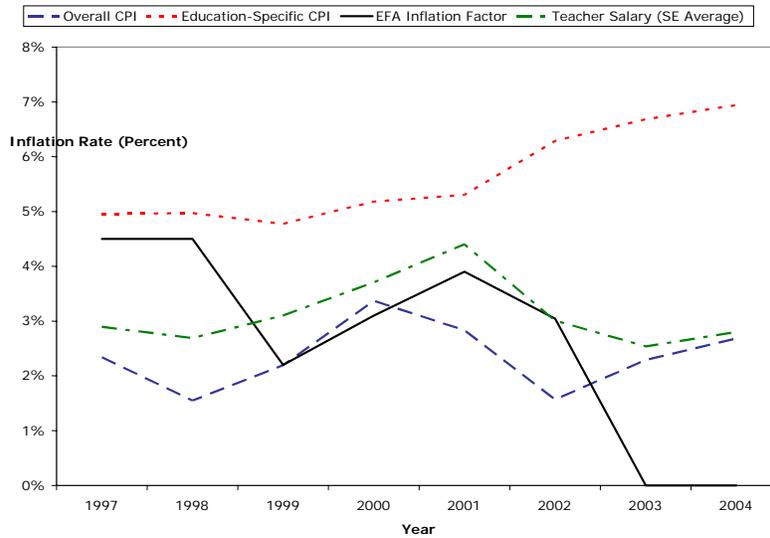
Source: Office of the State Budget, Historical Analyses, 2005.

\*EFA funding was increased to restore the cuts experienced in the three previous fiscal years.

The third EFA component is the index of taxing ability. The index is the ratio of a district's assessed value of property to the total assessed value of property in the state. Indexes range from over 9 percent to less than .05 percent. The allocation of EFA funds to a district is determined by multiplying the base student cost times the number of weighted pupil units times the district's index of taxing ability. Statewide, the average ratio should be 70 percent state funds to 30 percent local funds.

Over time, the validity of the base student cost has been questioned either because the educational program and services provided today have changed dramatically from the EFA's inception in the mid-1970s or because the General Assembly has employed an inflation factor at a level lower than recommended by Board of Economic Advisors (BEA) or the education community. The BEA uses an inflation factor that reflects the cost of governmental services. As shown in figure 3, the inflation factor differs from the consumer price index, the education-specific consumer price index (inclusive of postsecondary costs), and the rate of increase in the southeastern average teacher salary.

**Figure 4**  
**Comparison of Inflation Measures**



Source: Education Oversight Committee, 2005.

A third shift in education funding came with the passage of the 1984 Education Improvement Act (EIA). The EIA increased sales tax rates from 4 to 5 percent, held those revenues in a trust fund, and provided funds to local districts based upon student or teacher eligibility for a series of initiatives. Local school districts were not required to pay any portion of the costs. A history of EIA appropriations and revenues is shown in table 5 on the next page.

**Table 5**  
**History of EIA Appropriations and Revenues**

Fiscal Year	EIA Appropriations	EIA Revenue Collections
'84-'85	\$215,900,000	\$217,900,000
'85-'86	\$224,932,750	\$228,732,229
'86-'87	\$240,792,000	\$242,592,000
'87-'88	\$251,333,850	\$253,133,850
'88-'89	\$268,199,603	\$271,299,603
'89-'90	\$282,675,000	\$290,932,000
'90-'91	\$303,221,273	\$291,946,000
'91-'92	\$309,240,950	\$292,884,000
'92-'93	\$313,427,152	\$312,764,000
'93-'94	\$312,825,000	\$337,427,000
'94-'95	\$346,960,000	\$362,647,000
'95-'96	\$381,650,000	\$390,727,439
'96-'97	\$403,326,792	\$411,146,480
'97-'98	\$429,403,364	\$433,972,514
'98-'99	\$454,425,528	\$472,219,694
'99-'00	\$493,991,535	\$493,183,237
'00-'01	\$532,391,162	\$506,084,990
'01-'02	\$547,809,059	\$503,594,167
'02-'03	\$543,282,467	\$513,542,812
'03-'04	\$543,187,398	\$544,651,469
'04-'05	\$552,502,240	Not available at this writing
'05-'06	\$600,716,378	
'06-'07 Projection	\$640,199,558*	

Source: Office of the State Budget, Historical Analyses, 2005  
Projections Source: Board of Economic Advisors, Nov. 2005

Among the initiatives funded with EIA revenues is the addition of a salary supplement to ensure that South Carolina teachers are paid the southeastern average teacher salary. Between 1984 and the early 1990s, the southeastern average teacher pay was calculated using a weighted average of teacher salaries in twelve southern states. As revenue growth stalled and the state struggled to rebound from damages caused by Hurricane Hugo, the state shifted to the calculation of a simple average. Because the dollars used to reach the southeastern average are accumulated across all fund sources, increases in EFA funding reduce the need for EIA revenues, thereby releasing those revenues for programs and services. The reverse is true as well. In recent years, state and local supplements for teachers with national board certification as well as incentives to serve as teacher specialists have been considered in the calculation of the southeastern average teacher salary. For the most part, an individual teacher's salary is determined by the interaction of degrees earned and years of experience.

Since 1984 the General Assembly has appropriated funds sufficient to reach or exceed the southeastern average teacher salary *as projected* by the Board of Economic Advisors. During the course of a year, the experience and education, as well as differences among district pay schedules, may result in a slightly different average teacher salary paid. Since fiscal year 2000, the General Assembly has appropriated funds to exceed the southeastern average by \$300.

The southeastern average teacher salary has increased significantly since 1984, as shown in table 6.

**Table 6**  
**Southeastern Average Teacher Salary**

Fiscal Year	Southeastern Average Teacher Salary Projection	S.C. Average Teacher Salary Actual
'84-'85	\$20,199	\$20,143
'85-'86	\$21,777	\$21,595
'86-'87	\$22,937	\$23,201
'87-'88	\$24,240	\$24,728
'88-'89	\$25,569	\$25,623
'89-'90	\$27,134	\$27,217
'90-'91	\$28,669	\$28,301
'91-'92	\$29,012	\$28,068
'92-'93	\$29,403	\$29,224
'93-'94	\$30,190	\$29,566
'94-'95	\$30,457	\$30,279
'95-'96	\$31,749	\$31,622
'96-'97	\$32,668	\$32,830
'97-'98	\$33,547	\$33,697
'98-'99	\$34,587	\$34,506
'99-'00	\$35,869	\$36,091
'00-'01	\$37,447	\$37,938
'01-'02	\$38,573	\$39,923
'02-'03	\$39,551	\$40,362
'03-'04	\$40,659	\$41,162
'04-'05	\$41,391	Not available at this writing
'05-'06	\$42,437	
'06-'07	Projected \$43,691*	

Source: Office of the State Budget, Historical Analyses, 2005.  
\*SDE Projection, October 2005.

The EIA initiated funding for a series of programs including the Advanced Placement testing program, services to students identified as gifted and talented, and additional support for students not meeting state standards on assessments. These programs, once considered innovative and supplementary, now are viewed as part of basic educational services.

Funds are appropriated to the State Department of Education (SDE) to perform a number of services, including administration of federal programs, assessment, financial auditing, professional licensure, professional development, program leadership, and technical assistance. These costs, while components of the state per-pupil expenditure, are not reflected in either school or district expenditures.

The responsibility of the state to provide school buildings is not defined in statute, nor is there consensus. Since the 1950s, state government has provided some aid for construction, renovation, and maintenance of school facilities. Revenues from sales taxes levied in the 1950s were the first continuing source, followed by an annual appropriation of "30-15" money. School districts were provided \$30 in building aid for every student enrolled in grades one through twelve and \$15 for every student enrolled in kindergarten (during that period, kindergarten was a half-day program). These funds were supplementary to the school districts' ability to borrow funds up to the constitutional limit of 8 percent of the assessed value in the district. The EIA elastic revenues provision (funds not spent at the end of the fiscal year) and other supplementary funds are distributed to school districts on a per-pupil basis. The Barnwell Children's Endowment Fund is distributed on a four factor formula including per pupil, district index of taxpaying ability, uniform assessment of facilities needs and equalized effort. In 1999 the General Assembly authorized the sale of \$750 million in bonds for school building purposes. Currently, across all revenue categories \$2 billion is available for construction or renovation. These funds do not approximate the need documented by the State Department of Education to be \$4.8 billion (Statewide School District Facilities Capital Needs Analyses, 2004).

South Carolina is the only state in the nation to operate the school transportation system as a state system. The state provides buses, maintenance services, fuel and salaries for drivers, and other transportation system workers. The efficiency of operating a state system is under study by a privatization committee. Many of the buses are beyond the recommended age and mileage, and despite recent investments this issue is not resolved. Appropriations for the purchase of school buses are detailed below; often these appropriations are used to purchase parts and fuel when appropriations for those purposes are insufficient. Local school districts, particularly those in metropolitan areas, supplement the drivers' salaries in order to compete successfully in the community's labor market.

**Table 7**  
**Appropriations for School Buses**

Fiscal Year	Appropriations Act	Bond Bill	Lottery	Total Appropriations	Number of Buses Purchased
1993-94	\$1,000,000			\$1,000,000	47
1994-95		\$104,450,000		\$104,450,000	2002
1995-96					109
1996-97					0
1997-98					0
1998-99	\$4,000,000			\$4,000,000	56
1999-2000	\$4,000,000	\$15,000,000		\$19,000,000	201
2000-01	\$8,261,888			\$8,261,888	0
2001-02	\$8,261,888	\$9,000,000		\$16,261,888	0
2002-03	\$8,261,888		\$28,692,348	\$36,954,236	353
2003-04	\$8,261,888		\$18,092,605	\$26,354,493	36
2004-05	\$8,261,888			\$8,261,888	
2005-06	\$10,676,931		\$3,000,000	\$26,261,885*	

Source: Office of the State Budget, Historical Analyses, 2005.

\*FY06 funds also were appropriated from the Capital Reserve (\$7,584,954) and the Supplemental Appropriations Act (\$5,000,000)

The purchase of instructional materials is another area of significant contribution to public schools. Through a State Board of Education approved schedule, the state funds textbooks/instructional

materials to be selected by local school districts from a list indicating the alignment of the materials with the state content standards. While the intent is for a six-year adoption cycle, this intent is not realized in all content areas.

**Table 8  
Instructional Materials Appropriations**

Fiscal Year	Appropriations Act	Lottery	Supplemental Appropriations	Capital Reserve Fund	Total Appropriations
1993-94	\$17,318,072				\$17,318,072
1994-95	\$17,140,722			\$12,000,000	\$29,140,722
1995-96	\$17,140,722		\$10,000,000		\$27,140,722
1996-97	\$18,440,722			\$13,602,951	\$32,043,673
1997-98	\$18,440,722		\$7,792,132	\$5,810,819	\$32,043,673
1998-99	\$31,440,722			\$5,000,000	\$36,440,722
1999-2000	\$36,440,722				\$36,440,722
2000-01	\$38,968,387			\$4,972,335	\$43,940,722
2001-02	\$43,940,387				\$43,940,387
2002-03	\$40,458,436				\$40,458,436
2003-04	\$37,973,472				\$37,973,472
2004-05	\$37,498,804	\$4,867,395			\$42,366,199

Source: Office of State Budget, Historical Analyses, 2005.

A final source of state investment comes through the education lottery. The kindergarten through grade twelve programs receive approximately 30 percent of lottery revenues. Additional funds are provided for the First Steps to School Readiness program (\$3,000,000 in fiscal year 2005).

A history of lottery-based appropriations for kindergarten through grade twelve programs, excluding unclaimed prize monies invested in school buses, First Steps, and the Governor's School for Science and Mathematics, is shown below.

**Table 9  
History of Lottery Appropriations to Kindergarten through Grade Twelve Education Programs**

Program	2002-03	2003-04	2004-05	2005-06
EAA Homework Centers	\$1,548,440	\$1,548,440	\$6,953,864	
EAA Retraining Grants	\$4,637,000	\$4,637,000	\$7,460,500	
EAA External Review Teams	\$1,466,872	\$1,466,872	\$1,466,872	
EAA Teacher/Principal Specialists	\$14,851,371	\$13,851,371	\$28,716,279	
EAA Pilot Programs	\$400,000			
EAA Palmetto Awards	\$1,000,000	\$1,000,000	\$2,000,000	
K-5 Enhancement	\$32,915,900	\$40,000,000	\$46,500,000	\$46,500,000
6-8 Enhancement			\$2,000,000	\$2,000,000

Program	2002-03	2003-04	2004-05	2005-06
High Schools That Work			\$500,000	
Testing			\$2,717,662	
Student Identifier			\$488,000	
Data Collection			\$2,048,925	
Report Cards			\$971,793	
Governor's School for the Arts			\$1,000,000	
School Buses	\$23,000,000			
Total: K-12	\$79,819,583	\$62,503,683	\$102,823,895	\$48,500,000
% of Lottery Revenues	29.7%	28.7 %	31.3 %	16.7%

Source: Office of State Budget, Historical Analyses, 2005.

South Carolina also provides funding for a number of other school needs. Among the most notable are employee benefits, adult education, technical assistance to underperforming schools, and lottery-funded enhancement grants.

South Carolina allocates funds to provide educational support for students deemed at risk through pre-school initiatives (these references exclude appropriations to the Department of Social Services or the Department of Health and Environmental Control).

In fiscal year 2006, the state appropriated or authorized expenditures for over \$300 million in intervention programs, including the following:

#### Pre-School Interventions

Four-year-old child development programs	\$21,832,678
Transportation for above	450,776
Family literacy	1,700,046
Parent education	4,159,555
First Steps to School Readiness	21,122,068

#### In-School Interventions

Class size reduction	\$35,047,429
Act 135 Early Childhood/Academic Assistance	120,436,576
Summer school	31,000,000
Summer school transportation	4,000,000
Alternative schools	10,976,277

#### Technical Assistance to Underperforming Schools

Technical Assistance to Schools	\$33,484,950
Homework centers	6,810,000
External review teams	586,800
Retraining grants	5,565,000

#### Remediation in the Technical College System

Remedial course costs	\$7,577,401
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#### Local Funds

There is considerable inconsistency in both the authority and capacity of local school districts to raise revenues for schools.

Of the eighty-five school districts in South Carolina, twenty-three have fiscal autonomy; that is, the local school district board of trustees has authority to establish a millage rate for the operation of schools. Another thirty-six school districts have authority to set millage rates within parameters established by statute, referenda, legislative action, or county council action, and twenty-six districts must call upon the legislative delegation or county governments to establish millage for the ensuing year.

Differences in community property wealth confound the balance anticipated between state and local contributions to the EFA. The value of a mill ranges from as low as \$20,000 to \$1.4 million. Communities with low property wealth are most vulnerable to declines in state revenues. As state revenues fell between 1999 and 2003, mid-year budget reductions impacted disproportionately on the low-wealth communities, despite relatively high millage rates. Wealthier communities that receive lower proportions of funding from state sources did not experience as severe budget reductions and were able to draw upon local sources.

Historically the local property tax has been the vehicle for raising school revenues; however the increasing unpopularity of the property tax has resulted in a number of actions to decrease dependency upon that tax. In 1994 the General Assembly enacted the Property Tax Relief Act, designed to replace local property taxes with state revenues from other sources. As is evident in the table below, increases in local spending over the last ten years have erased the impact of the property tax relief. Increases in the last five years are attributed either to efforts to offset the impact of mid-year state budget reductions or to school construction costs.

**Table 10**  
**Total Revenue from Real and Personal Property Taxes Compared to Revenue**  
**from These Sources Available to School Districts**

	Real and Personal Property Taxes School Districts, Counties & Cities	Real and Personal Property Taxes School Districts ONLY	
FY93	\$1,724,250,009	\$1,117,339,085	64.8%
FY94	\$1,838,697,606	\$1,200,118,601	65.3%
FY95	\$1,970,885,104	\$1,296,487,496	65.8%
FY96	\$1,861,396,450	\$1,145,345,201	61.5%
FY97	\$2,066,224,839	\$1,239,054,910	60.0%
FY98	\$2,207,574,819	\$1,338,652,073	60.6%
FY99	\$2,358,204,224	\$1,454,697,828	61.7%
FY00	\$2,541,173,642	\$1,588,402,194	62.5%
FY01	\$2,655,586,266	\$1,717,986,263	64.7%
FY02	\$2,986,777,554	\$1,895,467,737	63.5%
FY03	\$3,132,157,449	\$2,035,799,713	65.0%

Source: Presentation by Dr. Bill Gillespie, State's Chief Economist, to the House Ad Hoc Property Tax Committee, September 21, 2005

<http://www.scstatehouse.net/citizensinterestpage/PropertyTaxReform/Ways&Means/PresentationbyDr.Gillespie.pdf>

Increasingly local communities are providing school districts with the authority to impose sales taxes to pay for capital projects. And, with pressure from citizens opposed to property taxes, the General Assembly is exploring ways to reduce further (if not eliminate entirely) use of the property tax. Shifts

in revenue sources result in shifts among the citizens who “pay” for schools and prompt discussions of the direct and indirect benefits of schooling to communities and to the state.

Local funds are used to satisfy the local effort requirements of the EFA, to provide supplements to state and federal funds deemed appropriate by local communities, and to provide school facilities or to offer special initiatives or services with costs beyond the constitutional debt limit.

Some communities such as those in Spartanburg and Greenville counties have established teacher compensation goals and use local funds to support salary levels significantly higher than the state schedule. Other communities place priority on expanded curricula such as the arts or technology. In the last ten years (1995-2004), citizens have approved bond referenda for school construction nearing \$3.4 billion.



**School Revenues  
and Expenditures**

## School Revenues and Expenditures

Few questions elicit as many different answers as does “What is the per pupil expenditure?”

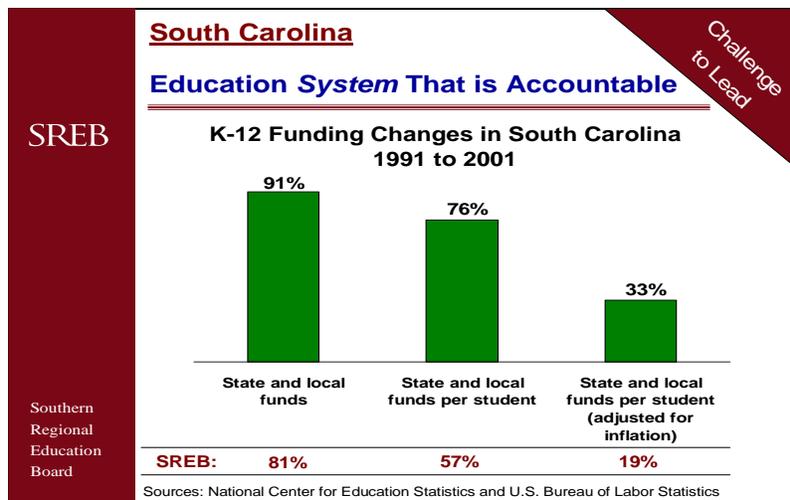
Expenditures vary across the eighty-five school districts. For fiscal year 2003, the range of expenditures per pupil by district (excluding federal funds) was from \$4,804 to \$8,905, with a median expenditure of \$6,538. These data are displayed in appendix C.

School expenditures vary by grade configuration and school level. In fiscal year 2003, the median expenditure for high schools was \$6,279; for middle schools, \$5,854; and for elementary schools, \$5,892. There is a negative correlation between performance and per-pupil spending. Schools enrolling a significantly greater number of students from economically disadvantaged backgrounds receive supplemental funding through Title 1 and other programs designed to interdict the impact of poverty. Because of the unfortunate linkage between poverty and underachievement, these schools also draw larger proportions of supplementary funding for underperformance.

South Carolina’s per-pupil expenditure (excluding capital or debt service expenditures) ranks twenty-ninth in the nation as compared by the NEA. The NEA reports a per pupil expenditure of \$8,523 in fiscal year 2004-2005, a figure just shy of 94 percent of the national average. (NEA, 2005).

Comparisons of per-pupil expenditure are difficult and generally lead to more confusion. Differences in program requirements and offerings, differences in the needs of students, and differences in the responsibility of the federal, state, and local governments confound understanding. Inflation often confuses understanding of real gains. The Southern Regional Education Board (SREB) suggests the following real increases between 1991 and 2001:

Figure 5  
K-12 Funding Changes in South Carolina



In comparison to her neighboring states, the per-pupil expenditure in South Carolina is higher than many Southern Regional Education Board states.. Those sixteen states and the per-pupil expenditures for fiscal year 2004-2005 are shown below, with detail on enrollments in the elementary secondary system provided in appendix E.

**Table 11**  
**Fiscal Year 2004-2005 Per Pupil Expenditures**

	<u>In Attendance</u>	<u>In Enrollment</u>
Alabama	\$ 7,259	\$ 6,993
Arkansas	7,011	6,202
Delaware	10,819	10,329
Florida	7,495	7,040
Georgia	9,145	8,500
Kentucky	8,551	7,719
Louisiana	8,218	7,552
Maryland	10,287	9,762
Mississippi	6,901	6,452
North Carolina	7,539	6,958
Oklahoma	6,582	6,269
SOUTH CAROLINA	8,523	8,161
Tennessee	7,231	6,725
Texas	7,654	7,140
Virginia	9,562	8,847
West Virginia	9,984	9,448

Source: NEA Rankings & Estimates, 2005

To many, the principle of “paying for what is required” is a simple solution to the dilemma of mandated, but unfunded, actions. One of the most persistent and glaring examples of unfunded mandates is the federal Individuals with Disabilities Act. Initially enacted in 1974 as Public Law 94-142, the legislation requires supplementary services for students with disabilities. Educators project that the federal government should assume 40 percent of costs, yet the program is funded at a 7 percent level. Increases in federal or state funding would not necessarily lead to the elimination of disparities among the school districts.

Within South Carolina, schools are required by the statute or proviso to provide a wide range of programs and services. The match between state requirements and funding is debated. New legislation often is challenged to ensure that there are no unfunded mandates.

In an effort to determine state requirements and funding appropriate to those requirements, the EOC identified program requirements and reasonable costs for those requirements. A detailed listing of those requirements and projected costs is provided in appendix D.

The proportion of expenditures spent directly on students or on instruction for students is a second area of debate. South Carolina uses a system of accounting for school and district expenditures called In\$ite™. Within a number of categories, expenditures are recorded, enabling comparisons across schools and/or districts. The fiscal year 2003 In\$ite™ reports indicating the pattern of expenditures, excluding capital expenditures, is provided in appendix F.



**Funding Sufficient to  
Achieve the State  
Requirements**

## Funding Sufficient to Achieve the State Requirements

What are the expectations of the public school system, and who should pay to accomplish those expectations?

These simple questions cannot be disentangled from the questions of school finance. In 1998 South Carolina enacted comprehensive school accountability measures designed to shift the focus of the state from a system of inputs to a system of results. Educators have always been accountable—to a series of process regulations, to a series of professional norms, to societal aspirations. But the 1998 legislation held that the results—that is, a high level of academic accomplishment from every student—superseded the historic professional focus. Specifically, the Education Accountability Act (EAA) provides that

It is the purpose of the General Assembly in this chapter to establish a performance based accountability system for public education which focuses on improving teaching and learning so that students are equipped with a strong academic foundation. Accountability, as defined by this chapter, means acceptance of the responsibility for improving student performance and taking actions to improve classroom practice and school performance by the Governor, the General Assembly, the State Department of Education, colleges and universities, local school boards, administrators, teachers, parents, students, and the community.

Are the resources available to schools sufficient to achieve the results expected in the EAA? Serious discussions of sufficiency must incorporate the way in which funds are spent as well as the amount of spending.

School finance litigation and legislation in states other than South Carolina have led to a number of studies seeking to determine the appropriate level. Four methodologies for costing-out studies have emerged.

- Successful school method—Schools that are achieving the state standards are identified and expenditures averaged to estimate the amount needed.
- Professional judgment method—Panels of experienced educators identify instructional components needed to achieve the standards, and subsequently costs are attached to the components.
- Effective strategies method—Educational research is reviewed to determine programs and strategies deemed successful, and these are reviewed to determine costs.
- Statistical method—After an examination of spending variations among districts, an estimate of district spending relative to the average district is calculated and applied.

In 2000, the South Carolina School Boards Association released a study using the professional judgment model. At that time, the total spending for schools from all sources neared \$3 billion, and the professional judgment methodology applied by Augenblick and Associates recommended doubling the funding to \$6 billion. (Augenblick et al, 2000).

In 2003, the South Carolina Education Association, in conjunction with the National Education Association, conducted two studies of school funding. The first methodology used the successful schools model, and the second examined the spending levels of wealthy districts. The successful schools analysis suggests that an additional \$484.2 million (above fiscal year 2001 funding) is required. The district wealth approach suggests that an additional \$312.6 million is needed, with costs shared between local and state governments (Hurley and Hopkins, 2003).

In 2003, the Education Oversight Committee used a variation of the effective strategies method, incorporating the costs of state requirements. This approach yielded a proposal to revise EFA weightings to reflect research-based programs (particularly for groups of students such as limited English proficient and underachieving) and pupil-teacher ratios anchored in the literature on strong

practices. That review indicated a \$537 million gap between current state spending and the dollars required to meet the expectations of the EAA. The Education Oversight Committee annually updates the requirements model to reflect changes in statutes, salaries and expectations as well as revenues. The model, as updated in November 2005, reflects a potential gap between spending and requirements of \$483,781,252. The initial requirements study is presented in Appendix D; the proposal and annual cost estimates may be found on the EOC website, [www.sceoc.org](http://www.sceoc.org).

Even cursory views of a potential gap in funding using the high achieving schools model are confounded by patterns of expenditure and achievement. In South Carolina, there is a negative statistical correlation between dollars spent and the school absolute rating (or the index leading to that rating). South Carolina provides supplementary funding to schools for students from poverty, students who score Below Basic on the state assessments, and for schools rated Below Average or Unsatisfactory. Typically these schools also have a greater share of federal Title 1 dollars. Interestingly, these schools tend to spend a lower percentage of their funds on teachers; teachers in these schools have fewer years experience and fewer advanced degrees.

Studies in Ohio (Office of Education Oversight, 1993) organized elements for consideration in the development of funding levels for a quality education into three areas, inextricably linked—schooling practices, community context, and available funds. A more recent study in Maryland (Commission on Education Finance, Equity, and Excellence, 2002) recommends that four principles should be addressed in a school finance system: adequacy, equity, simplicity, and flexibility. Over the last twenty years, nearly every state in the nation has undergone school finance litigation that has resulted in a range of solutions, specific to the states.



## Equity Issues

Over the last thirty years, school finance litigation has been filed in forty-five of the fifty states. In 1993, thirty-seven school districts (and others subsequently joined the suit) sued the state over the equitable nature of state funding to school districts. Plaintiffs won the *Abbeville v. State of South Carolina* suit in 1999 when the South Carolina Supreme Court ruled that the state had the responsibility to provide students with an opportunity for a “minimally adequate education,” as described earlier. Since then, the plaintiffs and defendants have returned to court to determine what defined an opportunity and what actions should be taken to fulfill the court’s dictates. A ruling is expected in late 2005, with an appeal to the supreme court likely.

South Carolina is not alone in its experiences with litigation. The Campaign for Fiscal Equity reports on litigations across the country:

**Figure 6**  
**Litigations Challenging the Constitutionality of K-12 Funding in the Fifty States**

In Process* (23)	No Current Lawsuit	Never Had a Lawsuit
Alaska	Alabama	Delaware
Arizona	Arkansas	Hawaii
Connecticut	California	Mississippi
Georgia	Colorado	Nevada
Idaho	Florida	Utah
Kansas	Illinois	
Kentucky	Indiana	
Louisiana	Iowa	
Maryland	Maine	
Missouri	Massachusetts	
Montana	Michigan	
Nebraska	Minnesota	
New Hampshire	Ohio	
New Jersey	Oklahoma	
New Mexico	Oregon	
New York	Pennsylvania	
North Carolina	Rhode Island	
South Carolina	Vermont	
Tennessee	Virginia	
Texas	Washington	
West Virginia	Wisconsin	
Wyoming		

\* “In Process” ranges from recently filed cases to cases where full implementation of the remedy seems close at hand.

Source: Molly A. Hunter, *Litigations Challenging Constitutionality of K-12 Funding in the 50 States* (Campaign for Fiscal Equity, Inc. 2005).



## Issues

There is no magic formula or pure solution to the problems and issues clustering around the funding of schools. Formulas assume structure, efficiencies, aspirations and motivation. The variations among these either act to propel excellence or confound even minimal impact.

Money is not the solution but solutions cost money. Therefore, we raise the following issues for public debate:

1. What policies and capacity should be developed so that local communities can provide environments that support the academic, physical and social development of young people?
2. What policies and capacity should be developed to ensure that families experience a quality of life (health, social, cultural aspects) so that out-of-school disadvantages do not limit school achievement?
3. What policies and capacity are needed to ensure that young people and those who support them understand the world beyond their immediate experience and how their talents may be nurtured in that world?
4. What policies and capacity should be developed to ensure that every school district has the capacity to provide programs and services ensuring that each student achieves at a high level?
5. What policies and capacity should be developed to ensure that students, regardless of their district of residence, have access to quality teaching?



## End Notes

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## Appendixes

- A. SCSBA Financial Glossary, Reprinted from January 1999
- B. Fiscal Year 2003 District Funds by Revenue Source
- C. District Funds with Federal and Local Percentages Noted
- D. Analysis of State Requirements
- E. Elementary and Secondary Enrollment in SREB States
- F. In\$ite™ Display of District Expenditures: 2003-2004

## Appendix A SCSBA Financial Glossary

**Act 135 of 1993.** A state law which continues reform efforts, also known as the Early Childhood Development and Academic Assistance Act. This focuses attention on and provides funds for early childhood education, curriculum, staff development, innovation, interagency collaboration, and planning at both the district and school level. This law also requires each district to develop and annually update a strategic plan.

**Act 208 of 1975.** A state law which sets tax rates and exceptions for various types of property. Also known as the Uniform Tax Assessment Act.

**ADM (Average Daily Membership).** This is the method used to count students in various programs. ADM acknowledges that certain educational costs are incurred even when students are absent. Each district's cumulative 135-day average daily membership by program classification determines the funds it receives from the state.

**Appraised value.** Full or real value of property.

**Article 10.** A 1978 amendment to the South Carolina Constitution which sets a limit on the amount of bonded indebtedness a school district can incur without voter approval. The limit is 8 percent of the assessed value of property in the district.

**Assessment ratio.** The relationship between assessed and full values. This ratio is 4 percent for owner-occupied residential property and some agricultural categories; 6 percent for other real property, including small businesses; and 10.5 percent for manufacturing and personal property, such as automobiles.

**Assessed valuation.** The taxable portion of the full or real value placed on real estate or other property by the government. The appraised value multiplied by the assessment ratio equals the assessed valuation of a property. For example, rental property with a full value of \$100,000 would have an assessed value of \$6,000 ( $\$100,000 \times .06 = \$6,000$ ).

**Audit.** An independent review of a district's financial statements and condition or other aspects of operation.

**Base student classification.** The classification representing the students most economically educated in a school system—those in grades four through eight in regular classroom settings. See **weighted pupil unit**.

**Base student cost.** The figure assigned to the base student classification and adjusted annually for inflation by the Division of Research and Statistics of the South Carolina Budget and Control Board.

**Bid.** An offer, usually written, to furnish materials or services to a school district for a specified sum of money.

**Bond.** A financing instrument used by districts to fund building construction and acquisition of fixed assets. It is structured to pay a specified sum of money (face value) at a fixed time in the future (date of maturity) at a state rate of interest. Also known as a GO (general obligation) bond. See **surety bond**.

**Bonding potential.** The ability to sell bonds up to an amount equal to 8 percent of the assessed property value. To incur debt beyond that amount, a board must receive voter approval in a referendum.

**Budget.** A district's spending plan based on proposed expenditures and revenues. It includes operations, capital outlay, debt service, and other special funds.

**Capital outlay.** Expenditures to purchase or add to fixed assets, such as land or buildings. This includes equipment purchases, in some cases.

**Categorical aid.** Funds earmarked for a given purpose or category, such as special education, transportation, or career education.

**COLA.** Cost of living adjustment.

**Contingency fund.** An undesignated fund in a budget set aside for emergencies, usually requiring board action to be expended. Also known as reserve or discretionary funds.

**Current operating budget.** A budget developed by the administration and board for funding district programs and services for a twelve-month period. This excludes capital outlay and debt service.

**Debt service.** A fund or the amount of money required to pay interest and principal on outstanding debt.

**EFA.** The Education Finance Act (1977), a state law which drastically reformed the method of state funding for public schools. The EFA considers a district's relative wealth in the distribution of state funds.

**EIA.** The Education Improvement Act (1984), a state education reform law which has received national acclaim and is funded by a one-cent sales tax.

**FAM.** Financial Analysis Model, known as In\$ite™. FAM is a management information process developed specifically for K-12 public education by the national accounting firm of Coopers and Lybrand. South Carolina is the first state to use FAM to report school expenditures.

**FTE.** Full-time equivalency, a method of counting personnel.

**Federal aid to impacted areas.** Money granted to school districts in place of property tax when the federal government owns tax-free industries or military bases in those districts. Also known as impact aid.

**Fee in lieu of taxes.** A tax incentive available to industries which allows them to pay a set annual fee instead of annual property tax at the state corporate rate of 10.5 percent. State laws permit county officials to negotiate a rate as low as 3 percent over a period of up to twenty years.

**Fiscal year.** The twelve-month cycle for business operations, July 1 to June 30 for school districts.

**Fiscally independent system.** A school district in which the board has complete authority in all matters pertaining to financial management, including taxing authority.

**Fixed assets.** Property owned by the district, such as land, buildings, machines, and equipment.

**Fringe benefits.** Benefits paid to school district employees, such as health, social security, and retirement. Since 1982, local districts have paid an increasing share of these expenses, which were paid completely through the state's general fund prior to that time.

**Fund balance.** Carryover or surplus funds not spent at the end of the fiscal year. Also known as unencumbered funds or reserves.

**General fund.** Monies allocated for all activities for school operations during a fiscal year.

**General obligation debt.** See **bond**.

**Grant-in-aid.** Funds awarded by the federal government to a state or local agency to achieve a specific goal. The United States Department of Education usually, although not always, is the dispersing agent.

**Homestead exemption.** A provision in state law that exempts the first \$20,000 in appraised value for owner-occupied property of residents sixty-five and older.

**Impact fee.** A one-time user fee.

**Levy, tax.** Refers to property taxes and the unit of taxation known as a "mill" for millage. See **mill**.

**Mill.** A mill is one-tenth of a cent, also written as .001. This unit of measure determines the amount of taxes to be paid. The value of a mill reflects a percentage of assessed value, and for that reason the money a mill brings in varies from year to year and from district to district.

**Procurement code.** Procedures for financial management required by the state. Each district must adopt policies for purchasing and disposing of property. Districts with current operating budgets exceeding \$75 million must adopt the state code.

**Property tax rollback.** A process approved in 1995 that uses the method employed for homestead exemptions to exempt from school taxes the first \$100,000 in appraised value for owner-occupied houses. The state pays the local school districts the tax revenue which would have been collected if the exemption were not in place. The reimbursement is frozen at the 1995-96 millage rate.

**RFP.** Request for proposal. This written document spells out requirements for goods or services in the bid process.

**Referendum.** A public vote on a particular issue, usually a request to increase taxes for the specific building or other capital needs of a district.

**Self-insured program.** A funding mechanism in which the school district pools its monies with other districts to provide insurance coverage and other risk-management services for the district.

**Surety bond.** A method of covering employees to ensure the district is reimbursed in case of financial losses or damages.

**TAN.** Tax Anticipation Note, a short-term note which provides a cash flow for districts until they receive tax receipts.

**Tax base.** Assessed valuation of property that a school district may tax for yearly operation monies.

**Tax caps.** A legal limit on the amount of revenue a governmental body can levy in a given period of time.

**Tax increment financing.** A financial system in which municipalities, with or without the agreement of county and school district officials, designate a particular area for development and sell revenue-type bonds secured by the promises of future development. Property tax revenue generated by development pays off these bonds instead of going to the budgets of the entities involved.

**Title 1.** Federal funds available to school districts to provide programs for educationally-disadvantaged students.

**Title 2.** Federal funds available to local school districts to carry out a wide range of school improvement projects. Funds are also available for programs “to enhance the knowledge and skill of all educational personnel,” including school board members.

**Voucher.** A specific amount of public monies given to parents to spend on private school tuition.

**Weighted pupil unit.** A method set by the Education Finance Act of 1977 to divide students into fourteen major classifications based on the cost of providing each educational program. Examples of classifications include high school, kindergarten, and hearing-impaired. See **base student classification** and **base student cost**.

**Zero-based budgeting.** The process of beginning the budgeting process without any items included from the previous year.

Source: South Carolina School Boards Association, 1999. Reprinted with permission.

**Appendix B**  
**Fiscal Year 2003 District Funds by Revenue Source**  
**Office of the State Budget**  
**Statement of Revenues for Year Ending June 30, 2003**

	Inter-					Total	
	Local	governmental	State	Federal	Other	TOTAL	State & Local
Abbeville	10,232,003		15,011,967	3,644,372	5,466,999	34,355,341	25,243,970
Aiken	59,731,596	512,275	99,094,892	17,873,142	8,565,644	185,777,549	158,826,488
Allendale	5,196,883	135,274	10,074,478	4,578,200	4,921,175	24,906,010	15,271,361
Anderson 1	20,334,700		27,532,787	3,994,966	16,009,625	67,872,078	47,867,487
Anderson 2	11,415,840	93,217	14,975,671	6,023,808	663,324	33,171,860	26,391,511
Anderson 3	6,963,418		10,447,880	1,951,476	1,756,503	21,119,277	17,411,298
Anderson 4	12,171,691	2,182	9,266,978	1,454,890	960,684	23,856,425	21,438,669
Anderson 5	39,948,713	271,430	50,155,479	8,082,859	10,598,662	109,057,143	90,104,192
Bamberg 1	3,417,728	159,046	7,578,627	2,605,784	637,657	14,398,842	10,996,355
Bamberg 2	3,196,071	90,420	6,462,438	2,540,713	885,653	13,175,295	9,658,509
Barnwell 19	2,273,524	178,112	5,759,434	1,570,544	356,307	10,137,921	8,032,958
Barnwell 29	2,208,575		4,744,181	1,313,897	639,952	8,906,605	6,952,756
Barnwell 45	5,681,346	33,488	12,512,506	2,417,359	4,724,041	25,368,740	18,193,852
Beaufort	113,765,795		39,416,255	13,549,094	92,953,433	259,684,577	153,182,050
Berkeley	73,022,046	734,245	105,928,384	25,226,732	9,861,834	214,773,241	178,950,430
Calhoun	7,790,082	212,451	8,916,340	2,325,656	1,599,801	20,844,330	16,706,422
Charleston	187,546,785	264,782	137,824,705	39,781,280	24,848,312	390,265,864	325,371,490
Cherokee	34,593,290	190,086	39,289,632	6,458,527	3,306,346	83,837,881	73,882,922
Chester	18,439,108	221,240	30,042,050	4,900,715	42,891,739	96,494,852	48,481,158
Chesterfield	19,600,976	1,424,418	36,578,224	6,355,677	37,183,457	101,142,752	56,179,200
Clarendon 1	3,332,614		5,896,239	2,541,649	1,601,721	13,372,223	9,228,853
Clarendon 2	5,739,022	261,195	14,230,051	5,338,743	1,275,179	26,844,190	19,969,073
Clarendon 3	2,418,452	72,765	5,460,702	974,917	419,286	9,346,122	7,879,154
Colleton	15,477,698	18,933	27,299,979	7,238,014	3,226,089	53,260,713	42,777,677
Darlington	34,318,023	143,047	52,483,082	11,933,264	5,343,691	104,221,107	86,801,105
Dillon 1	1,194,237	389,907	3,954,950	1,396,580	434,851	7,370,525	5,149,187
Dillon 2	4,809,388	154,086	15,399,435	3,961,695	1,649,155	25,973,759	20,208,823
Dillon 3	1,980,980	1,036,117	6,794,153	2,460,368	1,460,636	13,732,254	8,775,133
Dorchester 2	41,229,317	216,523	67,491,967	7,834,928	27,888,938	144,661,673	108,721,284
Dorchester 4	10,408,984	166,954	10,392,538	2,760,502	1,854,501	25,583,479	20,801,522
Edgefield	10,646,110	356,997	19,939,003	4,310,934	2,017,815	37,270,859	30,585,113
Fairfield	21,294,709	331,763	13,775,091	4,304,552	2,573,082	42,279,197	35,069,800
Florence 1	44,046,641	309,895	53,864,433	12,136,321	13,349,913	123,707,203	97,911,074
Florence 2	2,745,705	1,853,036	4,977,833	1,121,563	446,912	11,145,049	7,723,538
Florence 3	7,661,159	179,834	19,142,247	5,689,931	5,470,965	38,144,136	26,803,406
Florence 4	2,715,301	116,762	6,142,383	1,842,805	1,037,388	11,854,639	8,857,684
Florence 5	4,824,692	97,482	6,720,257	1,266,447	589,528	13,498,406	11,544,949
Georgetown	45,078,887		35,364,517	9,940,281	12,173,952	102,557,637	80,443,404
Greenville	225,722,780		216,530,328	36,364,136	95,736,603	574,353,847	442,253,108
Greenwood 50	29,194,285	145,712	42,998,502	6,979,002	10,156,451	89,473,952	72,192,787

Greenwood 51	3,189,928	36,474	5,262,094	1,089,309	405,133	9,982,938	8,452,022
Greenwood 52	6,724,546		4,968,586	749,649	1,120,166	13,562,947	11,693,132
Hampton 1	5,099,767	82,799	11,549,338	3,170,566	932,489	20,834,959	16,649,105
Hampton 2	2,775,275		7,677,028	2,839,497	2,891,631	16,183,431	10,452,303
Horry	138,103,040	75,642	85,957,647	20,424,855	164,060,931	408,622,115	224,060,687
Jasper	8,254,458	1,299,893	13,686,129	4,476,290	1,666,989	29,383,759	21,940,587
Kershaw	27,016,267	100,543	43,136,344	6,444,609	4,265,975	80,963,738	70,152,611
Lancaster	29,061,229		46,442,466	9,152,549	5,063,634	89,719,878	75,503,695
Laurens 55	14,821,879		25,978,102	4,615,329	6,468,854	51,884,164	40,799,981
Laurens 56	8,666,455		14,354,442	3,076,561	4,339,523	30,436,981	23,020,897
Lee	5,761,694	1,467,495	16,505,623	4,886,326	1,581,256	30,202,394	22,267,317
Lexington 1	65,023,749	182,250	72,593,357	6,542,892	35,680,707	180,022,955	137,617,106
Lexington 2	30,622,834		37,583,801	5,729,149	23,738,200	97,673,984	68,206,635
Lexington 3	8,036,353	456,886	10,979,232	2,606,790	4,091,689	26,170,950	19,015,585
Lexington 4	8,030,648		15,399,757	3,621,909	8,761,033	35,813,347	23,430,405
Lexington 5	66,319,072		65,024,691	6,116,804	16,208,345	153,668,912	131,343,763
McCormick	4,302,889	144,399	4,482,062	3,649,547	13,772,193	26,351,090	8,784,951
Marion 1	5,524,949	180,472	13,967,390	5,066,381	1,952,705	26,691,897	19,492,339
Marion 2	3,768,551	367,093	9,449,619	3,361,194	2,572,443	19,518,900	13,218,170
Marion 7	2,207,936	3,136,290	5,228,244	1,853,096	2,125,025	14,550,591	7,436,180
Marlboro	10,545,515	1,590,121	25,557,783	5,559,720	10,128,603	53,381,742	36,103,298
Newberry	20,852,033	394,855	26,993,213	4,785,781	7,435,143	60,461,025	47,845,246
Oconee	49,128,477	305,718	35,605,640	6,559,375	9,660,701	101,259,911	84,734,117
Orangeburg 3	11,218,246	136,395	20,336,516	4,926,749	23,132,173	59,750,079	31,554,762
Orangeburg 4	14,196,083	259,233	17,690,076	3,731,336	3,494,772	39,371,500	31,886,159
Orangeburg 5	26,165,054	186,785	35,837,553	9,258,836	18,123,759	89,571,987	62,002,607
Pickens	42,261,768	511,858	62,434,702	9,634,480	33,486,233	148,329,041	104,696,470
Richland 1	138,225,721	90,409	106,967,418	26,631,064	28,573,592	300,488,204	245,193,139
Richland 2	83,361,816		69,226,697	8,353,277	110,925,005	271,866,795	152,588,513
Saluda	6,318,511		10,414,580	2,357,548	967,293	20,057,932	16,733,091
Spartanburg 1	13,092,706		20,116,237	2,459,430	3,543,059	39,211,432	33,208,943
Spartanburg 2	21,472,240	167,376	31,771,329	3,990,560	7,099,280	64,500,785	53,243,569
Spartanburg 3	13,586,535	154,815	12,597,874	2,955,832	3,270,258	32,565,314	26,184,409
Spartanburg 4	7,758,515	209,466	11,810,309	1,483,928	3,491,958	24,754,176	19,568,824
Spartanburg 5	30,005,053	432,938	24,933,545	3,553,062	16,366,245	75,290,843	54,938,598
Spartanburg 6	38,524,323	396,987	33,343,759	4,110,973	9,062,613	85,438,655	71,868,082
Spartanburg 7	38,705,126	635,543	38,321,461	9,154,310	6,881,683	93,698,123	77,026,587
Sumter 2	19,427,118	159,271	39,530,189	10,473,518	29,202,947	98,793,043	58,957,307
Sumter 17	19,540,360	415,189	37,555,372	9,336,476	5,475,565	72,322,962	57,095,732
Union	11,031,006	284,441	23,816,207	5,633,182	2,064,816	42,829,652	34,847,213
Williamsburg	10,028,959	458,283	30,888,874	10,177,306	3,175,953	54,729,375	40,917,833
York 1	14,669,965	124,049	21,738,864	3,102,309	751,295	40,386,482	36,408,829
York 2	36,486,863	6,335	11,314,304	2,063,943	12,531,202	62,402,647	47,801,167
York 3	56,239,264	160,707	65,835,009	9,295,663	7,851,557	139,382,200	122,074,273
York 4	27,518,209	48,500	23,478,966	1,941,978	4,243,807	57,231,460	50,997,175
<b>STATE TOTALS</b>	<b>\$2,356,040,139</b>	<b>\$25,033,184</b>	<b>\$2,648,813,027</b>	<b>\$548,050,261</b>	<b>\$1,120,176,237</b>	<b>\$6,698,112,848</b>	<b>\$5,004,853,166</b>

**Appendix C**  
**District Funds with Federal and Local Percentages Noted**  
**State Department of Education**

NO.	DISTRICT NAME	Dollars Spent Per Student *	Percent of Revenues from Federal Sources **	Dollars Spent Per Student Excluding Federal Funds	Percent of Revenue from Local Sources	Dollars Spent Per Student Local Funds
0160	ABBEVILLE 60	\$6,917	12.62%	\$6,044	29.78%	\$2,060
0201	AIKEN 01	\$6,434	10.09%	\$5,785	32.15%	\$2,069
0301	ALLENDALE 01	\$10,946	22.91%	\$8,438	20.87%	\$2,284
0401	ANDERSON 01	\$6,043	7.70%	\$5,578	29.96%	\$1,810
0402	ANDERSON 02	\$7,256	18.53%	\$5,911	34.41%	\$2,497
0403	ANDERSON 03	\$6,400	10.08%	\$5,755	32.97%	\$2,110
0404	ANDERSON 04	\$7,064	6.35%	\$6,615	51.02%	\$3,604
0405	ANDERSON 05	\$7,160	8.21%	\$6,572	36.63%	\$2,623
0501	BAMBERG 01	\$7,523	18.94%	\$6,098	23.74%	\$1,786
0502	BAMBERG 02	\$10,175	20.67%	\$8,072	24.26%	\$2,468
0619	BARNWELL 19	\$8,994	16.06%	\$7,550	22.43%	\$2,017
0629	BARNWELL 29	\$8,107	15.89%	\$6,819	24.80%	\$2,011
0645	BARNWELL 45	\$6,557	11.71%	\$5,789	22.40%	\$1,469
0701	BEAUFORT 01	\$8,083	8.13%	\$7,426	43.81%	\$3,541
0801	BERKELEY 01	\$6,769	12.31%	\$5,936	34.00%	\$2,301
0901	CALHOUN 01	\$8,831	12.08%	\$7,764	37.37%	\$3,300
1001	CHARLESTON 01	\$7,661	10.89%	\$6,827	48.06%	\$3,682
1101	CHEROKEE 01	\$7,135	8.02%	\$6,563	41.26%	\$2,944
1201	CHESTER 01	\$7,217	9.14%	\$6,557	19.11%	\$1,379
1301	CHESTERFIELD 01	\$6,921	9.94%	\$6,233	19.38%	\$1,341
1401	CLARENDON 01	\$8,451	21.59%	\$6,626	24.92%	\$2,106
1402	CLARENDON 02	\$6,072	20.88%	\$4,804	21.38%	\$1,298
1403	CLARENDON 03	\$6,057	10.92%	\$5,396	25.88%	\$1,568
1501	COLLETON 01	\$7,090	14.47%	\$6,064	29.06%	\$2,060
1601	DARLINGTON 01	\$7,595	12.07%	\$6,678	32.93%	\$2,501
1701	DILLON 01	\$6,908	20.14%	\$5,517	16.20%	\$1,119
1702	DILLON 02	\$6,255	16.29%	\$5,236	18.52%	\$1,158
1703	DILLON 03	\$6,715	20.05%	\$5,369	14.43%	\$969
1802	DORCHESTER 02	\$6,279	6.71%	\$5,858	28.50%	\$1,790
1804	DORCHESTER 04	\$8,570	11.63%	\$7,573	40.69%	\$3,487
1901	EDGEFIELD 01	\$7,464	12.23%	\$6,551	28.56%	\$2,132
2001	FAIRFIELD 01	\$9,872	10.84%	\$8,802	50.37%	\$4,973
2101	FLORENCE 01	\$6,560	11.00%	\$5,838	35.61%	\$2,336

2102	FLORENCE 02	\$6,800	10.48%	\$6,087	24.64%	\$1,676
2103	FLORENCE 03	\$7,491	17.41%	\$6,187	20.08%	\$1,504
2104	FLORENCE 04	\$8,964	17.04%	\$7,437	22.90%	\$2,053
2105	FLORENCE 05	\$7,286	9.81%	\$6,571	35.74%	\$2,604
2201	GEORGETOWN 01	\$8,536	11.00%	\$7,597	43.95%	\$3,752
2301	GREENVILLE 01	\$6,516	7.60%	\$6,021	39.30%	\$2,561
2450	GREENWOOD 50	\$6,641	8.80%	\$6,057	32.63%	\$2,167
2451	GREENWOOD 51	\$7,481	11.37%	\$6,630	31.95%	\$2,390
2452	GREENWOOD 52	\$6,732	6.02%	\$6,327	49.58%	\$3,338
2501	HAMPTON 01	\$6,853	15.93%	\$5,761	24.48%	\$1,678
2502	HAMPTON 02	\$8,437	21.36%	\$6,635	17.15%	\$1,447
2601	HORRY 01	\$7,359	8.20%	\$6,756	33.80%	\$2,487
2701	JASPER 01	\$8,058	16.15%	\$6,757	28.09%	\$2,263
2801	KERSHAW 01	\$6,828	8.40%	\$6,254	33.37%	\$2,279
2901	LANCASTER 01	\$6,763	10.81%	\$6,032	32.39%	\$2,191
3055	LAURENS 55	\$6,655	10.06%	\$5,986	28.57%	\$1,901
3056	LAURENS 56	\$6,951	11.79%	\$6,131	28.47%	\$1,979
3101	LEE 01	\$8,650	17.07%	\$7,173	19.08%	\$1,650
3201	LEXINGTON 01	\$7,057	4.53%	\$6,737	36.12%	\$2,549
3202	LEXINGTON 02	\$7,778	7.75%	\$7,175	31.35%	\$2,438
3203	LEXINGTON 03	\$7,989	11.81%	\$7,045	30.71%	\$2,453
3204	LEXINGTON 04	\$6,565	13.39%	\$5,686	22.42%	\$1,472
3205	LEXINGTON 05	\$7,697	4.45%	\$7,354	43.16%	\$3,322
3301	MCCORMICK 01	\$8,956	29.01%	\$6,358	16.33%	\$1,463
3401	MARION 01	\$6,802	20.48%	\$5,409	20.70%	\$1,408
3402	MARION 02	\$7,002	19.83%	\$5,614	19.31%	\$1,352
3407	MARION 07	\$9,213	14.91%	\$7,839	15.17%	\$1,398
3501	MARLBORO 01	\$7,108	12.85%	\$6,195	19.75%	\$1,404
3601	NEWBERRY 01	\$7,917	9.03%	\$7,202	34.49%	\$2,731
3701	OCONEE 01	\$8,160	7.16%	\$7,576	48.52%	\$3,959
3803	ORANGEBURG 03	\$8,298	13.45%	\$7,182	18.78%	\$1,558
3804	ORANGEBURG 04	\$7,166	10.40%	\$6,421	36.06%	\$2,584
3805	ORANGEBURG 05	\$8,693	12.96%	\$7,566	29.21%	\$2,539
3901	PICKENS 01	\$6,439	8.39%	\$5,899	28.49%	\$1,834
4001	RICHLAND 01	\$9,872	9.79%	\$8,906	46.00%	\$4,541
4002	RICHLAND 02	\$7,547	5.19%	\$7,155	30.66%	\$2,314
4101	SALUDA 01	\$7,578	12.35%	\$6,642	31.50%	\$2,387
4201	SPARTANBURG 01	\$7,363	6.90%	\$6,855	33.39%	\$2,459
4202	SPARTANBURG 02	\$5,776	6.95%	\$5,375	33.29%	\$1,923
4203	SPARTANBURG 03	\$8,462	10.09%	\$7,608	41.72%	\$3,530
4204	SPARTANBURG 04	\$6,136	6.98%	\$5,708	31.34%	\$1,923

4205	SPARTANBURG 05	\$7,264	6.03%	\$6,826	39.85%	\$2,895
4206	SPARTANBURG 06	\$6,612	5.38%	\$6,256	45.09%	\$2,981
4207	SPARTANBURG 07	\$8,344	10.54%	\$7,465	41.31%	\$3,447
4302	SUMTER 02	\$6,295	15.05%	\$5,348	19.66%	\$1,238
4317	SUMTER 17	\$6,871	13.97%	\$5,911	27.02%	\$1,857
4401	UNION 01	\$7,426	13.82%	\$6,400	25.76%	\$1,913
4501	WILLIAMSBURG 01	\$7,540	19.74%	\$6,052	18.32%	\$1,381
4601	YORK 01	\$6,910	7.83%	\$6,369	36.32%	\$2,510
4602	YORK 02	\$7,935	4.14%	\$7,606	58.47%	\$4,640
4603	YORK 03	\$6,800	7.07%	\$6,319	40.35%	\$2,744
4604	YORK 04	\$6,897	3.66%	\$6,645	48.08%	\$3,316

**Appendix D**  
**Analysis of State Requirements Education Oversight Committee**  
 An Analysis of State Requirements of Schools and Costs  
 in Statute, Regulation, or by proviso in the Fiscal Year 2003 Appropriations Act  
 as of December 2002

NOTE: These data formed the basis of a proposal to revise the Education Finance Act commonly referred to as the EOC Funding Model. That model is updated annually and can be accessed on the EOC website, [www.sceoc.org](http://www.sceoc.org).

REQUIREMENT	BASIS FOR CALCULATION	COST PER SCHOOL	COST PER PUPIL (across total school enrollment)
<p><u>General Assumptions:</u></p> <p>(a) This model is built upon the following assumed enrollments: elementary = 500; middle = 750; high = 900; district size is 7,500.</p> <p>(b) 46 percent free/reduced-price lunch participation.</p> <p>(c) Most recent available data are used for cost projections. Estimates of pupils in particular programs are taken from median participation rates as published on the 2002 school and district report cards.</p> <p>(d) Estimates of teachers needed are rounded to the next highest half of a teacher. Special education teachers are added to the general requirement for teachers.</p>			
<b>SCHOOLS GENERALLY</b>			
Proviso 1.4	Education Finance Act Appropriation. Establishing a base student cost of \$2,033 with 0 percent inflation.		
Proviso 1.6	Employer Contributions Appropriation		
59-1-420: Statutory school term of 180 days of instruction; plus ten days for professional development, curriculum planning, and opening and closing of schools. Distribution of funds established in Proviso 1A.22.	Using southeastern average plus \$300, for FY '04 (\$40,659) each day costs \$214; data drawn from state salary schedule for teacher with a master's degree and thirteen years of experience; fringe benefits are estimated at 23 percent.	Data are used in school-level calculations; salary funding is through EFA and EIA salary supplements for teachers.	Professional development costs are \$903.04 per teacher based upon state appropriations for local school innovation; arts curricula; critical teaching needs; professional development; NSF; Principal Institute; Institute on Reading; teaching grants; and ADEPT. Other program appropriations also permit spending on professional development but are not included in this calculation.
59-1-440: Instructional day must be at least six hours long.	No additional costs; incorporated into teacher salary estimate.		
59-1-450: Each school district must offer a parenting/family literacy program (R43-265).	Distribution is based upon minimum of \$40,000 to each district and per pupil allocations after that.	District allocation \$71,725	\$9.56

REQUIREMENT	BASIS FOR CALCULATION	COST PER SCHOOL	COST PER PUPIL (across total school enrollment)
59-17-135: Each district must have a character education policy.	No cost.		
59-19-20: Each district must have a board composed of at least three members.	Average compensation per board member is \$123.24 per meeting. With three board members and twelve meetings per year, the total cost is \$4,436.64/year.	District annual cost \$4,436.64	\$0.59
59-19-45: Each new school district member must participate in orientation.	\$8,000 appropriated statewide; annual cost per new board member estimated at \$100. If there is one-third turnover per year and a minimum three-person board, the cost to the state is \$100.	\$100 for prototype district	\$0.01
59-20-60/R43-261: Each district and school must develop a school renewal/improvement plan and operate a School Improvement Council.			
59-24-30: Each administrator must complete an individual professional development plan.			
59-24-80: Each new principal must participate in a formal induction program (R43-167).	About 100 individuals participate in the New Principals Academy each year; estimated at 1.2 new principals per district.	\$120 for prototype district	\$0.02
59-28-160: Each district/school must provide an orientation and training for all faculty and staff on parental involvement.	Cost estimated at \$500/day for two-hour training program per school; materials at \$100 per school.  Cost estimated at \$275 per school annually.	\$275 for prototype district	Elementary: \$0.55 Middle: \$0.37 High: \$0.31
Proviso 1A.35: "Regulation Rollup."	Local School Innovation Program: Estimated distribution of total funds across 670,000 students.	\$233,823.64 for prototype district	\$31.17
59-29-30/R43-238: Courses of instruction with supplementary instruction in alcohol and drug abuse prevention, traffic laws, fire prevention, physical education/ROTC, and emphasis on teaching as a profession.			Within funding for minimum program

REQUIREMENT	BASIS FOR CALCULATION	COST PER SCHOOL	COST PER PUPIL (across total school enrollment)
59-32-30 (R43-238): Comprehensive health education; advisory committee and instruction.	Estimated at two meetings annually with \$100 per meeting for materials and postage.	District cost \$200	\$0.03
59-43-161/R43-209: Each school district must employ a chief administrative officer and secretary.	Using FY '02 average S.C. superintendent salary (\$104,396) plus 23 percent benefits (\$24,011); and administrative support salary of \$38,000 plus 23 percent benefits (\$8,740). NOTE: Many superintendents receive additional compensation, such as an annuity payment.	Total: \$175,147.00 for prototype district	\$23.35
Original DMP	One full-time fiscal officer and one secretary estimated at \$85,721 plus 23 percent fringe benefits (\$19,716) for a total of \$105,437. Salary estimates for southeast region from ERS 2001-2002 <i>Salaries and Wages Paid Professional and Support Personnel in Public Schools</i> . Secretary wages at \$25,000 plus 23 percent fringe benefits (\$5,750) equals \$30,750.	\$136,186 for prototype district	\$18.16
Original DMP	1.0 director for planning: \$76,708 plus fringe benefits \$17,643 = \$94,351 1.0 asst. supt. for staff, info: \$80,891 plus \$18,604 fringe benefits 1.0 program consultant: \$73,129 plus \$16,820 fringe benefits 2.5 secretaries @ \$25,000 plus fringe benefits \$30,750 Salary estimates for southeast region from ERS 2001-2002 <i>Salaries and Wages Paid Professional and Support Personnel in Public Schools</i> .	\$94,351 \$99,496 \$89,949 \$76,875 Total: \$360,671 for prototype district	\$48.09
Original DMP	Instructional supplies.  Allocation per staff member for in-service.		
Original DMP	Maintenance and operational costs.		\$1,291 based upon average statewide costs for operations/pupil

REQUIREMENT	BASIS FOR CALCULATION	COST PER SCHOOL	COST PER PUPIL (across total school enrollment)
Original DMP	Office support costs (original EFA estimate is \$12 per student, increased by inflation over twenty-five years).		\$25.62
R43-172	Requires annual financial audit of district and school financial records; average reported by school business officers.	\$25,000	\$3.33
59-18-1900	Alternative School; allocation built on 1.74 of base student cost (bsc) (including regular bsc; therefore, for middle schools the impact is an additional 0.74 bsc; and for high schools the impact is an additional 0.49 bsc). Estimated 1 percent of student population eligible; for prototype district, seventy-five students.	\$122,850 for prototype district	\$16.38
	Technology Initiative—connectivity costs; funds divided by 670,000 students.	\$199,650 for prototype district	\$26.62
R43-205.1	ADEPT, including induction year. Estimate based upon 125 teachers annually under evaluation in prototype district (1:20 ratio generates 375 teachers evaluated once every three years). Each teacher has three evaluators who spend at least one additional work day on the evaluations @ \$214/day or \$642 plus 23 percent fringe benefits (\$789.66).	\$98,707.50	\$13.16
R43-80: Student transportation	To and from school costs borne by the state; district salary differential and other travel estimated by school business official.		\$185.00
<b>Total to be added to school costs</b>		Elementary	\$1,692.63
		Middle	\$1,692.45
		High	\$1,692.39
<b>ELEMENTARY SCHOOL</b>			
Regulation 43-200: A certified principal in schools with more than 375 pupils.	One principal at \$78,848 plus fringe benefits of \$18,135. Salary estimates for southeast region from ERS 2001-2002 <i>Salaries and Wages Paid Professional and Support Personnel in Public Schools.</i>	\$99,983.00	\$193.97

REQUIREMENT	BASIS FOR CALCULATION	COST PER SCHOOL	COST PER PUPIL (across total school enrollment)
Regulation 43-200: A certified assistant principal or curriculum coordinator in schools with over 600 students.	Enrollment is less than 600; therefore none is required.		
Original DMP	1.0 secretary for each school 1.0 attendance clerk/bookkeeper  Salaries at \$25,000 plus \$5,750 fringe benefits	\$62,500	\$125.00
59-18-900: Reporting requirements for annual school and district report card	Fall 2002 Nat'l Conference on State Legislatures estimate: "\$5-10 per pupil" for No Child Left Behind.	\$3,750.00	\$7.50
Regulation 43-200: The average pupil teacher ratio of 28:1 including regular, special area, and resource teachers  1aide required for each kindergarten class  59-35-10: Requires full day kindergarten unless parents exempt child.  Proviso 1.26: Class size reduction.	(a) 84 students per grade level, requiring the following: 3 kindergarten teachers 4 grade one teachers 4 grade two teachers 4 grade three teachers 3 grade four teachers 3 grade five teachers Subtotal: 21 teachers  (b) 3 aides for kindergarten (paid at half the teacher's rate) Subtotal: 1.5 teachers  (c) 13 percent students disabled (65) with an average class size of 12 requires 5.5 teachers Subtotal: 5.5 teachers  (d) Class size reduction would reduce pupil-teacher ratio to 15:1 for grades 1-3 Subtotal: 3 teachers  Total teachers = 31 x \$40,659 plus 23 percent fringe benefits	\$1,550,327	\$3,100.65
	Professional development costs based upon \$903.04 per teacher.	\$27,994.24	\$55.99
Regulation 43-200: For reading and mathematics in grades 1-3 the pupil teacher ratio on average must be 21:1.	Detailed above with grade-level allocation.		

REQUIREMENT	BASIS FOR CALCULATION	COST PER SCHOOL	COST PER PUPIL (across total school enrollment)
59-1-420: Five additional teacher days provided through Teacher Quality Act of 2000.	Addition of five days to teacher contract; using southeast average for FY '04, each day costs \$214; fringe benefits: \$1,070 plus fringe benefits of \$246.10.	\$48,695.00	\$97.39
Proviso 1A.43	\$200 per teacher for instructional supplies; \$31 x \$200.	\$6,200.00	\$12.40
Regulation 43-200: A library/media specialist in schools with more than 375 pupils.	1.0 library/media specialist times \$40,659 plus 23 percent fringe benefits.	\$50,010.57	\$100.02
Original DMP	1.0 secretary for each school 1.0 attendance clerk/bookkeeper  Salaries at \$25,000 plus \$5,750 fringe benefits.	\$61,500.00	\$123.00
59-139-10/R43-267: Early childhood intervention (Act 135) applies to grades 1-3.	110 students weighted at 0.26 bsc (\$2,033). Estimate uses the percentage of students qualifying for free lunch as a predictor of eligibility. Funding per eligible student is \$528.58.	\$58,143.80	\$116.28
59-139-10/R43-268: Academic assistance applies to students in grades 4-5.	Seventy-four students weighted at 0.114 bsc (\$2,033). Estimate uses the percentage of students qualifying for free lunch as a predictor of eligibility. Funding per eligible student is \$231.76.	\$17,150.39	\$34.30
59-18-160: Parental involvement— appoint a faculty contact, provide space, materials and resources.	Recommendation from the National Network of Partnership Schools	\$12,500	\$25.00
59-36-50/Proviso 1.10: Services for preschoolers with disabilities.	1995 Joint Committee to Study Formula Funding in Education Programs recommended \$3,009 per student; current funding is \$1,714/pupil. Estimating 4 percent of population as eligible, six students would be served; funds distributed in accordance with index of taxpaying ability.	\$18,054	\$36.11

REQUIREMENT	BASIS FOR CALCULATION	COST PER SCHOOL	COST PER PUPIL (across total school enrollment)
59-18-500 (B-D)/R43-40/Proviso 1.57: Summer schools.	Estimated 25 percent of students scoring below basic in one or more content areas and a summer school allocation of \$450; therefore 120 students times \$450. Estimate based on pupil-teacher ratio of 20:1; thirty days instruction; therefore; \$395 for teachers and \$55 for materials, transportation, and administration.	\$54,000	\$108.00
R443-220/Proviso 1A.4: Gifted and talented program incorporates ratio of 1:20 for special school model and 1:15 for resource model.	Estimated 12.6 percent of students (31.2) in grades 3-5 in program (median for elementary) and student funding level of \$569.24 (.28bsc). Current funding is 65 percent of cost. State funding includes support for identification, instructional materials, and professional development.	\$17,760	\$35.52
Education Lottery Appropriations: K-5 Enhancement Program	Funds are distributed with a base of \$25,000 per elementary school and \$75 per pupil addition.	\$62,500	\$125
<b>Total for Elementary School</b>			<b>\$5,988.66</b>
R43-264: Half-day program for four-year-olds.	Allocation premised upon one teacher and one assistant to twenty students and a half day program (5 teacher x 190 days x \$214; .5 asst. x 190 x \$107); 1.5 teachers, 1.5 assistants for fifty-five students, plus fringe benefits.	\$112,527.00	\$2,255.05
<b>MIDDLE SCHOOL</b>			
Regulation 43-200: A certified principal in schools with more than 250 students.	One principal at \$82,852 plus fringe benefits of \$19,055. Salary estimates for southeast region from ERS 2001-2002 <i>Salaries and Wages Paid Professional and Support Personnel in Public Schools.</i>	\$101,908	\$135.88
Regulation 43-200: An assistant principal or curriculum coordinator in schools with more than 500 students.	One assistant principal at \$68,135 plus fringe benefits of \$15,671. (ERS National Survey of Salaries and Wages in Public Schools, 2001-2002); median for middle schools in this size district.	\$83,806	\$111.74

REQUIREMENT	BASIS FOR CALCULATION	COST PER SCHOOL	COST PER PUPIL (across total school enrollment)
Original DMP	1.0 secretary for each school 1.0 attendance clerk/bookkeeper  Salaries at \$25,000 plus \$5,750 fringe benefits.	\$62,500	\$82
59-18-900: Reporting requirements for annual school and district report card.	Fall 2002 Nat'l Conference on State Legislatures estimate: "\$5-10 per pupil" for No Child Left Behind	\$5,625	\$7.50
Regulation 43-200: A full-time guidance counselor in schools with more than 500 students.	1.0 counselor at \$40,659 plus 23 percent fringe benefits.	\$50,010.00	\$66.68
Regulation 43-200: Two full-time library/media specialists in schools with more than 750 students.	2.0 library/media specialists at \$40,659 each plus 23 percent fringe benefits.	\$100,020.00	\$133.36
Regulation 43-200: Subject-area certified teachers for more than 90 percent of classroom time.  Regulations provide for thirty students per class; except for students with disabilities.	250 students per grade requires twenty-five teachers.  13 percent disabled students (ninety-eight) with an average class size of twelve students requires 8.5 teachers.  Total teachers: 33.5 teachers	\$1,675,335.00	\$2,233.78
	Professional development costs based upon \$903.04 per teacher.	\$30,251.84	\$40.34
59-1-420: Five additional teacher days provided through Teacher Quality Act of 2000.	Addition of five days to teacher contract-using southeast average for FY '04, each day costs \$214; fringe benefits = \$1,316 per teacher x 33.5 teachers.	\$44,086.00	\$58.78
Proviso 1A.43: Teacher supplies	\$200 per teacher for instructional supplies.	\$6,700.00	\$8.93
5-7-12 and Provisos 1.49 and 1.67: Middle school initiative.	Provides funds to be used for school resource officer, counselor, or nurse in middle schools enrolling seventh grade; total appropriation divided by 150,000 middle school students.	\$25,000.00	\$33.33
59-66-20: School resource officers.	Allocation at \$20,500	\$20,500.00	\$27.33
Regulation 443-220/Proviso 1A.4: Gifted and talented program.	Estimated 12.6 percent of students (ninety-six) in program and a per-student funding level of \$569.24.	\$56,647	\$113.29

REQUIREMENT	BASIS FOR CALCULATION	COST PER SCHOOL	COST PER PUPIL (across total school enrollment)
59-18-160: Parental involvement— appoint a faculty contact, provide space, materials, and resources.	Recommendation from the National Network of Partnership Schools	\$18,750.00	\$25.00
59-18-500 (B-D)/ R43-240: Summer school.	Estimated 25 percent of students scoring below basic in one or more content areas and a summer school allocation of \$450 (175 students at \$450 each).	\$78,750.00	\$105
59-139-10/R43-268: Academic assistance applies to students in grades 6-8.	Estimated at 345 students weighted at 0.114 bsc (using free lunch participation as a predictor). $46\% \times 750 \text{ students} \times .114 \times \$2,033$ .	\$79,958.00	\$106.61
<b>Total for Middle School</b>			<b>\$4,981</b>

REQUIREMENT	BASIS FOR CALCULATION	COST PER SCHOOL	COST PER PUPIL (across total school enrollment)
<b>HIGH SCHOOL</b>			
Regulation 43-200: A certified principal/director in schools/campuses with more than 250 students.	One principal at \$87,839 plus fringe benefits of \$20,203. Salary estimates for southeast region from ERS 2001-2002 <i>Salaries and Wages Paid Professional and Support Personnel in Public Schools.</i>	\$108,042.00	\$120.05
Regulation 43-200: Assistant principal/director or curriculum coordinator in schools for each 500 students.	Two assistant principals or curriculum coordinators; assistant principal at \$70,485 plus fringe benefits of \$16,212. Salary estimates for southeast region from ERS 2001-2002 <i>Salaries and Wages Paid Professional and Support Personnel in Public Schools.</i>	\$173,393.00	\$192.66
Original DMP	One secretary for each school One attendance clerk/bookkeeper  Salaries at \$25,000 plus \$5,750 fringe benefits.	\$61,500.00	\$68.33
59-18-900: Reporting requirements for annual school and district report card.	Fall 2002 Nat'l Conference on State Legislatures estimate: "\$5-10 per pupil" for No Child Left Behind.	\$67,500.00	\$7.50
Regulation 43-200: Two full-time library/media specialists in schools with more than 750 students.	2.0 library/media specialists at \$40,659 each plus 23 percent fringe benefits.	\$100,020.00	\$111.13
Regulation 43-200: Subject-area certified teachers for more than 90 percent of classroom time.	225 students per grade level, requiring the following: Thirty teachers  13 percent students disabled (117) with an average class size of twelve requires ten teachers.  Total teachers required: Forty teachers	\$2,000,400	\$2,222.67
	Professional development costs based upon \$903.04 per teacher.	\$36,121.60	\$40.14
59-1-420: Five additional teacher days provided through Teacher Quality Act of 2000.	Addition of five days to teacher contract-using southeast average for FY '04, each day costs \$214; fringe benefits at \$1,316 per teacher.	\$52,640.00	\$58.49

REQUIREMENT	BASIS FOR CALCULATION	COST PER SCHOOL	COST PER PUPIL (across total school enrollment)
Proviso 1A.43 in General Appropriations Act.	\$200/teacher for instructional supplies.	\$8,000.00	\$8.89
59-18-160: Parental involvement— appoint a faculty contact, provide space, materials, and resources.	Recommendation from the National Network of Partnership Schools	\$22,500	\$25.00
59-39-100/Proviso 1.52: Requires twenty-four units for high school graduation.	Requires additional teachers; funds distributed based upon ADM. Estimate uses 200,000 high school students statewide and per pupil allocation of \$119.66.	\$107,693.00	\$119.66
59-39-310: Requires driver's education course.	Funded at \$30/pupil x 225 students (one grade level).	\$6,750.00	\$7.50
59-66-20: School safety coordinators.	Allocation at \$20,500 per school.	\$20,500.00	\$22.78
59-139-10/R43-268: Academic assistance applies to students in grades 9-12.	Estimated at 414 students weighted at 0.114 bsc (using free lunch participation as a predictor). $46\% \times 900 \text{ students} \times .114 \times \$2,033$ .	\$95,949	\$106.61
R43-258.1/Proviso 1A.3: Allocation for Advanced Placement/International Baccalaureate Programs.	Estimated 9.3 percent of students (median = 88 students) in program and a per-student funding level of \$100 per exam. Average number of exams per student is 1.65; therefore, 145.2 exams. Districts are allocated \$100 per exam; SDE retains approximately \$300,000 for institutes.	\$14,520.00	\$16.13
59-18-350/ Proviso 1.33: Allocations for PSAT/PLAN administration.	225 tenth graders at \$10 per exam.	\$2,250.00	\$2.50
R43-225: School-to-work program.	Implementation of Tech Prep Governor's Workforce Initiative Vocational Equipment Grants (\$4,257,742 and \$9,000,000); projected cost divides appropriations among 189,330 students at the high school grades.	\$63,693	\$70.77
R43-240: Summer school.	Funds not provided for high school credit courses.		
<b>Total for High School</b>		<b>\$4,893.20</b>	

Notes: (1) These data are premised upon the following school enrollments: elementary (K-5) at 500 students; middle (6-8) at 750 students; and high (9-12) at 900 students. The district enrollment is assumed to be 7,500 students.

(2) Calculations of the number of teachers required were rounded up to the nearest half number.

- (3) Calculations of the number of special education teachers required were added to the number of teachers required generally.
- (4) Calculations of the pupil-teacher ratio for special education were based upon a weighted average from the statewide distribution of students with disabilities.
- (5) EFA weightings used:

Kindergarten	1.30
	1.24
Grades 1-3	1.0
Grades 4-8	1.25
Grades 9-12	

<u>Special Programs</u>	
EMD, LD	1.74
TMD,EH,OH	2.04
VH,HH, Autism	2.57
Speech	1.90
Homebound	2.10
Prevoc	1.20
Vocational	1.29
Early childhood	0.26

<u>Assuming a self-contained ratio</u>	
15:1 (elementary)	18:1 (secondary)
12:1	15:1
10:1	12:1

Appendix E

Elementary and Secondary Enrollment in SREB States

	Public School Enrollment											Public School Enrollment as a Percentage of Total Enrollment			
				Percent Change											
	Fall 2001	National Rank		1991 to 2001	National Rank of Change	Projected 2001 to 2011	National Rank of Change	Percent Minority <sup>1</sup>							
		1991	2001					1993	National Rank <sup>2</sup>	2000	National Rank	1990	National Rank <sup>2</sup>	1999	National Rank <sup>2</sup>
United States	47,688,000			13.4	2.5			33.9		38.8		89.5		90.1	
SREB states	17,176,000			14.5	2.5			36.0		34.6		92.1		91.5	
SREB states as percentage of nation	36.0														
Alabama	737,000	22	23	2.1	39	-2.3	37	37.6	13	39.2	17	92.2	23	91.0	24
Arkansas	450,000	34	34	2.6	38	-3.1	42	25.9	23	28.3	24	95.4	8	94.5	11
Delaware	116,000	48	47	13.5	16	1.7	20	33.8	18	39.3	16	81.7	50	83.2	50
Florida	2,500,000	4	4	29.4	3	4.1	13	40.4	10	46.7	8	89.8	30	89.1	35
Georgia	1,471,000	9	9	24.9	5	5.1	12	40.1	12	45.3	10	92.7	18	92.4	18
Kentucky	654,000	24	26	1.2	41	-5.0	49	10.7	41	12.5	43	90.4	27	89.6	33
Louisiana	731,000	19	24	-7.9	48	-1.5	32	48.3	6	51.1	6	85.1	44	84.6	48
Maryland	861,000	21	20	16.9	11	0.3	24	41.1	9	46.6	9	86.0	42	85.5	46
Mississippi	494,000	28	30	-2.0	43	-2.4	38	52.1	5	52.7	5	89.8	29	90.7	28
North	1,315,000	11	11	19.8	9	-0.5	28	34.3	17	39.0	18	95.1	9	93.0	16

Carolina															
Oklahoma	622,000	27	27	5.7	32	-3.5	45	28.4	21	35.1	21	95.5	7	95.2	6
South Carolina	691,000	25	25	10.1	22	0.4	23	42.8	7	45.1	11	92.3	21	92.3	20
Tennessee	925,000	17	16	11.0	20	1.4	21	24.4	25	27.6	25	91.4	25	90.7	26
Texas	4,163,000	2	2	20.2	8	7.5	9	52.3	4	58.0	4	94.8	10	94.6	10
Virginia	1,163,000	12	12	14.4	15	3.5	14	32.1	19	36.4	20	93.1	15	91.9	22
West Virginia	283,000	35	38	-11.6	50	-4.9	48	4.7	47	5.3	47	96.4	4	94.8	8

<sup>1</sup>Minority indicates nonwhite. The SREB states rate is the median SREB state (the mean of the rates of the middle two SREB states).

<sup>2</sup>Because of rounding, percentages that appear the same may not have the same national rank.

Sources: National Center for Education Statistics, *Digest of Education Statistics* (various years); *Projections of Education Statistics to 2013* (2004); and *Early Estimates of Public Elementary and Secondary Education Statistics: School Year 2001-02* (2002) – (Washington, D.C.: U.S. Government Printing Office).

Appendix F  
InSite™ Display of District Expenditures: 2003-2004

County /

District:     Total of all School Districts    

# Of Students		683,333	District Total		\$6,363,404,076			
Total Expenditures		\$6,363,404,076	<i>Capital &amp; Out-of-District Obligations</i>		\$1,340,800,445	LEA Expenditures	Per Pupil	% To Total
Function	Sub-Function	Detail Function			\$5,022,603,631	\$7,350	100.00%	
INSTRUCTION						\$2,972,076,053	\$4,349	59.17%
Face-To-Face Teaching						\$2,806,706,382	\$4,107	55.88%
Instructional Teachers						\$2,460,244,046	\$3,600	48.98%
Substitutes						\$201,723,742	\$295	4.02%
Instructional Paraprofessionals						\$144,738,594	\$212	2.88%
Classroom Materials						\$165,369,671	\$242	3.29%
Pupil-Use Technology & Software						\$47,875,906	\$70	0.95%
Instructional Materials & Supplies						\$117,493,765	\$172	2.34%

Appendix F

InSite™ Display of District Expenditures: 2003-2004

INSTRUCTIONAL		\$666,808,157	\$976	13.28%
SUPPORT	Pupil Support	\$458,173,423	\$670	9.12%
	Guidance & Counseling	\$119,734,888	\$175	2.38%
	Library & Media	\$95,788,014	\$140	1.91%
	Extracurricular	\$149,516,150	\$219	2.98%
	Student Health & Services	\$93,134,371	\$136	1.85%
	Teacher Support	\$162,104,849	\$237	3.23%
	Curriculum Development	\$108,137,569	\$158	2.15%
	In-Service & Staff Training	\$53,967,280	\$79	1.07%
	Program Support	\$46,529,885	\$68	0.93%
	Program Development	\$8,221,819	\$12	0.16%
	Therapists, Psychologists, Evaluators, Personal Attendants, & Social Workers	\$38,308,066	\$56	0.76%

Appendix F  
In\$ite™ Display of District Expenditures: 2003-2004

OPERATIONS		\$966,305,470	\$1,414	19.24%
Non-Instructional Pupil		\$396,814,098	\$581	7.90%
Services	Transportation	\$119,357,693	\$175	2.38%
	Food Service	\$257,339,161	\$377	5.12%
	Safety	\$20,117,244	\$29	0.40%
Facilities		\$435,279,936	\$637	8.67%
Business Services		\$134,211,436	\$196	2.67%
	Data Processing	\$48,680,746	\$71	0.97%
	Business Operations	\$85,530,690	\$125	1.70%

Appendix F  
In\$ite™ Display of District Expenditures: 2003-2004

OTHER			\$394,101	\$1	0.01%
COMMITMENTS	Contingencies	Budgeted Contingencies	\$0	\$0	0.00%
	Capital		\$1,299,713,579	\$1,902	25.88%
		<i>Debt Service</i>	<i>\$544,032,855</i>	<i>\$796</i>	<i>10.83%</i>
		<i>Capital Projects</i>	<i>\$755,680,724</i>	<i>\$1,106</i>	<i>13.08%</i>
	Out-Of-District Obligations		\$41,086,866	\$60	0.82%
		<i>Parochial, Private, Charter, &amp; Public School Pass Throughs</i>	<i>\$41,086,866</i>	<i>\$60</i>	<i>0.82%</i>
		Retiree Benefits & Other	\$0	\$0	0.00%
	Legal Obligations	Claims & Settlements	\$394,101	\$1	0.01%

Appendix F

In\$ite™ Display of District Expenditures: 2003-2004

LEADERSHIP		\$417,019,850	\$610	8.30%
School Management		\$286,367,086	\$419	5.70%
	Principals & Assistant Principals	\$192,318,813	\$281	3.83%
	School Office	\$94,048,273	\$138	1.87%
Program Management		\$61,565,531	\$90	1.23%
	Deputies, Senior Administrators, Researchers & Program Evaluators	\$61,565,531	\$90	1.23%
District Management		\$69,087,233	\$101	1.38%
	Superintendent & School Board	\$65,025,337	\$95	1.29%
	Legal	\$4,061,896	\$6	0.08%



**NEW CAROLINA**  
SOUTH CAROLINA'S COUNCIL ON COMPETITIVENESS

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