

# REPORT OF THE REVENUE POLICY SUBCOMMITTEE

(Cooper, Bingham, Herbkersman, J.R. Smith and White - Staff Contact: Emily Heatwole)

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## HOUSE BILL 3002

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H. 3002-- Reps. Cooper, Owens and Horne: A BILL TO AMEND CHAPTER 20, TITLE 59, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE EDUCATION FINANCE ACT OF 1977, SO AS TO ENACT "THE EDUCATION FINANCE ACT OF 2011".

***Summary of Bill:***

***A BILL TO AMEND CHAPTER 20, TITLE 59, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE EDUCATION FINANCE ACT OF 1977, SO AS TO ENACT "THE EDUCATION FINANCE ACT OF 2011"***

***Introduced:*** 3/2/2009

***Received by Ways and Means:*** 3/2/2009

***Estimated Fiscal Impact:***

PENDING

***Subcommittee Recommendation:***

Favorable with Amendment

***Full Committee Recommendation:***

Pending

***Other Notes/Comments:***

HOUSE  
AMENDMENT

THIS AMENDMENT  
ADOPTED

HRAY/MORGAN  
FEBRUARY 14, 2011

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CLERK OF THE HOUSE

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THE REVENUE POLICY SUBCOMMITTEE PROPOSES THE  
FOLLOWING AMENDMENT No. TO H. 3002  
(COUNCIL\AGM\18696BH11):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY  
DELETING ALL AFTER THE ENACTING WORDS AND  
INSERTING:**

**/SECTION 1. CHAPTER 20, TITLE 59 OF THE  
1976 CODE IS AMENDED TO READ:**

**“CHAPTER 20**

**EDUCATION FINANCE ACT OF ~~1977~~ 2011**

**SECTION 59-20-10. THIS CHAPTER SHALL BE IS KNOWN AND MAY BE CITED AS THE SOUTH CAROLINA EDUCATION FINANCE ACT OF 1977 2011.**

**SECTION 59-20-20. AS USED IN THIS CHAPTER:**

**~~(1) FOUNDATION PROGRAM MEANS THE PROGRAM PROPOSED TO ESTABLISH SUBSTANTIALLY EQUITABLE CURRENT OPERATION FUNDING LEVELS FOR PROGRAMS FOR SOUTH CAROLINA'S PUBLIC SCHOOL STUDENTS, REGARDLESS OF THEIR GEOGRAPHIC LOCATION, AFTER THE STUDENTS ARE TRANSPORTED TO SCHOOL AND HOUSED IN SCHOOL PLANTS.~~**

**~~(2) EDUCATIONAL PROGRAMS OR ELEMENTS OF PROGRAMS NOT INCLUDED IN THE FOUNDATION PROGRAM MEANS :~~**

**~~(A) TRANSPORTATION, WHICH SHALL MEAN TRANSPORTATION TO AND FROM PUBLIC SCHOOLS FOR THE STUDENTS OF SOUTH~~**

~~CAROLINA'S PUBLIC SCHOOLS PROVIDED BY STATE, LOCAL OR FEDERAL FUNDS, OR A COMBINATION THEREOF.~~

~~(B) CAPITAL OUTLAY, WHICH SHALL MEAN THOSE FUNDS USED FOR THE CONSTRUCTION, IMPROVING, EQUIPPING, RENOVATING OR MAJOR REPAIRING OF SCHOOL BUILDINGS OR OTHER SCHOOL FACILITIES, OR THE COST OF ACQUISITION OF LAND WHEREON TO CONSTRUCT OR ESTABLISH SUCH SCHOOL FACILITIES IN ACCORDANCE WITH THE DEFINITION PROVIDED IN SECTION 59-21-310.~~

~~(C) PILOT PROGRAMS, WHICH SHALL MEAN PROGRAMS OF A PILOT OR EXPERIMENTAL NATURE USUALLY DESIGNED FOR SPECIAL PURPOSES AND FOR A SPECIFIED PERIOD OF TIME OTHER THAN THOSE INCLUDED IN THE FOUNDATION PROGRAM.~~

~~(D) ADULT EDUCATION, WHICH SHALL MEAN PUBLIC EDUCATION DEALING PRIMARILY WITH STUDENTS ABOVE EIGHTEEN YEARS OF AGE NOT ENROLLED AS FULL TIME PUBLIC SCHOOL~~

~~STUDENTS AND NOT CLASSIFIED AS STUDENTS OF  
TECHNICAL SCHOOLS, COLLEGES OR  
UNIVERSITIES OF THE STATE.~~

~~(E) TEXT BOOKS; WHICH SHALL MEAN BOOKS DISTRIBUTED UNDER  
THAT SYSTEM OF RENTAL AND FREE TEXT BOOKS NOW OPERATED BY  
THE DEPARTMENT OF EDUCATION.~~

~~(F) FOOD SERVICE PROGRAMS; WHICH SHALL MEAN THOSE PROGRAMS  
DEALING DIRECTLY WITH THE NUTRITIONAL WELFARE OF THE  
STUDENT, SUCH AS THE SCHOOL LUNCH AND SCHOOL BREAKFAST  
PROGRAMS.~~

~~(G) EMPLOYEE BENEFITS; WHICH SHALL MEAN THOSE BENEFITS  
RECEIVED BY EMPLOYEES OF THE STATE PUBLIC SCHOOL SYSTEMS AND  
PAID AT LEAST IN PART BY THE STATE, SUCH AS RETIREMENT, SOCIAL  
SECURITY AND HEALTH INSURANCE.~~

~~(3) INDEX OF TAXPAYING ABILITY: MEANS AN INDEX OF A LOCAL  
DISTRICT'S RELATIVE FISCAL CAPACITY IN RELATION TO THAT OF ALL  
OTHER DISTRICTS OF THE STATE BASED ON THE FULL MARKET VALUE  
OF ALL TAXABLE PROPERTY OF THE DISTRICT ASSESSED ON THE BASIS  
OF PROPERTY CLASSIFICATION ASSESSMENT RATIOS SET FORTH IN  
ARTICLE 3, CHAPTER 43 OF TITLE 12 FOR THE SECOND COMPLETED  
TAXABLE YEAR PRECEDING THE FISCAL YEAR IN WHICH THE INDEX IS  
USED AND THESE ASSESSMENTS MUST BE THE AUDITED ASSESSMENTS BY  
SCHOOL DISTRICT CONTAINED IN THE ANNUAL REPORT SUBMITTED  
YEARLY TO THE COMPTROLLER GENERAL'S OFFICE. THE COUNTY  
AUDITOR SHALL PROVIDE FISCAL YEAR-END AUDITED ASSESSMENTS OF  
REAL AND PERSONAL PROPERTY TO THE PROPERTY DIVISION OF THE  
DEPARTMENT OF REVENUE FOR EACH OF THE SCHOOL DISTRICTS OF  
THE COUNTY FOR THE SECOND COMPLETED TAXABLE YEAR PRECEDING  
THE FISCAL YEAR IN WHICH THE INDEX IS USED NOT LATER THAN  
OCTOBER FIRST OF EACH YEAR. THE INDEX MUST BE USED TO  
CALCULATE EACH DISTRICT'S SHARE OF THE REVENUE TO BE RAISED~~

~~LOCALLY FOR THE FOUNDATION PROGRAM. THE INDEX MUST INCLUDE AN IMPUTED VALUE FOR THE PROPERTY TAX BASE IMPLICITLY GENERATING IMPACT AID REVENUE. THE PROPERTY TAX BASE MUST BE IMPUTED AT TWO THIRDS THE AVERAGE RATIO OF ALL TRUE VALUE ASSESSED PROPERTY VALUE STATEWIDE TO PRIOR YEAR LOCAL REVENUE STATEWIDE IN THE FOUNDATION PROGRAM, THE RESULTING PRODUCT MULTIPLIED TIMES THE AVERAGE IMPACT AID RECEIPTS DURING THE PRIOR THREE YEARS. IF IMPACT AID RECEIPTS DURING THE FEDERAL FISCAL YEAR ARE LESS THAN THE AVERAGE RECEIPTS FOR THE PRIOR THREE YEARS, THEN STATE AID TO THE IMPACT AID DISTRICTS MUST BE ADJUSTED IN THE FINAL PAYMENT FOR THE STATE FISCAL YEAR. IF THE STATE DEPARTMENT OF EDUCATION DETERMINES FROM FISCAL SIMULATIONS THAT THE SCHOOL FINANCE SYSTEM DOES NOT MEET REQUIREMENTS OF SECTION 5(D) OF P. L. 81-874, THE DEPARTMENT OF REVENUE SHALL EXCLUDE AN IMPUTED VALUE OF IMPACT AID RECEIPTS FROM THE INDEX OF TAXPAYING ABILITY.~~

~~THE INDEX MUST BE DETERMINED ANNUALLY BY THE DEPARTMENT OF REVENUE FROM SALES RATIO DATA BASED ON THE MOST RECENT STUDIES MADE WHICH CORRESPOND WITH THE BASE YEAR ASSESSMENTS USED TO COMPUTE THE CURRENT INDEX PURSUANT TO SECTION 12-43-250 FOR ASSESSED PROPERTY WITHIN A SCHOOL DISTRICT. THE BASE YEAR IS THE SECOND COMPLETED TAXABLE YEAR PRECEDING THE FISCAL YEAR IN WHICH THE INDEX IS USED. THE DEPARTMENT OF REVENUE SHALL PROVIDE A PRELIMINARY INDEX BY DECEMBER FIRST OF EACH YEAR END AND A FINAL INDEX BY FEBRUARY FIRST OF EACH YEAR TO THE STATE DEPARTMENT OF EDUCATION AND TO THE AUDITOR OF EACH COUNTY WHO SHALL PROVIDE THE INDEX TO ANY GOVERNMENTAL ENTITY RESPONSIBLE FOR APPROVING OR LEVYING OF MILLAGES FOR SCHOOL PURPOSES. CHANGES AND CORRECTIONS MAY BE MADE TO THE INDEX BEFORE FEBRUARY FIRST BUT NO CHANGE IS ALLOWED AFTER THAT DATE. WHEN THE~~

~~ASSESSMENT OF PROPERTY IS UNDER APPEAL AND THE APPEAL EXTENDS BEYOND THE YEAR IN WHICH THE ASSESSMENT MADE PURSUANT TO SECTION 12-43-305 IS APPLIED, THE DEPARTMENT OF REVENUE SHALL ADJUST THE INDEX OF TAXPAYING ABILITY IN THE YEAR IN WHICH THE APPEAL IS RESOLVED BY THE AMOUNT OF ANY DIFFERENCE BETWEEN THE ASSESSMENTS. ANY SCHOOL DISTRICT IS ENTITLED TO A HEARING BEFORE THE DEPARTMENT OF REVENUE TO REVIEW ITS DESIGNATED INDEX OF TAXPAYING ABILITY WITHIN THIRTY DAYS OF FILING A REQUEST FOR THE HEARING. THE DATA GATHERED BY THE DEPARTMENT OF REVENUE FOR THE PURPOSE OF DETERMINING AN ANNUAL INDEX MUST BE PRESERVED AS PUBLIC RECORDS IN THE OFFICES OF THE DEPARTMENT OF REVENUE FOR FOUR YEARS. THE RAW INFORMATION GATHERED FROM THE VARIOUS COUNTY OFFICERS REFLECTING THE REPRESENTATIVE SALES WITHIN THE SCHOOL DISTRICTS, THE CONSIDERATION, AND THE REPORTED MARKET VALUE OR ASSESSED VALUE FOR EACH SALE ARE A PART OF THE PUBLIC RECORDS SO PRESERVED. THE DEPARTMENT OF REVENUE SHALL FILE A STATEMENT STATING THE METHODOLOGY EMPLOYED IN MAKING THE ANNUAL DETERMINATION OF THE INDEX AND REFER TO ALL SOURCES OF FACTUAL INFORMATION USED IN MAKING THE DETERMINATION. ALL WORK SHEETS, COMPUTER PRINTOUTS, AND THE ACTUAL CALCULATION MUST BE INCLUDED AS THE PUBLIC RECORDS TO BE PRESERVED BY THE DEPARTMENT OF REVENUE. IN DETERMINING SALES TO ASSESSMENT RATIO, THE DEPARTMENT OF REVENUE SHALL USE ONLY REPORTED CONSIDERATION ON SALES FOR WHICH DEEDS HAVE BEEN PLACED ON PUBLIC RECORD. WHERE SUFFICIENT SALES DATA IS NOT AVAILABLE, THE DEPARTMENT OF REVENUE SHALL MAKE APPRAISALS IN LIEU OF SALES IN ORDER TO DETERMINE THE INDEX. THE APPRAISALS, INCLUDING ALL WORKING PAPERS, MUST BE INCLUDED AS THE PUBLIC RECORDS TO BE PRESERVED BY THE DEPARTMENT OF REVENUE. WITH RESPECT TO SCHOOL DISTRICTS WITHIN COUNTIES WHERE ABSTRACTS OF DUPLICATES REFLECTING~~

~~THE ASSESSED VALUE HAVE BEEN FILED PURSUANT TO SECTION 12-39-290, THE SAME HAVING BEEN ADOPTED BY THE AUDITORS UNDER ARTICLE 3, CHAPTER 43 OF TITLE 12, THE INDEX MUST BE ON THE BASIS OF THE VALUE OF THE PROPERTY AS STATED IN THE ABSTRACTS AS ADJUSTED BY SALES RATIO STUDIES UP TO FULL ASSESSMENTS BASED ON FULL FAIR MARKET VALUE.~~

~~THE INDEX OF TAXPAYING ABILITY FOR A PARTICULAR CURRENT YEAR SHALL NOT INCLUDE THE ASSESSED VALUE OF PROPERTY IN A SCHOOL DISTRICT WHICH IS CLASSIFIED UNDER SECTION 12-43-220(A) AND SECTION 12-43-220(E), WHICH IS AT LEAST FIFTEEN PERCENT OF THE TOTAL ASSESSED VALUE OF REAL PROPERTY IN THE SCHOOL DISTRICT, WHICH ON FEBRUARY FIRST OF THE YEAR HAS BEEN IN BANKRUPTCY STATUS FOR A MINIMUM OF THIRTY CONSECUTIVE MONTHS, AND ON WHICH NO LOCAL SCHOOL PROPERTY TAXES HAVE BEEN COLLECTED FOR AT LEAST TWO CONSECUTIVE FISCAL YEARS. IT IS THE RESPONSIBILITY OF THE COUNTY AUDITOR TO REPORT SUCH EXCLUSIONS FROM THE INDEX TO THE DEPARTMENT OF REVENUE AND TO IMMEDIATELY NOTIFY THE DEPARTMENT OF REVENUE OF ANY CHANGE IN THE BANKRUPTCY STATUS OF SUCH REAL PROPERTY OR ANY COLLECTION OF SCHOOL PROPERTY TAXES FROM SUCH REAL PROPERTY.~~

~~FOR PURPOSES OF DISBURSING EFA FUNDING AND FOR PURPOSES OF THE INDEX OF TAXPAYING ABILITY, THE VALUE OF A FEE IN LIEU OF TAXES SHALL BE COMPUTED BY THE DEPARTMENT OF REVENUE BY BASING THE COMPUTATION ON THE NET FEE RECEIVED AND RETAINED BY THE SCHOOL DISTRICT. THE VALUE THUS COMPUTED SHALL NOT BE INFLATED BY ANY PORTION OF THE FEE SHARED WITH OR USED BY ANY OTHER LOCAL TAXING AUTHORITY. PROVIDED, HOWEVER, ANY REVENUE RECEIVED BY A TAXING ENTITY AS A RESULT OF THIS SECTION MUST BE CONSIDERED TAXABLE PROPERTY FOR PURPOSES OF BONDED INDEBTEDNESS PURSUANT TO SECTIONS 14 AND 15 OF ARTICLE X OF THE CONSTITUTION OF THIS STATE, AND FOR PURPOSES OF COMPUTING~~



~~THE INDEX OF TAXPAYING ABILITY, PURSUANT TO ITEM (3) OF THIS SECTION.~~

~~(4) DEFINED MINIMUM PROGRAM (DMP): MEANS THE PROGRAM ESTABLISHED ANNUALLY BY THE STATE BOARD OF EDUCATION THAT IS NECESSARY TO PROVIDE PUBLIC SCHOOL STUDENTS IN THE STATE WITH MINIMUM EDUCATIONAL PROGRAMS DESIGNED TO MEET THEIR NEEDS. THE STATE BOARD OF EDUCATION SHALL TRANSMIT A PER-WEIGHTED PUPIL ESTIMATE OF THE FULL IMPLEMENTATION OF THE DEFINED MINIMUM PROGRAM TO THE STATE BUDGET AND CONTROL BOARD AND THE GENERAL ASSEMBLY FOR EACH PROPOSED BUDGETARY YEAR. THE STATE BOARD OF EDUCATION SHALL TRANSMIT ANY SUGGESTED CHANGES IN THE BASIC PROGRAMS AND THEIR WEIGHTINGS AS EVIDENCED BY CHANGING REQUIREMENTS AND PRACTICES.~~

~~(5) WEIGHTINGS: MEANS THOSE COST FIGURES ASSIGNED TO STUDENT CLASSIFICATIONS IN SECTION 59-20-40(1)(C) WHICH ARE BASED ON DIFFERENT RELATIVE COST OF THEIR EDUCATIONAL PROGRAMS IN RELATION TO THAT OF THE BASE STUDENT WHICH IS GIVEN THE WEIGHTING OF 1.00.~~

~~(6) BASE STUDENT: MEANS THAT STUDENT CLASSIFICATION THAT REPRESENTS THE MOST ECONOMICALLY EDUCATED PUPIL IN THE SCHOOL SYSTEM, THOSE IN GRADES FOUR THROUGH EIGHT IN REGULAR CLASSROOM SETTINGS. BASE STUDENT COST: IS THE FUNDING LEVEL NECESSARY FOR PROVIDING A MINIMUM FOUNDATION PROGRAM WHICH INCLUDES THE FUNDING LEVEL NECESSARY FOR SUPPORTING THE DEFINED MINIMUM PROGRAM AND TO MEET, AS FUNDS ARE AVAILABLE, NEEDS IDENTIFIED BY EACH DISTRICT BOARD OF TRUSTEES' ANNUAL REPORT, WHICH REFLECTS THE NEEDS IDENTIFIED IN THE ANNUAL SCHOOL REPORTS OF THE DISTRICT AND OTHER ASSESSMENTS, AND WHICH IS CALCULATED IN 1976 DOLLARS TO BE SIX HUNDRED SIXTY-FIVE.~~

~~PROVIDED, HOWEVER, BY JULY 1, 1983, THAT OF THE STATE AND LOCAL MONIES GENERATED BY THE BASE STUDENT COST ABOVE THE~~

~~COST OF THE DEFINED MINIMUM PROGRAM, NOT MORE THAN FIFTY PERCENT SHALL BE USED BY THE LOCAL SCHOOL DISTRICTS TO MEET THE NEEDS IDENTIFIED BY THE BOARD OF TRUSTEES' ANNUAL REPORT. MONIES GENERATED BY WEIGHTINGS ABOVE 1.00 SHALL NOT BE USED FOR REVISIONS OF THE DEFINED MINIMUM PROGRAM.~~

(1) 'BASE STUDENT' MEANS THE STUDENT CLASSIFICATION THAT REPRESENTS THE MOST ECONOMICALLY EDUCATED PUPIL IN THE SCHOOL SYSTEM, THOSE IN GRADES KINDERGARTEN THROUGH TWELVE IN REGULAR CLASSROOM SETTINGS.

(2) 'BASE STUDENT COST' MEANS THE FUNDING LEVEL NECESSARY FOR PROVIDING A BASIC EDUCATION PROGRAM WHICH INCLUDES THE FUNDING LEVEL NECESSARY FOR SUPPORTING THE BASIC EDUCATION PROGRAM, EXCLUDING SUBITEMS (3)(A)(I)-(VII) OF THIS SECTION. MONIES GENERATED BY WEIGHTINGS ABOVE 1.00 MAY NOT BE USED FOR REVISIONS OF THE BASIC EDUCATION PROGRAM.

(3)(A) 'BASIC EDUCATION PROGRAM' MEANS THE PROGRAM ESTABLISHED TO PROVIDE EQUAL EDUCATIONAL OPPORTUNITY TO STUDENTS IN THE PUBLIC SCHOOL DISTRICTS OF THIS STATE, REGARDLESS OF WHERE THE STUDENTS RESIDE. THE BASIC EDUCATION PROGRAM INCLUDES, BUT IS NOT LIMITED TO THE FOLLOWING PROGRAMS OR ELEMENTS OF PROGRAMS:

(I) THE EDUCATION AND ECONOMIC DEVELOPMENT ACT, AS PROVIDED IN CHAPTER 59, TITLE 59;

(II) THE EDUCATION ACCOUNTABILITY ACT, AS PROVIDED IN CHAPTER 18, TITLE 59;

(III) THE STUDENT HEALTH AND FITNESS ACT, AS PROVIDED IN CHAPTER 10, TITLE 59;

(IV) PHYSICAL EDUCATION PROGRAMS, AS PROVIDED IN CHAPTER 10, TITLE 59;

(V) UNITS REQUIRED BY STATE BOARD OF EDUCATION REGULATIONS IN EACH GRADE LEVEL, INCLUDING, BUT NOT LIMITED

TO, THE ARTS, FOREIGN LANGUAGE, AND UNITS REQUIRED FOR GRADUATION;

(VI) GUIDANCE COUNSELORS AND CAREER SPECIALISTS;

AND

(VII) THE GRANT PROGRAM DESIGNED TO ENHANCE THE TEACHING OF GRADE-SPECIFIC STANDARDS ADOPTED BY THE STATE BOARD OF EDUCATION, AS PROVIDED IN SECTION 59-1-525.

(B) THE BASIC EDUCATION PROGRAM DOES NOT INCLUDE THE FOLLOWING PROGRAMS OR ELEMENTS OF PROGRAMS:

(I) 'TRANSPORTATION', WHICH MEANS TRANSPORTATION TO AND FROM PUBLIC SCHOOLS FOR THE STUDENTS OF SOUTH CAROLINA'S PUBLIC SCHOOLS PROVIDED BY STATE, LOCAL, OR FEDERAL FUNDS, OR A COMBINATION THEREOF;

(II) 'CAPITAL OUTLAY', WHICH MEANS THOSE FUNDS USED FOR THE CONSTRUCTION, IMPROVING, EQUIPPING, RENOVATING, OR MAJOR REPAIRING OF SCHOOL BUILDINGS OR OTHER SCHOOL FACILITIES, OR THE COST OF ACQUISITION OF LAND ON WHICH TO CONSTRUCT OR ESTABLISH SCHOOL FACILITIES IN ACCORDANCE WITH THE DEFINITION PROVIDED IN SECTION 59-21-310;

(III) 'PILOT PROGRAMS', WHICH MEANS PROGRAMS OF A PILOT OR EXPERIMENTAL NATURE USUALLY DESIGNED FOR SPECIAL PURPOSES AND FOR A SPECIFIED PERIOD OF TIME OTHER THAN THOSE INCLUDED IN THE BASIC EDUCATION PROGRAM;

(IV) 'ADULT EDUCATION', WHICH MEANS PUBLIC EDUCATION DEALING PRIMARILY WITH STUDENTS ABOVE SEVENTEEN YEARS OF AGE NOT ENROLLED AS FULL-TIME PUBLIC SCHOOL STUDENTS AND NOT CLASSIFIED AS STUDENTS OF TECHNICAL SCHOOLS, COLLEGES, OR UNIVERSITIES OF THE STATE;

(V) 'INSTRUCTIONAL MATERIALS', WHICH MEANS BOOKS DISTRIBUTED PURSUANT TO THE SYSTEM OF RENTAL AND FREE INSTRUCTIONAL MATERIALS NOW OPERATED BY THE DEPARTMENT;

(VI) FOOD SERVICE PROGRAMS, WHICH MEANS THOSE PROGRAMS DEALING DIRECTLY WITH THE NUTRITIONAL WELFARE OF THE STUDENT, INCLUDING THE SCHOOL LUNCH AND SCHOOL BREAKFAST PROGRAMS; AND

(VII) EMPLOYEE BENEFITS, WHICH MEANS BENEFITS RECEIVED BY EMPLOYEES OF THE STATE PUBLIC SCHOOL SYSTEMS AND PAID AT LEAST IN PART BY THE STATE, INCLUDING RETIREMENT, SOCIAL SECURITY, AND HEALTH INSURANCE.

(4) DEPARTMENT MEANS THE STATE DEPARTMENT OF EDUCATION.

(5) INDEX OF TAXPAYING ABILITY MEANS AN INDEX OF A LOCAL DISTRICT'S RELATIVE FISCAL CAPACITY IN RELATION TO THAT OF ALL OTHER DISTRICTS OF THE STATE BASED ON THE FULL MARKET VALUE OF ALL TAXABLE PROPERTY OF THE DISTRICT ASSESSED ON THE BASIS OF PROPERTY CLASSIFICATION ASSESSMENT RATIOS SET FORTH IN ARTICLE 3, CHAPTER 43, TITLE 12 FOR THE SECOND COMPLETED TAXABLE YEAR PRECEDING THE FISCAL YEAR IN WHICH THE INDEX IS USED AND THESE ASSESSMENTS MUST BE THE AUDITED ASSESSMENTS BY SCHOOL DISTRICT CONTAINED IN THE ANNUAL REPORT SUBMITTED YEARLY TO THE OFFICE OF THE COMPTROLLER GENERAL. THE COUNTY AUDITOR SHALL PROVIDE FISCAL YEAR-END AUDITED ASSESSMENTS OF REAL AND PERSONAL PROPERTY TO THE PROPERTY DIVISION OF THE DEPARTMENT OF REVENUE FOR EACH OF THE SCHOOL DISTRICTS OF THE COUNTY FOR THE SECOND COMPLETED TAXABLE YEAR PRECEDING THE FISCAL YEAR IN WHICH THE INDEX IS USED NOT LATER THAN OCTOBER FIRST OF EACH YEAR. THE INDEX MUST BE USED TO CALCULATE EACH DISTRICT'S SHARE OF THE REVENUE TO BE RAISED LOCALLY FOR THE FOUNDATION PROGRAM. THE INDEX MUST INCLUDE AN IMPUTED VALUE FOR THE PROPERTY TAX BASE IMPLICITLY GENERATING IMPACT AID REVENUE. THE PROPERTY TAX BASE MUST BE IMPUTED AT TWO-THIRDS THE AVERAGE RATIO OF ALL TRUE VALUE ASSESSED PROPERTY VALUE STATEWIDE TO PRIOR

YEAR LOCAL REVENUE STATEWIDE IN THE FOUNDATION PROGRAM, THE RESULTING PRODUCT MULTIPLIED TIMES THE AVERAGE IMPACT AID RECEIPTS DURING THE PRIOR THREE YEARS. IF IMPACT AID RECEIPTS DURING THE FEDERAL FISCAL YEAR ARE LESS THAN THE AVERAGE RECEIPTS FOR THE PRIOR THREE YEARS, THEN STATE AID TO THE IMPACT AID DISTRICTS MUST BE ADJUSTED IN THE FINAL PAYMENT FOR THE STATE FISCAL YEAR. IF THE STATE DEPARTMENT OF EDUCATION DETERMINES FROM FISCAL SIMULATIONS THAT THE SCHOOL FINANCE SYSTEM DOES NOT MEET REQUIREMENTS OF SECTION 5(D) OF P. L. 81-874, THE DEPARTMENT OF REVENUE SHALL EXCLUDE AN IMPUTED VALUE OF IMPACT AID RECEIPTS FROM THE INDEX OF TAXPAYING ABILITY.

THE INDEX MUST BE DETERMINED ANNUALLY BY THE DEPARTMENT OF REVENUE FROM SALES RATIO DATA BASED ON THE MOST RECENT STUDIES MADE WHICH CORRESPOND WITH THE BASE YEAR ASSESSMENTS USED TO COMPUTE THE CURRENT INDEX PURSUANT TO SECTION 12-43-250 FOR ASSESSED PROPERTY WITHIN A SCHOOL DISTRICT. THE BASE YEAR IS THE SECOND COMPLETED TAXABLE YEAR PRECEDING THE FISCAL YEAR IN WHICH THE INDEX IS USED. THE DEPARTMENT OF REVENUE SHALL PROVIDE A PRELIMINARY INDEX BY DECEMBER FIRST OF EACH YEAR END AND A FINAL INDEX BY FEBRUARY FIRST OF EACH YEAR TO THE STATE DEPARTMENT OF EDUCATION AND TO THE AUDITOR OF EACH COUNTY WHO SHALL PROVIDE THE INDEX TO ANY GOVERNMENTAL ENTITY RESPONSIBLE FOR APPROVING OR LEVYING OF MILLAGES FOR SCHOOL PURPOSES. CHANGES AND CORRECTIONS MAY BE MADE TO THE INDEX BEFORE FEBRUARY FIRST BUT NO CHANGE IS ALLOWED AFTER THAT DATE. WHEN THE ASSESSMENT OF PROPERTY IS UNDER APPEAL AND THE APPEAL EXTENDS BEYOND THE YEAR IN WHICH THE ASSESSMENT MADE PURSUANT TO SECTION 12-43-305 IS APPLIED, THE DEPARTMENT OF REVENUE SHALL ADJUST THE INDEX OF TAXPAYING ABILITY IN THE YEAR IN WHICH THE APPEAL IS RESOLVED BY THE AMOUNT OF ANY

**DIFFERENCE BETWEEN THE ASSESSMENTS. ANY SCHOOL DISTRICT IS ENTITLED TO A HEARING BEFORE THE DEPARTMENT OF REVENUE TO REVIEW ITS DESIGNATED INDEX OF TAXPAYING ABILITY WITHIN THIRTY DAYS OF FILING A REQUEST FOR THE HEARING. THE DATA GATHERED BY THE DEPARTMENT OF REVENUE FOR THE PURPOSE OF DETERMINING AN ANNUAL INDEX MUST BE PRESERVED AS PUBLIC RECORDS IN THE OFFICES OF THE DEPARTMENT OF REVENUE FOR FOUR YEARS. THE RAW INFORMATION GATHERED FROM THE VARIOUS COUNTY OFFICERS REFLECTING THE REPRESENTATIVE SALES WITHIN THE SCHOOL DISTRICTS, THE CONSIDERATION, AND THE REPORTED MARKET VALUE OR ASSESSED VALUE FOR EACH SALE ARE A PART OF THE PUBLIC RECORDS SO PRESERVED. THE DEPARTMENT OF REVENUE SHALL FILE A STATEMENT STATING THE METHODOLOGY EMPLOYED IN MAKING THE ANNUAL DETERMINATION OF THE INDEX AND REFER TO ALL SOURCES OF FACTUAL INFORMATION USED IN MAKING THE DETERMINATION. ALL WORK SHEETS, COMPUTER PRINTOUTS, AND THE ACTUAL CALCULATION MUST BE INCLUDED AS THE PUBLIC RECORDS TO BE PRESERVED BY THE DEPARTMENT OF REVENUE. IN DETERMINING SALES TO ASSESSMENT RATIO, THE DEPARTMENT OF REVENUE SHALL USE ONLY REPORTED CONSIDERATION ON SALES FOR WHICH DEEDS HAVE BEEN PLACED ON PUBLIC RECORD. WHERE SUFFICIENT SALES DATA IS NOT AVAILABLE, THE DEPARTMENT OF REVENUE SHALL MAKE APPRAISALS IN LIEU OF SALES IN ORDER TO DETERMINE THE INDEX. THE APPRAISALS, INCLUDING ALL WORKING PAPERS, MUST BE INCLUDED AS THE PUBLIC RECORDS TO BE PRESERVED BY THE DEPARTMENT OF REVENUE. WITH RESPECT TO SCHOOL DISTRICTS WITHIN COUNTIES WHERE ABSTRACTS OF DUPLICATES REFLECTING THE ASSESSED VALUE HAVE BEEN FILED PURSUANT TO SECTION 12-39-290, THE SAME HAVING BEEN ADOPTED BY THE AUDITORS UNDER ARTICLE 3, CHAPTER 43, TITLE 12, THE INDEX MUST BE ON THE BASIS OF THE VALUE OF THE PROPERTY AS STATED IN THE ABSTRACTS AS**

ADJUSTED BY SALES RATIO STUDIES UP TO FULL ASSESSMENTS BASED ON FULL FAIR MARKET VALUE.

THE INDEX OF TAXPAYING ABILITY FOR A PARTICULAR CURRENT YEAR SHALL NOT INCLUDE THE ASSESSED VALUE OF PROPERTY IN A SCHOOL DISTRICT WHICH IS CLASSIFIED UNDER SECTION 12-43-220(A) AND SECTION 12-43-220(E), WHICH IS AT LEAST FIFTEEN PERCENT OF THE TOTAL ASSESSED VALUE OF REAL PROPERTY IN THE SCHOOL DISTRICT, WHICH ON FEBRUARY FIRST OF THE YEAR HAS BEEN IN BANKRUPTCY STATUS FOR A MINIMUM OF THIRTY CONSECUTIVE MONTHS, AND ON WHICH NO LOCAL SCHOOL PROPERTY TAXES HAVE BEEN COLLECTED FOR AT LEAST TWO CONSECUTIVE FISCAL YEARS. IT IS THE RESPONSIBILITY OF THE COUNTY AUDITOR TO REPORT SUCH EXCLUSIONS FROM THE INDEX TO THE DEPARTMENT OF REVENUE AND TO IMMEDIATELY NOTIFY THE DEPARTMENT OF REVENUE OF ANY CHANGE IN THE BANKRUPTCY STATUS OF SUCH REAL PROPERTY OR ANY COLLECTION OF SCHOOL PROPERTY TAXES FROM SUCH REAL PROPERTY.

FOR PURPOSES OF DISBURSING EFA FUNDING AND FOR PURPOSES OF THE INDEX OF TAXPAYING ABILITY, THE VALUE OF A FEE IN LIEU OF TAXES SHALL BE COMPUTED BY THE DEPARTMENT OF REVENUE BY BASING THE COMPUTATION ON THE NET FEE RECEIVED AND RETAINED BY THE SCHOOL DISTRICT. THE VALUE THUS COMPUTED SHALL NOT BE INFLATED BY ANY PORTION OF THE FEE SHARED WITH OR USED BY ANY OTHER LOCAL TAXING AUTHORITY. PROVIDED, HOWEVER, ANY REVENUE RECEIVED BY A TAXING ENTITY AS A RESULT OF THIS SECTION MUST BE CONSIDERED TAXABLE PROPERTY FOR PURPOSES OF BONDED INDEBTEDNESS PURSUANT TO SECTIONS 14 AND 15, ARTICLE X OF THE CONSTITUTION OF THIS STATE, AND FOR PURPOSES OF COMPUTING THE INDEX OF TAXPAYING ABILITY PURSUANT TO ITEM (3) OF THIS SECTION.

(6) WEIGHTINGS MEANS THOSE COST FIGURES ASSIGNED TO STUDENT CLASSIFICATIONS IN SECTION 59-20-40(1)(C) THAT ARE BASED

**ON DIFFERENT RELATIVE COST OF THEIR EDUCATIONAL PROGRAMS IN  
RELATION TO THAT OF THE BASE STUDENT WHICH IS GIVEN THE  
WEIGHTING OF 1.00.**

**SECTION 59-20-23. WHEN AN APPEAL OF THE ASSESSED VALUE OF PROPERTY ASSESSED PURSUANT TO SECTION 12-43-220(A) EXTENDS FOR MORE THAN TWO YEARS AND THE AMOUNT IN DISPUTE IS MORE THAN THIRTY PERCENT OF THE TOTAL OF ASSESSED VALUE OF PROPERTY IN THE SCHOOL DISTRICT IN WHICH THE PROPERTY UNDER APPEAL IS LOCATED, THE INDEX OF TAXPAYING ABILITY FOR THE SCHOOL DISTRICT MUST BE CALCULATED USING THE VALUE ASSERTED BY THE TAXPAYER IN THE APPEAL.**

**IF THE FINAL SETTLEMENT OF THE APPEAL PROVIDES FOR AN ASSESSED VALUE GREATER THAN THE VALUE ASSERTED IN THE TAXPAYER'S APPEAL, THE LOCAL SCHOOL DISTRICT, WITHIN TWELVE MONTHS, MUST REMIT TO THE GENERAL FUND OF THE STATE ANY ADDITIONAL FUNDS RECEIVED FROM THE STATE DEPARTMENT OF EDUCATION DUE TO THE UTILIZATION OF THE VALUE OF THE FACILITY ASSERTED IN THE TAXPAYER'S APPEAL.**

**ANY FUNDS REMITTED TO THE GENERAL FUND OF THE STATE PURSUANT TO THIS SECTION ARE CONSIDERED CURRENT FISCAL YEAR FUNDS APPROPRIATED UNDER THE EDUCATION FINANCE ACT AND MUST BE INCLUDED IN THE NEXT DISTRIBUTION OF SUCH FUNDS TO SCHOOL DISTRICTS.**

**SECTION 59-20-25. FOR THE PURPOSES OF COMPUTING THE 'INDEX OF TAXPAYING ABILITY' PURSUANT TO ITEM (3) OF SECTION 3 OF ACT 163 OF 1977 (SOUTH CAROLINA EDUCATION FINANCE ACT) FOR ANY AREA IN WHICH TAX INCREMENT FINANCING PLAN IS IN EFFECT THE VALUE TO BE USED SHALL BE THE ORIGINAL ASSESSED VALUE PLUS ANY PORTION OF THE CAPTURED ASSESSED VALUE WHICH IS**



DISTRIBUTED AMONG TAXING AUTHORITIES PURSUANT TO SECTION 31-8-120.

**SECTION 59-20-30. IT IS THE PURPOSE OF THE GENERAL ASSEMBLY IN THIS CHAPTER TO:**

**(1) ~~TO GUARANTEE TO EACH STUDENT IN THE PUBLIC SCHOOLS OF SOUTH CAROLINA THE AVAILABILITY OF AT LEAST MINIMUM EDUCATIONAL PROGRAMS~~ EQUAL EDUCATIONAL OPPORTUNITY AND EQUAL ACCESS TO THE BASIC EDUCATION PROGRAM AND SERVICES APPROPRIATE TO HIS NEEDS, AND WHICH ARE SUBSTANTIALLY EQUAL TO THOSE AVAILABLE TO OTHER STUDENTS WITH SIMILAR NEEDS AND REASONABLY COMPARABLE FROM A PROGRAM STANDPOINT TO THOSE STUDENTS OF ALL OTHER CLASSIFICATIONS, NOTWITHSTANDING REGARDLESS OF GEOGRAPHIC DIFFERENCES AND VARYING LOCAL ECONOMIC FACTORS.;**

**(2) ~~TO ENCOURAGE SCHOOL DISTRICT~~ PROVIDE FLEXIBILITY IN STATE FUNDING TO DISTRICTS INITIATIVE IN SEEKING MORE EFFECTIVE AND EFFICIENT MEANS OF TO PROVIDE EDUCATIONAL PROGRAMS THROUGH THE MOST EFFECTIVE AND EFFICIENT MEANS WHILE ACHIEVING THE GOALS OF THE VARIOUS PROGRAMS.;**

**(3) ~~TO ESTABLISH A PROCEDURE FOR THE DISTRIBUTION OF A SPECIFIED PORTION OF THE STATE EDUCATION FUNDS SO AS TO ENSURE THAT THE FUNDS ARE PROVIDED ON THE BASIS OF NEED TO THE EXTENT SET FORTH BY THIS CHAPTER IN ORDER TO GUARANTEE A MINIMUM~~ THE LEVEL OF FUNDING FOR EACH WEIGHTED PUPIL UNIT IN THE STATE THROUGH THE BASIC EDUCATION PROGRAM.;**

**(4) ~~TO MAKE IT POSSIBLE FOR EACH SCHOOL DISTRICT TO PROVIDE THE DEFINED MINIMUM PROGRAM WITHIN APPROXIMATELY FIVE YEARS FROM JULY 2, 1978, AND TO DO SO WITH AN EQUAL LOCAL TAX EFFORT.~~**

**(5) ~~TO ESTABLISH A REASONABLE BALANCE BETWEEN THE PORTION OF THE FUNDS TO BE PAID BY THE STATE AND THE PORTION OF~~**

THE FUNDS TO BE PAID BY THE DISTRICTS COLLECTIVELY IN SUPPORT OF THE ~~FOUNDATION~~ BASIC EDUCATION PROGRAM. ~~FOR THE INITIAL STAGE OF THIS PROGRAM~~ THE PROPORTIONATE STATE SHARE OF THE FUNDS FOR THIS PROGRAM ~~SHALL BE~~ FOR THE 2011-2012 SCHOOL YEAR IS APPROXIMATELY SEVENTY PERCENT STATEWIDE AND THE REMAINDER OF THE PROGRAM ~~SHALL~~ MUST BE FINANCED FROM LOCAL REVENUE SOURCES. THIS FUNDING FRAMEWORK MUST BE REVIEWED PURSUANT TO SECTION 59-20-20(3); AND

~~(6)(5)~~ (5) ~~TO~~ REQUIRE EACH LOCAL SCHOOL DISTRICT TO CONTRIBUTE ITS FAIR SHARE TO THE REQUIRED LOCAL EFFORT, WHICH IS TO BE IN DIRECT PROPORTION TO ITS RELATIVE TAXPAYING ABILITY.

~~(7)~~ (7) ~~TO ENSURE THAT TAX DOLLARS SPENT IN PUBLIC SCHOOLS ARE UTILIZED EFFECTIVELY AND TO ENSURE THAT ADEQUATE PROGRAMS SERVE ALL CHILDREN OF THE STATE.~~

**SECTION 59-20-40.** THE ANNUAL ALLOCATION TO EACH SCHOOL DISTRICT FOR THE OPERATION OF THE ~~FOUNDATION~~ BASIC EDUCATION PROGRAM AS IT RELATES TO THE SCHOOL DISTRICT ~~SHALL~~ MUST BE DETERMINED AS FOLLOWS:

(1) COMPUTATION OF THE BASIC AMOUNT TO BE INCLUDED FOR CURRENT OPERATION IN THE ~~FOUNDATION~~ BASIC EDUCATION PROGRAM:

(A) EACH SCHOOL DISTRICT SHALL MAINTAIN A PROGRAM MEMBERSHIP OF EACH SCHOOL BY COMPILING THE STUDENT MEMBERSHIP OF EACH CLASSIFICATION. THE CUMULATIVE ONE HUNDRED THIRTY-FIVE DAY AVERAGE DAILY MEMBERSHIP OF EACH SCHOOL DISTRICT BY PROGRAM CLASSIFICATION ~~WILL DETERMINE~~ DETERMINES ITS MONETARY ENTITLEMENT. THE DISTRICT'S AVERAGE DAILY MEMBERSHIP (ADM) ~~WILL~~ MUST BE COMPUTED, ~~CURRENTLY MAINTAINED,~~ AND REPORTED IN ACCORDANCE WITH THE REGULATIONS ~~OF~~ PROMULGATED BY THE STATE BOARD OF EDUCATION. FUNDS FOR THE STATE'S PORTION OF THE PER-PUPIL COST OF THE ~~FOUNDATION~~

**BASIC EDUCATION PROGRAM SHALL MUST BE DISBURSED MONTHLY TO THE VARIOUS SCHOOL DISTRICTS. END-OF-YEAR ADJUSTMENTS IN STATE FUNDS SHALL MUST BE MADE BASED ON THE ONE HUNDRED THIRTY-FIVE DAY STUDENT AVERAGE DAILY MEMBERSHIP IN EACH CLASSIFICATION.**

**(B) THE BASE STUDENT COST SHALL MUST BE ESTABLISHED ANNUALLY BY THE GENERAL ASSEMBLY. ~~THE BASE STUDENT COST SHALL BE ESTABLISHED IN SUCH A MANNER THAT FIVE YEARS AFTER JULY 2, 1978, THE FUNDING LEVEL SHALL APPROXIMATE THE COST OF THE DEFINED MINIMUM PROGRAM AS SET FORTH BY THE STATE BOARD OF EDUCATION.~~**

**EACH YEAR THE DIVISION OF RESEARCH AND STATISTICS OF THE BUDGET AND CONTROL BOARD SHALL SUBMIT TO THE LEGISLATURE GENERAL ASSEMBLY AN ESTIMATE OF THE PROJECTED RATE OF INFLATION FOR THE FISCAL YEAR TO BE BUDGETED, AND THE BASE STUDENT COST SHALL MUST BE ADJUSTED TO INCORPORATE THE INFLATED COST OF PROVIDING THE ~~DEFINED MINIMUM PROGRAM~~ BASIC EDUCATION PROGRAM.**

**(C) WEIGHTINGS, USED TO PROVIDE FOR RELATIVE COST DIFFERENCES, ~~BETWEEN~~ AMONG PROGRAMS FOR DIFFERENT STUDENTS ARE ESTABLISHED IN ORDER THAT FUNDS MAY BE EQUITABLY DISTRIBUTED ON THE BASIS OF PUPIL NEEDS. THE CRITERIA FOR QUALIFICATIONS FOR EACH SPECIAL CLASSIFICATION MUST BE ESTABLISHED BY THE STATE BOARD OF EDUCATION ACCORDING TO DEFINITIONS ESTABLISHED IN THIS ~~ARTICLE~~ CHAPTER AND IN ACCORDANCE WITH SECTIONS 59-21-510, 59-35-10, 59-53-1860, AND 59-53-1900. COST FACTORS ENUMERATED IN THIS SECTION MUST BE USED TO FUND PROGRAMS APPROVED BY THE STATE BOARD OF EDUCATION. PUPIL DATA RECEIVED BY THE DEPARTMENT OF EDUCATION IS SUBJECT TO AUDIT BY THE DEPARTMENT. COST FACTORS OR WEIGHTINGS ARE AS FOLLOWS:**

**PUPIL CLASSIFICATION**

**WEIGHTINGS**

- ~~(1) KINDERGARTEN PUPILS 1.30~~
  - ~~(2) PRIMARY PUPILS (GRADES 1 THROUGH 3) 1.24~~
  - ~~(3) ELEMENTARY PUPILS (GRADES 4 THROUGH 8)~~
    - ~~BASE STUDENTS 1.00~~
  - ~~(4) HIGH SCHOOL PUPILS (GRADES 9 THROUGH 12) 1.25~~
- SPECIAL PROGRAMS FOR EXCEPTIONAL STUDENTS**

**WEIGHTINGS**

- ~~(5) HANDICAPPED 1.74~~
  - ~~A. EDUCABLE MENTALLY HANDICAPPED PUPILS~~
  - ~~B. LEARNING DISABILITIES PUPILS~~
- ~~(6) HANDICAPPED 2.04~~
  - ~~A. TRAINABLE MENTALLY HANDICAPPED PUPILS~~
  - ~~B. EMOTIONALLY HANDICAPPED PUPILS~~
  - ~~C. ORTHOPEDICALLY HANDICAPPED PUPILS~~
- ~~(7) HANDICAPPED 2.57~~
  - ~~A. VISUALLY HANDICAPPED PUPILS~~
  - ~~B. HEARING HANDICAPPED PUPILS~~
  - ~~C. PUPILS WITH AUTISM~~
- ~~(8) SPEECH HANDICAPPED PUPILS 1.90~~
- ~~(9) HOMEBOUND PUPILS 2.10~~
  - ~~A. PUPILS WHO ARE HOMEBOUND~~
  - ~~B. PUPILS WHO RESIDE IN EMERGENCY SHELTERS~~

**CAREER AND TECHNOLOGY TECHNICAL PROGRAMS**

**WEIGHTINGS**

- ~~(10) PRE-CAREER AND TECHNOLOGY 1.20~~
- ~~(11) CAREER AND TECHNOLOGY 1.29~~

**ADD-ON WEIGHTS FOR EARLY CHILDHOOD DEVELOPMENT AND ACADEMIC ASSISTANCE**

**WEIGHTINGS**

- ~~(12) EARLY CHILDHOOD ASSISTANCE 0.26~~
- ~~(13) GRADES 4-12 ACADEMIC ASSISTANCE 0.114~~

**ADULT EDUCATION**

~~(14) ADULT EDUCATION~~ ~~0.15~~

**PUPIL CLASSIFICATION**

**WEIGHTINGS**

**(1) K-12 PUPILS (BASE STUDENTS)** **1.00**

**SPECIAL PROGRAMS FOR EXCEPTIONAL STUDENTS**

**WEIGHTINGS**

**(2) ADDITIONAL CATEGORIES AND WEIGHTINGS FOR DISABILITIES**

**A. EDUCABLE MENTALLY DISABLED PUPILS** **1.75**

**B. LEARNING DISABLED PUPILS** **1.75**

**C. TRAINABLE MENTALLY IMPAIRED PUPILS** **2.04**

**D. EMOTIONALLY IMPAIRED PUPILS** **2.04**

**E. ORTHOPEDICALLY IMPAIRED PUPILS** **2.04**

**F. VISUALLY IMPAIRED PUPILS** **2.57**

**G. HEARING IMPAIRED PUPILS** **2.57**

**H. PUPILS WITH AUTISM** **2.57**

**I. SPEECH IMPAIRED PUPILS** **1.90**

**(3) ADDITIONAL WEIGHTINGS FOR DIFFERENTIATED ASSISTANCE**

**A. HOMEBOUND OR EMERGENCY SHELTER PUPILS** **1.00**

**B. PRE-VOCATIONAL AND CAREER TECHNOLOGY** **1.29**

**NO LOCAL MATCH IS REQUIRED FOR THE ITEMS BELOW, AND THE NUMBER OF WEIGHTED PUPIL UNITS FUNDED DEPENDS ON FUNDING AVAILABLE FROM THE GENERAL FUND OF THE STATE AND THE EDUCATION IMPROVEMENT ACT OF 1984 FUND.**

**(4) ADULT EDUCATION** **0.15**

**(5) ACADEMICALLY AND ARTISTICALLY TALENTED** **0.15**

**(6) PUPILS IN POVERTY** **0.20**

**(7) ENGLISH AS A SECOND LANGUAGE** **0.20**

**(8) ACADEMIC ASSISTANCE** **0.17**

**(9) SUPERVISION, REVIEW HOME INSTRUCTED STUDENT PURSUANT TO SECTION 59-65-40** **0.25**

~~NO LOCAL MATCH IS REQUIRED FOR ADULT EDUCATION AND THE NUMBER OF WEIGHTED PUPIL UNITS FUNDED DEPENDS ON FUNDING AVAILABLE FROM THE GENERAL FUND OF THE STATE AND THE EDUCATION IMPROVEMENT ACT OF 1984 FUND.~~

EACH STUDENT IN THE STATE MUST BE COUNTED IN ONLY ONE OF THE FIRST ~~ELEVEN~~ THREE PUPIL CLASSIFICATIONS. STUDENTS SHALL GENERATE FUNDS FOR EARLY CHILDHOOD ASSISTANCE AND GRADES ~~4-12~~ FOUR THROUGH TWELVE ACADEMIC ASSISTANCE IN ACCORDANCE WITH SECTION 59-139-20. THE STATE BOARD OF EDUCATION MUST SHALL DETERMINE THE QUALIFICATIONS FOR EACH CLASSIFICATION IN ACCORDANCE WITH SECTIONS 59-21-510, 59-35-10, 59-53-1860, 59-53-1900, AND CHAPTER 30 OF THIS TITLE. THE PROGRAM FOR EACH CLASSIFICATION MUST MEET SPECIFICATIONS APPROVED BY THE STATE BOARD OF EDUCATION.

~~SCHOOL DISTRICTS MAY COUNT EACH STUDENT WHO IS INSTRUCTED AT HOME UNDER THE PROVISIONS OF SECTION 59-65-40 IN THE DISTRICT'S WEIGHTED PUPIL UNITS AT A WEIGHTING OF .25 FOR SUPERVISING, OVERSEEING, OR REVIEWING THE STUDENT'S PROGRAM OF HOME INSTRUCTION. NO LOCAL MATCH IS REQUIRED FOR STUDENTS INSTRUCTED AT HOME UNDER THE PROVISIONS OF SECTION 59-65-40.~~

(D) THE BASIC AMOUNT FOR THE FOUNDATION BASIC EDUCATION PROGRAM FOR EACH DISTRICT ~~SHALL BE~~ IS COMPUTED AS FOLLOWS:

(1) THE CALCULATED AVERAGE DAILY MEMBERSHIP IN EACH STUDENT CLASSIFICATION ~~SHALL BE~~ IS MULTIPLIED BY THE WEIGHTING FACTOR FOR THAT RESPECTIVE CLASSIFICATION.;

(2) THE SUBTOTALS (TOTALS IN EACH STUDENT CLASSIFICATION) IN ALL CLASSIFICATIONS ~~SHALL BE~~ ARE ADDED TO GET THE DISTRICT'S TOTAL WEIGHTED PUPIL UNITS.;

(3) THE DISTRICT'S WEIGHTED PUPIL UNITS ~~SHALL BE~~ ARE MULTIPLIED BY THE BASE STUDENT COST FIGURE AS ESTABLISHED ANNUALLY BY THE GENERAL ASSEMBLY.

~~(E) COMPUTATION OF THE REQUIRED LOCAL REVENUE IN SUPPORT OF THE FOUNDATION PROGRAM.~~ THE AMOUNT THAT EACH SCHOOL DISTRICT SHALL PROVIDE TOWARD THE COST OF THE SOUTH CAROLINA FOUNDATION BASIC EDUCATION PROGRAM ~~SHALL BE~~ IS COMPUTED BY DETERMINING THE TOTAL STATEWIDE COLLECTIVE LOCAL SHARE (APPROXIMATELY THIRTY PERCENT) OF THE TOTAL COST OF THE ~~FOUNDATION~~ BASIC EDUCATION PROGRAM, AND MULTIPLYING THIS BY THE INDEX OF TAXPAYING ABILITY OF EACH DISTRICT AS DEFINED IN SECTION 59-20-20.

~~(F) COMPUTATION OF THE REQUIRED STATE EFFORT.~~ THE AMOUNT THAT THE STATE SHALL PROVIDE TO EACH SCHOOL DISTRICT TOWARD THE COST OF THE ~~FOUNDATION~~ BASIC EDUCATION PROGRAM ~~SHALL BE~~ IS THE DIFFERENCE BETWEEN THE DISTRICT'S BASIC AMOUNT AS COMPUTED IN SUBSECTION (D) MINUS THE REQUIRED AMOUNT RAISED LOCALLY AS COMPUTED IN SUBSECTION (E).

NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, STATE AID TO ANY SCHOOL DISTRICT ~~SHALL~~ MUST BE REDUCED IN PROPORTION TO THE RATIO THAT ITS LOCAL SCHOOL TAX EFFORT FALLS BELOW THAT REQUIRED BY SUBSECTION (2) OF SECTION 59-20-50.

~~(2) RESERVED~~ THE COMPUTATION FOR THE BASIC AMOUNT TO BE INCLUDED IN THE OPERATION OF THE BASIC EDUCATION PROGRAM DOES NOT INCLUDE SECTION 59-20-20(3)(A)(I)-(VII). THESE ALLOCATIONS MUST BE DISTRIBUTED TO THE PUBLIC SCHOOL DISTRICTS OF THIS STATE ON A PER-PUPIL BASIS AND NOT ACCORDING TO THE FORMULA PROVIDED IN SUBSECTION (1) OF THIS SECTION.

~~(3) PROVISIONS FOR A PHASE-IN PLAN OF IMPLEMENTATION~~

~~(A) AS A RESULT OF THE COST OF IMPLEMENTING THE FOUNDATION PROGRAM AT BOTH STATE AND LOCAL LEVEL AS CALCULATED IN THIS SECTION, THERE WILL BE A PHASE-IN IMPLEMENTATION PERIOD OF FIVE YEARS TO ASSIST IN IMPLEMENTING THE EDUCATION FINANCE PROGRAM.~~

~~(B) EACH YEAR OF THE PHASE IN PERIOD THE GENERAL ASSEMBLY SHALL SPECIFY THE BASE STUDENT COST AND THE PERCENTAGE OF THE DIFFERENCE BETWEEN CURRENT FUNDING AND FULL FUNDING OF THE DEFINED MINIMUM PROGRAM WHICH SHALL BE ACHIEVED EACH YEAR. IT IS THE INTENT OF THIS CHAPTER THAT THE FULL IMPLEMENTATION OF THE FOUNDATION PROGRAM FROM PRESENT FUNDING LEVEL IN PRESENT FINANCING PLANS, IN TERMS OF REAL DOLLARS, BE ACHIEVED IN SUBSTANTIALLY EQUAL ANNUAL INTERVALS OVER A PERIOD OF FIVE YEARS; PROVIDED, THAT IF A DISTRICT INCREASES ITS LOCAL EFFORT ANNUALLY BY AT LEAST FIVE PERCENT IN REAL DOLLARS, THE PERIOD OF TIME FOR FULL IMPLEMENTATION MAY BE EXTENDED FIVE YEARS. HOWEVER, IT IS RECOGNIZED THAT, DURING PERIODS OF ABNORMALLY LOW GROWTH IN STATE REVENUE, APPROPRIATIONS MAY NECESSARILY HAVE TO BE REDUCED BELOW THE ANTICIPATED TREND AND THAT DURING PERIODS OF ABNORMALLY HIGH REVENUE GROWTH AN EFFORT WOULD BE MADE TO RESTORE PROGRESS IN FUNDING TO ACHIEVE FULL IMPLEMENTATION DURING THE FIVE YEAR PHASE PERIOD. IT IS RECOGNIZED FURTHER THAT, SHOULD THE TREND OF GROWTH IN STATE REVENUE DIVERGE SUBSTANTIALLY FROM HISTORICAL EXPERIENCE, THEN THE LENGTH OF THE PHASE PERIOD MIGHT BE INCREASED OR DECREASED ACCORDINGLY. EACH LOCAL SCHOOL DISTRICT SHALL PROGRESS ANNUALLY IN ELIMINATING THE DIFFERENCE BETWEEN ITS CURRENT FUNDING AND FULL FUNDING OF THE DEFINED MINIMUM PROGRAM AT THE SAME PERCENTAGE AS MANDATED BY THE GENERAL ASSEMBLY FOR STATEWIDE PROGRESS TOWARD FULL FUNDING; PROVIDED, THAT EACH DISTRICT SHALL INCREASE ITS LOCAL EFFORT ANNUALLY BY AT LEAST THE AMOUNT REQUIRED IN THIS SECTION OR BY FIVE PERCENT IN REAL DOLLAR TERMS, OR SHALL INCREASE ITS MILLAGE FOR THE LOCAL SHARE OF EXPENDITURES UNDER THE FOUNDATION PROGRAM BY AT LEAST TWO AND ONE HALF MILLS. ANY DISTRICT FAILING TO MAKE EITHER THE REQUIRED LOCAL EFFORT OR THE FIVE PERCENT INCREASE IN REAL~~



~~DOLLARS TERMS OR THE TWO AND ONE HALF MILL INCREASE WILL HAVE ITS ENTITLED INCREASE IN STATE AID REDUCED BY THE PROPORTION THAT ITS ACTUAL INCREASE IN LOCAL EFFORT FALLS BELOW ITS REQUIRED INCREASE OF FIVE PERCENT IN REAL DOLLARS, OR TWO AND ONE HALF MILLS, WHICHEVER IS LESS. RESERVED~~

(4) ~~IMPACT AID REVENUE SHALL~~ MUST BE COUNTED AS LOCAL EFFORT FOR PURPOSES OF COMPUTING ACTUAL LOCAL EFFORT, ~~IN ORDER TO MEET REQUIREMENTS OF SECTION 59-20-40(3)(B). PROVIDED, HOWEVER, THAT SHOULD~~ IF THE DEGREE OF EQUALITY ACHIEVED ~~UNDER PURSUANT TO THIS CHAPTER~~ PROVE INSUFFICIENT TO QUALIFY SOUTH CAROLINA FOR UTILIZING IMPACT AID IN THE SCHOOL FINANCE EQUALIZATION PLAN, ~~THEN IMPACT AID WOULD~~ MAY NOT BE COUNTED AS LOCAL REVENUE.

(5) TO QUALIFY FOR FUNDS PROVIDED IN THIS CHAPTER, EACH DISTRICT ~~MUST~~ SHALL ATTAIN AN AVERAGE PUPIL-TEACHER RATIO BASED ON AVERAGE DAILY MEMBERSHIP IN THE BASIC SKILLS OF READING AND MATHEMATICS ~~IN GRADES ONE THROUGH THREE OF 21:1 PURSUANT TO REGULATIONS PROMULGATED BY THE STATE BOARD OF EDUCATION.~~

~~PROVIDED, THAT ANY~~ A LOCAL DISTRICT MAY APPLY TO THE STATE BOARD OF EDUCATION FOR APPROVAL OF A WAIVER ~~TO~~ OF THIS SUBSECTION BY SUBMITTING AND JUSTIFYING AN ALTERNATIVE EDUCATIONAL PROGRAM TO SERVE THE BASIC SKILL NEEDS OF AVERAGE DAILY MEMBERSHIP ~~IN GRADES ONE THROUGH THREE PURSUANT TO STATE BOARD OF EDUCATION REGULATIONS.~~

THE STATE BOARD OF EDUCATION SHALL APPROVE OR DISAPPROVE OF SUCH A WAIVER FORTY-FIVE DAYS AFTER RECEIPT OF SUCH APPLICATION. ~~PROVIDED, FURTHER, THAT BEGINNING WITH FISCAL YEAR 1978-79~~ 2011-2012, IF A SCHOOL DISTRICT VIOLATES THE PROVISIONS OF THIS SUBSECTION, THE STATE AID FOR THE ENSUING FISCAL YEAR TO ~~SUCH~~ THE SCHOOL DISTRICT ~~SHALL~~ MUST BE REDUCED BY THE PERCENTAGE VARIANCE THAT THE ACTUAL PUPIL-TEACHER

RATIOS IN SUCH SCHOOL DISTRICT HAS TO THE REQUIRED PUPIL-TEACHER RATIOS MANDATED ~~IN THIS SUBSECTION~~ ESTABLISHED PURSUANT TO STATE BOARD OF EDUCATION REGULATIONS.

~~PROVIDED, THAT NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, THE STATE BOARD OF EDUCATION IS AUTHORIZED TO~~ MAY WAIVE THE PUPIL-TEACHER REQUIREMENTS SPECIFIED HEREIN IN THIS SECTION UPON A FINDING THAT A GOOD FAITH EFFORT IS BEING MADE BY THE SCHOOL DISTRICT CONCERNED TO COMPLY WITH THE RATIO PROVISIONS BUT THAT FOR LACK OF CLASSROOM SPACE WHICH WAS BEYOND ITS CONTROL IT IS PHYSICALLY IMPOSSIBLE FOR THE DISTRICT TO COMPLY ~~FOR THE FISCAL YEARS 1978-1979 AND 1979-1980 AND THE COST OF TEMPORARY CLASSROOM SPACE CANNOT BE JUSTIFIED.~~

~~IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT~~ PURSUANT TO REGULATIONS PROMULGATED BY THE STATE BOARD OF EDUCATION, THE AVERAGE DAILY MEMBERSHIP PUPIL-TEACHER RATIO FOR GRADES ~~1~~ ONE THROUGH ~~3~~ THREE STIPULATED IN THE CHAPTER MUST BE IMPLEMENTED TO THE EXTENT POSSIBLE ON AN INDIVIDUAL CLASS BASIS AND ~~THAT~~ THE PUPIL ENROLLMENT IN THESE GRADES SHOULD NOT EXCEED TWENTY-EIGHT PUPILS IN EACH CLASS.

(6) ~~NO~~ A DISTRICT ~~SHALL BE~~ IS NOT REQUIRED TO INCREASE LOCAL REVENUE IF COMBINED STATE AND LOCAL REVENUE EXCEEDS THE AMOUNT NECESSARY TO MEET THE BASE STUDENT COST OF THE ~~MINIMUM FOUNDATION~~ BASIC EDUCATION PROGRAM AT FULL IMPLEMENTATION.

(7) [DELETED]

~~(8) THE GENERAL ASSEMBLY SHALL ANNUALLY PROVIDE THE PORTION OF THE LOCAL REQUIRED SUPPORT OF THE FOUNDATION PROGRAM REQUIRED BY THE SOUTH CAROLINA EDUCATION IMPROVEMENT ACT OF 1984 ON THE BASIS OF THE DISTRICT'S TAXPAYING ABILITY IN THE ANNUAL GENERAL APPROPRIATION ACT.~~

**SECTION 59-20-41. NOTWITHSTANDING ~~ANY OTHER~~ ANOTHER PROVISION OF LAW~~;~~, ALL SCHOOL DISTRICTS ~~PROVIDING THAT PROVIDE~~ EDUCATIONAL SERVICES TO CHILDREN ADMITTED OR COMMITTED TO RESIDENTIAL INSTITUTIONS OF THE DEPARTMENT OF MENTAL HEALTH ~~ARE AUTHORIZED TO~~ MAY COUNT CHILDREN ADMITTED OR COMMITTED TO RESIDENTIAL INSTITUTIONS OF THE DEPARTMENT OF MENTAL HEALTH FROM THE FIRST DAY OF RESIDENCY IN SUCH INSTITUTIONS, PROVIDED, THAT THE FIRST DAY IS WITHIN THE PARTICULAR DISTRICT'S SCHOOL YEAR. THE INCLUSION OF THESE CHILDREN IS FOR THE PURPOSE OF PARTICIPATION IN THE DISTRICTS' EDUCATIONAL PROGRAMS FOR ~~HANDICAPPED CHILDREN~~ DISABLED PUPILS SUPPORTED UNDER THE EDUCATION FINANCE ACT ~~OF SOUTH CAROLINA.~~**

**SECTION 59-20-50. (1) NOTWITHSTANDING THE COMPUTATIONS PRESCRIBED IN SECTION 59-20-40, THE LEVEL OF STATE CONTRIBUTIONS TO EACH DISTRICT ~~SHALL~~ MAY NOT BE REDUCED TO A PER-PUPIL LEVEL OF ~~FOUNDATION~~ BASIC EDUCATION PROGRAM FUNDS BELOW THAT PER-PUPIL LEVEL OF STATE FUNDING OF PROGRAMS FOR THE FISCAL YEARS PRIOR TO IMPLEMENTATION OF THIS CHAPTER WHICH ~~WILL~~ MUST BE INCORPORATED IN THE ~~FOUNDATION~~ BASIC EDUCATION PROGRAM.**

**~~PROVIDED, NO~~ A DISTRICT ~~SHALL~~ MAY NOT RECEIVE ANNUALLY AN INCREASE IN STATE FUNDS LESS THAN THE FULL RATE OF THE INFLATIONARY ADJUSTMENT IN THE BASE STUDENT COST SPECIFIED IN SECTION 59-20-40(1)(B), SUBJECT TO FUNDS MADE AVAILABLE BY THE GENERAL ASSEMBLY IN THE ANNUAL GENERAL APPROPRIATIONS ACT. THIS INCREASE SHALL BE COMPUTED ANNUALLY ~~OVER AND~~ ABOVE THE AMOUNT ACTUALLY RECEIVED FROM THE STATE FOR THE ~~FOUNDATION~~ BASIC EDUCATION PROGRAM IN THE PRIOR FISCAL YEAR.**

**~~PROVIDED, FURTHER, AFTER THE FISCAL YEAR 1982-83 NO DISTRICT SHALL RECEIVE ANNUALLY AN INCREASE IN STATE FUNDS~~**

~~LESS THAN FOUR-FIFTHS OF THE INFLATIONARY ADJUSTMENT IN THE BASE STUDENT COST SPECIFIED IN SECTION 59-20-40(1)(B). THIS INCREASE SHALL BE COMPUTED ANNUALLY OVER AND ABOVE THE AMOUNT ACTUALLY RECEIVED FROM THE STATE FOR THE FOUNDATION PROGRAM IN THE PRIOR FISCAL YEAR.~~

~~BEGINNING JULY 1, 1994, NO ADDITIONAL SCHOOL DISTRICT SHALL RECEIVE HOLD-HARMLESS FUNDS UNDER THIS SUBSECTION DUE TO DECREASES IN STUDENT NUMBERS OR UPWARD ADJUSTMENTS IN THE INDEX OF TAXPAYING ABILITY.~~

(2) NOTWITHSTANDING ANY PROVISIONS OF THIS CHAPTER, ANY A LOCAL SCHOOL DISTRICT MAY INCREASE THE LOCAL EFFORT ABOVE THE FOUNDATION BASIC EDUCATION PROGRAM FUNDING LEVEL AS DEEMED NECESSARY TO MEET THE ASPIRATIONS OF THE PEOPLE OF THE DISTRICT.

(3) EIGHTY-FIVE PERCENT OF THE FUNDS APPROPRIATED THROUGH STATE AND LOCAL EFFORT FOR EACH WEIGHTED CLASSIFICATION SHALL MUST BE SPENT IN DIRECT AND INDIRECT AID IN THE SPECIFIC AREA OF THE PROGRAM PLANNED TO SERVE THOSE CHILDREN WHO GENERATED THE FUNDS. ~~DISTRICTS EXPENDING A~~ DISTRICT THAT SPENDS LESS THAN THE REQUIRED EIGHTY-FIVE PERCENT OF THE APPROPRIATED AMOUNT ~~SHALL BE~~ IS SUBJECT TO A PENALTY THE FOLLOWING FISCAL YEAR IN THE AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT SPENT AND THE REQUIRED EIGHTY-FIVE PERCENT FIGURE. ~~HOWEVER,~~ THIS REQUIREMENT SHALL DOES NOT APPLY TO THE FUNDS GENERATED BY CHILDREN IN THE PUPIL CLASSIFICATION 'SPEECH HANDICAPPED IMPAIRED PUPILS'.

(4)(A) ~~EACH~~ A SCHOOL DISTRICT SHALL PAY EACH CERTIFIED TEACHER OR ADMINISTRATOR AN ANNUAL SALARY AT LEAST EQUAL TO THE SALARY STATED IN THE STATEWIDE MINIMUM SALARY SCHEDULE FOR THE PERSON'S EXPERIENCE AND CLASS. ~~NO~~ A TEACHER OR ADMINISTRATOR EMPLOYED IN THE SAME POSITION, OVER THE SAME TIME PERIOD, ~~SHALL~~ MAY NOT RECEIVE LESS TOTAL SALARY,

INCLUDING ANY NORMAL INCREMENTAL INCREASE, THAN THAT TEACHER OR ADMINISTRATOR RECEIVED FOR THE FISCAL YEAR BEFORE THE IMPLEMENTATION OF THIS ~~ARTICLE~~ CHAPTER.

(B) THE STATE MINIMUM SALARY SCHEDULE MUST BE BASED ON THE STATE MINIMUM SALARY SCHEDULE INDEX IN EFFECT AS OF JULY 1, ~~1984~~ 2011. IN FISCAL YEAR ~~1985~~ 2011, THE 1.000 FIGURE IN THE INDEX IS ~~\$14,172~~ \$28,943. (~~THIS FIGURE IS BASED ON A 10.27% INCREASE PURSUANT TO THE SOUTH CAROLINA EDUCATION IMPROVEMENT ACT OF 1984.~~) ~~BEGINNING WITH FISCAL YEAR 1986, THE 1.000 FIGURE IN THE INDEX MUST BE ADJUSTED ON A SCHEDULE TO STAY AT THE SOUTHEASTERN AVERAGE AS PROJECTED BY THE DIVISION OF RESEARCH AND STATISTICAL SERVICES AND PROVIDED TO THE BUDGET AND CONTROL BOARD AND GENERAL ASSEMBLY DURING THEIR DELIBERATIONS ON THE ANNUAL APPROPRIATIONS BILL. THE SOUTHEASTERN AVERAGE TEACHER SALARY IS THE AVERAGE OF THE AVERAGE TEACHERS' SALARIES OF THE SOUTHEASTERN STATES. IN PROJECTING THE SOUTHEASTERN AVERAGE, THE DIVISION SHALL INCLUDE IN THE SOUTH CAROLINA BASE TEACHER SALARY ALL LOCAL TEACHER SUPPLEMENTS AND ALL INCENTIVE PAY. UNDER THIS SCHEDULE, SCHOOL DISTRICTS ARE REQUIRED TO MAINTAIN LOCAL SALARY SUPPLEMENTS PER TEACHER NO LESS THAN THEIR PRIOR FISCAL LEVEL. IN FISCAL YEAR 1986 AND THEREAFTER~~ THE STATE MINIMUM SALARY SCHEDULE MUST INCLUDE THE BASE TEACHER SALARY. WHEN A DISTRICT IMPLEMENTS A FURLOUGH, TEACHER SALARIES IN FUTURE FISCAL YEARS MUST BE BASED ON THE TEACHER SALARY IN THE PRIOR FISCAL YEAR PRIOR TO ANY REDUCTION DUE TO FURLOUGH. A DISTRICT IS NOT REQUIRED TO MAINTAIN LOCAL SALARY SUPPLEMENTS PER TEACHER OF THE PRIOR FISCAL YEAR LEVEL. TEACHER PAY RAISES THROUGH ADJUSTMENTS IN THE STATE'S MINIMUM SALARY SCHEDULE MAY BE PROVIDED AT THE DISCRETION OF THE DISTRICT AND ONLY TO TEACHERS WHO DEMONSTRATE MINIMUM

**KNOWLEDGE PROFICIENCY BY MEETING ONE OF THE FOLLOWING CRITERIA:-**

- (1) HOLDING A VALID PROFESSIONAL CERTIFICATE;**
- (2) HAVING A SCORE OF 425 OR GREATER ON THE COMMONS EXAMINATION OF THE NATIONAL TEACHERS EXAMINATIONS;**
- (3) MEETING THE MINIMUM QUALIFYING SCORE ON THE APPROPRIATE AREA TEACHING EXAMINATION; OR**
- (4) MEETING THE MINIMUM STANDARDS ON THE BASIC SKILLS EXAMINATIONS AS PRESCRIBED BY THE STATE BOARD OF EDUCATION PROVIDED IN SECTION 59-26-20.**

**(C) THE DEPARTMENT SHALL DEVELOP AN INCENTIVE COMPENSATION PLAN FOR TEACHERS IN THE LOCAL SCHOOL DISTRICTS OF THIS STATE BASED ON TEACHER PERFORMANCE AND SHALL REPORT ITS PLAN TO THE CHAIRMEN OF THE HOUSE WAYS AND MEANS COMMITTEE, SENATE FINANCE COMMITTEE, SENATE EDUCATION COMMITTEE, AND HOUSE EDUCATION COMMITTEE BY DECEMBER 1, 2011.**

**SECTION 59-20-55. BEGINNING JULY 1, 1986, AND THEREAFTER, EMPLOYMENT MAY BE PROVIDED ONLY TO TEACHERS WHO DEMONSTRATE MINIMUM KNOWLEDGE PROFICIENCY BY MEETING ONE OF THE CRITERIA OUTLINED IN SECTION 59-20-50(4)(B). THE CRITERIA DO NOT HAVE TO BE MET BY TEACHERS HAVING TWENTY-FIVE YEARS OR MORE OF TEACHING SERVICE AS OF THE EFFECTIVE DATE OF THE SOUTH CAROLINA EDUCATION IMPROVEMENT ACT OF 1984 IN ORDER FOR THEM TO BE EMPLOYED. RESERVED.**

**SECTION 59-20-60. (1) SCHOOL DISTRICTS SHALL GIVE FIRST SPENDING PRIORITY OF FUNDS ALLOCATED UNDER THIS CHAPTER TO FULL IMPLEMENTATION OF THE ~~DEFINED MINIMUM~~ BASIC EDUCATION PROGRAM.**

(2) THE STATE BOARD OF EDUCATION SHALL AUDIT THE PROGRAMMATIC AND FISCAL ASPECTS OF THIS CHAPTER, INCLUDING THE DEGREE TO WHICH A SCHOOL MEETS ALL PRESCRIBED STANDARDS OF THE ~~DEFINED MINIMUM~~ BASIC EDUCATION PROGRAM AND SHALL REPORT THE RESULTS IN THE ANNUAL REPORT OF THE STATE SUPERINTENDENT OF EDUCATION. SCHOOLS WHICH HAVE BEEN CLASSIFIED AS 'DROPPED' BY THE ~~DEFINED MINIMUM~~ BASIC EDUCATION PROGRAM ACCREDITATION PROCEDURES ARE NOT ELIGIBLE FOR FUNDING IN THE FOLLOWING FISCAL YEAR UNTIL AN ACCEPTABLE PLAN TO ELIMINATE THE DEFICIENCIES IS SUBMITTED AND APPROVED BY THE STATE BOARD OF EDUCATION.

(3) EACH SCHOOL DISTRICT BOARD OF TRUSTEES SHALL CAUSE THE DISTRICT AND EACH SCHOOL IN THE DISTRICT TO DEVELOP COMPREHENSIVE FIVE-YEAR PLANS WITH ANNUAL UPDATES TO OUTLINE THE DISTRICT AND SCHOOL IMPROVEMENT PLANS PURSUANT TO ARTICLE 2, CHAPTER 139, TITLE 59. ~~DISTRICTS WHICH HAVE NOT BEGUN A STRATEGIC PLANNING CYCLE MUST DO SO AND DEVELOP A PLAN NO LATER THAN THE 1994-95 SCHOOL YEAR. DISTRICTS WHICH HAVE UNDERTAKEN SUCH A PLANNING PROCESS MAY CONTINUE IN THEIR PLANNING CYCLE AS LONG AS THE PROCESS MEETS THE INTENT OF THIS SECTION AND THE LONG-RANGE PLANS DEVELOPED OR UNDER DEVELOPMENT CAN BE AMENDED TO ENCOMPASS THE REQUIREMENTS OF THIS SECTION. FOR SCHOOL YEAR 1993-94, DISTRICTS MAY SUBMIT EITHER THE IMPROVEMENT PLAN CONSISTENT WITH STATE DEPARTMENT GUIDELINES OR THEIR FIVE-YEAR COMPREHENSIVE PLAN.~~

~~THE STATE BOARD OF EDUCATION SHALL RECOMMEND A FORMAT FOR THE PLANS WHICH WILL BE FLEXIBLE AND ADAPTABLE TO LOCAL PLANNING NEEDS WHILE ENCOMPASSING CERTAIN STATE MANDATES, INCLUDING THE EARLY CHILDHOOD AND ACADEMIC ASSISTANCE INITIATIVE PLANS PURSUANT TO SECTION 59-139-10. ALL DISTRICT AND SCHOOL PLANS MUST BE REVIEWED AND APPROVED BY THE BOARD~~

~~OF TRUSTEES. THE DISTRICT PLAN SHOULD INTEGRATE THE NEEDS, GOALS, OBJECTIVES, STRATEGIES, AND EVALUATION METHODS OUTLINED IN THE SCHOOL PLANS. MEASURES OF EFFECTIVENESS MUST INCLUDE OUTCOME AND PROCESS INDICATORS OF IMPROVEMENT AND MUST PROVIDE DATA REGARDING WHAT DIFFERENCE THE STRATEGIES HAVE MADE. STAFF PROFESSIONAL DEVELOPMENT MUST BE A PRIORITY IN THE DEVELOPMENT AND IMPLEMENTATION OF THE PLANS AND MUST BE BASED ON AN ASSESSMENT OF NEEDS. LONG AND SHORT-RANGE GOALS, OBJECTIVES, STRATEGIES, AND TIME LINES NEED TO BE INCLUDED.~~

~~(4) EACH PLAN SHALL PROVIDE FOR AN INNOVATION INITIATIVE, DESIGNED TO ENCOURAGE INNOVATIVE AND COMPREHENSIVE APPROACHES BASED ON STRATEGIES IDENTIFIED IN THE RESEARCH LITERATURE TO BE EFFECTIVE. THE INNOVATION INITIATIVE MUST BE UTILIZED BY SCHOOL DISTRICTS TO IMPLEMENT INNOVATIVE APPROACHES DESIGNED TO IMPROVE STUDENT LEARNING AND ACCELERATE THE PERFORMANCE OF ALL STUDENTS. FUNDS MAY BE EXPENDED ON STRATEGIES IN ONE OR MORE OF THE FOLLOWING FOUR CATEGORIES:-~~

~~(A) NEW APPROACHES TO WHAT AND HOW STUDENTS LEARN BY CHANGING SCHOOLING IN WAYS THAT PROVIDE A CREATIVE, FLEXIBLE, AND CHALLENGING EDUCATION FOR ALL STUDENTS, ESPECIALLY FOR THOSE AT RISK. PERFORMANCE-BASED OUTCOMES WHICH SUPPORT A PEDAGOGY OF THINKING AND ACTIVE APPROACHES FOR LEARNING MUST BE SUPPORTED;~~

~~(B) APPLYING DIFFERENT TEACHING METHODS PERMITTING PROFESSIONAL EDUCATORS AT EVERY LEVEL TO FOCUS ON EDUCATIONAL SUCCESS FOR ALL STUDENTS AND ON CRITICAL THINKING SKILLS AND PROVIDING THE NECESSARY SUPPORT FOR EDUCATIONAL SUCCESSES ARE ENCOURAGED;~~

~~(C) REDEFINING HOW SCHOOLS OPERATE RESULTING IN THE DECENTRALIZATION OF AUTHORITY TO THE SCHOOL SITE AND~~



~~ALLOWING THOSE CLOSEST TO THE STUDENTS THE FLEXIBILITY TO DESIGN THE MOST APPROPRIATE EDUCATION LOCATION AND PRACTICE;~~

~~(D) CREATING APPROPRIATE RELATIONSHIPS BETWEEN SCHOOLS AND OTHER SOCIAL SERVICE AGENCIES BY IMPROVING RELATIONSHIPS BETWEEN THE SCHOOL AND COMMUNITY AGENCIES (HEALTH, SOCIAL, MENTAL HEALTH), PARENTS AND THE BUSINESS COMMUNITY, AND BY ESTABLISHING PROCEDURES THAT COOPERATIVELY FOCUS THE RESOURCES OF THE GREATER COMMUNITY UPON BARRIERS TO SUCCESS IN SCHOOL, PARTICULARLY IN THE AREAS OF EARLY CHILDHOOD AND PARENTING PROGRAMS, AFTER-SCHOOL PROGRAMS, AND ADOLESCENT SERVICES.~~

~~FUNDS FOR THE INNOVATION INITIATIVE MUST BE ALLOCATED TO DISTRICTS BASED UPON A FIFTY PERCENT AVERAGE DAILY MEMBERSHIP AND FIFTY PERCENT PURSUANT TO THE EDUCATION FINANCE ACT FORMULA. AT LEAST SEVENTY PERCENT OF THE FUNDS MUST BE ALLOCATED ON A PER SCHOOL BASIS FOR SCHOOL BASED INNOVATION IN ACCORD WITH THE DISTRICT SCHOOL IMPROVEMENT PLAN. UP TO THIRTY PERCENT MAY BE SPENT FOR DISTRICT-WIDE PROJECTS WITH DIRECT SERVICES TO SCHOOLS. DISTRICT AND SCHOOL ADMINISTRATORS MUST WORK TOGETHER TO DETERMINE THE ALLOCATION OF FUNDS.~~

~~FOR 1993-94, DISTRICTS AND SCHOOLS MAY USE THESE FUNDS FOR DESIGNING THEIR INNOVATION INITIATIVES TO BE SUBMITTED TO THE PEER REVIEW PROCESS ESTABLISHED IN SECTION 59-139-10 PRIOR TO IMPLEMENTATION OF THE INNOVATIONS IN 1994-95. NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW, DISTRICTS MAY CARRY OVER ALL UNEXPENDED FUNDS IN 1993-94, AND UP TO TWENTY-FIVE PERCENT OF ALLOCATED FUNDS EACH YEAR THEREAFTER IN ORDER TO BUILD FUNDS FOR AN APPROVED PROGRAM INITIATIVE.~~

~~(5) AN ANNUAL DISTRICT PROGRAMMATIC REPORT TO THE PARENTS AND CONSTITUENTS OF THE SCHOOL DISTRICT MUST BE~~

~~DEVELOPED BY THE LOCAL SCHOOL BOARD. EACH REPORT SHALL INCLUDE THE GOALS AND OBJECTIVES OF THE SCHOOL DISTRICT, THE STRATEGIES IMPLEMENTED TO MEET THE GOALS AND OBJECTIVES, AND AN EVALUATION OF THE OUTCOMES. AN ANNUAL SCHOOL REPORT TO THE PARENTS AND CONSTITUENTS OF THE SCHOOL MUST BE DEVELOPED BY THE SCHOOL IMPROVEMENT COUNCIL AND SHALL PROVIDE INFORMATION ON THE SCHOOL'S PROGRESS ON MEETING THE SCHOOL AND DISTRICT GOALS AND OBJECTIVES. THESE REPORTS SHALL MUST BE PROVIDED BY NOVEMBER FIFTEENTH OF EACH YEAR.~~

~~(6) EACH SCHOOL BOARD OF TRUSTEES SHALL ESTABLISH AN IMPROVEMENT COUNCIL AT EACH SCHOOL IN THE DISTRICT AND THIS COUNCIL IS TO BE INVOLVED IN IMPROVEMENT AND INNOVATION EFFORTS AT THE SCHOOL. THE COUNCIL SHALL BE COMPOSED OF AT LEAST TWO PARENTS, ELECTED BY THE PARENTS OF THE CHILDREN ENROLLED IN THE SCHOOL; AT LEAST TWO TEACHERS, ELECTED BY THE FACULTY; AT LEAST TWO STUDENTS IN SCHOOLS WITH GRADES NINE AND ABOVE ELECTED BY THE STUDENTS; OTHER REPRESENTATIVES OF THE COMMUNITY AND PERSONS APPOINTED BY THE PRINCIPAL. THE ELECTED MEMBERS OF THE COUNCIL SHALL COMPRISE AT LEAST A TWO-THIRDS MAJORITY OF THE ELECTED AND APPOINTED MEMBERSHIP OF THE COUNCIL. THE COUNCIL SHOULD ALSO INCLUDE EX-OFFICIO MEMBERS SUCH AS THE PRINCIPAL AND OTHERS HOLDING POSITIONS OF LEADERSHIP IN THE SCHOOL OR SCHOOL ORGANIZATIONS, SUCH AS PARENT-TEACHER GROUPS, BOOSTER CLUBS, AND FEDERAL PROGRAM ADVISORY GROUPS. EACH COUNCIL SHALL ASSIST IN THE PREPARATION OF THE FIVE-YEAR PLAN AND ANNUAL UPDATES REQUIRED IN THIS SECTION, ASSIST WITH THE DEVELOPMENT AND MONITORING OF SCHOOL IMPROVEMENT AND INNOVATION, PROVIDE ADVICE ON THE USE OF SCHOOL INCENTIVE GRANT AWARDS, AND PROVIDE ASSISTANCE AS THE PRINCIPAL MAY REQUEST AS WELL AS CARRYING OUT ANY OTHER DUTIES PRESCRIBED BY THE LOCAL SCHOOL BOARD. THE LOCAL SCHOOL BOARD SHALL~~

~~MAKE PROVISIONS TO ALLOW ANY COUNCIL TO FILE A SEPARATE REPORT TO THE LOCAL SCHOOL BOARD IF THE COUNCIL CONSIDERS IT NECESSARY. HOWEVER, NO A COUNCIL HAS ANY OF THE POWERS AND DUTIES RESERVED BY LAW OR REGULATION TO THE LOCAL SCHOOL BOARD. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS SUBSECTION, AN AREA VOCATIONAL CENTER'S SCHOOL IMPROVEMENT COUNCIL MUST BE COMPOSED AS DEFINED EXCLUSIVELY BY FEDERAL LAW. THE COUNCIL SHALL PERFORM ALL DUTIES AND RESPONSIBILITIES PROVIDED FOR IN ANY STATE OR FEDERAL LAW WHICH APPLIES TO THESE COUNCILS.~~

~~IN ORDER TO PROVIDE ADDITIONAL ACCOUNTABILITY FOR FUNDS EXPENDED UNDER STATUTORY REQUIREMENTS, THE ELECTED MEMBERS OF THE SCHOOL IMPROVEMENT COUNCIL SHALL SERVE A MINIMUM TERM OF TWO YEARS. PARENTS OF STUDENTS OR STUDENTS IN THEIR LAST YEAR OF ENROLLMENT AT AN INDIVIDUAL SCHOOL MAY SERVE TERMS OF ONE YEAR ONLY. THE TERMS MUST BE STAGGERED AND INITIALLY DETERMINED BY LOT. ELECTIONS OF MEMBERS TO SCHOOL IMPROVEMENT COUNCILS SHALL OCCUR NO LATER THAN OCTOBER FIFTEENTH OF THE SCHOOL YEAR. THE ELECTIONS MUST BE ORGANIZED TO ENSURE THAT EVERY PARENT AND FACULTY MEMBER HAS AN OPPORTUNITY TO VOTE EACH YEAR. WITHIN THIRTY DAYS FOLLOWING THE ELECTION, THE NAMES, ADDRESSES, TERMS OF SERVICE, AND STATUS OF ALL COUNCIL MEMBERS AS A PARENT, TEACHER, STUDENT, OR REPRESENTATIVE OF THE COMMUNITY MUST BE PROVIDED TO THE SCHOOL IMPROVEMENT COUNCIL ASSISTANCE AT THE UNIVERSITY OF SOUTH CAROLINA FOR THE PURPOSE OF SHARING INFORMATION. THE DISTRICT BOARD OF TRUSTEES SHALL INCLUDE IN ITS ANNUAL DISTRICT REPORT A SUMMARY OF THE TRAINING OPPORTUNITIES PROVIDED OR TO BE PROVIDED FOR SCHOOL IMPROVEMENT COUNCIL MEMBERS AND PROFESSIONAL EDUCATORS IN REGARD TO COUNCIL-RELATED TASKS AND A SUMMARY OF PROGRAMS AND ACTIVITIES INVOLVING PARENTS AND CITIZENS IN THE SCHOOL.~~

~~(7) EACH SCHOOL DISTRICT BOARD OF TRUSTEES SHALL:~~

~~(A) REVIEW EACH SCHOOL IMPROVEMENT PLAN AND THE ANNUAL UPDATES FOR INTEGRATION WITH DISTRICT PLANS AND OBJECTIVES AND SCHOOL PROGRESS IN MEETING THOSE GOALS AND OBJECTIVES;~~

~~(B) CAUSE TO BE PREPARED AN ANNUAL WRITTEN REPORT TO ACCOUNT FOR FUNDS EXPENDED IN EACH PUPIL CLASSIFICATION AS PRESCRIBED BY THE STATE BOARD OF EDUCATION;~~

~~(C) PARTICIPATE IN THE STATEWIDE TESTING PROGRAM AS PRESCRIBED BY THE STATE BOARD OF EDUCATION;~~

~~(D) MAINTAIN AN ONGOING SYSTEMATIC EVALUATION OF THE EDUCATIONAL PROGRAM NEEDS IN THE DISTRICT AND SHALL DEVELOP A COMPREHENSIVE ANNUAL AND LONG-RANGE PLAN FOR MEETING THESE PROGRAM NEEDS. THESE PLANS SHALL INCLUDE AN ASSESSMENT OF NEEDS. AT MINIMUM, THE PROCESS OF ASSESSING NEEDS AND ESTABLISHING GOALS AND OBJECTIVES MUST BE CARRIED OUT FOR EACH OF THE PROGRAM CLASSIFICATIONS SPECIFIED IN SECTION 59-20-40(1)(C). EACH SCHOOL DISTRICT BOARD OF TRUSTEES SHALL DEVELOP AND EXECUTE A METHOD OF EVALUATING THE EXTENT TO WHICH THE GOALS AND OBJECTIVES SPECIFIED IN ITS COMPREHENSIVE PLAN ARE BEING ACHIEVED AND SHALL ANNUALLY REPORT THE RESULTS OF ITS EVALUATION TO THE PEOPLE OF THE SCHOOL DISTRICT AND TO THE STATE BOARD OF EDUCATION.;~~

~~(E) PROVIDE A PROGRAM FOR STAFF DEVELOPMENT FOR ALL EDUCATIONAL PERSONNEL. A PORTION OF THE FUNDS IN THE FOUNDATION PROGRAM MUST BE USED FOR THIS STAFF DEVELOPMENT THAT MAY INCLUDE, BUT NOT BE LIMITED TO:~~

~~(1) COLLEGE COURSES IN EDUCATION, SUBJECT AREA OF CERTIFICATION, OR MANAGEMENT;~~

~~(2) TEACHING CENTER OFFERINGS;~~

~~(3) STATE DEPARTMENT OF EDUCATION WORKSHOPS;~~

~~AND~~

~~(4) DISTRICT-WIDE OR IN-SCHOOL TRAINING FOR THE PURPOSE OF FOSTERING PROFESSIONAL GROWTH OR IMPROVING THE COMPETENCY OF ALL EDUCATIONAL PERSONNEL.~~

~~(F) IN ACCORDANCE WITH THE FORMAT APPROVED BY THE STATE BOARD OF EDUCATION, ANNUALLY SUBMIT TO THE STATE BOARD OF EDUCATION AND TO THE PEOPLE OF THE DISTRICT THAT DISTRICT'S FISCAL REPORT.~~

~~(8)~~ (4) THE STATE DEPARTMENT OF EDUCATION SHALL:

(A) DEVELOP, BY SEPTEMBER, 1993, A PLAN FOR OFFERING HELP TO DISTRICTS AND SCHOOLS IN DESIGNING AND IMPLEMENTING THE DISTRICT AND SCHOOL COMPREHENSIVE IMPROVEMENT PLAN;

(B) DEVELOP, BY DECEMBER, 1993, WITH APPROVAL BY THE STATE BOARD OF EDUCATION, CRITERIA FOR MONITORING THE DISTRICT AND SCHOOL PLANS;

(C) REVIEW EACH DISTRICT'S ANNUAL FISCAL REPORT;

(D) PROVIDE ASSISTANCE TO SCHOOL DISTRICTS IN IMPROVING THE PROGRAMS, CORRECTING THE DEFICIENCIES, AND IN CARRYING OUT ITS STAFF DEVELOPMENT PROGRAM;

(E) DEVELOP OR SELECT AND FIELD TEST A COMPETENCY-BASED STUDENT ASSESSMENT PROGRAM;

(F) PREPARE AN ANNUAL FISCAL AND PROGRAMMATIC REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY EACH YEAR TO ASSESS COMPLIANCE WITH THIS CHAPTER AND TO MAKE RECOMMENDATIONS CONCERNING NECESSARY CHANGES IN THIS CHAPTER;

(G) IN COMPLIANCE WITH THE INTENT OF THE CHAPTER, WAIVE THE PRESCRIBED REPORTING PRACTICES IF CONSIDERED NECESSARY BY THE STATE BOARD OF EDUCATION AND AUTHORIZE THE SUBSTITUTION OF ALTERNATE REPORTING PRACTICES WHICH ACCOMPLISH THE OBJECTIVES IMPLIED IN THIS SECTION. THIS WAIVER MAY NOT BE UTILIZED TO AVOID FULL ACCOUNTABILITY AND IMPLEMENTATION OF THIS CHAPTER.

**(9) (5) THE LEGISLATIVE AUDIT COUNCIL SHALL AUDIT TO ASSESS COMPLIANCE WITH THIS CHAPTER AS REQUESTED BY THE GENERAL ASSEMBLY. ON THE BASIS OF THESE AUDITS, THE LEGISLATIVE AUDIT COUNCIL SHALL MAKE RECOMMENDATIONS TO THE GENERAL ASSEMBLY CONCERNING NECESSARY CHANGES IN THIS CHAPTER.**

**(10) (6) A TWELVE-MEMBER EDUCATION FINANCE REVIEW COMMITTEE MUST BE ESTABLISHED TO ADVISE THE GENERAL ASSEMBLY AND REVIEW ITS IMPLEMENTATION OF THIS CHAPTER. THIS ADVICE AND REVIEW MAY INCLUDE, BUT NOT BE LIMITED TO:**

**(A) THE COST OF THE ~~DEFINED-MINIMUM~~ BASIC EDUCATION PROGRAM;**

**(B) PROVISIONS INCLUDED IN THE ~~DEFINED-MINIMUM~~ BASIC EDUCATION PROGRAM;**

**(C) THE PUPIL CLASSIFICATION WEIGHTS IN SECTION 59-20-40;**

**(D) THE FORMULA FOR COMPUTING REQUIRED LOCAL EFFORT;**

**(E) THE ONGOING EVALUATION OF THE EDUCATION PROGRAM NEEDS OF THE SCHOOL DISTRICTS.**

**THE COMMITTEE MUST BE MADE UP OF THREE REPRESENTATIVES FROM EACH OF THE FOLLOWING COMMITTEES OF THE GENERAL ASSEMBLY - SENATE EDUCATION, SENATE FINANCE, HOUSE EDUCATION AND PUBLIC WORKS, AND HOUSE WAYS AND MEANS - APPOINTED BY EACH RESPECTIVE CHAIRMAN. THE COMMITTEE SHALL SEEK THE ADVICE OF PROFESSIONAL EDUCATORS AND ALL OTHER INTERESTED PERSONS WHEN FORMULATING ITS RECOMMENDATIONS.**

**SECTION 59-20-65. THE STATE BOARD OF EDUCATION, ACTING THROUGH THE EXISTING SCHOOL COUNCIL ASSISTANCE PROJECT AT THE UNIVERSITY OF SOUTH CAROLINA, SHALL PROVIDE SERVICES AND TRAINING ACTIVITIES TO SUPPORT SCHOOL IMPROVEMENT COUNCILS AND THEIR EFFORTS IN PREPARING AN ANNUAL SCHOOL IMPROVEMENT REPORT AS REQUIRED IN THIS SECTION.**

**SECTION 59-20-70. NOTWITHSTANDING ~~ANY—OTHER~~ PROVISIONS ANOTHER PROVISION OF LAW, ~~ANY~~ A SCHOOL DISTRICT ~~WHICH~~ THAT COMPLIES WITH THE PROVISIONS OF SECTION 59-20-60 IS EXEMPTED FROM THE PROVISIONS OF ARTICLE 15 OF, CHAPTER 1 OF, TITLE 1 RELATING TO THE FISCAL ACCOUNTABILITY OF STATE AGENCIES, DEPARTMENTS, AND INSTITUTIONS.**

**SECTION 59-20-80. NOTWITHSTANDING ~~ANY-OTHER~~ ANOTHER PROVISION OF LAW, EACH SCHOOL BOARD OF TRUSTEES IN THIS STATE ~~SHALL~~ ANNUALLY SHALL MAKE AVAILABLE TO THE GENERAL PUBLIC ITS BUDGET FOR THAT YEAR, WHICH BUDGET SHALL INCLUDE AN ITEMIZED LIST OF THE AVERAGE SALARIES PAID TO THE SUPERINTENDENTS, SUPERVISORS, ADMINISTRATORS, PRINCIPALS, CONSULTANTS, COUNSELORS AND TEACHERS EMPLOYED BY THE DISTRICT. ~~NO~~ STATE AID ~~SHALL~~ MAY NOT BE GIVEN TO ~~ANY~~ A SCHOOL DISTRICT WHOSE BOARD OF TRUSTEES FAILS TO COMPLY WITH THE PROVISIONS OF THIS CHAPTER.**

**SECTION 59-20-90. A LOCAL SCHOOL DISTRICT SHALL PUBLISH IN ITS ANNUAL AUDIT THE ACTUAL PERCENTAGE OF ITS PER PUPIL EXPENDITURES USED WITHIN THE IN\$ITE CATEGORIES OF CLASSROOM INSTRUCTION, INSTRUCTIONAL SUPPORT, NONINSTRUCTION PUPIL SERVICES, AND ON-SITE PRINCIPALS. A LOCAL SCHOOL DISTRICT SHALL SPEND AT LEAST SEVENTY PERCENT OF ITS PER PUPIL EXPENDITURES WITHIN THESE IN\$ITE CATEGORIES. AS USED IN THIS SECTION, IN\$ITE MEANS THE FINANCIAL ANALYSIS MODEL USED BY THE DEPARTMENT.”**

**SECTION 2. CHAPTER 139, TITLE 59 OF THE 1976 CODE IS AMENDED BY ADDING:**

## **“ARTICLE 2**

### **SCHOOL AND DISTRICT IMPROVEMENT PLANS**

**SECTION 59-139-300. (A) EACH SCHOOL DISTRICT BOARD OF TRUSTEES SHALL CAUSE THE DISTRICT AND EACH SCHOOL IN THE DISTRICT TO DEVELOP COMPREHENSIVE FIVE-YEAR PLANS WITH ANNUAL UPDATES TO OUTLINE THE DISTRICT AND SCHOOL IMPROVEMENT PLANS. DISTRICT AND SCHOOL PLANS MUST BE REVIEWED AND APPROVED BY THE BOARD OF TRUSTEES AND WRITTEN ACCORDING TO STATE BOARD OF EDUCATION REQUIREMENTS PROVIDED IN SECTION 59-139-10. THE DISTRICT PLAN MUST INTEGRATE THE NEEDS, GOALS, OBJECTIVES, STRATEGIES, AND EVALUATION METHODS OUTLINED IN THE SCHOOL PLANS. MEASURES OF EFFECTIVENESS MUST INCLUDE OUTCOME AND PROCESS INDICATORS OF IMPROVEMENT AND MUST PROVIDE DATA REGARDING WHAT DIFFERENCE THE STRATEGIES HAVE MADE. STAFF PROFESSIONAL DEVELOPMENT MUST BE A PRIORITY IN THE DEVELOPMENT AND IMPLEMENTATION OF THE PLANS AND MUST BE BASED ON AN ASSESSMENT OF NEEDS. LONG AND SHORT-RANGE GOALS, OBJECTIVES, STRATEGIES, AND TIME LINES MUST BE INCLUDED.**

**(B) EACH PLAN MUST PROVIDE FOR AN INNOVATION INITIATIVE, DESIGNED TO ENCOURAGE INNOVATIVE AND COMPREHENSIVE APPROACHES BASED ON STRATEGIES IDENTIFIED IN THE RESEARCH LITERATURE TO BE EFFECTIVE. THE INNOVATION INITIATIVE MUST BE UTILIZED BY SCHOOL DISTRICTS TO IMPLEMENT INNOVATIVE APPROACHES DESIGNED TO IMPROVE STUDENT LEARNING AND ACCELERATE THE PERFORMANCE OF ALL STUDENTS. FUNDS MAY BE EXPENDED ON STRATEGIES IN ONE OR MORE OF THE FOLLOWING FOUR CATEGORIES:**

**(1) NEW APPROACHES TO WHAT AND HOW STUDENTS LEARN BY CHANGING SCHOOLING IN WAYS THAT PROVIDE A CREATIVE, FLEXIBLE,**



**AND CHALLENGING EDUCATION FOR ALL STUDENTS, ESPECIALLY FOR THOSE AT RISK. PERFORMANCE-BASED OUTCOMES WHICH SUPPORT A PEDAGOGY OF THINKING AND ACTIVE APPROACHES FOR LEARNING MUST BE SUPPORTED;**

**(2) APPLYING DIFFERENT TEACHING METHODS PERMITTING PROFESSIONAL EDUCATORS AT EVERY LEVEL TO FOCUS ON EDUCATIONAL SUCCESS FOR ALL STUDENTS AND ON CRITICAL THINKING SKILLS AND PROVIDING THE NECESSARY SUPPORT FOR EDUCATIONAL SUCCESSES ARE ENCOURAGED;**

**(3) REDEFINING HOW SCHOOLS OPERATE RESULTING IN THE DECENTRALIZATION OF AUTHORITY TO THE SCHOOL SITE AND ALLOWING THOSE CLOSEST TO THE STUDENTS THE FLEXIBILITY TO DESIGN THE MOST APPROPRIATE EDUCATION LOCATION AND PRACTICE; AND**

**(4) CREATING APPROPRIATE RELATIONSHIPS BETWEEN SCHOOLS AND OTHER SOCIAL SERVICE AGENCIES BY IMPROVING RELATIONSHIPS BETWEEN THE SCHOOL AND COMMUNITY AGENCIES (HEALTH, SOCIAL, MENTAL HEALTH), PARENTS, AND THE BUSINESS COMMUNITY, AND BY ESTABLISHING PROCEDURES THAT COOPERATIVELY FOCUS THE RESOURCES OF THE GREATER COMMUNITY UPON BARRIERS TO SUCCESS IN SCHOOL, PARTICULARLY IN THE AREAS OF EARLY CHILDHOOD AND PARENTING PROGRAMS, AFTER-SCHOOL PROGRAMS, AND ADOLESCENT SERVICES.**

**(C) AN ANNUAL DISTRICT PROGRAMMATIC REPORT TO THE PARENTS AND CONSTITUENTS OF THE SCHOOL DISTRICT MUST BE DEVELOPED BY THE LOCAL SCHOOL BOARD. EACH REPORT MUST INCLUDE THE GOALS AND OBJECTIVES OF THE SCHOOL DISTRICT, THE STRATEGIES IMPLEMENTED TO MEET THE GOALS AND OBJECTIVES, AND AN EVALUATION OF THE OUTCOMES. AN ANNUAL SCHOOL REPORT TO THE PARENTS AND CONSTITUENTS OF THE SCHOOL MUST BE DEVELOPED BY THE SCHOOL IMPROVEMENT COUNCIL AND SHALL PROVIDE INFORMATION ON THE SCHOOL'S PROGRESS ON MEETING THE**

**SCHOOL AND DISTRICT GOALS AND OBJECTIVES. THESE REPORTS MUST BE PROVIDED BY NOVEMBER FIFTEENTH OF EACH YEAR.”**

**SECTION 3. ARTICLE 1, CHAPTER 19, TITLE 59 OF THE 1976 CODE IS AMENDED BY ADDING:**

**“SECTION 59-19-91. (A) EACH SCHOOL DISTRICT BOARD OF TRUSTEES SHALL ESTABLISH AN IMPROVEMENT COUNCIL AT EACH SCHOOL IN THE DISTRICT, WHICH MUST BE INVOLVED IN IMPROVEMENT AND INNOVATION EFFORTS AT THE SCHOOL. THE COUNCIL MUST BE COMPOSED OF AT LEAST TWO PARENTS, ELECTED BY THE PARENTS OF THE CHILDREN ENROLLED IN THE SCHOOL; AT LEAST TWO TEACHERS, ELECTED BY THE FACULTY; AT LEAST TWO STUDENTS IN SCHOOLS WITH GRADES NINE AND ABOVE ELECTED BY THE STUDENTS; OTHER REPRESENTATIVES OF THE COMMUNITY AND PERSONS APPOINTED BY THE PRINCIPAL. THE ELECTED MEMBERS OF THE COUNCIL SHALL COMPRISE AT LEAST A TWO-THIRDS MAJORITY OF THE ELECTED AND APPOINTED MEMBERSHIP OF THE COUNCIL. THE COUNCIL ALSO SHALL INCLUDE EX OFFICIO MEMBERS, INCLUDING, BUT NOT LIMITED TO, THE PRINCIPAL AND OTHERS WHO HOLD POSITIONS OF LEADERSHIP IN THE SCHOOL OR SCHOOL ORGANIZATIONS, INCLUDING, BUT NOT LIMITED TO, PARENT-TEACHER GROUPS, BOOSTER CLUBS, AND FEDERAL PROGRAM ADVISORY GROUPS. EACH COUNCIL SHALL ASSIST IN THE PREPARATION OF THE FIVE-YEAR PLAN AND ANNUAL UPDATES REQUIRED IN THIS SECTION, ASSIST WITH THE DEVELOPMENT AND MONITORING OF SCHOOL IMPROVEMENT AND INNOVATION, PROVIDE ADVICE ON THE USE OF SCHOOL INCENTIVE GRANT AWARDS, AND PROVIDE ASSISTANCE AS THE PRINCIPAL MAY REQUEST AS WELL AS CARRYING OUT ANY OTHER DUTIES PRESCRIBED BY THE LOCAL SCHOOL BOARD. THE LOCAL SCHOOL DISTRICT BOARD SHALL ALLOW ANY COUNCIL TO FILE A SEPARATE REPORT TO THE LOCAL SCHOOL DISTRICT BOARD IF THE COUNCIL CONSIDERS IT NECESSARY.**

**HOWEVER, A COUNCIL DOES NOT POSSESS ANY OF THE POWERS AND DUTIES RESERVED BY LAW OR REGULATION TO THE LOCAL SCHOOL DISTRICT BOARD. NOTWITHSTANDING ANOTHER PROVISION OF THIS SUBSECTION, AN AREA VOCATIONAL CENTER'S SCHOOL IMPROVEMENT COUNCIL MUST BE COMPOSED AS DEFINED EXCLUSIVELY BY FEDERAL LAW. THE COUNCIL SHALL PERFORM ALL DUTIES AND RESPONSIBILITIES PROVIDED IN ANY STATE OR FEDERAL LAW WHICH APPLIES TO THESE COUNCILS.**

**(B) IN ORDER TO PROVIDE ADDITIONAL ACCOUNTABILITY FOR FUNDS EXPENDED PURSUANT TO STATUTORY REQUIREMENTS, THE ELECTED MEMBERS OF THE SCHOOL IMPROVEMENT COUNCIL SHALL SERVE A MINIMUM TERM OF TWO YEARS. PARENTS OF STUDENTS OR STUDENTS IN THEIR LAST YEAR OF ENROLLMENT AT AN INDIVIDUAL SCHOOL MAY SERVE TERMS OF ONE YEAR ONLY. THE TERMS MUST BE STAGGERED AND INITIALLY DETERMINED BY LOT. ELECTIONS OF MEMBERS TO SCHOOL IMPROVEMENT COUNCILS MUST OCCUR NO LATER THAN OCTOBER FIFTEENTH OF THE SCHOOL YEAR. THE ELECTIONS MUST BE ORGANIZED TO ENSURE THAT EVERY PARENT AND FACULTY MEMBER HAS AN OPPORTUNITY TO VOTE EACH YEAR. WITHIN THIRTY DAYS FOLLOWING THE ELECTION, THE NAMES, ADDRESSES, TERMS OF SERVICE, AND STATUS OF ALL COUNCIL MEMBERS AS A PARENT, TEACHER, STUDENT, OR REPRESENTATIVE OF THE COMMUNITY MUST BE PROVIDED TO THE SCHOOL IMPROVEMENT COUNCIL ASSISTANCE AT THE UNIVERSITY OF SOUTH CAROLINA FOR THE PURPOSE OF SHARING INFORMATION. THE DISTRICT BOARD OF TRUSTEES SHALL INCLUDE IN ITS ANNUAL DISTRICT REPORT A SUMMARY OF THE TRAINING OPPORTUNITIES PROVIDED OR TO BE PROVIDED FOR SCHOOL IMPROVEMENT COUNCIL MEMBERS AND PROFESSIONAL EDUCATORS IN REGARD TO COUNCIL-RELATED TASKS AND A SUMMARY OF PROGRAMS AND ACTIVITIES INVOLVING PARENTS AND CITIZENS IN THE SCHOOL.**

**(C) EACH SCHOOL DISTRICT BOARD OF TRUSTEES SHALL:**

**(1) REVIEW EACH SCHOOL IMPROVEMENT PLAN AND THE ANNUAL UPDATES FOR INTEGRATION WITH DISTRICT PLANS AND OBJECTIVES AND SCHOOL PROGRESS IN MEETING THOSE GOALS AND OBJECTIVES;**

**(2) PREPARE AN ANNUAL WRITTEN REPORT TO ACCOUNT FOR FUNDS EXPENDED IN EACH PUPIL CLASSIFICATION AS PRESCRIBED BY THE STATE BOARD OF EDUCATION;**

**(3) PARTICIPATE IN THE STATEWIDE TESTING PROGRAM AS PRESCRIBED BY THE STATE BOARD OF EDUCATION;**

**(4) MAINTAIN AN ONGOING SYSTEMATIC EVALUATION OF THE EDUCATIONAL PROGRAM NEEDS IN THE DISTRICT AND SHALL DEVELOP A COMPREHENSIVE ANNUAL AND LONG-RANGE PLAN FOR MEETING THESE PROGRAM NEEDS. THESE PLANS SHALL INCLUDE AN ASSESSMENT OF NEEDS. AT MINIMUM, THE PROCESS OF ASSESSING NEEDS AND ESTABLISHING GOALS AND OBJECTIVES MUST BE CARRIED OUT FOR EACH OF THE PROGRAM CLASSIFICATIONS SPECIFIED IN SECTION 59-20-40(1)(C). EACH SCHOOL DISTRICT BOARD OF TRUSTEES SHALL DEVELOP AND EXECUTE A METHOD OF EVALUATING THE EXTENT TO WHICH THE GOALS AND OBJECTIVES SPECIFIED IN ITS COMPREHENSIVE PLAN ARE BEING ACHIEVED AND SHALL ANNUALLY REPORT THE RESULTS OF ITS EVALUATION TO THE PEOPLE OF THE SCHOOL DISTRICT AND TO THE STATE BOARD OF EDUCATION; AND**

**(5) PROVIDE A PROGRAM FOR STAFF DEVELOPMENT FOR ALL EDUCATIONAL PERSONNEL.**

**SECTION 4. THIS ACT TAKES EFFECT UPON APPROVAL BY THE GOVERNOR. /**

**AMEND THE BILL FURTHER BY DELETING THE TITLE AND INSERTING:**

**/ TO AMEND CHAPTER 20, TITLE 59, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE EDUCATION**

**FINANCE ACT OF 1977, SO AS TO RENAME THE CHAPTER, DEFINE CERTAIN TERMS, REVISE THE PURPOSE OF THE CHAPTER, REVISE PUPIL WEIGHTINGS WITHIN THE ALLOCATION FORMULA, DELETE PROVISIONS REGARDING SCHOOL AND DISTRICT IMPROVEMENT PLANS, DELETE THE INFLATION ADJUSTMENT TO STATE FUNDS FOR SCHOOL DISTRICTS, DELETE THE PROVISION THAT A SCHOOL DISTRICT MAY NOT RECEIVE HOLD HARMLESS FUNDS, DELETE THE REQUIREMENT THAT TEACHER SALARIES MUST BE ADJUSTED TO STAY AT THE SOUTHEASTERN AVERAGE, PROVIDE WHAT THE STATE MINIMUM SALARY SCHEDULE MUST INCLUDE, PROVIDE THAT TEACHER SALARIES MAY NOT BE REDUCED FROM THE PRIOR FISCAL YEAR EXCEPT IN THE CASE OF DISTRICT FURLOUGH, PROVIDE THAT TEACHER SALARIES IN THE FISCAL YEAR AFTER A FURLOUGH HAS BEEN IMPOSED MUST BE BASED ON THE TEACHER SALARY IN THE YEAR PRIOR TO THE FURLOUGH, PROVIDE THAT TEACHER PAY RAISES MAY BE PROVIDED AT THE DISCRETION OF THE SCHOOL DISTRICT, REVISE HOW A TEACHER MAY QUALIFY FOR A PAY RAISE, REQUIRE THE DEPARTMENT TO DEVELOP AN INCENTIVE COMPENSATION SYSTEM BASED ON TEACHER PERFORMANCE FOR TEACHERS AND PROVIDE REPORTING REQUIREMENTS, REQUIRE A SCHOOL DISTRICT TO PUBLISH THE ACTUAL PERCENTAGE OF ITS PER PUPIL EXPENDITURES USED FOR CLASSROOM INSTRUCTION, INSTRUCTIONAL SUPPORT, AND NON-INSTRUCTIONAL PUPIL SERVICES, REQUIRE THE DISTRICT TO SPEND AT LEAST SEVENTY PERCENT OF ITS PER PUPIL EXPENDITURES IN THESE CATEGORIES, AND DELETE OBSOLETE REFERENCES; BY ADDING ARTICLE 2 TO CHAPTER 139, TITLE 59 SO AS TO REQUIRE EACH SCHOOL**

**DISTRICT BOARD OF TRUSTEES TO DEVELOP FIVE-YEAR PLANS FOR THE DISTRICT AND FOR THE SCHOOLS OF THE DISTRICT, PROVIDE WHAT THESE PLANS MUST INCLUDE, AND PROVIDE FOR ALLOCATION OF FUNDING FOR ELEMENTS OF THE PLAN; AND BY ADDING SECTION 59-19-91 SO AS TO REQUIRE A SCHOOL DISTRICT BOARD OF TRUSTEES TO ESTABLISH AN IMPROVEMENT COUNCIL AT EACH SCHOOL IN THE DISTRICT, PROVIDE WHO MAY SERVE ON THE COUNCIL, PROVIDE THE DUTIES OF THE COUNCIL, AND PROVIDE TERMS FOR COUNCIL MEMBERS. /**

**RENUMBER SECTIONS TO CONFORM.**

**AMEND TITLE TO CONFORM.**