

Education Funding Model

**Defining Services
Estimating Costs
Allocating Funding
Providing Flexibility
Measuring Accountability**

Presented to

South Carolina Association of School Business Officials

March 6, 2020



Letter from Governor, Senate President, House Speaker January 17, 2019

- *“ ... to establish a new, updated funding model to guide state appropriations and local school district expenditures for public education”*
- *“help ensure that all of our children have the necessary resources”*
- *“to improve efficiency, transparency, accountability, and affordability”*
- *“ ... to ensure more equitable distribution of dollars to South Carolina’s school districts”*

... updated funding model to guide state appropriations

State Appropriations (FY 2018-19) Select Payments to 81 Regular Districts	
Education Finance Act (EFA)	\$1,725,488,586
Employer Contributions - EFA	\$763,327,227
Education Improvement Act (EIA)	\$362,918,881
Aid to Districts - Bus Shops	\$60,276,684
Guidance/Career Specialists	\$30,276,941
Student Health and Fitness	\$25,346,156
Reading Coaches	\$38,107,476
Other Aid to Districts	\$4,832,561
Education Lottery	\$14,403,069
Property Tax Relief - Estimate	\$1,208,947,938
Total	\$4,233,925,520

Statement of Expenditures (FY 2016-17) State, Local, and Federal Funds	
Instruction	\$4,304,919,376
General Instruction	
Exceptional Programs	
Preschool Programs	
Special Programs	
Support Services	\$4,584,665,709
Pupil Services	
Instructional Staff Services	
General Administrative Services	
Finance and Operations Services	
Community Services	\$20,876,765
Other Charges	\$1,138,302,667
Debt Service	\$1,540,521,504
TOTAL EXPENDITURES	\$11,589,286,021

... to improve efficiency, transparency, accountability, and affordability

- Align Appropriations with Expenditures
 - Instruction
 - Facilities
 - District Services
- Specify Level of Services
 - Identify a set of services and costs to be funded with state appropriations
 - Every student is provided the same level of resources
 - Distinction between state and local responsibilities
- Equal impact on local tax base
- One formula for appropriations

Defining Services



...help ensure that all our children have the necessary resources

- The needs of the student drive the services and levels of funding in the model.
 - Some students require more resources than others (Poverty and IDEA)
- Define the costs and services levels
 - State responsibility vs local options
 - Three main categories: Instruction, Facilities, and District Services
 - Primary cost drivers: Total Cost of a Teacher, Operating Cost of a Facility, Costs at District Level
- Model costs and service levels are based upon *current* teachers, administrators, and services.

Exclusions from the Model

- Federal funds
- Other educational programs
 - 4-year-old kindergarten
 - Adult education
 - Other line item appropriations (Teacher Supply, Retiree Ins)
 - Pupil activities
 - New construction
- Charter and special school district funding

Key Questions

- **Technical Question - Does the model account for the services currently being provided?**
- **Policy Decision - Is the current level adequate or should the model target a different standard?**

Estimating Cost - Three Categories

- Instruction
- Facilities
- District Services

Instruction - Key Cost Drivers

	Teacher	Other Instruction*	School Admin	Office Staff
Salary	\$44,586	\$44,586	\$75,796	\$31,210
Employer Contribution (28.26%)	\$12,600	\$12,600	\$21,420	\$8,820
Health Insurance	\$6,798	\$6,798	\$6,798	\$6,798
Total Cost	\$63,984	\$63,984	\$104,014	\$46,828
# of Personnel (based on Model)	45,241	4,209	3,016	3,016

**Salary and Number of Personnel figures for Other Instruction have been determined using data for Specialty Service Providers (psychologists, physical therapists, etc.), Guidance Counselors, Library/Media Specialists, and Career Specialists. Calculations do not reflect data about Guidance Support Resources or Library Aides.*

Instruction - Service Levels and Costs

I. Instruction

A. Classroom and Specialized Instruction

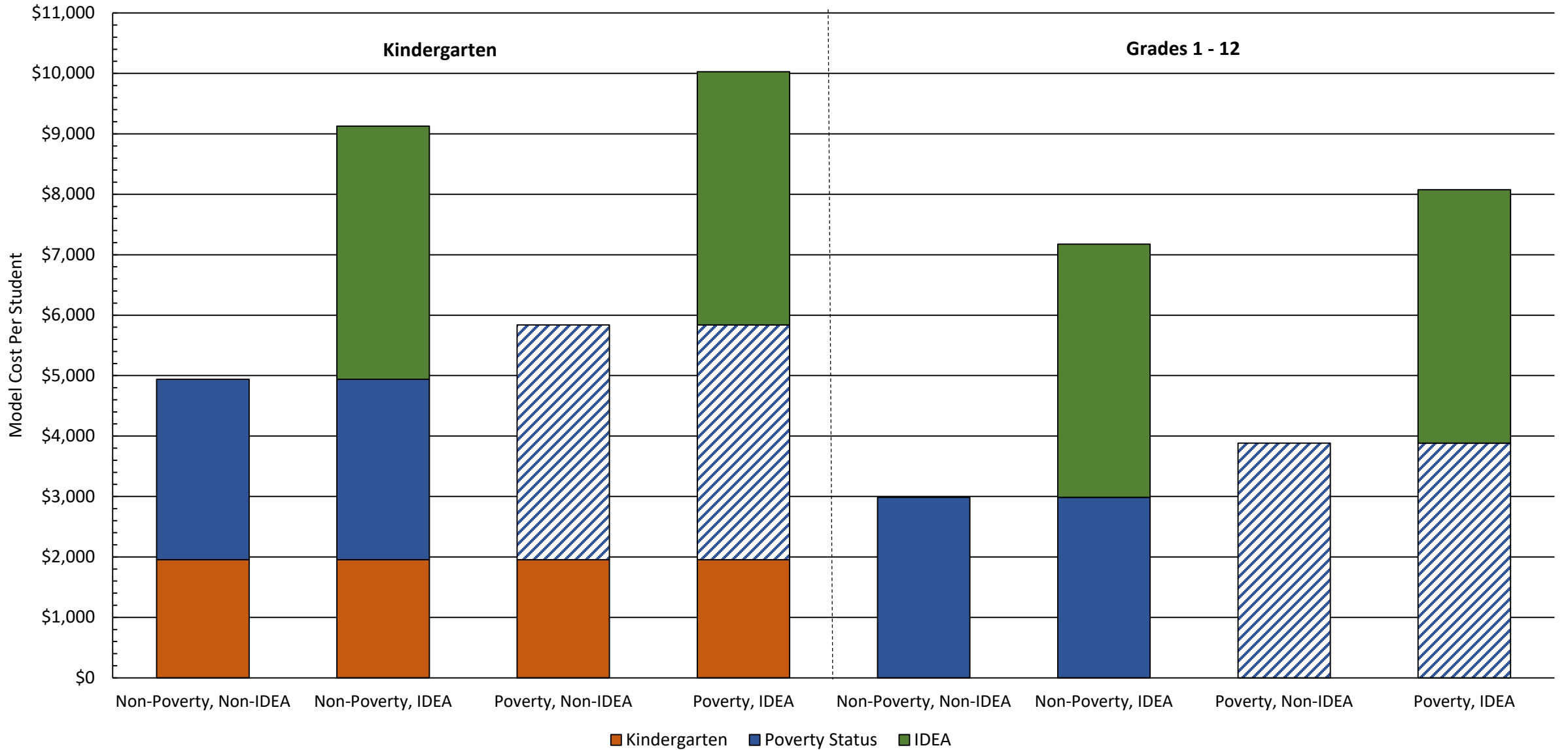
	Number of Students	Number of Teachers	Model Cost (Total)	Model Cost (per student)
i. One teacher for each 16.5 students classified as being affected by poverty	446,194	27,090	\$1,733,303,667	\$3,885
ii. One teacher for each 21.5 students classified as not being affected by poverty	274,928	12,828	\$820,763,724	\$2,985
iii. One aide for every kindergarten teacher	53,751	2,969	\$105,075,879	\$1,955
iv. One additional teacher for each 17.5 students served under IDEA (special education and speech therapy services)	93,173	5,324	\$340,661,785	\$3,656
v. One specialty service provider for every 120 students served under IDEA (psychologists, therapists, and others)		776	\$49,679,844	\$533
vi. Additional resources for students classified as gifted and talented, academic assistance, limited English proficiency, dual enrollment, or career and technology education	522,848	*	\$238,206,199	\$456

* Total cost based on service allocation (per student dollar value), not number of teachers

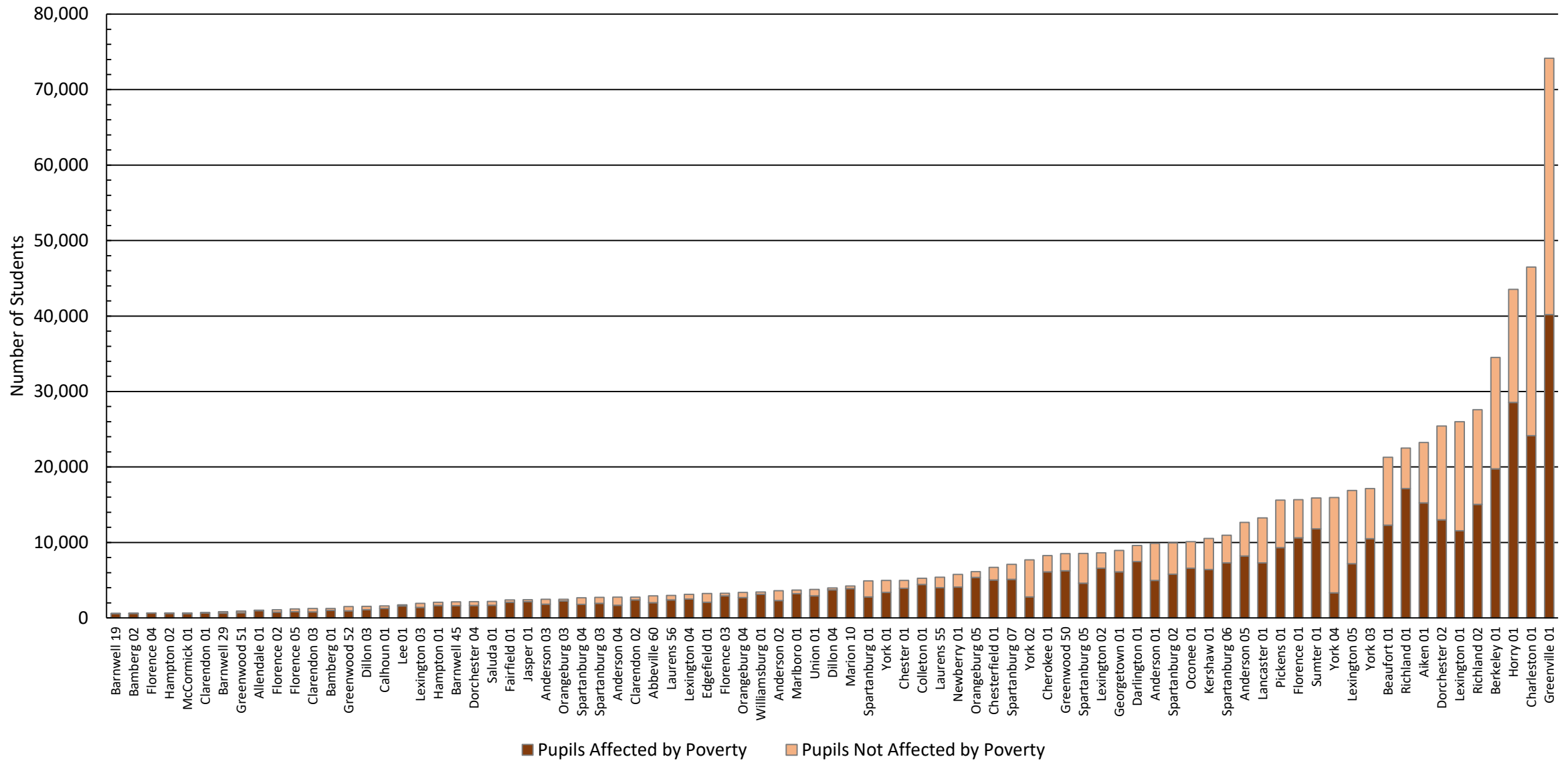
IDEA Services

- Model is based on current funding levels
- IN PROGRESS - working to identify more detailed staffing and/or workload for special education teachers and speech language pathologists to further define costs

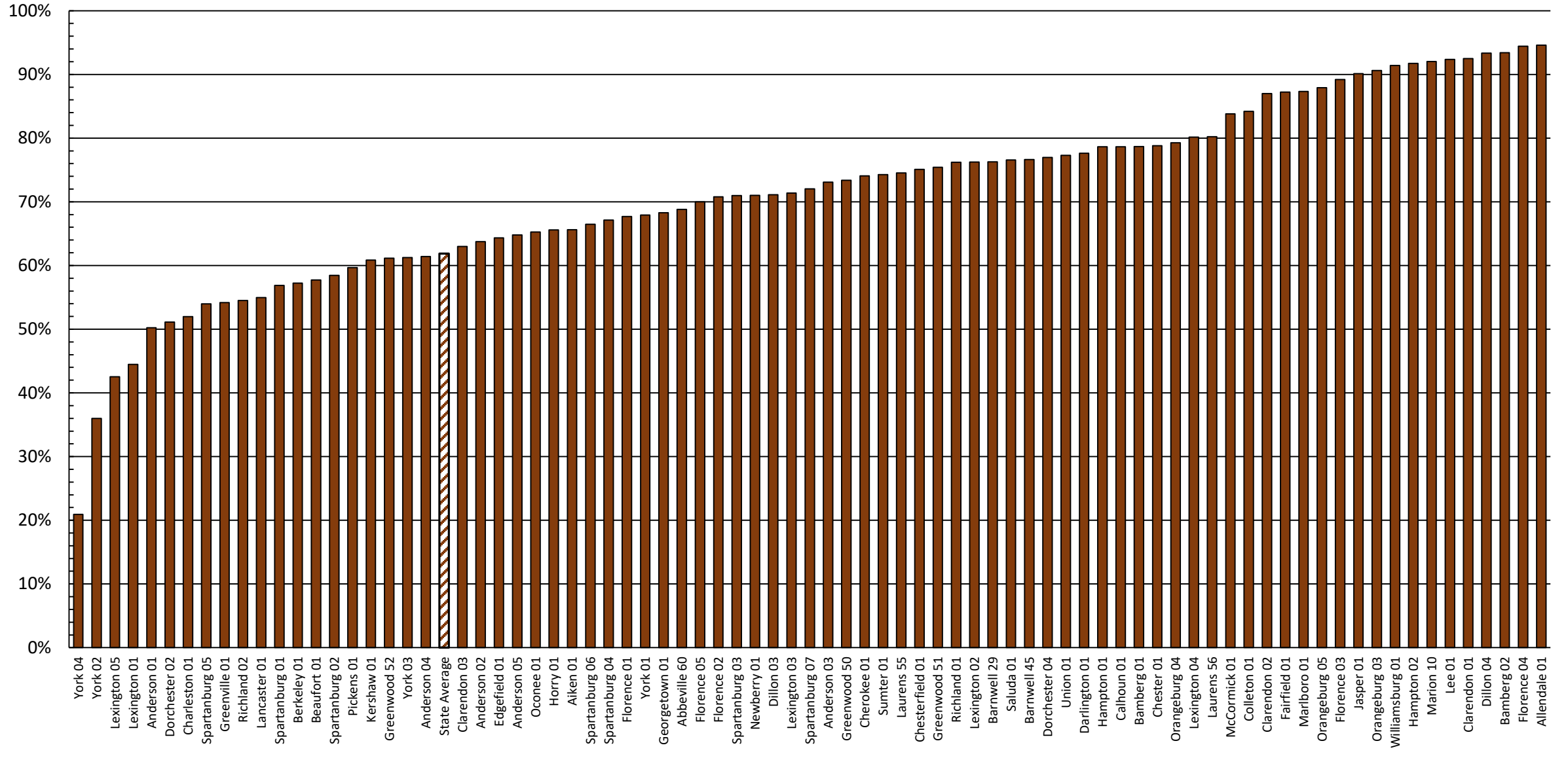
CLASSROOM AND SPECIALIZED INSTRUCTION COST BY PUPIL CLASSIFICATION



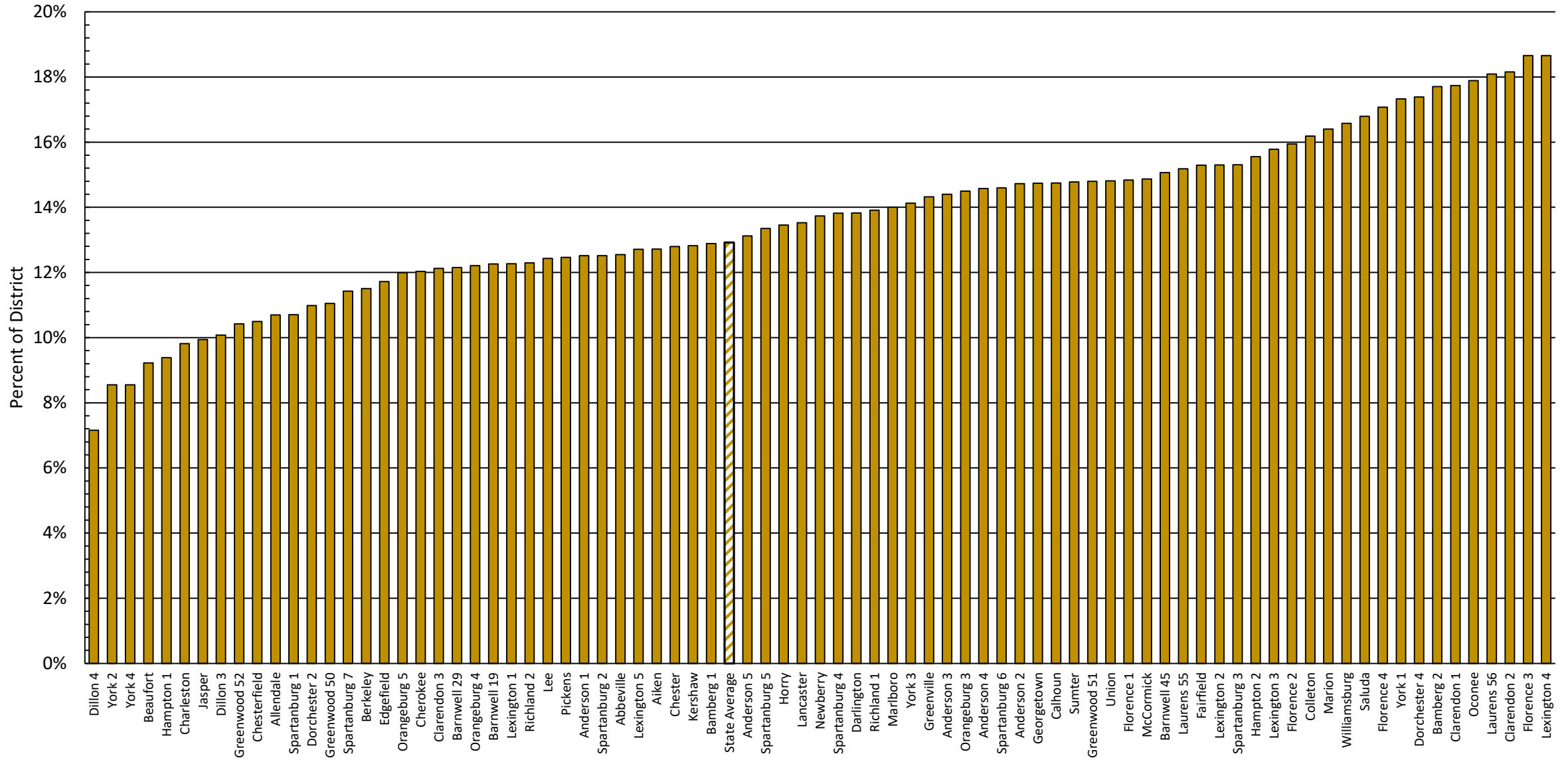
FY 2018-19 PUPILS AFFECTED BY POVERTY



FY 2018-19 PUPILS IN POVERTY AS A PERCENT OF TOTAL STUDENTS



FY 2018-19 IDEA PUPILS AS A PERCENT OF TOTAL STUDENTS



Instruction – Service Level and Costs continued

I. Instruction (continued)

B. Instructional Support

- i. One guidance counselor for every 350 students and 0.25 FTE resources for every 350 students
- ii. One library/media specialist and one library aide for every 685 students
- iii. One career specialist for every 2,260 students

C. Health Services

- i. One nurse for every 600 students
- ii. One social worker for every 3,180 students

D. School Administration

- i. One school administrator for every 15 teachers
- ii. One school office staff for every 15 teachers

E. Classroom Materials & Technology

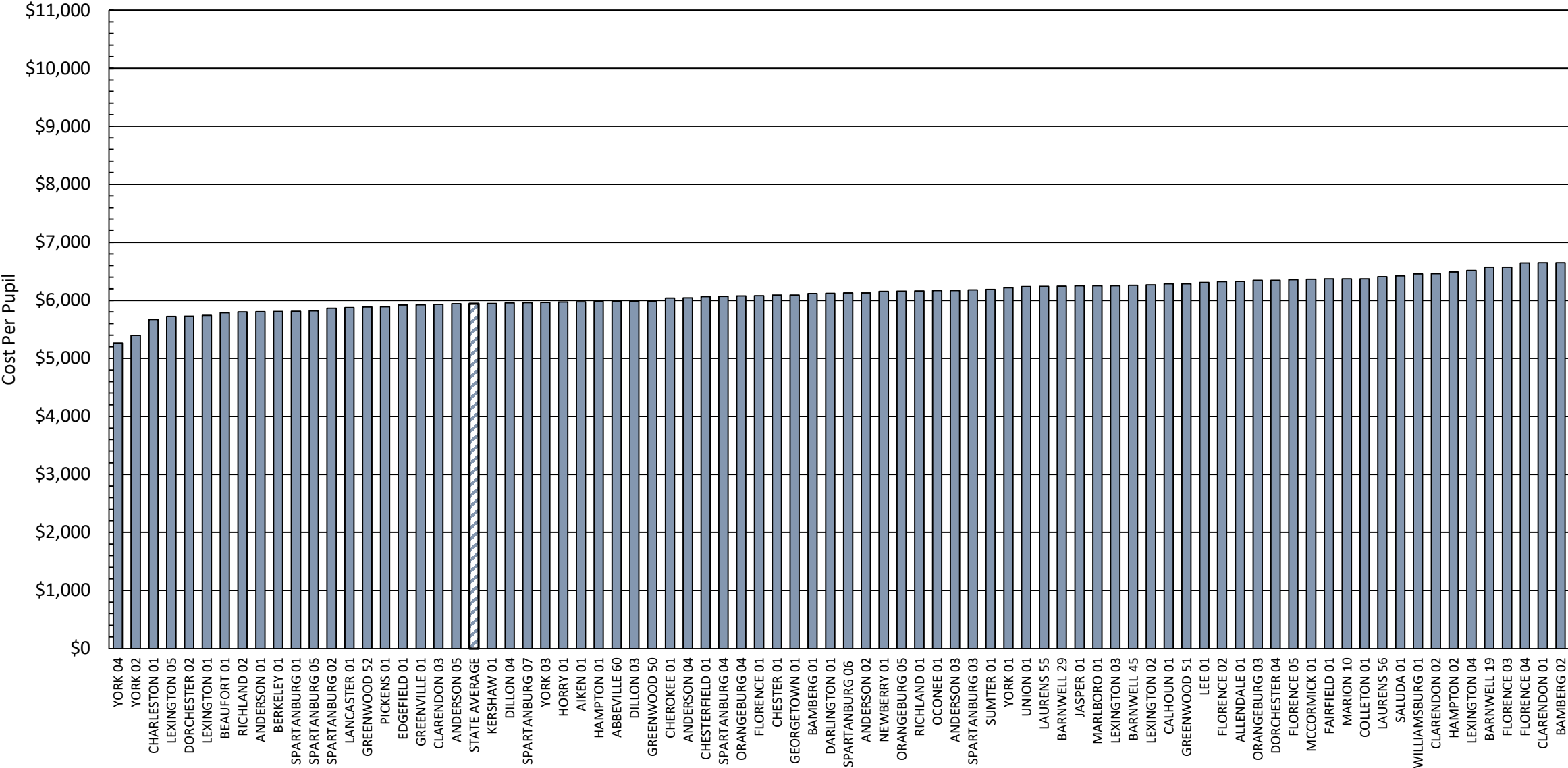
- i. An allocation of \$3,344 for classroom materials and technology for every teacher

	Number of Staff	Model Cost (Total)	Model Cost (per student)
		\$300,322,861	
	2,575**	\$175,291,436	\$243
	2,106***	\$104,615,369	\$145
	319	\$20,416,057	\$28
		\$91,410,006	
	1,202	\$76,900,481	\$107
	227	\$14,509,525	\$20
		\$454,954,041	
	3,016	\$313,716,042	\$435
	3,016	\$141,237,999	\$196
		\$151,284,733	
		\$151,284,733	\$210
		\$4,285,662,739	\$5,943

** Includes number of guidance counselors and guidance resources

*** Includes library/media specialists and library aides

EDUCATION FUNDING MODEL – PER PUPIL COST FOR INSTRUCTION



Facilities – Service Levels and Cost

- Facilities – cost per square foot
- Security and Safety
- Transportation

Facilities – Service Levels and Cost

II. Facilities

A. Facilities

- i. 2,750 square feet per teacher (includes classrooms, common areas, and administrative space)
- ii. \$1.80 for custodial services, \$2.40 for maintenance, and \$1.50 for utilities per square foot

B. Security and Safety

- i. One safety staff for every 640 students
- ii. An allocation of \$6,688 for security and equipment for every 640 students

C. Transportation

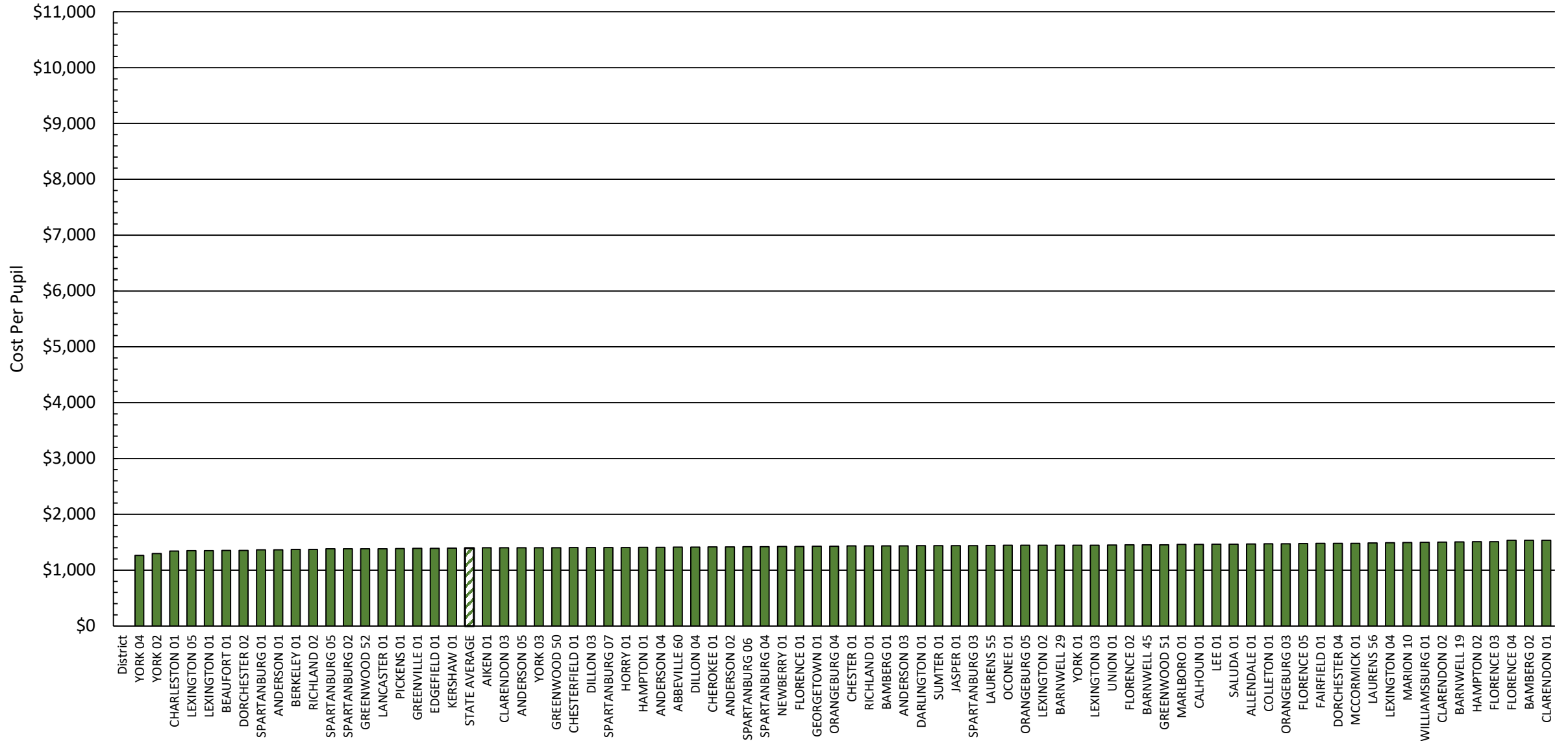
- i. One bus driver for every 110 students

	Number of Personnel	Model Cost (Total)	Model Cost (per student)
	N/A		
	N/A	\$709,157,989	\$983
	1,127	\$72,094,201	\$100
		\$7,535,615	\$10
	6,556	\$217,015,590	\$301
		\$1,005,803,194	\$1,395

**Salary and Number of Personnel based on a survey of facility cost and current staffing for security and transportation.*



EDUCATION FUNDING MODEL - PER PUPIL COST FOR FACILITIES



District Services - Key Cost Drivers

	Superintendent	Program Director	District Staff
Salary	\$156,051	\$71,338	\$35,669
Employer Contribution (28.26%)	\$44,100	\$20,160	\$10,080
Health Insurance	\$6,798	\$6,798	\$6,798
Total Cost	\$206,949	\$98,296	\$52,547
# of Personnel (based on Model)	81	817	817

**Salary and Number of Personnel based on survey of current district staff, salaries, and original EFA standard.*

District Services – Service Levels and Cost

III. District Services

A. District Leadership and Services

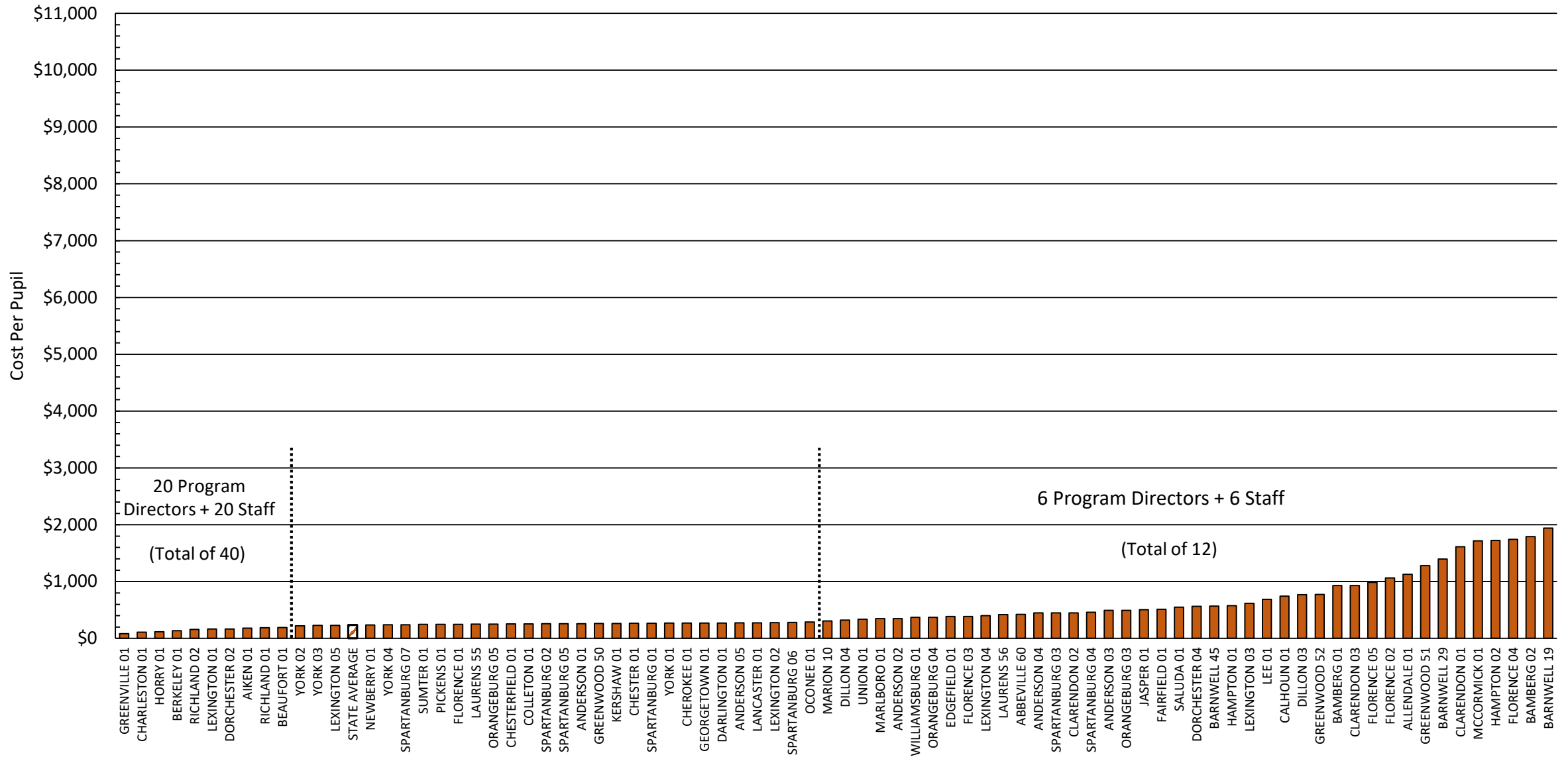
- i. One superintendent per district
- ii. Range of 6 to 20 program directors (ex: student services, HR, finance, IT, transportation, food services, etc.); minimum of 6 increased by 1 for every 35 teachers above 350, up to a maximum of 20 program directors
- iii. Range of 6 to 20 district staff (ex: student services, HR, finance, IT, transportation, food services, etc.); minimum of 6 increased by 1 for every 35 teachers above 350, up to a maximum of 20 staff

B. District Technology

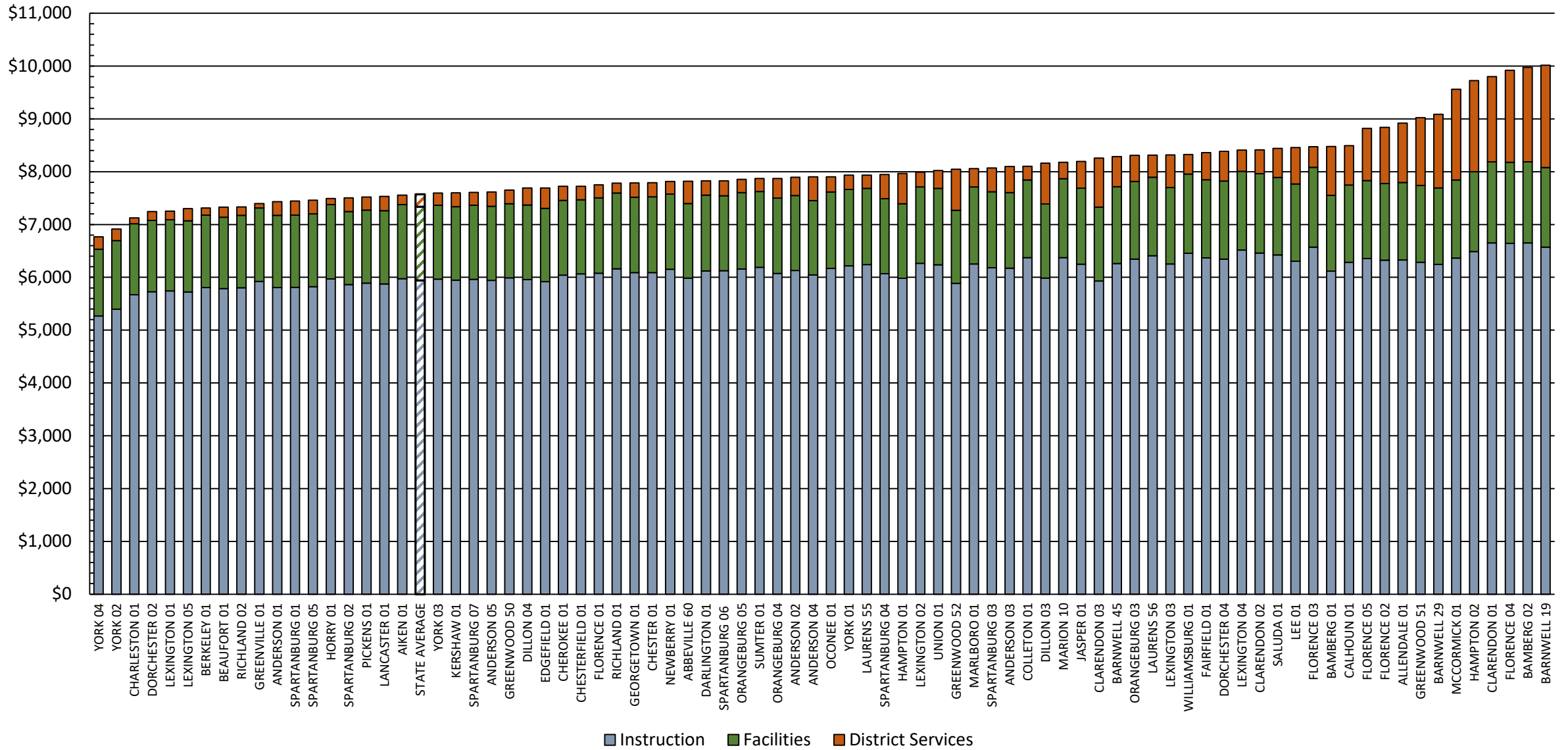
- i. An allocation of \$669 per teacher for technology at the district level

Number of Personnel	Model Cost (Total)	Model Cost (per student)
81	\$16,762,870	\$23
817	\$80,307,510	\$111
817	\$42,930,738	\$60
	\$30,256,947	\$42
	\$170,258,064	\$236

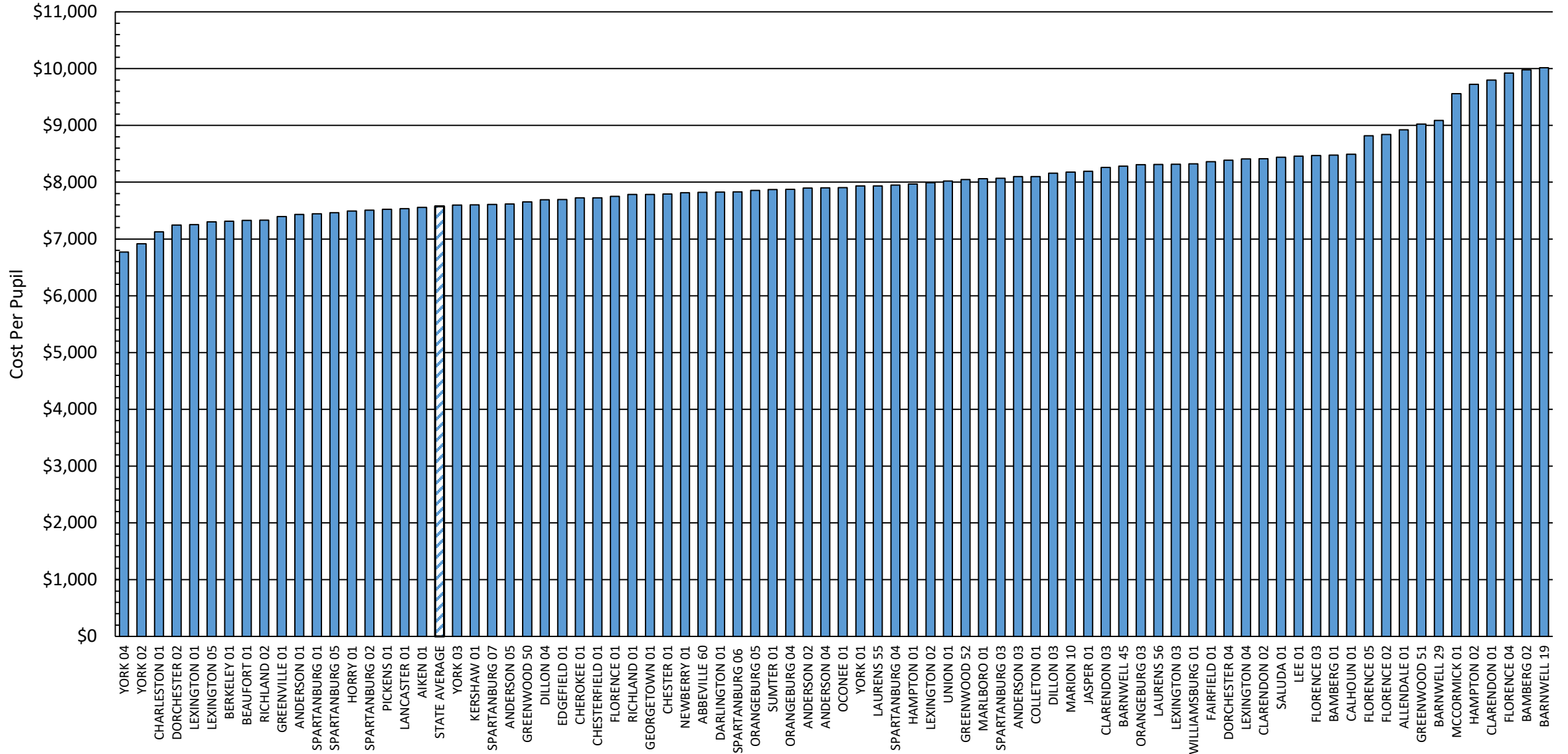
EDUCATION FUNDING MODEL - PER PUPIL COST OF DISTRICT SERVICES



EDUCATION FUNDING MODEL – PER PUPIL COST BY CATEGORY



EDUCATION FUNDING MODEL – COST PER PUPIL



Other Cost Factors

- Inflation or other adjustments to be determined annually based on policy goals or other objectives (teacher salaries, student-teacher ratio, new services, etc.)

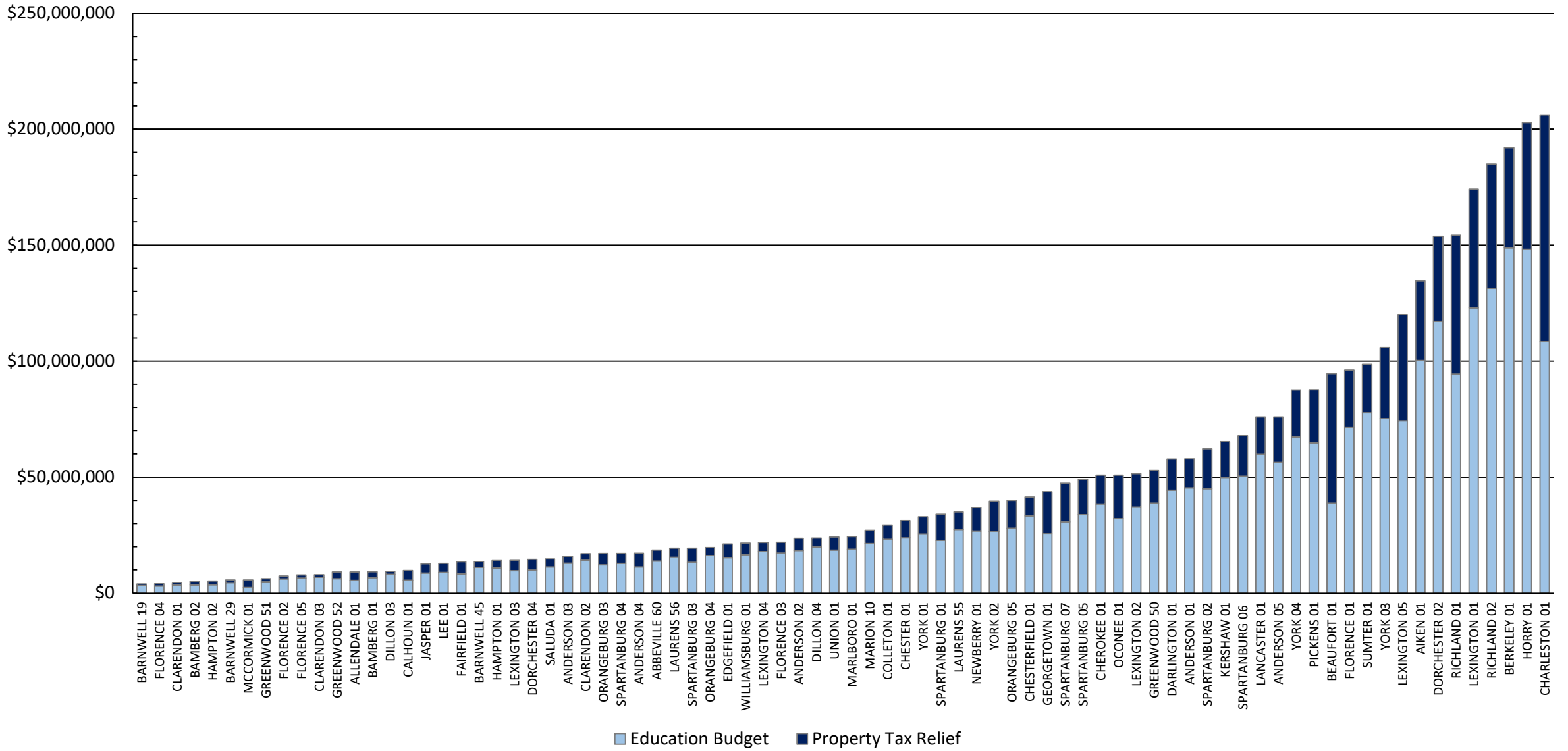
Allocating Funding Issues and Options



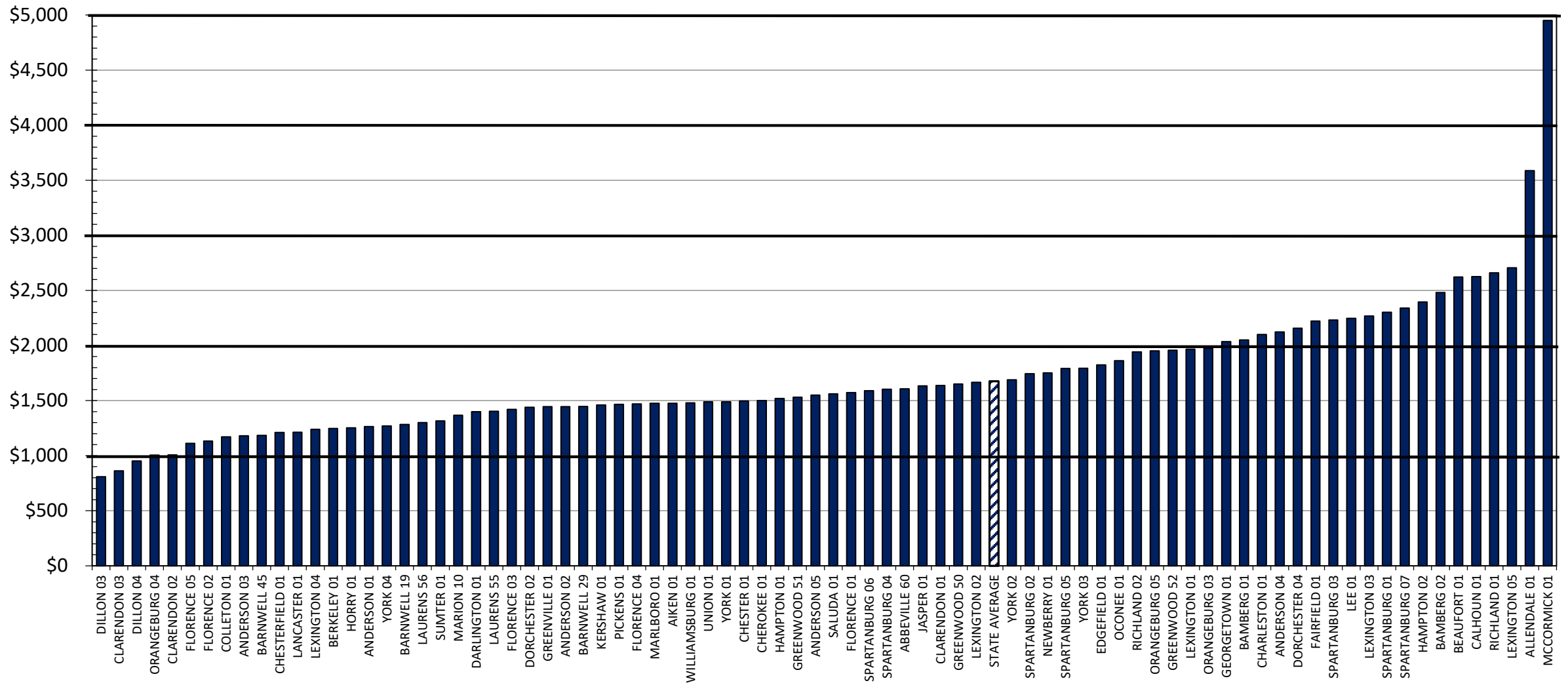
FY 2018-19 State Payments to Regular Districts Included in Model

Education Finance Act (EFA)	\$1,725,488,586
Employer Contributions - EFA	\$763,327,227
Education Improvement Act (EIA)	\$362,918,881
Aid to Districts - Bus Shops	\$60,276,684
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Other Aid to Districts	\$4,832,561
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Property Tax Relief - Estimate	\$1,208,947,938
Total	\$4,233,925,520

FY 2018-19 ACTUAL STATE PAYMENTS

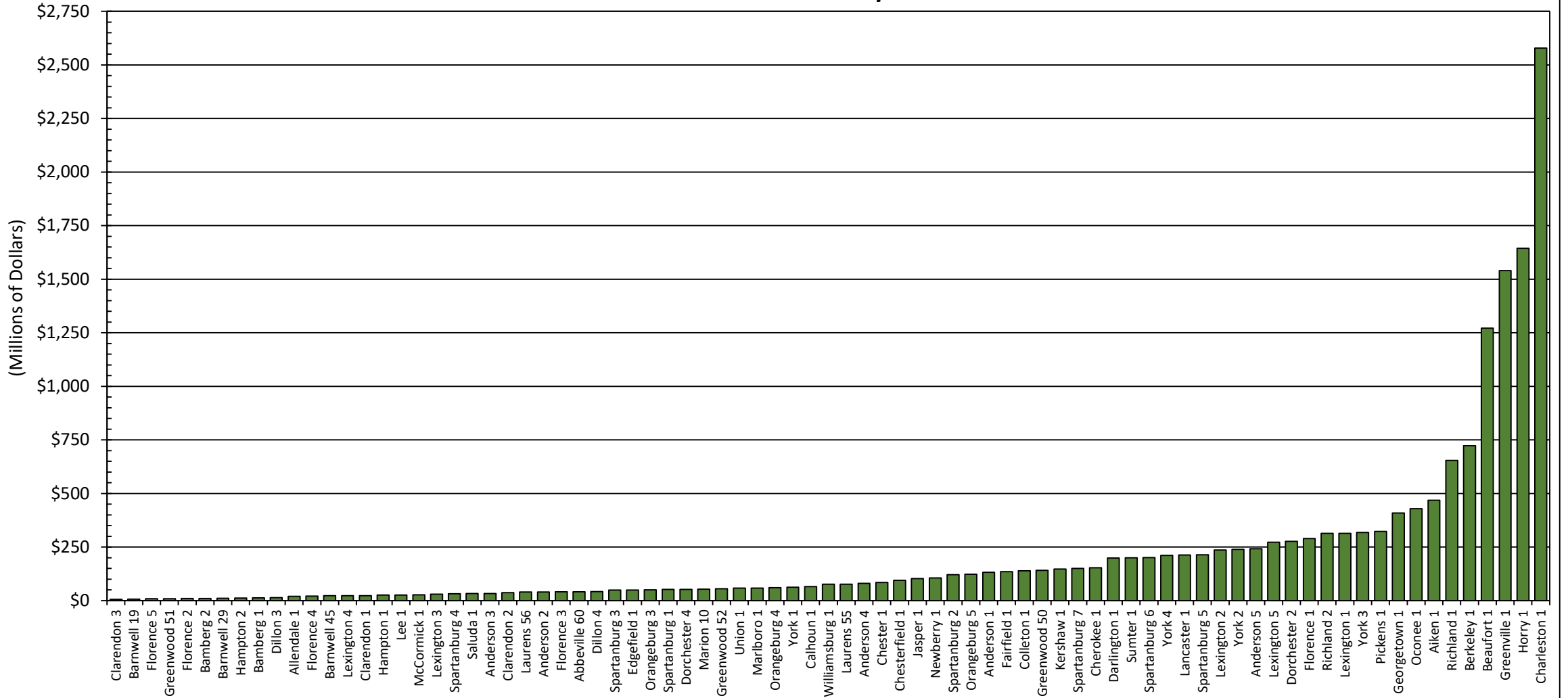


FY 2018-19 STATE PROPERTY TAX RELIEF PER PUPIL



TAX YEAR 2017 TOTAL ASSESSED VALUE BY SCHOOL DISTRICT

Excludes Owner Occupied

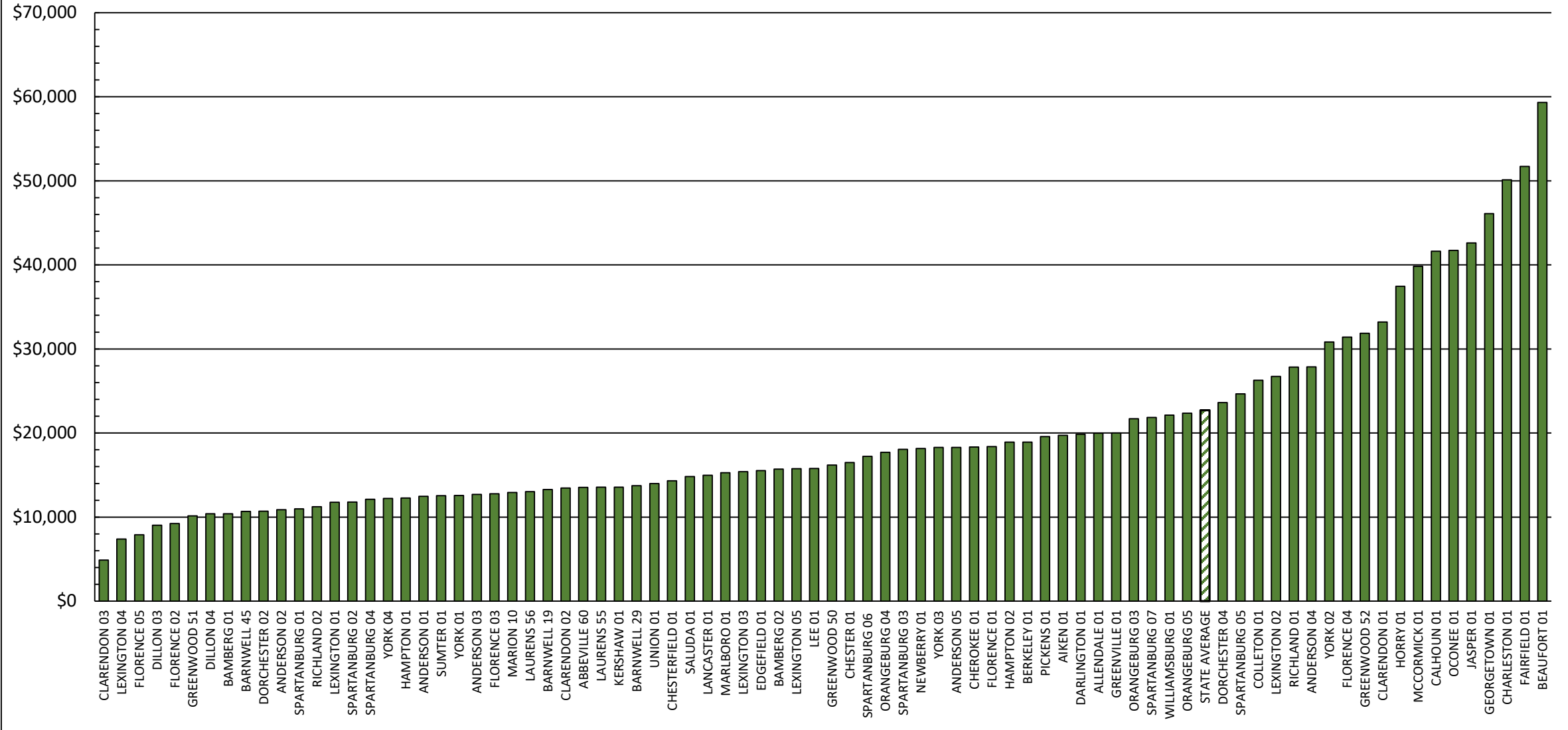


Note: Includes fee-in-lieu property

Data Source: S.C. Department of Revenue Index of Taxpaying Ability RFA/245

TAX YEAR 2017 ASSESSED VALUE PER PUPIL

Excludes Owner Occupied



Key Results and Statistics – FY 2018-19

	Total Cost	% of Total Cost	Average Cost per Student	State Share of Cost	State % of Total Cost	State Share per Student
Instruction	\$4,285,662,739	78.5%	\$5,943	\$3,322,243,461	77.5%	\$4,607
Facilities	\$1,005,803,194	18.4%	\$1,395	\$779,698,098	77.5%	\$1,081
District Services	\$170,258,064	3.1%	\$236	\$131,983,960	77.5%	\$183
Total	\$5,461,723,998	100.0%	\$7,574	\$4,233,925,519	77.5%	\$5,871

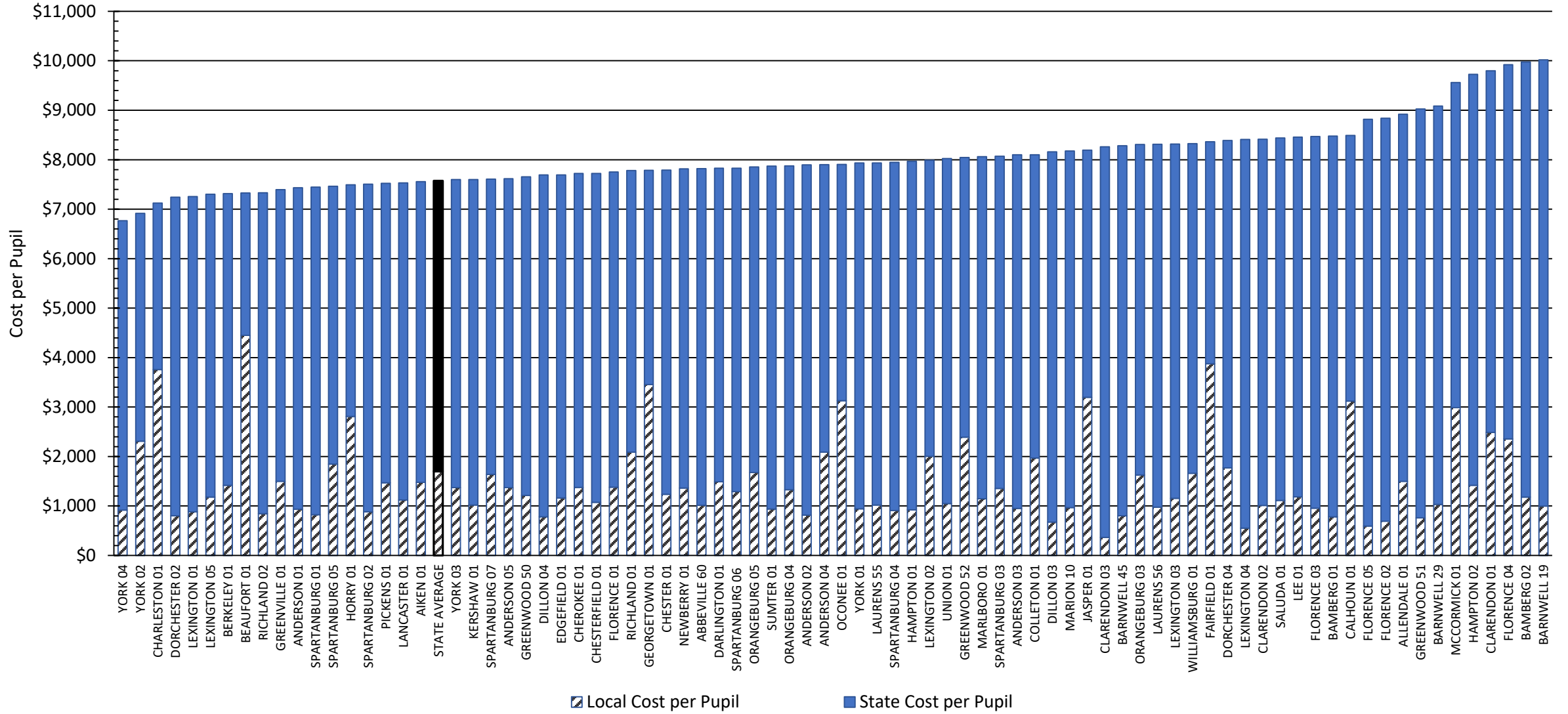


Model – State and Local Funding based upon FY 2018-19 Payments

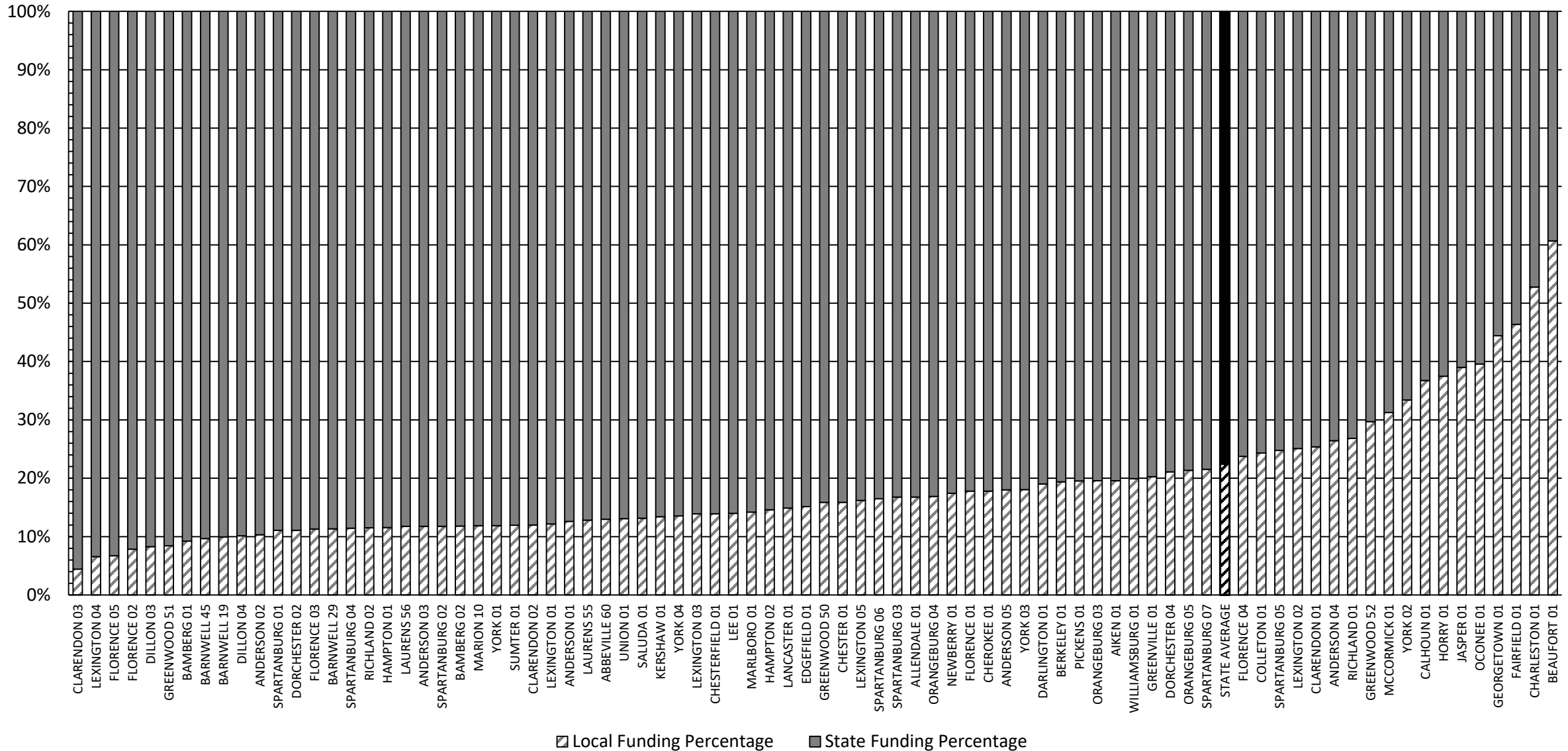
	Total	Total Per Student	State Share	State Share Per Student	Local Share	Local Share Per Student
I. Instruction						
A. Classroom & Specialized Instruction	\$3,287,691,098	\$4,559	\$2,548,616,379	\$3,534	\$739,074,719	\$1,025
B. Instructional Support	\$300,322,861	\$416	\$232,810,121	\$323	\$67,512,740	\$94
C. Health Services	\$91,410,006	\$127	\$70,860,988	\$98	\$20,549,018	\$28
D. School Administration	\$454,954,041	\$631	\$352,680,129	\$489	\$102,273,912	\$142
E. Classroom Materials & Technology	\$151,284,733	\$210	\$117,275,844	\$163	\$34,008,889	\$47
Total -Instruction	\$4,285,662,739	\$5,943	\$3,322,243,461	\$4,607	\$963,419,278	\$1,336
II. Facilities						
A. Facilities	\$709,157,789	\$983	\$549,738,738	\$762	\$159,419,051	\$221
B. Security and Safety	\$79,629,816	\$110	\$61,728,991	\$86	\$17,900,825	\$25
C. Transportation	\$217,015,590	\$301	\$168,230,369	\$233	\$48,785,221	\$68
Total -Facilities	\$1,005,803,194	\$1,395	\$779,698,098	\$1,081	\$226,105,097	\$314
III. District Services						
A. District Leadership & Services	\$140,001,118	\$194	\$108,528,792	\$150	\$31,472,326	\$44
B. District Technology	\$30,256,947	\$42	\$23,455,169	\$33	\$6,801,778	\$9
Total - District Services	\$170,258,064	\$236	\$131,983,960	\$183	\$38,274,104	\$53
Total	\$5,461,723,998	\$7,574	\$4,233,925,519	\$5,871	\$1,227,798,479	\$1,703

EDUCATION FUNDING MODEL – TOTAL COST PER PUPIL

By State and Local Share



STATE VS LOCAL FUNDING PERCENTAGE BY DISTRICT



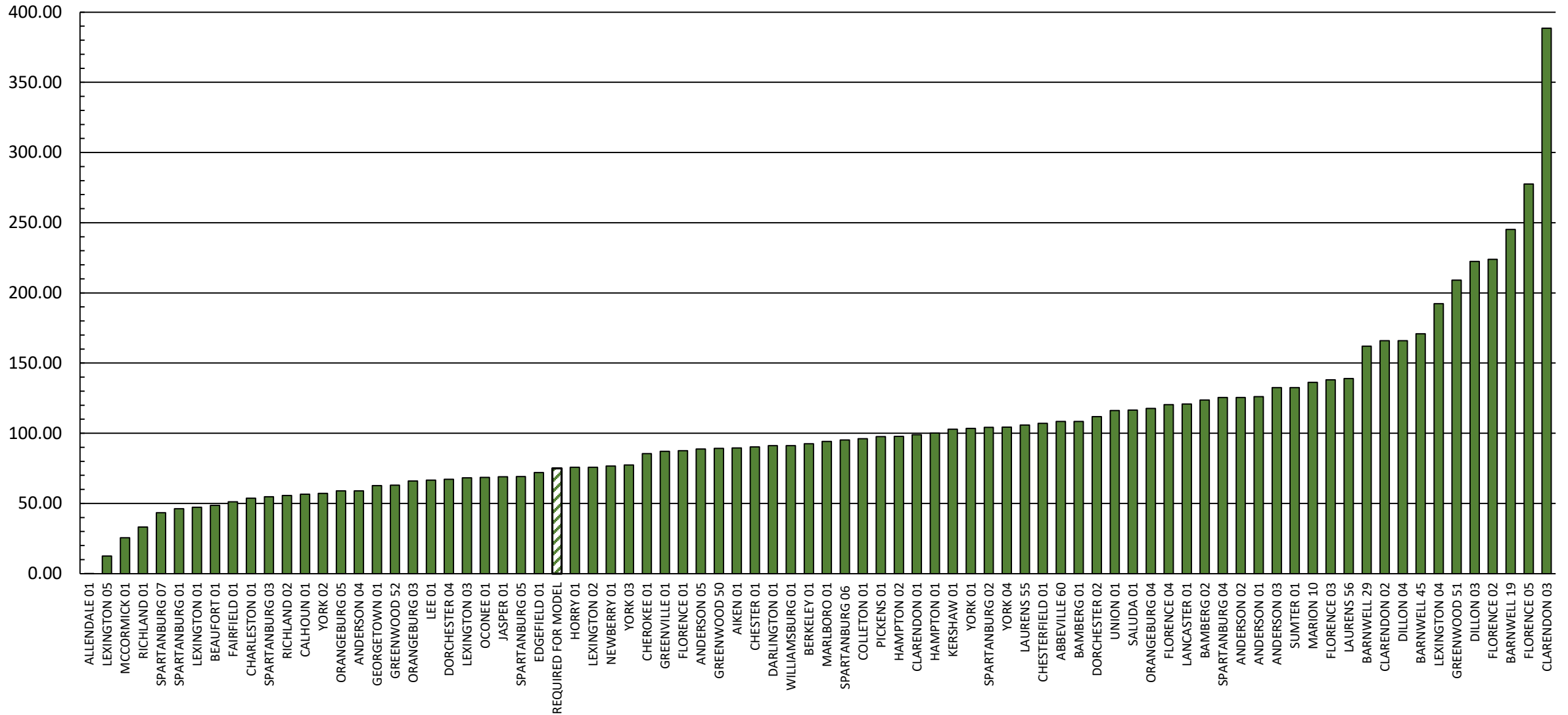
Equity

- Millage Rate is the same in all districts for the same level of service (EFA principle)
- Model does not “impose” a statewide millage rate; it calculates a standard millage (EFA principle) to achieve the same level of service (equity)
- Model does not otherwise limit or alter a district’s current ability to increase millage

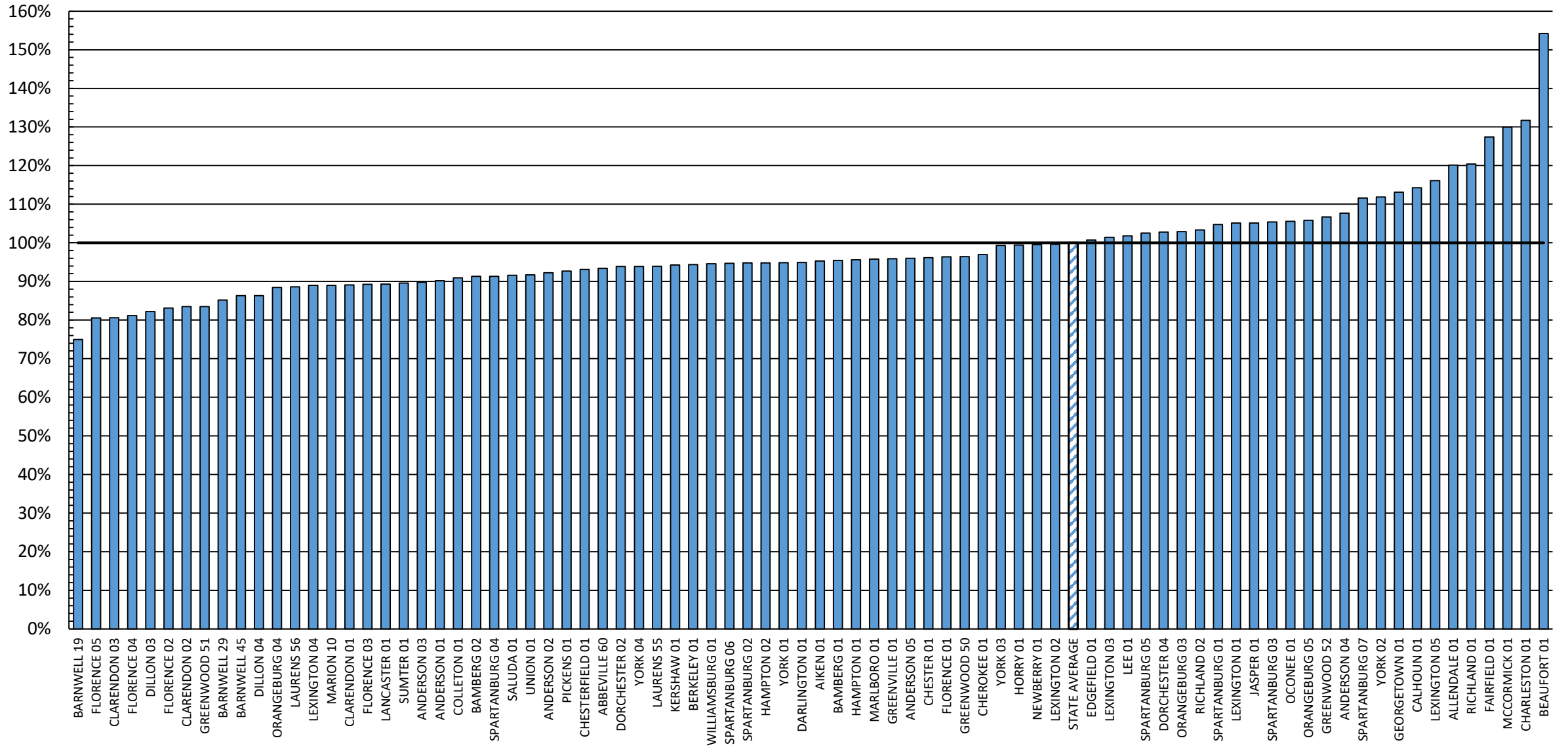
Base Model – State and Local Shares and Local Millage

	State Share	State Share Per Student	State Share %	Local Share	Local Share Per Student	Local Share Per Student	Local Millage
I. Instruction							
A. Classroom & Sp. Instruction	\$2,548,616,379	\$3,534	77.5%	\$739,074,719	\$1,025	22.5%	45.1
B. Instructional Support	\$232,810,121	\$323	77.5%	\$67,512,740	\$94	22.5%	4.1
C. Health Services	\$70,860,988	\$98	77.5%	\$20,549,018	\$28	22.5%	1.3
D. School Administration	\$352,680,129	\$489	77.5%	\$102,273,912	\$142	22.5%	6.2
E. Classroom Materials & Tech.	\$117,275,844	\$163	77.5%	\$34,008,889	\$47	22.5%	2.1
Total -Instruction	\$3,322,243,461	\$4,607	77.5%	\$963,419,278	\$1,336	22.5%	58.8
II. Facilities							
A. Facilities	\$549,738,738	\$762	77.5%	\$159,419,051	\$221	22.5%	9.7
B. Security and Safety	\$61,728,991	\$86	77.5%	\$17,900,825	\$25	22.5%	1.1
C. Transportation	\$168,230,369	\$233	77.5%	\$48,785,221	\$68	22.5%	3.0
Total -Facilities	\$779,698,098	\$1,081	77.5%	\$226,105,097	\$314	22.5%	13.8
III. District Services							
A. District Leadership & Serv.	\$108,528,792	\$150	77.5%	\$31,472,326	\$44	22.5%	1.9
B. District Technology	\$23,455,169	\$33	77.5%	\$6,801,778	\$9	22.5%	0.4
Total - District Services	\$131,983,960	\$183	77.5%	\$38,274,104	\$53	22.5%	2.3
Total	\$4,233,925,519	\$5,871	77.5%	\$1,227,798,479	\$1,703	22.5%	75.0

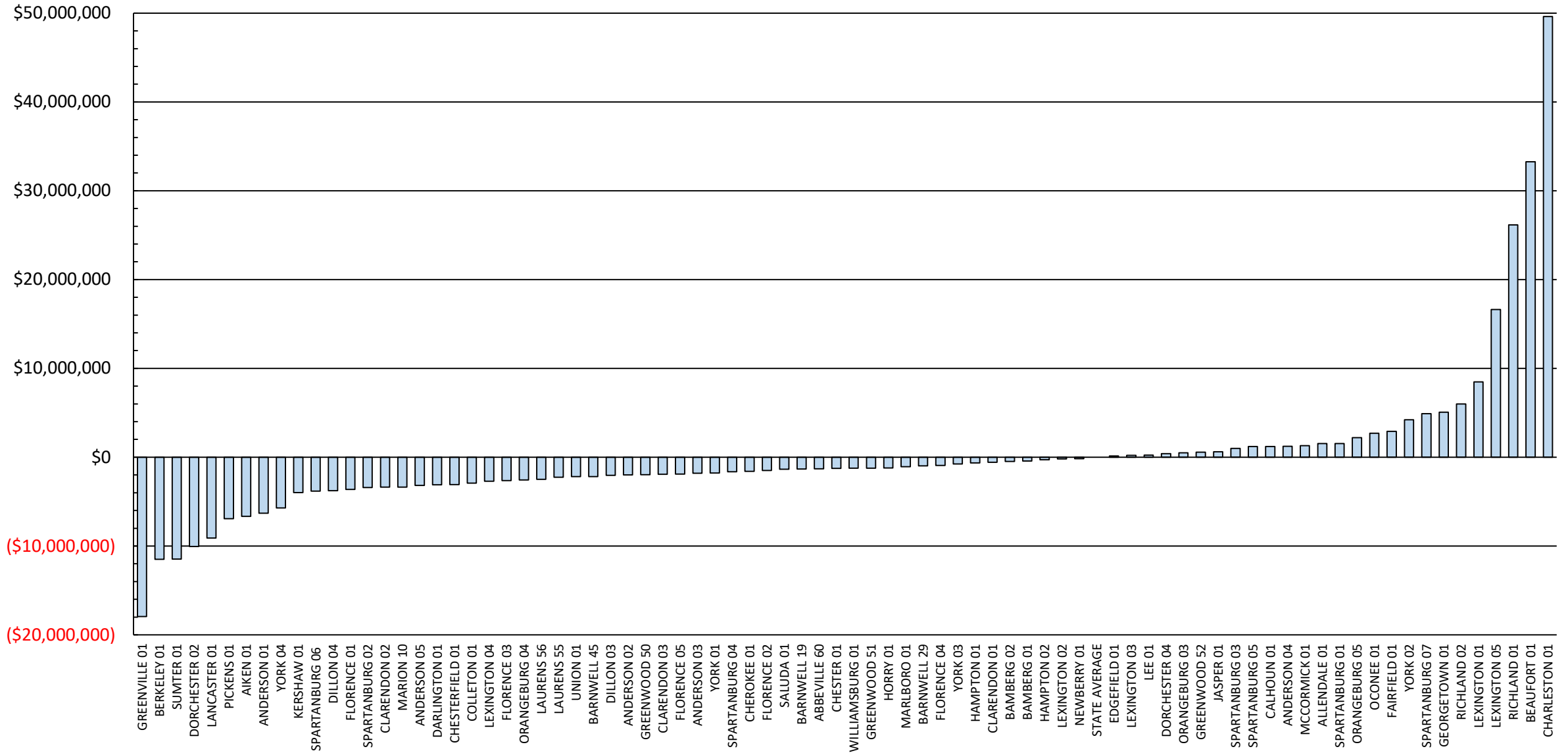
ESTIMATED MILLS FOR LOCAL SHARE FOR MODEL BASED ON CURRENT FUNDING



FY 2018-19 ACTUAL STATE PAYMENTS AS A PERCENTAGE OF MODEL



FY 2018-19 AMOUNT OF ACTUAL STATE PAYMENTS ABOVE OR BELOW MODEL FUNDING



ADM OF SCHOOL DISTRICTS BELOW AND ABOVE MODEL STATE FUNDING

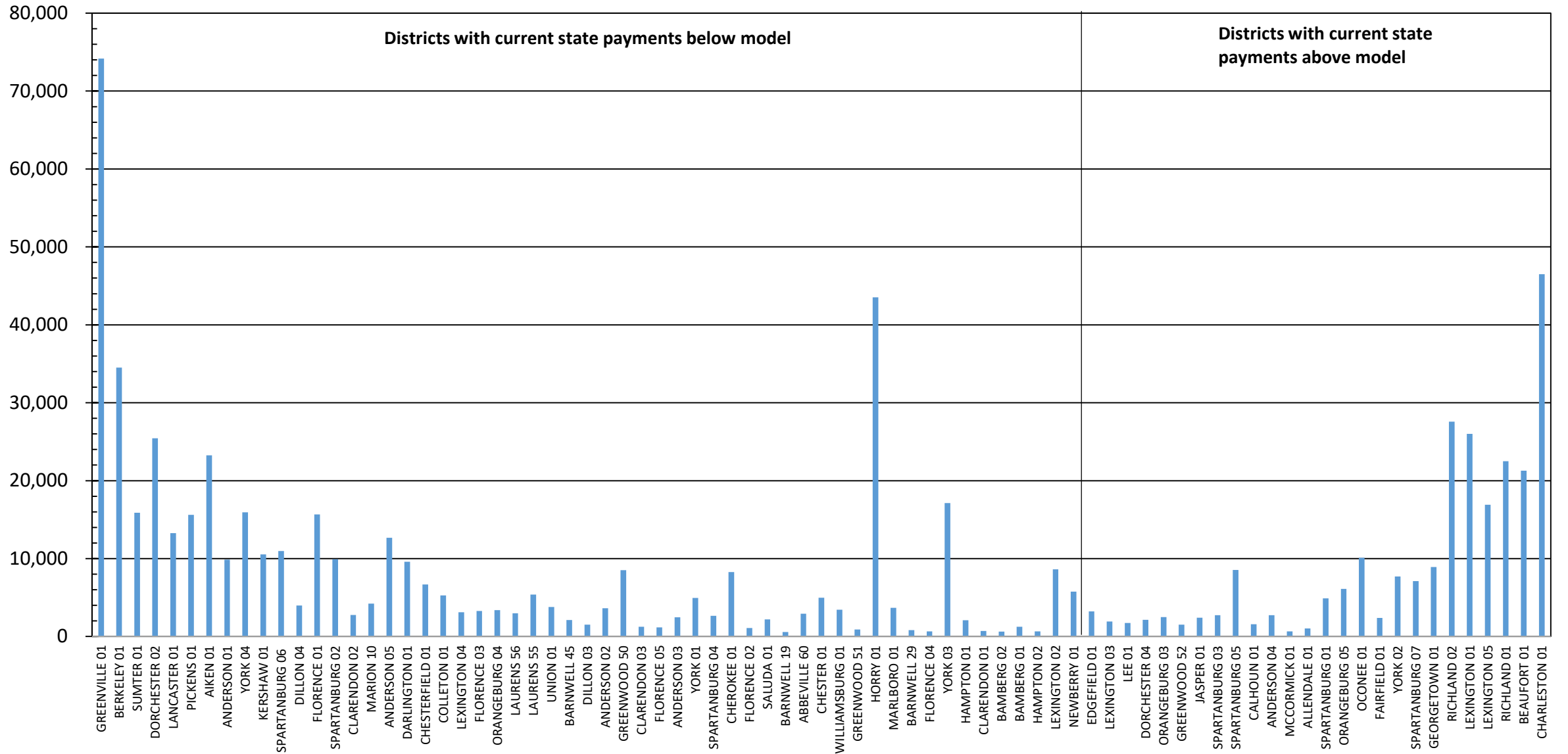
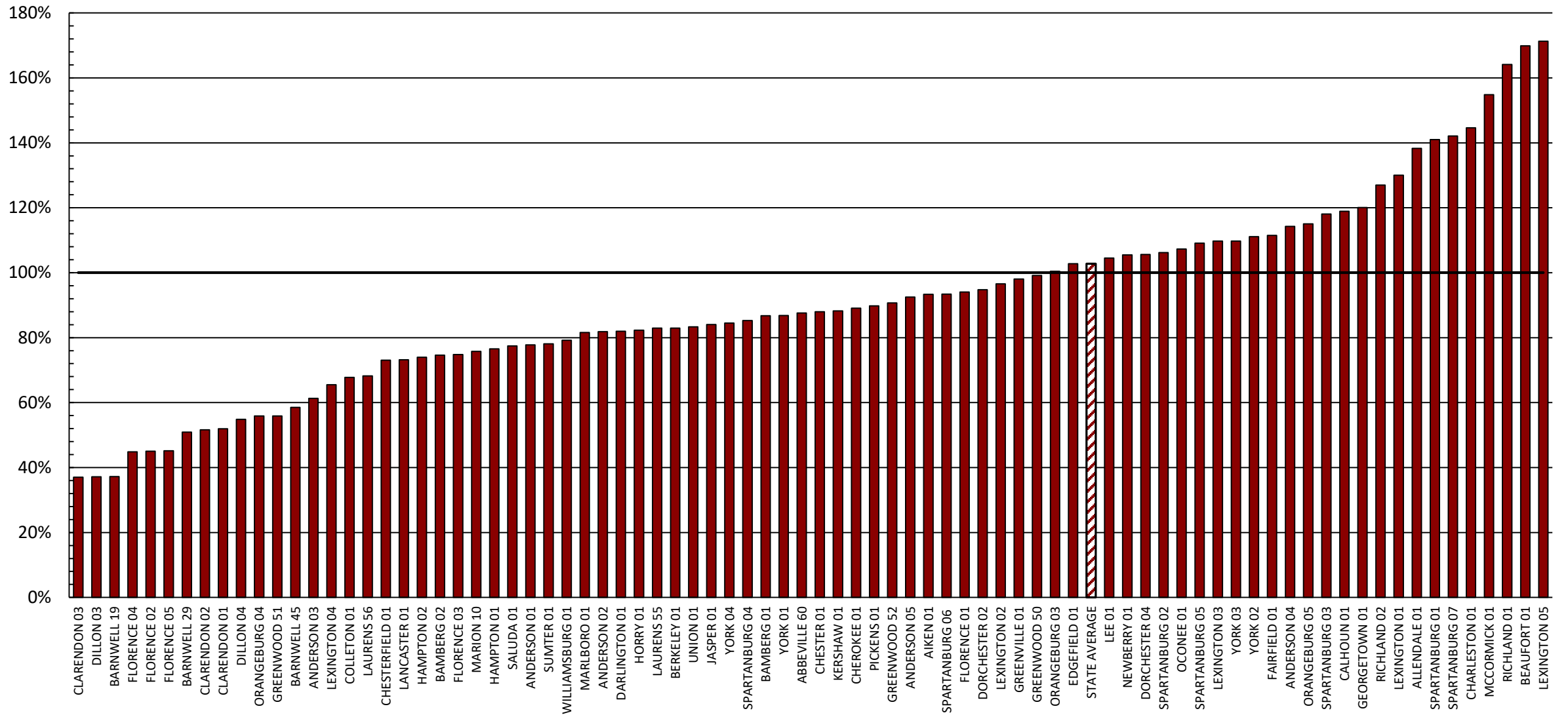


ILLUSTRATION - PROPERTY TAX RELIEF AS A PERCENTAGE OF MODEL COST FOR FACILITIES AND DISTRICT SERVICES

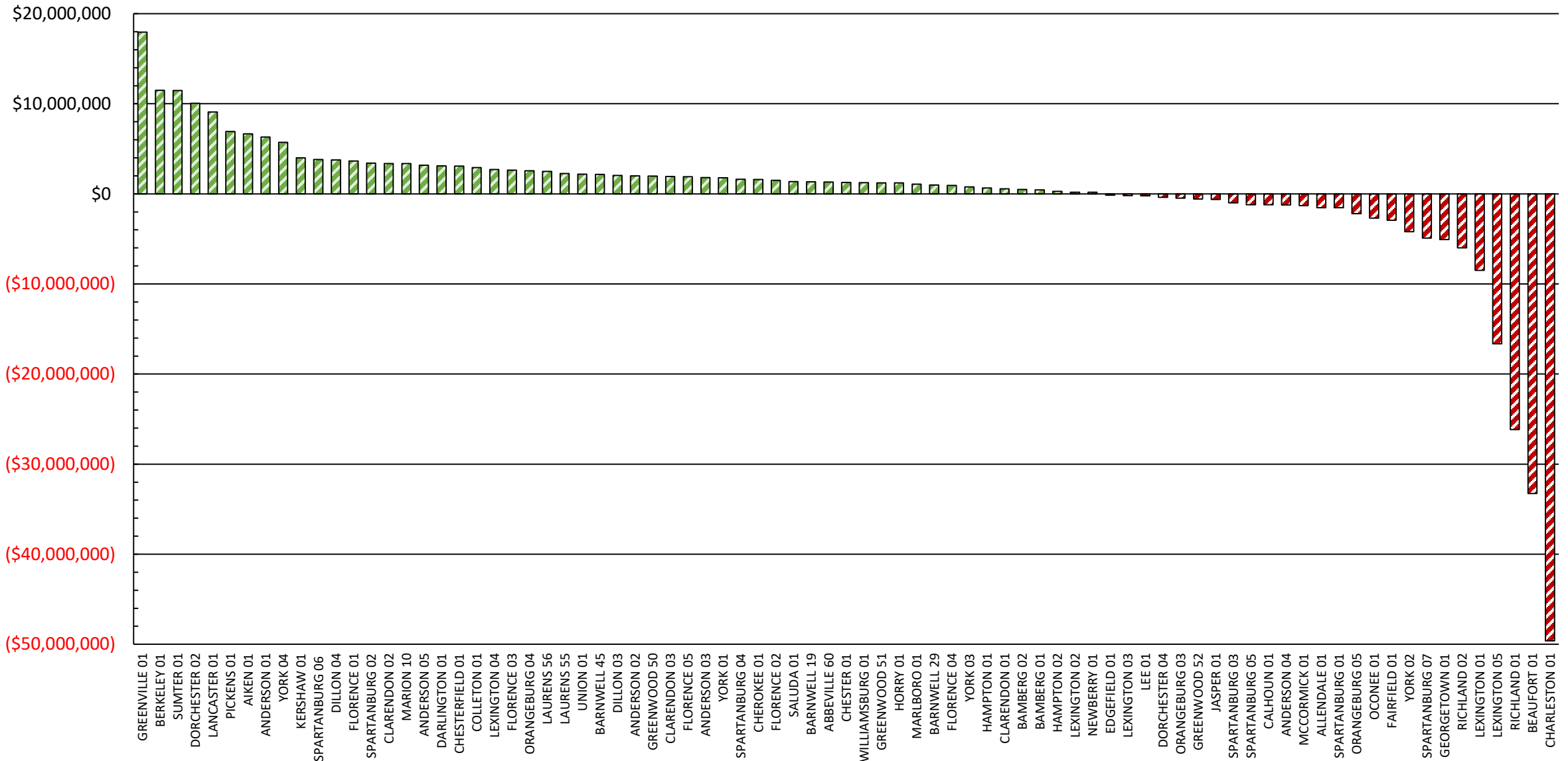


Funding Allocation - Model v Current (FY 2018-19)

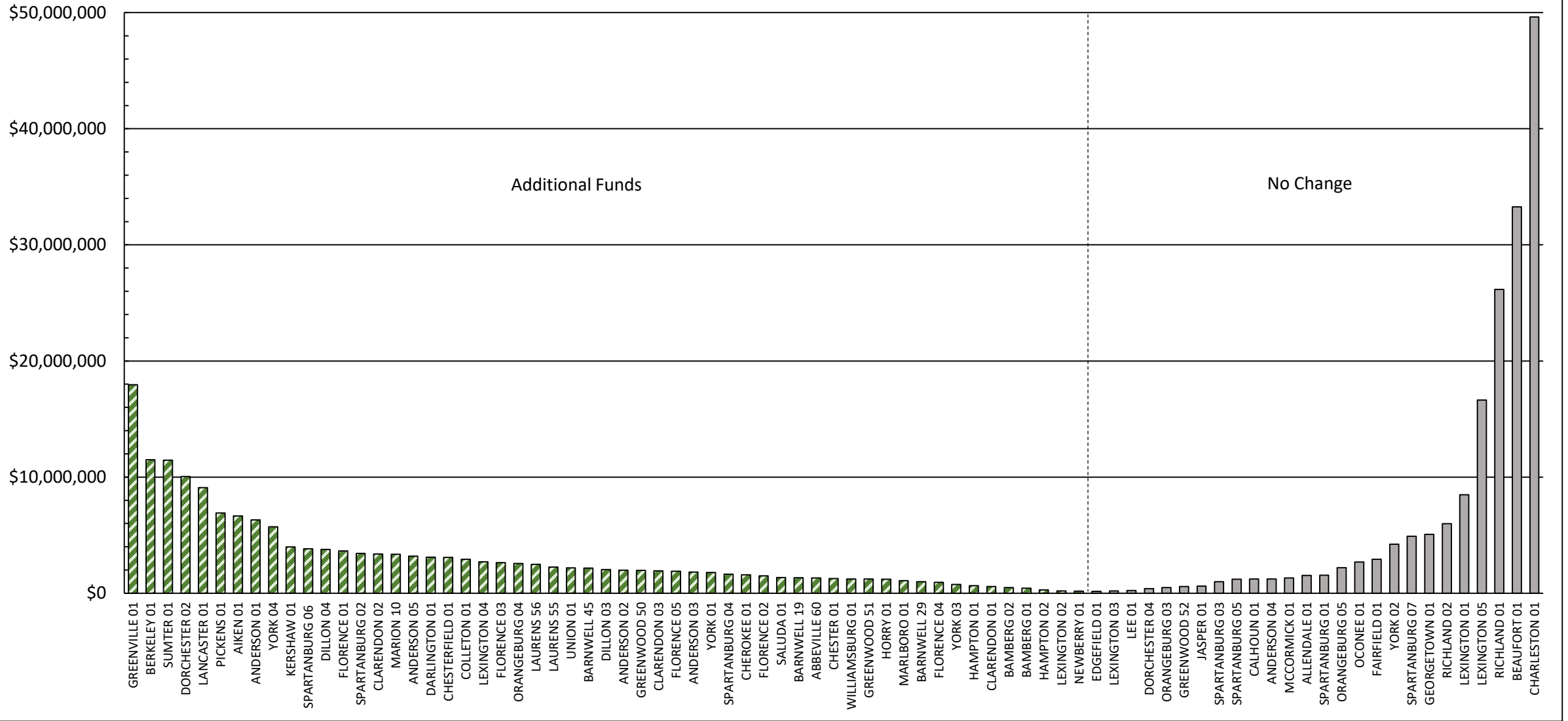
	Total Cost	State Share Total \$	State Share %	Local Share Total \$	Local Share %	Local Millage	Districts with Gains	Districts with Loss
Instruction	\$4,285,662,739	\$3,322,243,461	77.5%	\$963,419,278	22.5%			
Facilities	\$1,005,803,194	\$779,698,098	77.5%	\$226,105,097	22.5%			
District Services	\$170,258,064	\$131,983,960	77.5%	\$38,274,104	22.5%			
Total	\$5,461,723,998	\$4,233,925,519	77.5%	\$1,227,798,479	22.5%	75.0		
<i>Redistribution</i>							\$173,868,361	(\$173,868,361)
<i>Number of Districts</i>							55	26



MODEL (TOTAL EQUITY): REALIGN STATE FUNDING TO MATCH MODEL



HOLD HARMLESS: INCREASE FUNDING TO DISTRICTS BELOW MODEL AND HOLD HARMLESS DISTRICTS THAT ARE FUNDED ABOVE MODEL



Providing Flexibility

- Not all districts may need these exact levels of service
 - Need to specify ranges or set standards on spending or staffing by type or category (Instruction, Facilities, District Services)

Measuring Accountability

- Goal is to align accountability measures to components in model

	<i>Model Assumptions</i>	<i>Actual District Ratios</i>	<i>Total Model Cost</i>	<i>Actual District Cost</i>	<i>Performance Measure</i>
I. Instruction			\$4,285,662,739		
<i>A. Classroom and Specialized Instruction</i>	-Ratio of 16.5:1 for students in poverty -Ratio of 21.5:1 for students not affected by poverty -1 aide per K teacher -1 additional teacher for each 17.5 served under IDEA -1 specialty service provider for each 120 students under IDEA -Additional resources for other EIA weighted categories		\$3,287,691,098		
<i>B. Instructional Support</i>	-1 guidance counselor for every 350 students -1 guidance resource for every 350 students -1 library media specialist and library aide for every 685 students -1 career specialist for every 2,260 students		\$300,322,861		
<i>C. Health Services</i>	-1 nurse for every 600 students -1 social worker for every 3,180 students		\$91,410,006		
<i>D. School Administration</i>	-1 school admin for every 15 teachers -1 school office staff for every 15 teachers		\$454,954,041		
<i>E. Classroom Materials and Technology</i>	-\$3,344 for each teacher		\$151,284,733		

Next Steps

- Are the services identified in the model representative of current activity? (What's missing)
- Is the data correct?
- Clarify or establish service levels for special education
- Policy Decision – What changes or additions to the service levels should be made?
- Calculate comparison and costs for Charter School Districts

For Further Information

- Education Funding Model Report:
<http://rfa.sc.gov/files/Education%20Funding%20Report%20Final%2010-03-19%20Updated%20100319.pdf>
- Staff, Model, and Options Tables by District:
<http://rfa.sc.gov/files/Model%20%26%20Options%2010-3-19.pdf>
- Comments or Questions – EdFund@rfa.sc.gov
- Frank Rainwater – Frank.Rainwater@rfa.sc.gov
- Lisa Jolliff – Lisa.Jolliff@rfa.sc.gov

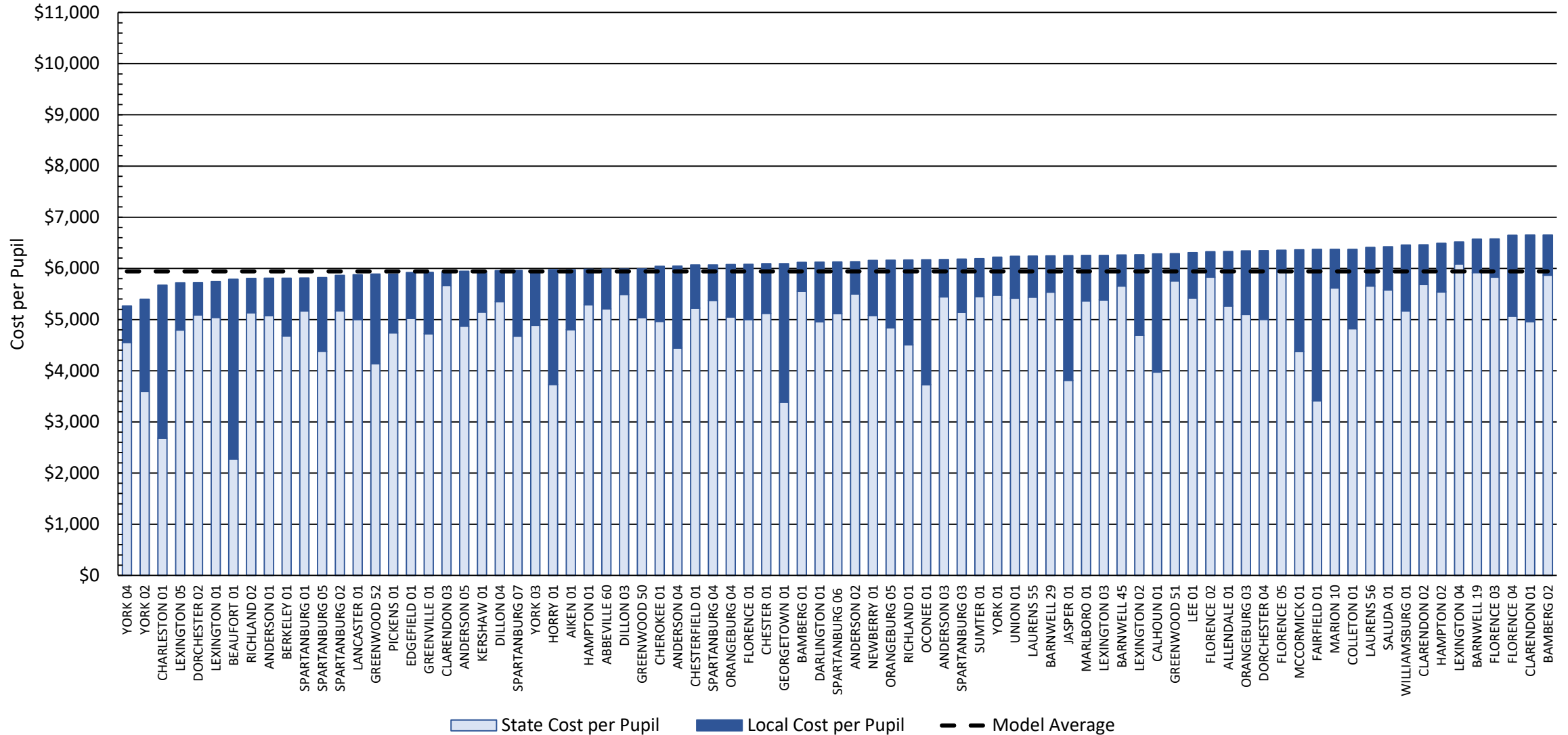


Appendix



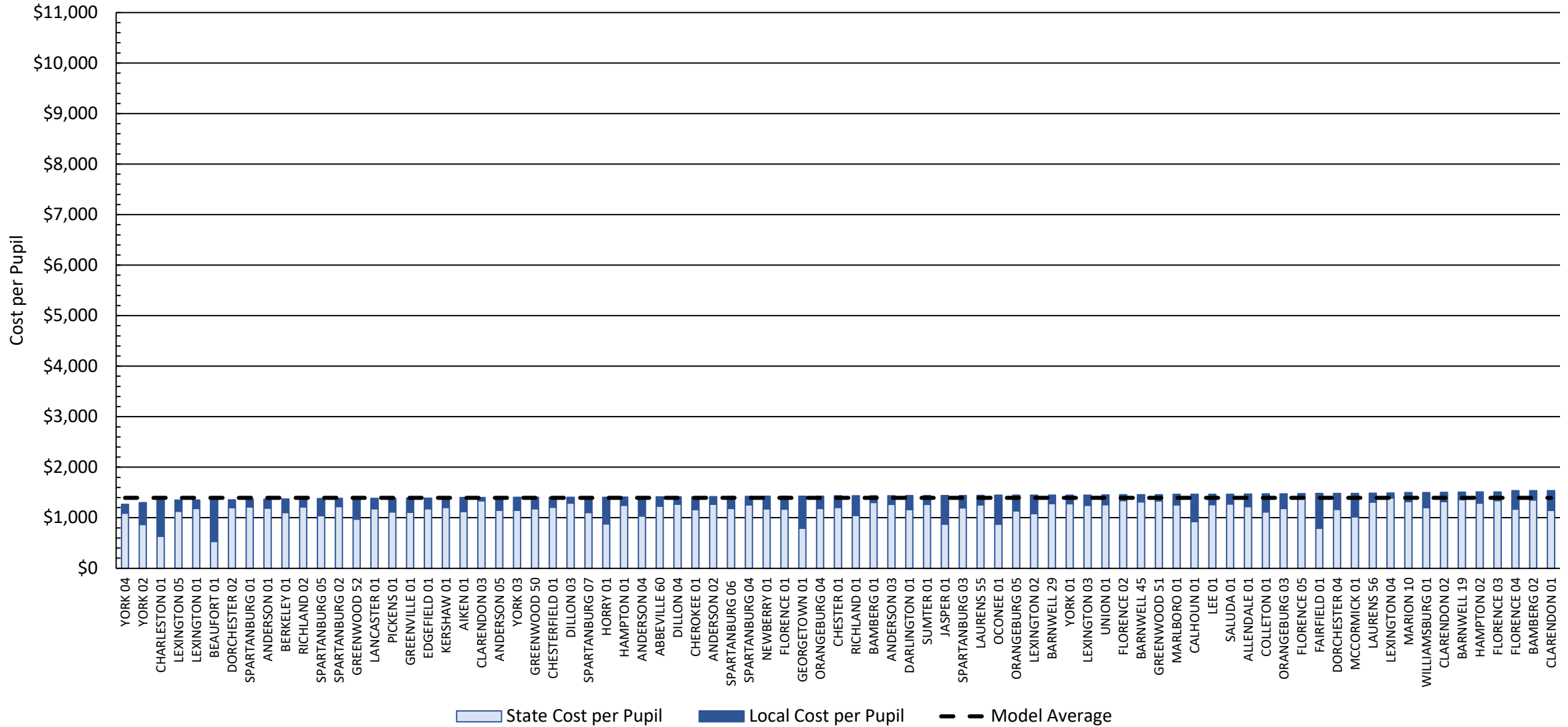
EDUCATION FUNDING MODEL – INSTRUCTION

Per Pupil Amounts by State and Local Share



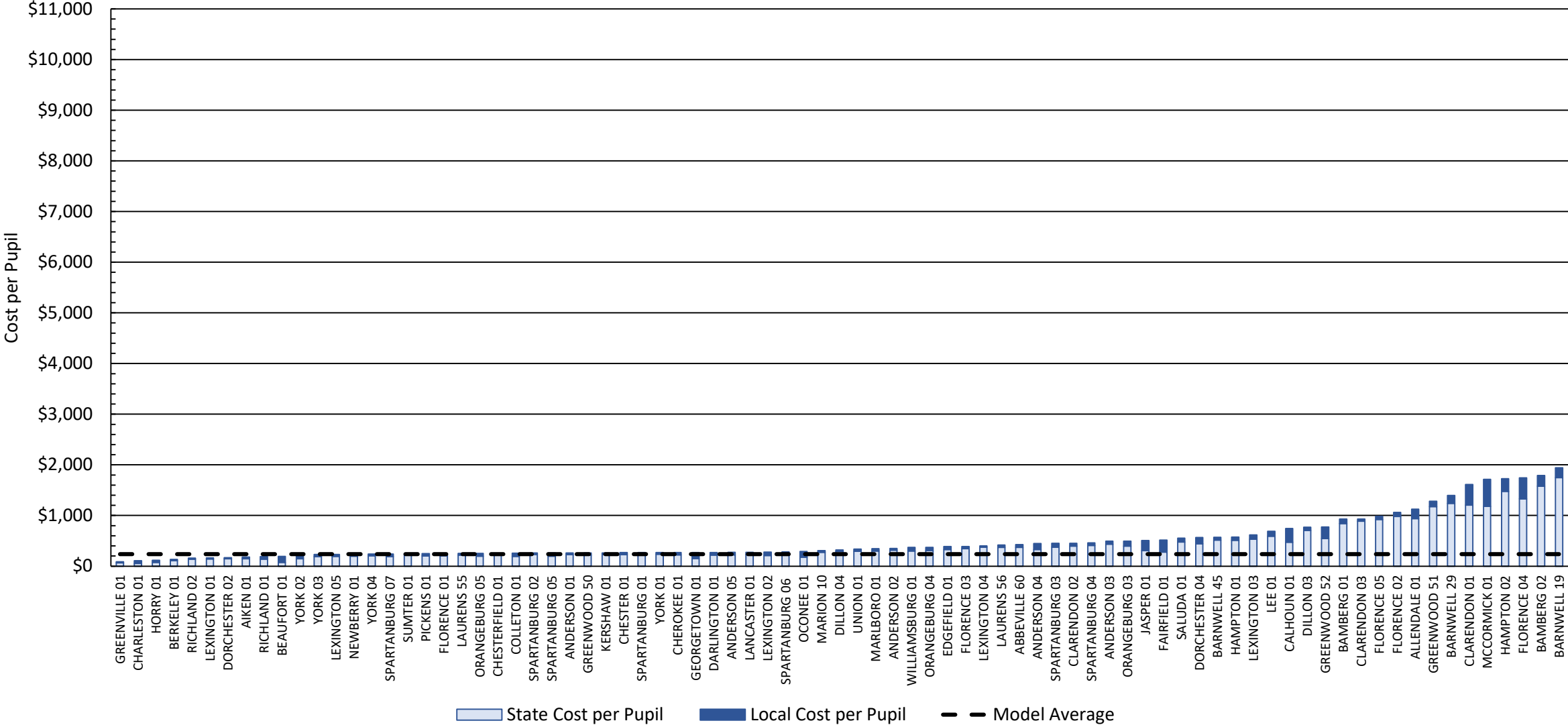
EDUCATION FUNDING MODEL - FACILITIES

Per Pupil Amounts By State and Local Share

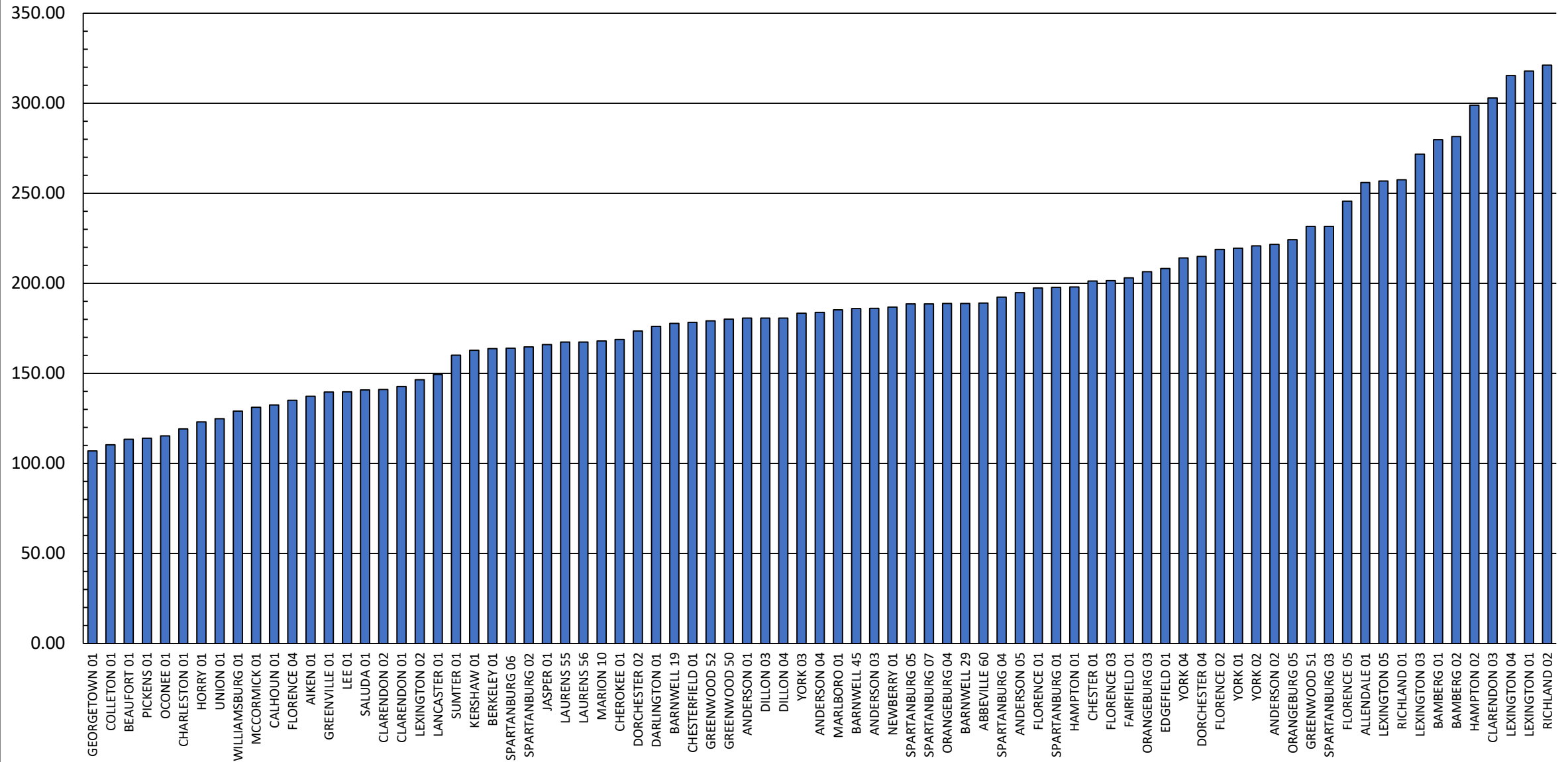


EDUCATION FUNDING MODEL - DISTRICT SERVICES

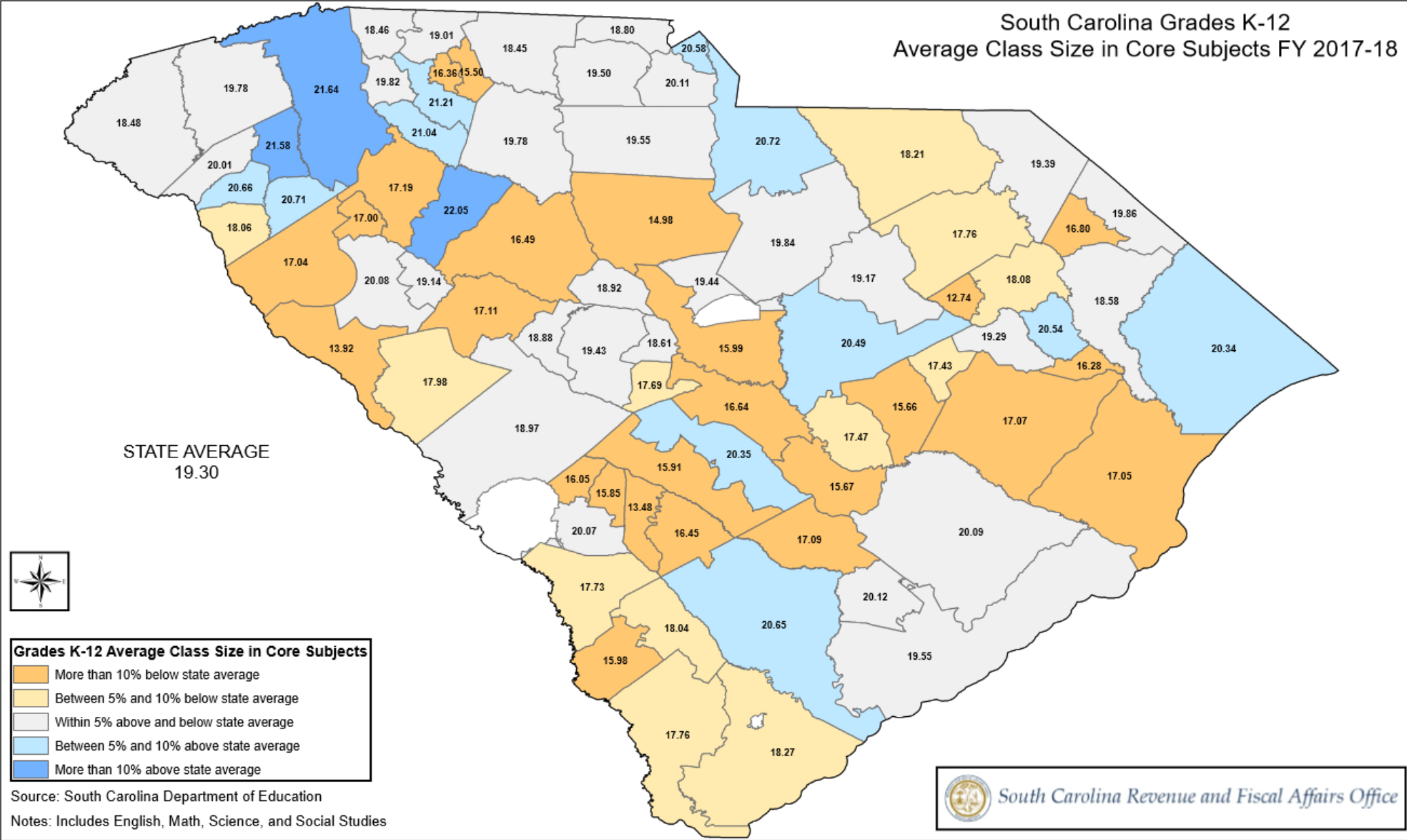
Per Pupil Amounts By State and Local Share



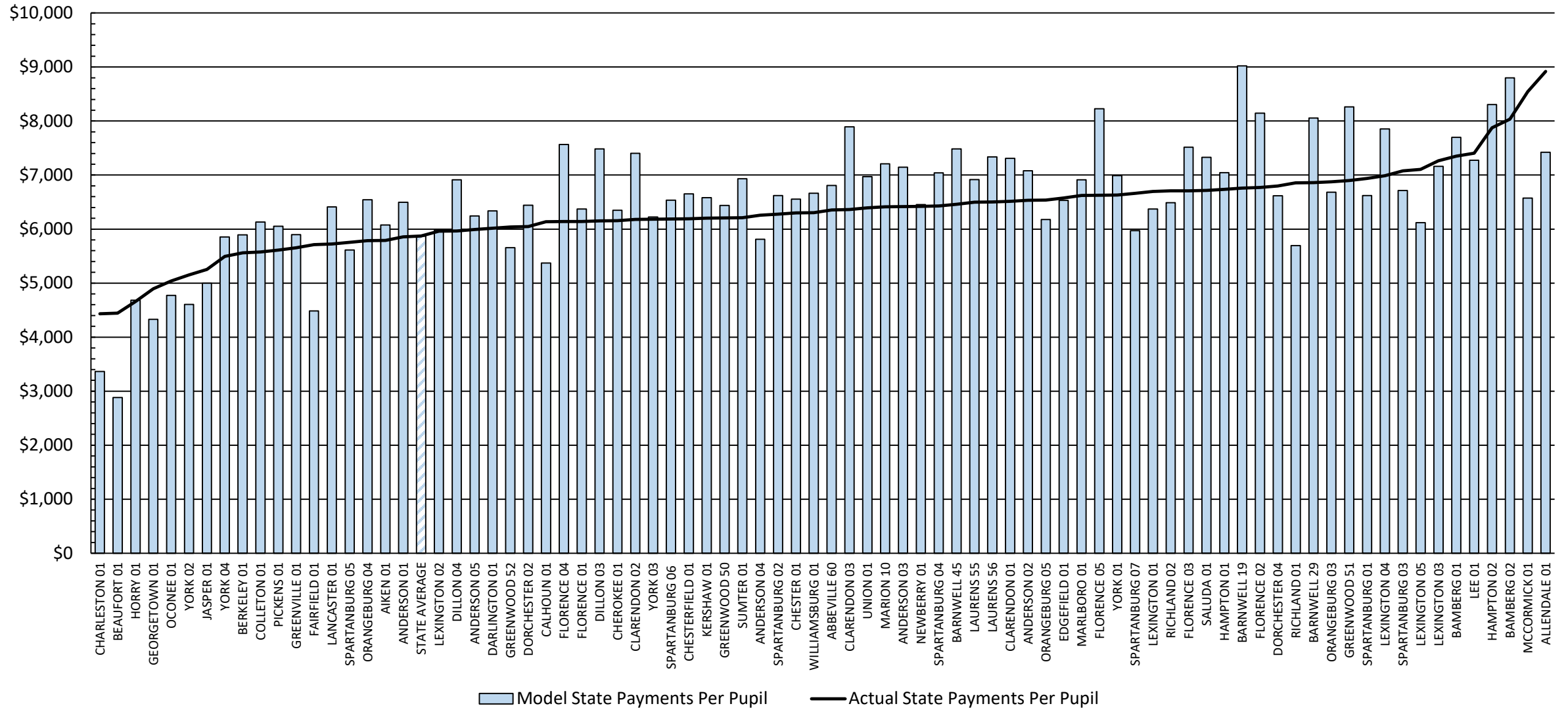
FY 2018-19 OPERATING MILLAGE PER DISTRICT



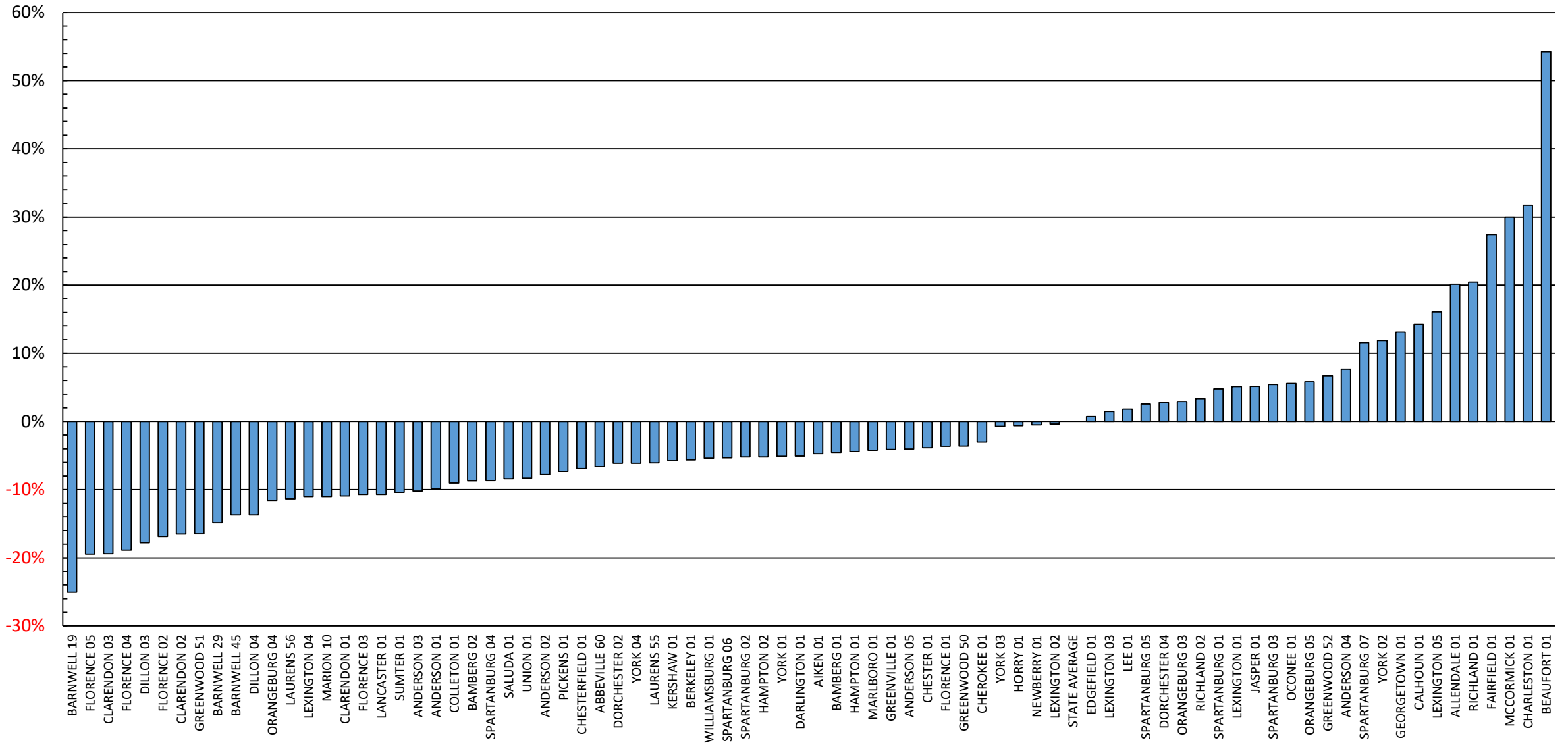
South Carolina Grades K-12 Average Class Size in Core Subjects FY 2017-18



STATE SHARE PER PUPIL OF TOTAL MODEL COST COMPARED TO ACTUAL STATE PAYMENTS PER PUPIL



FY 2018-19 PERCENT OF ACTUAL STATE PAYMENTS ABOVE OR BELOW MODEL FUNDING



PROPERTY TAX RELIEF AS A PERCENT OF ACTUAL STATE PAYMENTS

