

State Aid to Classrooms: Review of Student Weights and Alignment of Funding with Student Enrollment



Presented to

**Senate Finance
K-12 Education Subcommittee**

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State Aid to Classrooms: Review of Student Weights and Alignment of Funding with Student Enrollment

- RFA developed the SAC report required by Proviso 1.3 of FY 2025-26
- The report provides the following information:
 - An overview of the SAC formula and current funding
 - An analysis of current issues and observations regarding student weights and the alignment of funding with enrollment
 - Recommendations regarding student weights and ways to improve the alignment of the distribution of funding with enrollment and provide more consistent distributions
- The proviso and the report do not analyze directly total funding or other appropriations or the total scope of education funding; the report focuses on student weights and the distribution of funding under the current SAC formula

State Aid to Classroom Formula and Current Funding



State Aid to Classrooms (SAC) Funding

- Total appropriations in the SAC line item include – state share of formula funding, proportional, and hold harmless components
- The formula amount is determined in two steps
 - First step – divide the number of estimated students (ADM) for the coming year by the student-teacher ratio of 11.2 : 1 to determine the number of teachers funded
 - Second step – multiply the number of teachers by the average teacher cost (salary and fringe) to determine formula funding

Year	Number of Students (ADM)	Student-Teacher Ratio (Formula)	Number of Teachers (Formula)*	Average Teacher Cost	Total SAC Formula Funding (Actual)**	Total SAC Formula Funding per Pupil
FY 2022-23	758,077	11.2	67,685	\$69,153	\$4,705,877,567	\$6,208
FY 2023-24	762,229	11.2	68,056	\$72,991	\$4,967,468,503	\$6,517
FY 2024-25	764,506	11.2	68,259	\$75,891	\$5,180,275,955	\$6,776

*Figures are rounded and do not include adjustments to the ratio to incorporate retirement funding.

**Figures are based upon actual payments to districts including retirement funding.

Total Average Teacher Cost by Year

- The SAC formula funding amount is based on a specified average teacher cost including salary and fringe benefits
 - Salary is based on a master's degree with 12 years of experience
 - Fringe benefits include retirement and FICA

Year	Average Teacher Salary	Fringe Benefits	Total Average Teacher Cost
FY 2022-23	\$52,604	\$16,549	\$69,153
FY 2023-24	\$55,104	\$17,887	\$72,991
FY 2024-25	\$57,250	\$18,641	\$75,891

Funded Student-Teacher Ratio by Year versus 11.2 Target

- The funded student-teacher ratio is the number of teachers supported by total SAC funding (state/local formula, proportional, and hold harmless)
- Statewide, the funded student-teacher ratio decreased from 10.8 to 10.4 from FY 23 to FY 25

Year	Funded Positions	Students (ADM)	Funded Student-Teacher Ratio	Range (by District)
FY 2022-23	70,096	758,077	10.8	6.5 to 12.6
FY 2023-24	72,468	762,229	10.5	6.4 to 12.6
FY 2024-25	73,368	764,506	10.4	6.5 to 12.6

Note: Funded positions and ratio are based on all funding from the SAC formula (state and local), hold harmless, and proportional funding.

Funded and Actual Instructional Positions by Year

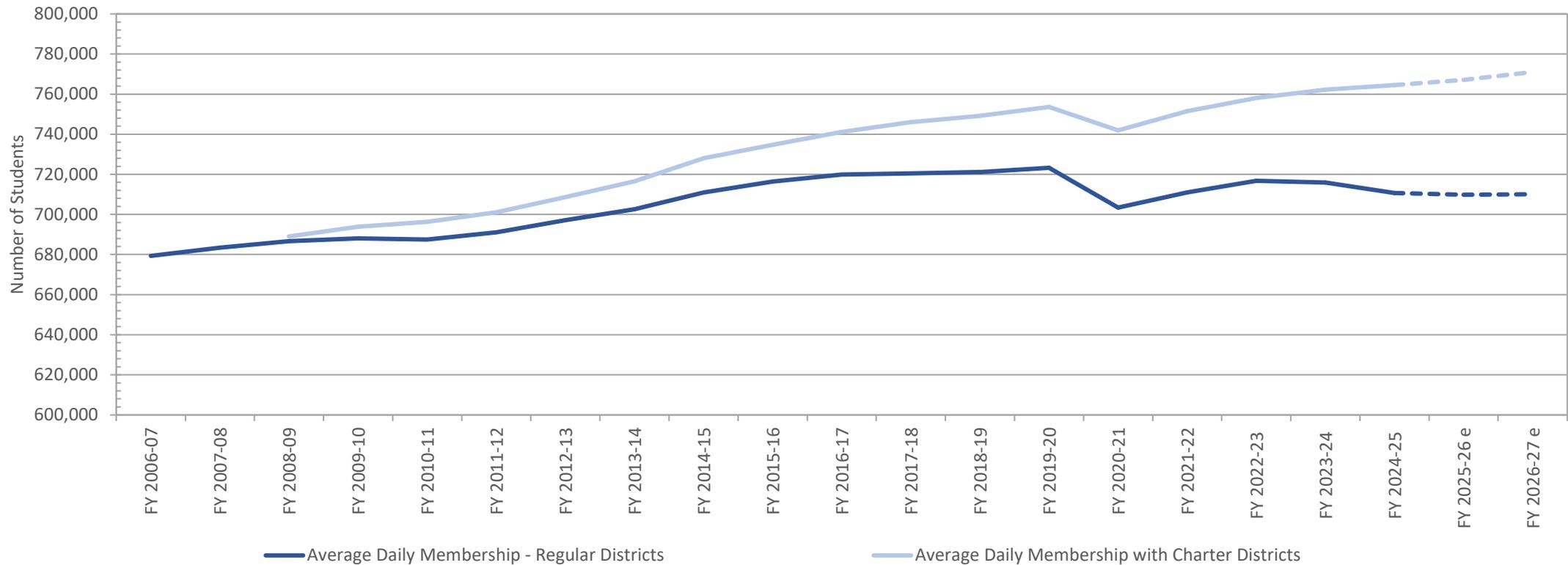
- There are notable differences in the number of funded versus actual positions by district; local hiring decisions or preferences and the flexibility provision appear to significantly impact the number of teachers a district actually employs
- The actual number of instructional positions employed by districts in total, as defined in Proviso 1.3, is lower than the number funded by the formula, hold harmless, and proportional funding

Year	Funded Positions (Including Proportional and Hold Harmless Funding)	Actual Filled Positions (Proviso 1.3)	Difference
FY 2022-23	70,096	54,813	15,283
FY 2023-24	72,468	56,299	16,169
FY 2024-25	73,368	57,930	15,438

History of Student (ADM) Growth

Growth in the charter school districts continues to outpace growth in the regular districts

STUDENT COUNTS – REGULAR DISTRICTS AND CHARTER DISTRICTS

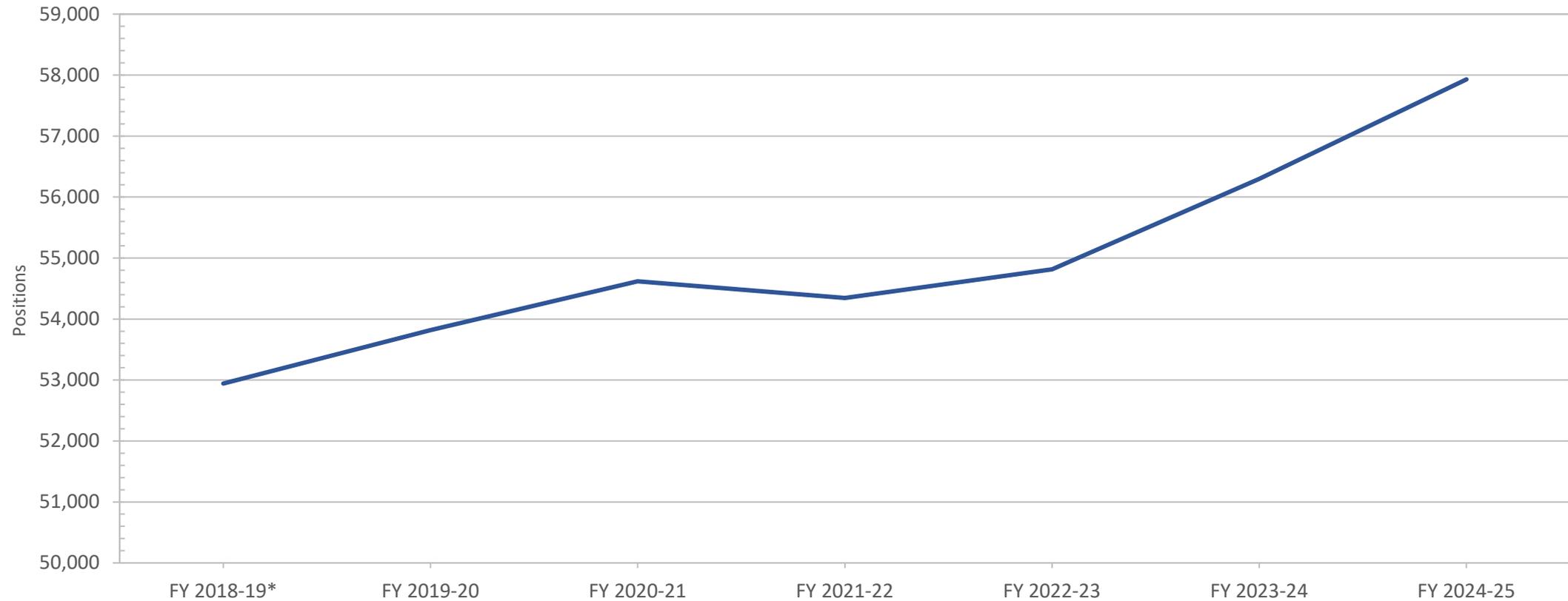


Note: Statewide charter districts include the S.C. Public Charter School District, the Charter Institute at Erskine, and the Limestone Charter Association.
Data Source: S.C. Department of Education, 135-day ADM counts; S.C. RFA FY 2025-26 and FY 2026-27 estimates. Source: S.C. Revenue and Fiscal Affairs Office - 301A - 9/9/2025

History of Total Instructional Positions (as defined in Proviso 1.3)

The number of actual teachers and other instructional personnel increased 9.4% from FY 19 to FY 25 compared to 2% growth in students

TEACHERS AND OTHER INSTRUCTIONAL POSITIONS - (PROVISO 1.3)



Note: * - Number of Purchased-Service teachers estimated for FY 2018-19.

Data Source: S.C. Department of Education, 135-day student counts (includes regular and charter school districts) and SC Educator 135-day data (excludes prekindergarten/child development positions)

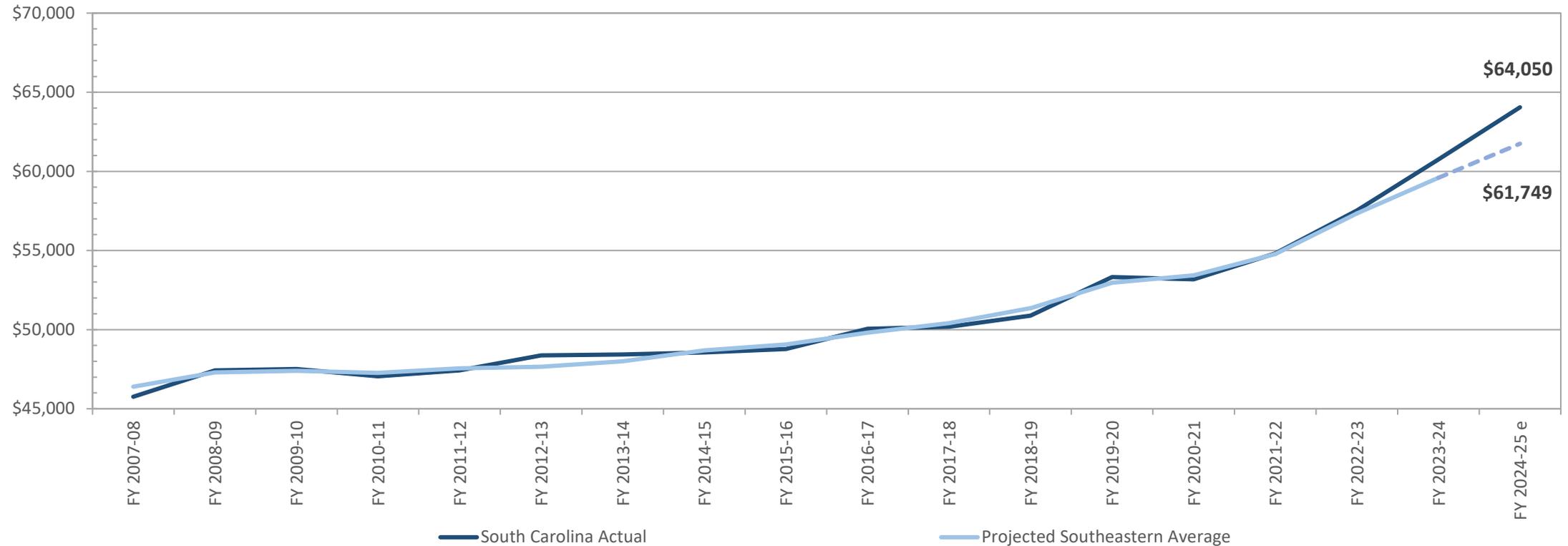
S.C. Revenue and Fiscal Affairs Office - 373/lpw/11/10/2025

History of SC and Southeastern Average Teacher Salary

In FY 25, the average teacher salary in SC was about 3.7% higher than the SE average

SOUTH CAROLINA AND SOUTHEASTERN AVERAGE TEACHER SALARY

Since FY 2007-08

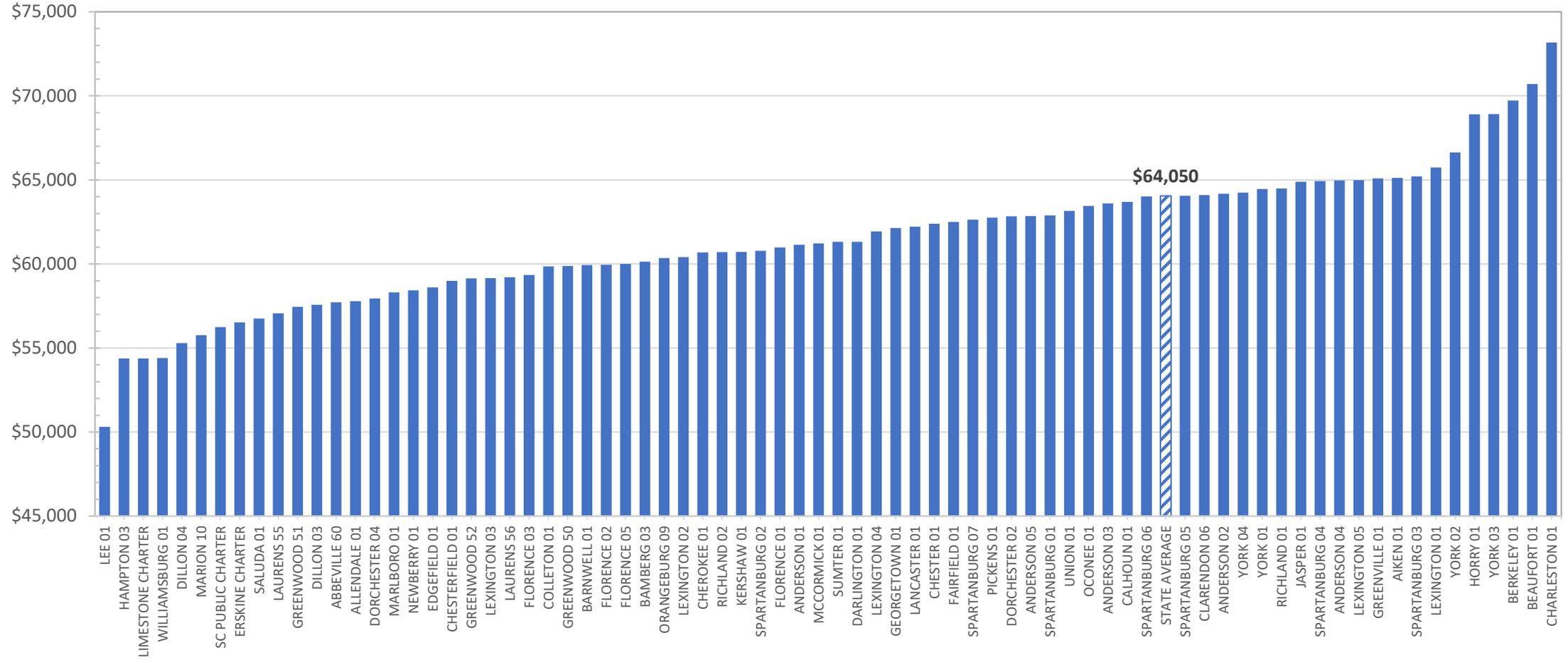


Data Source: S.C. Department of Education, S.C. teacher salary; S.C. Revenue and Fiscal Affairs Office, Southeastern average salary estimates
Source: S.C. Revenue and Fiscal Affairs Office - 301 - 11/7/2025

Average Teacher Salary by District – FY 2024-25

Twenty districts paid more than the state average in FY 25

AVERAGE TEACHER SALARY - FY 2024-25



Data Source: : S.C. Department of Education, S.C. teacher salary; RFA 346 – 11/19/2025



Review of Student Weights



Student Weight Categories, FY 2025-26

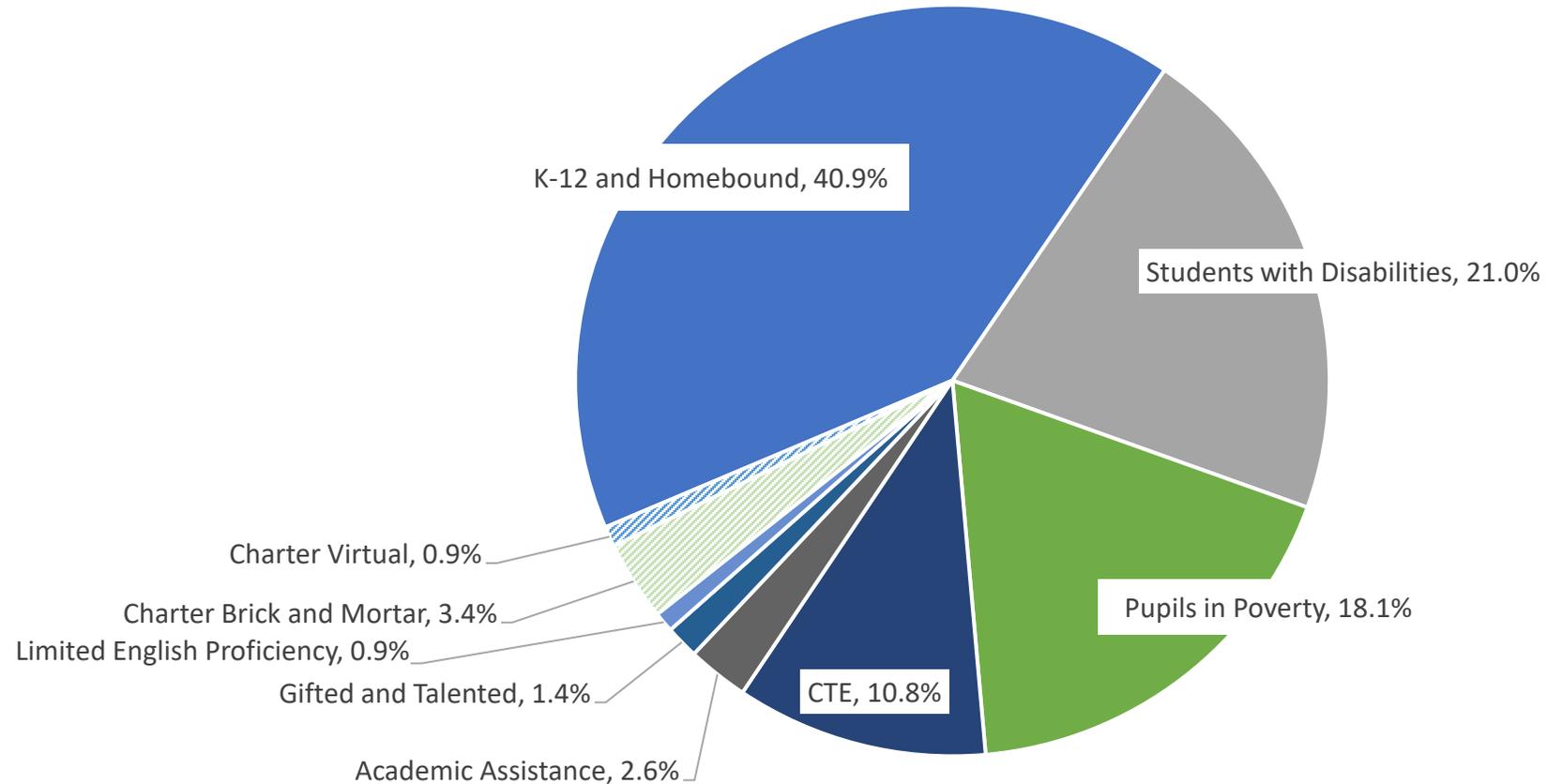
Note: Weights are used to allocate funds and do not generate funding

Category	Abbreviation	Weight
Base Classifications:		
K-12 and Homebound	K-12	1.00
Students with Disabilities	SwD	2.60
Precareer and Career Technology	CTE	1.20
Add-on Weights:		
Pupils in Poverty	PIP	0.50
Limited English Proficiency	LEP	0.20
Gifted and Talented	GT	0.15
Academic Assistance	AA	0.15
Charter District Classifications:		
Charter – Brick & Mortar (in addition to one of the first three)	B&M	1.25
Charter – Virtual (in addition to one of the first three; previously 0.65 prior to FY 2025-26)	Virtual	0.50

Review of Student Weights

Each weight was analyzed based on reported usage and impact on funding

STUDENT WEIGHT CATEGORIES AS A PERCENTAGE OF TOTAL WPU, FY 2024-25



Average Weight – Regular Districts, Charter Districts, and Total

- The total statewide average weight increased from 1.699 in FY 23 to 1.725 in FY 25, largely due to growth in charter school students.
- The average weight for a regular school student in FY 25 is 1.654, and the average weight for a charter school student is 2.664.

Year	Regular Districts	Charter Districts	Total
FY 2022-23	1.646	2.620	1.699
FY 2023-24	1.649	2.646	1.710
FY 2024-25	1.654	2.664	1.725

Range of Weights and Reporting Issues

Example: Students with Disabilities ADM – Percent of Total ADM

- Services can range widely depending on the individual needs of the student as outlined in the Individualized Education Plan
- The statewide percentage of students receiving the SwD weight was 13.9% but ranged from 7.4% to 20.3% in FY 25

Year	Students with Disabilities - ADM	Total ADM	Disabilities Percent of Total ADM	Range
FY 2022-23	104,387	758,077	13.8%	9.1%-22.2%
FY 2023-24	105,418	762,229	13.8%	8.9%-20.5%
FY 2024-25	106,362	764,506	13.9%	7.4%-20.3%

Findings and Recommendations

State Aid to Classrooms Report – Guiding Principles

The analysis of the student weights and distributions in the report is centered on several general principles:

1. Maximizing property tax equity in allocations through more consistent application of weights and greater consideration for the relative wealth of a district's local property tax base
2. Simplifying the use of weights in order to reduce the burden on districts, impact of errors, or influence of local preferences
3. Adding more clarity and certainty to the budget process for districts
4. Working within existing resources while recognizing the practical impact of significant changes in funding to school districts

1. Maximizing Property Tax Equity:

Distribute all funding through the formula to improve tax equity by taking into consideration the local property tax wealth of a district in allocating resources

- Finding

- Allocating funds on the Index of Taxpaying Ability (ITA or relative property tax base) means all taxpayers pay the same millage rate for similar funding
- Approximately 9% of the total SAC appropriation for FY 25 (proportional and hold harmless) is not distributed on the ITA, which impacts taxpayer equity

- Recommendation

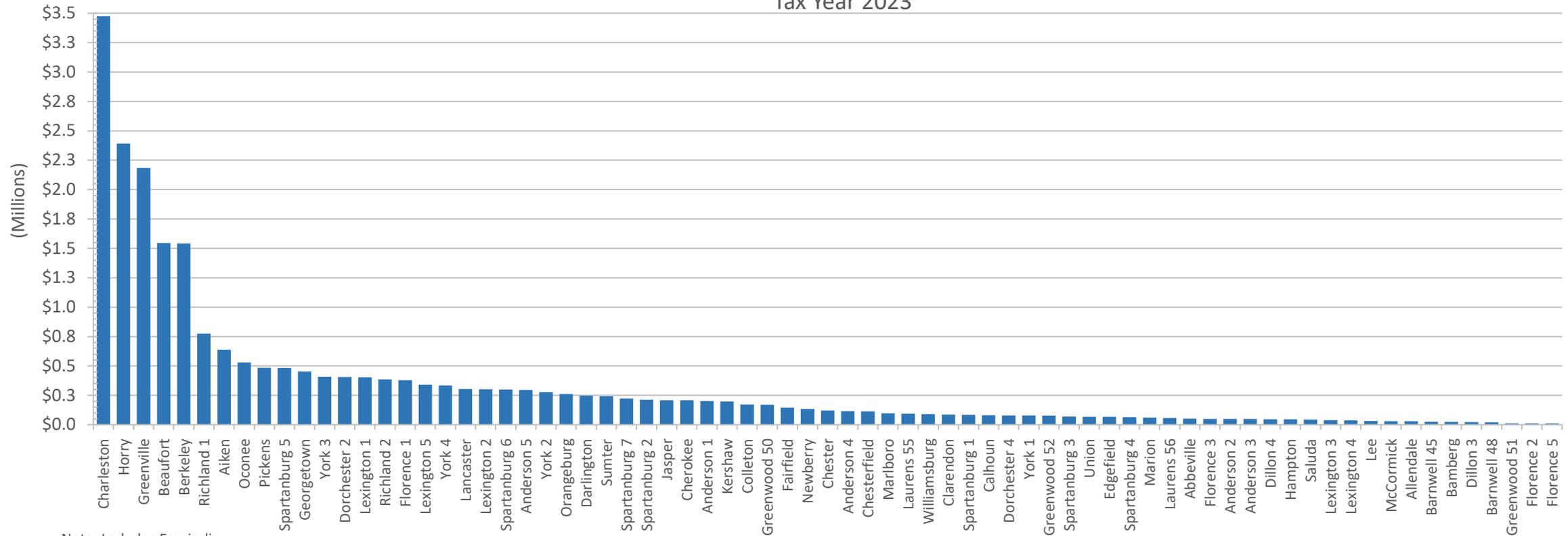
- (6) Distribute all funding through the formula
- (7) Include health insurance allocations in the formula
- This impacts the district's local funding required
- The relative size of a district's property tax wealth significantly impacts a district's ability to generate funds and including the tax equity component in the formula addresses this discrepancy

School Operating Value of One Mill - 2023

One mill generates between \$10,635 and \$3.47 million for school district operating expenses

ESTIMATED VALUE OF A MILL - SCHOOL OPERATING

Tax Year 2023



Note: Includes Fee-in-lieu

Source: Department of Revenue 2025 Index of Taxpaying Ability; calculations by Revenue and Fiscal mkm/08/27/25

2. Simplify the Use of Weights

Consolidate some weights and adjust others to improve alignment of funding distributions with the State's goals

- Findings

- Wide range of the use of some weights
- Difficult to distinguish between common state objectives and local choices in the use of weights

- Recommendations

- (1) Consider reducing the number of weight categories for reporting simplicity and to reduce the impact of local decisions
- (3) Consolidate the Limited English Proficiency, Gifted and Talented, and Academic Assistance weight funding *by increasing* the K-12 base weight

Add-on Weight ADM and WPU – Percent of Total, FY 2024-25

- There was a wide range in the use of these add-on weights

Add-on Weight ADM – Percent of Total ADM, FY 25

Add-on Weight	Add-on ADM	Total ADM	Add-on Percent of Total ADM	Range
Pupils in Poverty (0.5)	477,646	764,506	62.5%	22.2%-99.8%
Limited English Proficiency (0.2)	56,897	764,506	7.4%	0.6%-40.4%
Gifted and Talented (0.15)	125,172	764,506	16.4%	0.0%-35.0%
Academic Assistance (0.15)	230,843	764,506	30.2%	18.1%-44.7%

- Three weights, LEP, GT, and AA, accounted for less than 5% of the allocation

Add-on Weight WPU - Percent of Total WPU, FY 25

Add-on Weight	Add-on WPU	Total WPU	Add-on Percent of Total WPU	Range
Pupils in Poverty (0.5)	238,823	1,318,777	18.1%	7.8%-26.8%
Limited English Proficiency (0.2)	11,379	1,318,777	0.9%	0.1%-5.0%
Gifted and Talented (0.15)	18,776	1,318,777	1.4%	0.0%-3.7%
Academic Assistance (0.15)	34,626	1,318,777	2.6%	1.5%-3.7%

3. Adjust Formula to Align with State Goals

Formula Issues

- Findings
 - Too many non-teacher items are competing for “classroom” dollars
- Recommendations
 - (4) Separate the funding for charter district brick-and-mortar and virtual weights
 - (5) Continue to fund the state and local share to charter districts
 - (2) Career and Technology – Allocate funding for equipment and other resources generated by the extra 0.2 weight above the base 1.0 weight separately through the Career and Technology Education line-item appropriation

Estimated Charter District Brick & Mortar and Virtual Weight Funding per Student

Brick & Mortar Weight

District	FY 22 ADM	FY 22 Charter Payment	FY 22 per Student	FY 25 ADM B&M*	FY 25 Funding	FY 25 per Student
SCPCSD	16,291	\$77,463,648	\$4,755	18,739	\$97,422,640	\$5,199
Erskine	8,445	\$40,867,884	\$4,839	11,527	\$59,645,231	\$5,174
Limestone	NA	NA	NA	5,938	\$30,863,153	\$5,198
Total	24,736	\$118,331,532	\$4,784	36,204	\$187,931,024	\$5,191

Virtual Weight

District	FY 22 ADM	FY 22 Charter Payment	FY 22 per Student	FY 25 ADM Virtual	FY 25 Funding	FY 25 per Student
SCPCSD	452	\$1,107,244	\$2,451	2,380	\$6,433,683	\$2,703
Erskine	15,323	\$39,234,259	\$2,561	13,965	\$37,574,919	\$2,691
Limestone	NA	NA	NA	1,328	\$3,590,044	\$2,703
Total	15,774	\$40,341,503	\$2,557	17,673	\$47,598,646	\$2,693

Total – Brick & Mortar and Virtual Weight

District	FY 22 ADM	FY 22 Charter Payment	FY 22 per Student	FY 25 Total ADM*	FY 25 Funding	FY 25 per Student
SCPCSD	16,743	\$78,722,092	\$4,702	21,119	\$103,856,323	\$4,918
Erskine	23,767	\$79,858,320	\$3,360	25,492	\$97,220,150	\$3,814
Limestone	NA	NA	NA	7,266	\$34,453,197	\$4,742
Total	40,510	\$158,580,412	\$3,915	53,877	\$235,529,670	\$4,372

NA – not applicable as Limestone was not established

*Total ADM includes 3 and 4-year-old students with a disability who are eligible for services under IDEA and receive the B&M weight that are not included in ADM counts elsewhere.

Note: Figures may be rounded. Estimates are impacted by hold harmless and proportional distributions as well as the SAC formula.

Funding for State and Local Match for Charter Districts, FY 2024-25

- The formula requires the school districts to provide 25% of the cost of the SAC formula. However, the State funds the 25% local share for charter districts.
- As charter district enrollment grows, the State’s share of the formula increases faster so that the State can continue to fund 100% of the charter district’s formula cost.

District	ADM	FY 25 Charter Formula 75% Base	FY 25 State Funding for 25% Local Match	FY 25 State Funding for Local Match per ADM
SCPCSD	21,069	\$172,591,827	\$57,530,609	\$2,731
Erskine	25,492	\$192,189,139	\$64,063,046	\$2,513
Limestone	7,266	\$57,625,256	\$19,208,419	\$2,644
Total	53,827	\$422,406,222	\$140,802,074	\$2,616

Career Technology Weight ADM – Percent of Total ADM

- The CTE weight of 1.20 provides an extra 0.2 weight above the K-12 base weight; the additional weight represents equipment and not salary costs
- In FY 25, approximately 28.3% of all middle and high school students received the CTE weight, but the range was from 0 to 60%

Year	CTE ADM	Total 6 th – 12 th Grade ADM	CTE Percent of Total 6 th – 12 th Grade ADM	Range
FY 2022-23	110,003	416,929	26.4%	13.7%-48.3%
FY 2023-24	111,572	419,054	26.6%	6.5%-47.7%
FY 2024-25	118,722	420,053	28.3%	0.0%-60.1%

4. Add More Clarity and Certainty to the Budget Process for School Districts

- Findings

- In FY 25, the funding for some regular districts declined by as much as 9.9% from the initial estimates prior to the start of the school year to the final distributions based on actual students

- Recommendations

- (8) Allocate funding based on prior year student count
 - Establishes a fixed amount of known funding in advance of the school year
 - From FY 22 to FY 25, 32 of the regular districts declined in enrollment by as much as 17.2%
 - Recognize the need to consider an adjustment for fast growing districts
- (9) Update hold harmless year
 - Practical need to avoid creating a shock to a district's funding
 - Hold harmless does erode the principle of taxpayer equity

Conclusions

- The recommendations have different impacts on districts
- The decision should focus on policy goals first and then adjust hold harmless funding as desired to prevent a shock to district budgets
- The Governor's Executive Budget and the House of Representatives Budget included some of the recommendations (but not all)
- More detail on teachers, student counts, and weights by district can be found in the report: <https://rfa.sc.gov/education-funding-reform>

Questions?

