August 28, 2006

The Honorable Mark Sanford
Governor, State of South Carolina
Post Office Box 12267
Columbia, South Carolina 29211

Dear Governor Sanford:

Dramatic improvements in the academic achievement of South Carolina's public school students were documented in the recent Monitor Group report that was commissioned by state business leaders. The report said: "Contrary to widespread perception in South Carolina, the quality of student performance in the state is typically on par with the U.S. average, and rapidly improving."

The catalyst for these improvements is South Carolina's comprehensive and nationally recognized system of school accountability, which is framed by the Education Accountability Act. We must remain committed to our accountability system and build on its positive momentum.

Our ultimate goal is to be competitive with the best school systems in the nation and the world, and if that goal is to be achieved, significant challenges must be overcome. One such challenge—improving South Carolina's four-year "on-time" high school graduation rate—was underlined by the Monitor Group's data.

My FY 2008 budget recommendations are part of my statutory duties as State Superintendent of Education (S.C. Code Ann. Section 59-3-30(4)) to inform the public as to "the problems and needs of the public schools." Accordingly, I am submitting the enclosed recommendations for consideration in your executive budget. If South Carolina is to meet the goals of both the Education Accountability Act of 1998 and the federal No Child Left Behind Act of 2001, our public schools must accelerate their already significant rates of improvement.

Regarding your request to produce a schedule of potential cost savings ($43 million) and lower-ranked priorities at our agency for the upcoming year, please note that I have declined for the following reasons. First, the General Assembly's directives to the Education Department are not prioritized. All legislative mandates automatically become high-priority agenda items for the Department. Second, my budget recommendations are not an attempt on my part to compile a "wish list." These recommendations are a good-faith estimate of the resources required to address high-priority needs in South Carolina's public school system and fulfill statutory mandates. Finally, because I am in the final months of my tenure as State Superintendent of Education, I believe this to be a task more suited for the newly elected State Superintendent of Education. After the November elections, I would urge the Office of the Governor to consult with the newly elected State Superintendent of Education as quickly as possible. This would allow the budget priorities of the incoming State Superintendent to be integrated into the Governor's Executive Budget prior to submission to the General Assembly.

Key recommendations are $154 million to annualize FY 2007 state nonrecurring and Lottery appropriation; $114 million to expand critical early childhood education efforts; $94 million to provide full funding of the Education Finance Act (EFA) and related district employer contributions in accordance with S.C. Code Ann. Section 59-20-40; $80 million to sustain South Carolina's school bus transportation system; and $42 million to revitalize the K–12 Technology Initiative.

A detailed rationale for each of my recommendations is included in this document, and I appreciate this opportunity to present the needs of public education to you, the General Assembly, and the citizens of South Carolina.

Very truly yours,

Inez M. Tenenbaum
State Superintendent of Education

IMT/mm

I. EXECUTIVE SUMMARY

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Statewide Mission:

Vision: Our shared vision is for a system of public education through which all students will become educated, responsible, and contributing citizens.

Mission: The mission of the South Carolina Department of Education is to provide leadership and services to ensure a system of public education through which all students will become educated, responsible, and contributing citizens.

C. Summary Description of Strategic or Long-Term Goals:

The past four years have seen unprecedented improvement in our public schools. It is important to the future economic and social well-being of our state as a whole that this momentum be maintained. The State Superintendent of Education charged in state law to "keep the public informed as to the problems and needs of the public schools. . ." (S.C. Code Ann. Section 59-3-30(4)). With this charge in mind, the enclosed budget is proposed for the Department of Education for fiscal year 2005–06.

The Department of Education is requesting full funding of the Education Finance Act (EFA) and related district employer contributions in accordance with S.C. Code Ann. Section 59-20-40. In addition funding is requested to sustain the S.C. school bus transportation system, to resource the Education Accountability Act, to revitalize the K–12 Technology Initiative; to provide for school textbooks and instructional materials, and to expand critical early childhood education efforts.

We realize fully that the State is in a budget crisis and that many agencies have had to make tremendous reductions to their budgets, even terminating employees. That being noted, however, the legal responsibility of the Superintendent of Education obligates the Department of Education to submit a request for additional funding to call to the attention of the General Assembly the costs associated with full implementation of the Education Finance Act, Education Accountability Act and other mandated programs. If revenues are not available for these mandates, the State Department of Education will continue to work with the General Assembly and will request statutory relief and adjustments in these mandates.

The following presents the strategic aims of the Department of Education.

Strategic Aim 1. High Student Achievement. Promote high student achievement by establishing and sustaining rigorous academic standards designed to ensure that all students in the state are taught the same high academic content and that they are all on grade level. South Carolina students must receive the same advanced academic preparation as students in other states and countries.
Strategic Goals:
1.1 Students are held to rigorous and relevant academic standards.
1.2 Students demonstrate essential knowledge and skills as described in the curriculum standards.
1.3 Students graduate from high school ready for college or a career.
1.4 Students use technology to reach higher levels of learning.
1.5 The state educational system components are accountable and aligned so that all students reach a high level of academic achievement.

Strategic Aim 2. Teacher Quality. Ensure an adequate supply of quality, caring, and competent teachers for all South Carolina classrooms by promoting strategies for the recruitment, training, and retention of teachers. Make dramatic changes in the way teachers are prepared. Implement and align standards and policies through a statewide review of teacher education programs. Establish and expand a network of Professional Development schools, where teachers can learn new standards and turn them into lesson plans. Develop a new certification system where certificate advancement will be connected to performance and recertification regulations to give teachers more flexibility. Initiate efforts to move the average South Carolina teacher's salary to the national average.
Strategic Goals:
2.1 Teacher recruitment and retention programs are successful.
2.2 Teacher preparation programs produce highly qualified teachers.
2.3 Teachers are qualified, competent, ethical, and caring.
2.4 Teacher professional development programs are effective.

Strategic Aim 3. Early Childhood Education. Increase and sustain emphasis on preparation of children in the early years through pre–K programs such as First Steps for School Readiness, Four-Year-Old Half Day Program, and Family Literacy initiatives. These efforts will help school districts enhance the foundation for student success so that all students enter first grade ready to learn and succeed.
Strategic Goals:
3.1 Children enter the first grade ready to learn and succeed.
3.2 Children have access to quality early childhood programs.
3.3 Children and their families have access to quality family literacy programs.

Strategic Aim 4. Parental and Community Partnerships. Facilitate increased involvement of parents, community leaders, and business partnerships in public schools of the state.
Strategic Goals:
4.1 Parents are active partners in their child's learning.
4.2 Communities are active partners in student learning.
4.3 Businesses are active partners in student learning.

Strategic Aim 5. Safe and Healthy Schools. Enhance efforts and provide leadership through the Office of Safe and Healthy Schools. Continue providing guidance counselors, social workers, school psychologists, and school safety/resource officers. Increase the number of alternative schools to serve students who are not succeeding in traditional school programs. Increase emphasis on character education programs, peer mediation/conflict resolution, mentoring, discipline policies, law enforcement partnerships, school-based mental health counselors, school facilities, and school attendance. Provide a safe physical environment conducive for learning. Replace obsolete or aging facilities, begin a school bus replacement cycle for the high mileage bus fleet, and improve the salaries for bus mechanics and drivers.
Strategic Goals:
5.1 Schools are safe, healthy places with environments that are conducive for learning.
5.2 School facilities are safe, functional, and adequate.

5.3 The public school transportation system is safe and efficient.
5.4 Schools form community and state alliances that promote the health, safety, and well-being of students.

Strategic Aim 6. Education Leadership. Improve the quality of school site leadership by providing principals access to the very best training in education, management, leadership, communication, and technology through the CP&L School Leadership Executive Institute. Provide training slots to school districts needing special assistance through the Education Accountability Act, as well as principals nominated by their school districts. Expand the Principal Mentor and Principal Induction Programs. Work to ensure aligned state education leadership.
Strategic Goals:
6.1 School leaders are highly qualified, caring, and supportive.
6.2 State education leadership is aligned.
6.3 Education leadership is accountable.
6.4 Professional development programs support education leaders.

D.

Summary of Operating Budget Priorities for FY 2006–07:		**Funding**					**FTEs**			
		State Non-Recurring	**State Recurring**	**Federal**	**Other**	**Total**	**State**	**Fed.**	**Other**	**Total**
Priority No: 1	Title: Education Finance Act (EFA) & Employer Contributions	$0	$93,950,869	$0	$0	$93,950,869	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above:1.1-6.4 Activity Number & Name: 675-676; EFA and Fringe										
Priority No: 2	Title: Public School Child Development Education Pilot Program	$0	$113,910,075	$0	$0	$113,910,075	3	0	0	3.00
Strategic Goal No. Referenced in Item C Above: 3.1–3.3 Activity Number & Name: New 3A										
Priority No: 3	Title: Transportation	$0	$79,616,780	$0	$0	$79,616,780	0	0	0	0 00
Strategic Goal No. Referenced in Item C Above: 5.3 Activity Number & Name: 708, 749-751; School Transportation System										
Priority No: 4	Title: Education & Economic Development Act (EEDA)	$0	$20,115,360	$0	$0	$20,115,360	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above:1.3 Activity Number & Name: (New); EDA										
Priority No: 5	Title: High School Redesign and ACT/SAT Improvement	$0	$3,278,806	$0	$0	$3,278,806	3	0	0	3.00
Strategic Goal No. Referenced in Item C Above: 1.1-1.5, 2.4, 4.1-4.3, 6.4 Activity Number & Name: 712, SAT Improvement										
Priority No: 6	Title: Parenting & Family Literacy	$0	$9,200,000	$0	$0	$9,200,000	1	0	0	1.00
Strategic Goal No. Referenced in Item C Above: 3.1 Activity Number & Name: 737; Parenting & Family Literacy										
Priority No: 7	Title: EAA Assessment	$0	$0	$0	$3,171,517	$3,171,517	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.2 Activity Number & Name: 759; Assessment & Testing Activities										
Priority No: 8	Title: Student Testing Assessment (Assessment for Learning)	$2,661,750	$12,711,540	$0	$0	$15,373,290	5	0	0	5.00
Strategic Goal No. Referenced in Item C Above: 1.2 Activity Number & Name: 759; Assessment & Testing Activities										

Summary of Operating Budget Priorities for FY 2006–07:		Funding					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No: 9	Title: High School Reading Initiative	$0	$1,650,000	$0	$0	$1,650,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1, 2.3 Activity Number & Name: 711; Institute of Reading										
Priority No: 10	Title: Program of Alternative Certification for Educators (PACE)	$147,300	$0	$0	$1,389,840	$1,537,140	0	0	7	7.00
Strategic Goal No. Referenced in Item C Above: 2.1-2.4 Activity Number & Name: 744; Alternative Certification Programs										
Priority No: 11	Title: Virtual Learning Program	$0	$3,098,010	$0	$0	$3,098,010	28	0	0	28.00
Strategic Goal No. Referenced in Item C Above:1.4, 1.5, 5.3 Activity Number & Name: New -Virtual Learning Program										
Priority No: 12	Title: EAA School Assistance, Intervention and Reward	$0	$0	$0	$18,815,277	$18,815,277	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1-1.3, 2.3, 2.4, 3.1, 3.2, 6.4, Activity Number & Name: 721, 723, 724, 728; EAA										
Priority No: 13	Title: EAA External Review Teams	$0	$0	$0	$98,000	$98,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1-1.3, 2.3, 2.4, 3.1, 3.2, 6.4, Activity Number & Name: 725; External Review Teams										
Priority No: 14	Title:Summer School	$0	$0	$0	$12,777,088	$12,777,088	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1-1.5 Activity Number & Name: 679; Summer School										
Priority No: 15	Title: Textbooks and Instructional Materials	$0	$17,686,975	$0	$0	$17,686,975	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1-1.5 Activity Number & Name: 760; Instructional Materials - Textbooks										
Priority No: 16	Title: Student Health and Fitness Act	$0	$33,407,578	$0	$0	$33,407,578	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.2, 1.5, 5.1, 5.4; Activity Number & Name: 764 – Coordinated School Health Programs										
Priority No: 17	Title: K-12 Technology Initiative	$0	$42,205,817	$0	$0	$42,205,817	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.4, 1.5,5.3,6.4 Activity Number & Name: 757; K-12 Technology Initiative										
Priority No: 18	Title: EEDA – Dual Enrollment	$0	$10,317,000	$0	$0	$10,317,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above:1.3 Activity Number & Name: New1; EEDA – Dual Enrollment										
Priority No: 19	Teacher Quality: National Board for Professional Teaching Standards	$0	$0	$0	$5,062,118	$5,062,118	0	0	0	0.00

Summary of Operating Budget Priorities for FY 2006–07:		Funding					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Strategic Goal No. Referenced in Item C Above: 2.1–2.4 Activity Number & Name: 688, 693; NBPTS										
Priority No: 20	Title: High Schools That Work	$0	$1,000,800	$0	$0	$1,000,800	2	0	0	2.00
Strategic Goal No. Referenced in Item C Above: 1.1-1.5, 5.1-5.4, 6.4 Activity Number & Name: 700; High Schools That Work										
Priority No: 21	Title: Agency Leadership, Support, Assistance	$0	$1,416,000	$0	$0	$1,416,000	5	0	0	5.00
Strategic Goal No. Referenced in Item C Above:All Activity Number & Name: Agency-wide										
Priority No: 22	Title:Alternative Schools	$0	$0	$0	$712,500	$712,500	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 5.1, 5.4 Activity Number & Name: 707; Alternative Schools										
Priority No: 23	Title: ADEPT	$0	$1,738,575	$0	$0	$1,738,575	1	0	0	1.00
Strategic Goal No. Referenced in Item C Above: 2.3 Activity Number & Name: 693; ADEPT										
Priority No: 24	Title: Young Adult Education	$0	$1,600,000	$0	$0	$1,600,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above:3.1, 3.2 Activity Number & Name: 740; Young Adult Education										
Priority No: 25	Title: Educator Certification	$17,648	$0	$0	$172,698	$190,346	0	0	4	4.00
Strategic Goal No. Referenced in Item C Above:2.1-2.4 Activity Number & Name: 742; Educator Certification										
Priority No: 26	Title: Assistant Principal Leadership Program	$0	$0	$0	$167,500	$167,500	0	0	1	1.00
Strategic Goal No. Referenced in Item C Above: 6.1,6.2, 6.4 Activity Number & Name: 771; Leadership										
Priority No: 27	Title: EAA Data Collection and Reporting	$0	$0	$0	$259,855	$259,855	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.5, 5.3 Activity Number & Name: 755- Data Collection; 756- SUNS										
Priority No: 28	Title: Teacher Supplies	$0	$0	$0	$250,000	$250,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 2.2, 2.4 Activity Number & Name: 689 – Teacher Supplies										
Priority No: 29	Title: Advanced Placement	$0	$0	$0	$891,735	$891,735	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1-1.5 Activity Number & Name: 682; AP										
Priority No: 30	Title: Students with Disabilities	$0	$4,000,000	$0	$0	$4,000,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1 Activity Number & Name: 694; Services for Students with Disabilities										

Summary of Operating Budget Priorities for FY 2006–07:		Funding					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No: 31	Title: Report Card for Educator Preparation Programs	$0	$0	$0	$180,000	$180,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 2.2 Activity Number & Name: 745; Report Card for Educator Preparation Programs										
Priority No: 32	Title:M-L TEACH	$0	$0	$0	$370,000	$370,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above:2.2 Activity Number & Name: 745; M-L TEACH										
Priority No: 33	Title: Induction and Mentoring	$0	$12,000,000	$0	$0	$12,000,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 2.1-2.4 Activity Number & Name: 746; Teacher Evaluation										
Priority No: 34	Title: Teacher Advancement Program	$0	$0	$0	$5,794,000	$5,794,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 2.1 Activity Number & Name: 745 – Teacher Education										
Priority No: 35	Title: K-5/6-8 Enhancement Funds	$0	$0	$0	$48,500,000	$48,500,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1, 2.2 Activity Number & Name: 713; K-5/6-8 Enhancement Funds										
Priority No: 36	Title: EAA , Reward (Palmetto Gold and Silver Awards)	$0	$0	$0	$1,010,000	$1,010,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1, 1.2 Activity Number & Name: 726; Palmetto Gold and Silver Awards										
Priority No: 37	Title: Professional Development on Standards	$0	$0	$0	$2,586,515	$2,586,515	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above:2.4 Activity Number & Name: 710; Professional Development on Standards										
Priority No: 38	Title: Mathematics and Science Centers	$0	$0	$0	$449,427	$449,427	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 2.4 Activity Number & Name: 690 - Professional Development and Support for Math and Science										
Priority No: 39	Title: School Facilities	$1,710,000	$192,000	$0	$0	$1,902,000	3	0	0	3.00
Strategic Goal No. Referenced in Item C Above: 5.1, 5.3 Activity Number & Name: 761; School Facilities Support										
Priority No: 40	Title: School Libraries	$0	$1,000,000	$0	$0	$1,000,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1 Activity Number & Name: 752; School Libraries										
Priority No: 41	Title: Parental Involvement and Community Partnerships	$0	$156,250	$0	$0	$156,250	2	0	0	2.00

Summary of Operating Budget Priorities for FY 2006–07:		Funding					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Strategic Goal No. Referenced in Item C Above: 4.1-4.3 Activity Number & Name: 770; Parental and Community Partnerships										
Priority No: 42	Title: Teacher Salary and Employer Contributions	$0	$0	0	-$21,271,993	($21,271,993)	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above:2.1 Activity Number & Name: 686- Teacher Salary Supplement; 687 – Teacher Salary Supplement Employer Contributions										
TOTAL OF ALL PRIORITIES		$4,536,698	$464,252,435	$ 0	$81,386,077	$550,175,210	53	0	12	65.00

E. Agency Recurring Base Appropriation:

State	$2,134,249,249
Federal	$651,782,256
Other	$685,043,555

F. Efficiency Measures: See Agency Accountability Report

G. NA

H. Number of Proviso Changes: 13

I. Signature/Agency Contacts/Telephone Numbers:

_____/John K. Cooley/734-8123 or 734-8122

_____/Len Richardson/734-8504 or 734-8122

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 1 of 42

C. (1) Title: Education Finance Act-EFA and General Fund District Employer Contributions
(2) Summary Description: The Education Finance Act (EFA) provides the basic foundation program funding across the entire state for approximately 675,000 students. District Employer Contributions provides the state's portion of the general fund employer contributions increase associated with the Education Finance Act (EFA) increase. Funding is provided to all 85 public school districts, two special districts, and one special school.
(3) Strategic Goal/Action Plan: High Student Achievement and Teacher Quality

D. Budget Program Number and Name: XIII.A. – Education Finance Act and Employer Contributions

E. Agency Activity Number and Name: 675 – Foundation Education Program – Education Finance Act (EFA); 676 – Employer Contributions

F. Detailed Justification for Funding:
(1) Justification for Funding Increase: EFA. The EFA provides the basic funding for the foundation program. The requested increase provides funding at the estimated student count (weighted pupil units) and Base Student Cost as projected by the Office of Research and Statistics, Budget and Control Board. The increased funding provides the resources to achieve strategic aims of High Student Achievement and Teacher Quality. The end result of the program is to provide the foundation funding for student learning so SC students will become educated, responsible, and contributing citizens. Accountability and effectiveness is measured through audit compliance for expenditures, local required effort, adequacy of estimates, and student learning. This program provides the basic state and local education funding and all other state and local education programs complement the EFA. This program is the number one priority because it funds the foundation program on which all other items are based. Applicable state statutes: S.C. Code Ann. Section 59-20-20 through 59-20-80. SDE current resources are inadequate to cover the increase.

Employer Contributions. Employer Contributions provides the state's share of employer contributions. The intent is to provide, on average, 70% of school districts' expenditures for employer contributions less federal employees. The measure of success is determined during audits and if the state provided its share. Currently state funding is providing approximately 60% to 65% instead of 70%. This program complements other state and local funding in order to provide the total employer contributions requirement. This program is a high priority because it provides the required employer contribution associated with the EFA, which is priority one. Local, EIA, Federal and other funds assist in meeting the employer contributions requirements for school districts. Applicable state statutes are 59-20-20(2)(g), 59-21-160, 59-21-170. SDE current resources are inadequate to meet this increased requirement. In addition, Act 135 increased the base employer retirement contribution rate an additional .50 percent effective July 1, 2007. Also, the State Budget and Control Board approved a further increase of .51 percent effective July 1, 2007.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		$93,950,869			$93,950,869
Total	$ 0	$93,950,869	$ 0	$ 0	$93,950,869
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$1,426,956,916	EFA, General Fund
	$ 423,722,526	Employer Contributions, General Fund
Federal	$0	
Other	$0	

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

The following information is provided:

EFA
FY 2007 Appropriated Base Student Cost: $2,367
FY 2007 Appropriated Weighted Pupil Units: 855,844
FY 2008 EFA Inflation Factor 4.60%
FY 2008 Projected Base Student Cost (BSC): $2,476
FY 2008 Projected Weighted Pupil Unit (WPU) Count: 864,550
EFA Calculation Formula: (BSC X WPUs X 0.70) + Other Agencies and Programs

($2,476 X 864,550 X 0.70) =	$1,498,438,060
Home Instruction =	$557,100
Palmetto Unified =	$2,579,002
DJJ =	$3,761,044
School-Deaf and Blind =	$1,386,560
FY 2008 TOTAL REQUIRED =	$1,506,721,766
LESS FY 2007 BASE =	$1,426,956,916
FY 2008 REQUESTED INCREASE =	$79,764,850

Employer Contributions:
FY 2008 EFA total increase = $79,764,850
Estimated % of EFA related to salaries = 88%
FY 2007 estimated employer contribution rate = 20.21%
Calculation Formula:
($79,764,850 X .88 X 20.21%) = $14,186,019
FY 2008 REQUESTED INCREASE = $14,186,019

NOTE 1: This item impacts SC Average Teacher Salaries and is synchronized with the National Board, Teacher Specialist, and EIA Teacher Salary Supplement.

A. Agency Section/Code/Name: Section 1, H63 – Department of Education

B. Priority No. 2 of 42

C. (1) Title: Public School Child Development Education Pilot Program

(2) Summary Description: To provide funding and support for the public school Child Development Education Pilot Program. This full day high quality child development program is for at-risk children who meet age, income and residence requirements. Proviso 1.75 states that SDE will provide planning, coordination, support, monitoring, technical assistance, and resources to support 4 K classes and parenting education/involvement activities in the 36 plaintiff districts named in 1993 lawsuit Abbeville County School District et.al.v. South Carolina.

Citation: Proviso 1.75

(3) Strategic Goal/Action Plan*:* Strategic Initiative 3, Early Childhood Education. Providing for high quality Full-Day Child Development programs carries out Performance Goals 3.1 and 3.2. By increasing the capacity of school districts to carry out the intents of the regulations for Child Development, more children can be served. By requiring high quality programs, which meet the regulation requirements, the state is assured that a greater number of children will be ready to learn and succeed upon reaching first grade. State research is showing this result. Data from national research is showing the same result. The NIEER study results find that South Carolina's state-funded preschool programs produce significant, meaningful improvements in children's early language and literacy skills development at entry into kindergarten. Three- or four-year-old children whose family qualifies for district family literacy programs should qualify for the Child Development Education Pilot Program, meeting Strategic Goal 3.3.

Strategic Goals:

3.1 Children enter the first grade ready to learn and succeed.

3.2 Children have access to quality early childhood programs.

3.3 Children and their families have access to quality family literacy programs.

D. Budget Program Number and Name: NA **-** Proviso 1.75, Child Development Education Pilot Program (Public Schools).

E. Agency Activity Number and Name: NEW 3A **–** The State Department of Education is charged by statute (59-130-10) with integrating the planning and direction of 4K.

F. Detailed Justification for Funding

(1) Justification for Funding Increase: South Carolina-based research studies underscore findings from similar studies in other states – that young children at risk of academic failure can get an academic boost from participating in Child Development programs.

a. National Institute for Early Education Research (December 2005) – NIEER researchers found that four-year-olds enrolled in South Carolina public pre-school programs showed dramatic gains in "pre-reading" skills before they began kindergarten at age five. Vocabulary gains for children enrolled in 4K were 42 percent higher than children who weren't enrolled; gains in understanding print concepts (recognition of letters, sounds that letters represent, etc.) were 102 percent higher.

b. South Carolina Department of Education (December 2004) – The SDE tracked nearly 3,500 "at-risk" children from age four through the fifth grade to see if their participation in pre-kindergarten programs had a positive effect on their Palmetto Achievement Challenge Test scores. Researchers found that despite backgrounds that made it more likely that they would fail in school, children who participated in 4K programs ended up performing better than their peers when they began taking PACT in elementary school. The Education Department is asking the General Assembly to appropriate enough funds to enroll all South Carolina four-year-olds who are at risk for academic failure because of poverty or other factors. Research provides overwhelming evidence that South Carolina's public school 4K program does an outstanding job of preparing children for elementary school who otherwise would begin their academic careers at a profound disadvantage.

c. Child Development Education Pilot Program should focus on maintaining the high-quality curriculum and teaching standards that produced the glowing South Carolina research findings reported in 2004 and 2005. In fact, a key finding of the 2005 NIEER research study was that a 4K program's quality is the most important factor of its effectiveness.

d. Every 4K classroom should have:

- A full-day program (at least 6.5 hours) for 180 school days.
- At least 16 four-year-olds but no more than 20 four-year-olds, with an adult: child ratio of 1:10.
- A lead teacher with a four-year degree in early childhood education or a closely related discipline.
- An assistant teacher or aide with early childhood training
- Increased number of parents actively participating in child's education through involvement in parenting and interactive literacy programs.

e. The general assembly passed the Child Development Education Pilot Program (CDEPP) proviso 1.75 in 2006. The following areas require funding to implement the activities for 2007-2008:

- Serve 21,180 at-risk children in a full-day child development program at $3,219 per child ($68,178,420)
- Personnel are needed to implement the many provisions of the CDEPP and coordinate and conduct the initial and recurring workshops, meetings, and training. Personnel are also needed to provide technical assistance to the approved CDEPP providers. Other personnel duties will include work on articulation, child and program assessments, training certified personnel and teaching assistants, curriculum modification, implementation and program leadership. Fully staff and support the office with 3 additional FTEs including two Education Associate IIs and one Administrative Specialist II ($201,600).
- Support the costs associated with the administration of the DAIL 3 and Work Sampling On Line System assessment system ($70,055). Serving 5,000 children
- Equipping 310 additional classrooms ($3,100,000)
- Supplemental funds to off set the cost of comprehensive parenting involvement/Family Literacy activities for 21,180 children and their families at $2,000 per child ($42,360,000)

(2)

FY 2007–08 Cost Estimates:	**State Non-Recurring Funds**	**State Recurring Funds**	**Federal**	**Other**	**Total**
Personnel:					
(a) Number of FTEs*		3.00			3.00
(b) Personal Service		$157,500			$157,500
(c) Employer Contributions		$44,100			$44,100
Pass-Through Funds		$113,638,420			$113,638,420
Other Operating Expenses		$70,055			$70,055
Total	$ 0	$113,910,075	$ 0	$ 0	$113,910,075
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$ 0
Federal	$ 0
Other	$ 0

(4) Is this priority associated with a Capital Budget Priority? NO **If yes, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: In FY07, the Office of Early Childhood Education is being staffed with an existing 8 FTE's that include 3 support staff, 1 Federal position (Even Start), 1 director, and 4 Education Associate. Eleven additional staff will be needed in FY08 to effectively implement the CDEP program statewide in FY08 via professional development and technical assistance to all districts and CDEPP providers; to support the implementation of state assessments such as Work Sampling and DIAL 3; and to support ongoing efforts in program monitoring.

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	**Federal**	**Earmarked**	**Restricted**	**Total**
Position Title: Education Associate II					
(a) Number of FTEs	2.00				2.00
(b) Personal Service	$125,000				$125,000

(c) Employer Contributions	$35,000				$35,000

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Specialist II					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$32,500				$32,500
(c) Employer Contributions	$9,100				$9,100

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State
Federal 1
Other 7

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 3 of 42

C. (1) Title: Transportation
(2) Summary Description: To provide funding and support for the South Carolina School Transportation System.
(3) Strategic Goal/Action Plan: Strategic Initiative: Safe and Healthy Schools. Strategic Goal 5.3: The public school transportation system is safe and efficient. Action Plan: To develop a comprehensive plan for the assessment and provision of public school facilities, transportation services, and other infrastructure needs.

D. Budget Program Name and Number: VII.C – Bus Shops, VII.D – Buses

E. Agency Activity Number and Name: 708 – School Transportation System - Bus Driver Salary & Fringe Supplement; 749 – School Transportation System, 750 – EAA, 59-59-110 EEDA, and 751 – School Transportation System - Bus Purchase

F. Detailed Justification for Funding
(1) Justification for Funding Increase: The state is required to provide basic school bus transportation service for the public school system. Fuel and insurance cost increases and the aging bus fleet have dramatically increased school bus operation and maintenance costs. In the past seven years, recurring general fund appropriations for school bus operations have not been adequate to cover operational expenses. In FY 2007 the recurring general fund appropriation is $25,492,662 compared to an estimated $57,092,280 operation budget. The school bus fuel budget alone is $30,720,000. Therefore, non-recurring funding from Unobligated Prior Year Funds, Funds Appropriated To Other Funds, and Capital Reserve Funds are being used for operational expenses and school bus replacement. In FY 2008 operating costs will exceed the available FY 2007 recurring resources by an estimated $23.07 million. The department must be appropriated funds to supply school districts an adequate fleet of vehicles, funding to pay for school bus driver wages and benefits expenses, and a quality vehicle maintenance and operation program that includes monies for the recruitment and retention of school bus maintenance staff employees. To meet the demands of student transportation the following requests are made: Increase of $24.254 million in recurring funds for school bus fuel, parts, and repairs, and long overdue facility repair; Increased funding by $1.4 million for the implementation of the bus maintenance personnel salary adjustments through the approved Career Development Plan; Implement a school bus purchase Transition Plan that will establish a 12 year or 250,000 mile school vehicle fleet replacement cycle requiring an increase of $21.54 million, plus $7.5 million in catch-up bus replacement purchases; Implement a school bus service vehicle replacement plan requiring an increase of $1.5 million; Increase bus driver salaries and fringe funding by $17,072,000 and increase the funding by $1,960,560 for annual in-service training of school bus drivers to 40 hours each year; Increased funds are needed to implement district strategies to secure school buses parked during the night and the school day ($3,000.000); Relocation of the Greenville Shop and other shop facility capital improvements; and enhance security, inspection, productivity, and efficiency of the school bus fleet through computerized inspection and GPS tracking ($1,350,000).

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					
(b) Personal Service	$0	$1,150,149	$0	$0	$1,150,149
(c) Employer Contributions	$0	$284,124	$0	$0	$284,124
Pass-Through Funds	$0	$22,032,560	$0	$0	$22,032,560
Other Operating Expenses	$0	$24,253,878	$0	$0	$24,253,878
Security Tracking System	$0	$1,350,000	$0	$0	$1,350,000
Special Items Bus Purchase	$0	$29,046,069	$0	$0	$29,046,069
School Bus Service Vehicle Replacement	$0	$1,500,000	$0	$0	$1,500,000
Total	$ 0	$79,616,780	$ 0	$ 0	$79,616,780
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$101,148,446
Federal	$0
Other	$7,513,288

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

Cost Factors:

- Increase operating costs for parts, fuel, tools, equipment, insurance, and bus repair (total cost $58,739,620 - $30,767,662 (Total Other Operating Funds) - $3,000,000 (EAA) - 718,080 (EEDA) = $24,253,878). An increase of $24,253,878 is required for FY 2008. Included in this additional amount is a Pupil Injury Insurance increase of 10% requiring an additional $435,000 and a fuel increase of $4.03 million (reflecting an estimated average cost per gallon of ULSD of $2.50).
- Establish a 12 year, 250,000 mile replacement cycle for school vehicle fleet (total cost $39,723,000 – the existing $10,676,931 (Special Items Bus Purchase). A Special Items Bus Purchases increase of $21,546,069 plus a $7.5 million catch-up bus replacement expenditure is needed). An increase of $29,046,069 is needed in Special Items Bus Purchases.
- Establish a school bus service vehicle replacement plan to improve the management of school bus fleet. An increase of $1.5 million is needed to purchase service vehicles (tankers, trucks, etc).
- Salary adjustments for state school bus maintenance and training to assure retention and recruitment of qualified staff requires an increase of $1,434,273 to implement the approved Career Development Plan.
- A pass through to school districts of $22,032,560 is requested that includes funding for salary increase, fringe, training for bus drivers of $19,805,929, and the installation of school bus security systems costing $3,000,000 is requested. This will increase bus driver salaries and fringe funding from an average of $8,581 per year ($8.55 per hour) to $12,104 per year ($12.06 per hour). This request includes $13.226 million in salary plus the associated $4.409 million in fringe benefits increases. An additional $2,170,800 salary and fringe increase is requested to fund an increase in annual in-service training for school bus drivers to 40 hours each year. The Department also must implement increased security of school buses assigned to districts while they are parked overnight and during the school day. Grants to school districts from a pool of $3,000,000 will allow the installation of security strategies to limit unauthorized access to the buses.
- The facility relocation projected estimated at $1,500,000 will start in FY 2007 and may continue into FY 2008. The facility relocation will be funded from a $1.5 million sale of the existing Greenville Shop facility. No new funds are requested.
- To improve the inspection, security, productivity, and efficiency of the school bus fleet, a computerized information system and GPS vehicle tracking system is proposed for statewide monitoring of the school bus fleet. A GPS system will be installed on each bus with the associated software to monitor bus usage, and department inspectors will use a computerized inspection system. $1,350,000

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. **4 of 42**

C. (1) Title: Education and Economic Development Act
(2) Summary Description: To provide funding and support for the South Carolina Education and Economic Development Act (EEDA) passed in June 2005.
(3) Strategic Goal/Action Plan: Strategic Initiative: High Student Achievement. Strategic Goal 1.3: Students graduate from high school ready for college or a career. Action Plan: To implement the provisions of the Education and Economic Development Act passed in 2005.

D. Budget Program Number and Name: V, IX.L, XIII – Education and Economic Development Act

E. Agency Activity Number and Name: New**,** The Education and Economic Development Act

F. Detailed Justification for Funding
(1) Justification for Funding: The general assembly passed the Education and Economic Development Act in 2005. The following areas require funding to implement the activities required for 2007-2008:

- 59-59-20: Develop, modify and revise the South Carolina Comprehensive Developmental Guidance and Counseling Model. ($250,000). No change in funding.
- 59-59-30: Project Office consisting of a director and four professional positions to implement the act. ($425,000) $25,000 increase for travel, printing, postage, and office setup for the first full year of operation. A $25,000 increase.
- 59-59-50(A): Develop frameworks for individual graduation plans and modifying the curriculum frameworks for career clusters of study. ($0) Decrease of $75,200.
- 59-59-70: Instruction and professional development for 350 new Career Development Facilitators. ($300,000) A $4,259 increase.
- 59-59-90: Access to the SC Academic Career Management System, develop a plan and instrument to measure EEDA progress, and to provide career assessments to school districts. ($1,800,000) A $1,300,000 increase in funding.
- 59-59-100: Continue funding 255 career specialist in middle schools to achieve the 300:1 ratio for middle schools,and add funding for 279 career specialist in high schools ($22,000,000) A $12,165,741 increase.
- 59-59-110: Transportation cost for students that wish to transfer to a high school offering his or her career cluster, if not offered by the high school in his or her attendance zone. ($996,000) A $38,560 (4%) increase for increased fuel cost.
- 59-59-150: Implement model dropout prevention programs. ($4,500,000) A $3,996,000 increase to expand implementation of dropout prevention programs.
- 59-59-170: Annual operating cost for the Education and Economic Development Council. ($30,000) No change.
- 59-59-170: Marketing and promotional materials on all phases of the EEDA to students, parents, and communities. ($1,000,000) These funds were in the Budget and Control Boards budget in FY2007 for surplus funds under proviso 73.14.
- 59-59-180: Personnel and related expenses to open the twelve regional education service centers (estimated 12 FTEs). ($2,586,000) A $1,386,000 increase to support the regional boards and infrastructure.
- 59-59-200: Meetings and workshops to revise the performance-based standards and training programs in contextual teaching. ($200,000) No change.
- 59-59-220: Textbooks, instructional training, and research materials to implement the career clusters of study system and marketing of the EEDA to students, parents, and teachers. Also provides students access to career clusters virtual course standards ($875,000) A $275,000 increase.
- 59-59-230: Promulgate, print, and distribute regulations and guidelines implementing the Education and Economic Development Act. ($25,000) No change.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		$17,547,741			$17,547,741
Other Operating Expenses		2,567,619			$2,567,619
Total	$ 0	$20,115,360	$ 0	$ 0	$20,115,360
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$14,871,640
Federal	$0
Other	$0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

NOTE: Employment Security Commission and CHE requests are not included in SDE's budget.

- 59-59-60(2): ESC estimates that $385,600 will be needed to provide SCOIS access to all schools in South Carolina.
- 59-59-190: CHE indicates a need for additional support staff for ongoing EEDA activites. ($45,000)
- 59-59-200: CHE indicates the need to hire adjunct facility (12 FTEs) to provide release time for full-time faculty to redesign element of teacher education programs. ($360,000) CHE also indicates a need for staff support. ($22,000)
- 59-59-210(A): CHE indicates a need for $155,000 to support ongoing articulation committee and related EEDA activities. CHE also will request $895,000 in its budget to purchase and implement a statewide transfer and articulation system and/or purchase a system to provide a statewide access portal for students to access all information required to plan, apply and pay for college and enter the workforce. An additional $720,000 that was not needed by CHE in regional centers will be requested for articulation. (Total: $1,770,000)
- 59-59-210(B): CHE anticipates the need for a Program Manager (1.0 FTE) for articulation with salary, fringe, and office expenses of $106,000.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 5 of 42

C. (1) Title: High School Redesign and ACT/SAT Improvement
(2) Summary Description: To provide funding and support for the reform of high schools by creating an Office of High School Redesign and ACT/SAT Improvement.
(3) Strategic Goal/Action Plan: Strategic Goals: High Student Achievement, 1.1, 1.2, 1.3, 1.4, 1.5; Teacher Quality, 2.4; Parental and Community Partnerships, 4.1, 4.2, 4.3; and Education Leadership, 6.4. Action Plan: To provide additional funding and support for the newly created Office of High School Redesign focused on redesigning South Carolina high schools to provide rigorous preparation for students entering the work force and/or education beyond high school; relevant curriculum and experiences related to the lives of students and their career goals; and positive and knowledgeable adult mentors to assist students in reaching their life and career goals.

D. Budget Program Number and Name: V – Division of District and Community Services – SAT Improvement

E. Agency Activity Number and Name: 712 – SAT Improvement

F. Detailed Justification for Funding
(1) Justification for Funding Increase: To assist in the implementation of the Education and Economic Development Act and the recommendations of the South Carolina High School Redesign Commission, in August 2005 the SDE formed the Office of High School Redesign and ACT/SAT Improvement, staffing it with an existing FTE and supporting its FY06 efforts in ACT/SAT improvement with existing funding via Proviso 1.30 (SDE: PSAT/Plan Reimbursement) and Proviso 1.34 (SDE: SAT Preparation) totaling approximately $650,000. This funding was used to pay for the administration of the PLAN or PSAT to tenth grade students; the purchase of test preparation materials for students; and the professional development of administrators, counselors, and teachers on improving student performance on the ACT and SAT. In FY07, the SDE is paying for these activities via the General Fund. An increase in funding is needed in FY08 to accomplish the following:

- Fully staff and support the office with 3 additional FTEs including 2 Education Associate IIs and 1 Administrative Specialist II. ($201,100)
- Support its work in implementing the recommendations of the South Carolina High School Redesign Commission and the Education and Economic Development Act and providing continued support to districts/schools in ACT/SAT preparation by providing test preparation materials for teacher instruction and student use and incentives to districts/schools/students for improving their performance. ($300,000)
- Implement ACT's Educational Planning and Assessment System (EPAS) in the 2007-08 school year. EPAS will provide a longitudinal, systematic approach to educational and career planning, assessment, instruction support, and evaluation. The system focuses on the integrated, higher order thinking skills students develop in grades K-12 that are important for success both during and after high school. It features the following components: EXPLORE program and assessment for 8th/9th graders to help these students prepare for high school studies; PLAN program and assessment for high school sophomores to help these students plan and prepare for college and the workplace; ACT assessment to help high school juniors and seniors prepare for life after high school. This funding will pay for all 8th graders to participate in EXPLORE ($7.25 X 55, 589 = $403,020); all 10th graders to participate in PLAN ($9.50 X 51,137 = $485,802); and those 11th graders who meet the core requirements to participate in the ACT ($31.00 X 44,106 = $1,367,286). Total = $2,256,108
- Support the costs associated with the administration of the PSAT for all grade 10 students ($10.20 X 51,137 = $521,598).

(2)

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		3.00			3.00
(b) Personal Service		$157,000			$157,000
(c) Employer Contributions		$44,100			$44,100
Pass-Through Funds					
Other Operating Expenses		$3,077,706			$3,077,706
Fringe Benefits – Workers Comp					
Total	$ 0	$3,278,806	$ 0	$ 0	$3,278,806
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State $239,571
Federal $0
Other $0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: In FY06 and FY07, the Office of High School Redesign and ACT/SAT Improvement was created and staffed with an existing FTE and existing funding as detailed in Section F. Additional staff will be needed in FY08 to effectively implement the EPAS system statewide via professional development and technical assistance to all districts and high schools; to support the implementation of EEDA; and to support ongoing efforts in ACT/SAT improvement.

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities requested.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II					
(a) Number of FTEs	2.00				2.00
(b) Personal Service	$125,000				$125,000
(c) Employer Contributions	$35,000				$35,000

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Specialist II					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$32,500				$32,500
(c) Employer Contributions	$9,100				$9,100

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 1
Federal
Other

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 6 of 42

C. (1) Title: Parenting and Family Literacy Services

(2) Summary Description: National Research informs us that a parent is the first and primary teacher of a child. Since the 1960's, the face of South Carolina's parents has changed each year. The changes include fewer fathers in the homes, mothers who work outside the home regularly, most children being born as Medicaid births, incarcerated parents, and more parents who are below the age of 20 and/or have dropped out of school. The demographics and statistics demand that our state provide relief to low literate-high poverty parents, a child's first teacher, whose children are age's birth – age 5. That relief needs to be in the form of family literacy programs, statewide. Services must be provided so that parents can improve their own educational standing, which will lead to increased economic sufficiency, children, will be provided quality early care and education, parenting skills will improve, and parents and children together will receive coaching in literacy development. There are over 26,413 parents in South Carolina whose families desperately need the services of quality family literacy programs.

(3) Strategic Goal/Action Plan: Strategic Initiative 3.1 –As the number of children in South Carolina born to poverty has increased over the last years, it is necessary to increase the funding for families and young children in order to meet the demands of low literacy and high poverty populations in our state. This population is ill prepared to provide the early care and educational needs of young children. Family Literacy is meeting an economic development need by providing adult literacy, work place literacy, parenting education, early childhood education for children from birth to 5 years old and helping parents provide interactive literacy in their home. By meeting these literacy needs parents become economically self-sufficient. Parents gain skills that are necessary for employment.

D. Budget Program Number and Name: XI.B – Parenting and Family Literacy

E. Agency Activity Number and Name: 737 **–** Parenting and Family Literacy Services

F. Detailed Justification for Funding

The family literacy model is an integrated model in that the parents are receiving multiple services as well as the children. The parents attend parenting meetings, receive home visits, receive a GED or other appropriate educational level improvement, work force preparation skills, parents are assisted in providing quality early care and education for their young children, and are coached in.

Necessary literacy development strategies with their young children - This comprehensive, integrated approach is a proven model for moving families from poverty to sustainability, and leads to higher educational outcomes for both the parent and the child. In order to ensure that more parents in our state from lower literacy levels and higher poverty levels have children who enter school on equal footing, it is necessary to ensure the funding of statewide parenting and family literacy programs. The success of each family literacy program and their participants will be tracked using the Family Literacy On Line Information System. (FLOIS)

(1) Justification for Funding Increase: Funding is necessary to meet the readiness need of children in our state. Increased information about the development of the young child and brain research informs us that the needs of the young child cannot wait. It is crucial that the needs of impoverished, poorly educated young parents be met so they can successfully provide for their young children. Annual data has been reported from the state's EIA funded family literacy programs. Year after year, our state has documented that children whose parents have been served in these programs have faired as well as their nonservice peers in school settings. This is a phenomenal finding because families who qualify for the programs are from low literate and high poverty backgrounds. The current allocation adequately serves 1,081 families. There are 5,962 families that are in desperate need of these services. The cost to serve the near 6,000 families would be $30,000,000. It is imperative that we at least serve the 1,825 at-risk families that reside in the low performing school districts. All of these districts are apart of the thirty-six school districts that were litigants in the 1993 lawsuit Abbeville County School District et al. v. South Carolina. This represents an increase cost of $9,125,000. Calculation: 1,825 families x $5,000 per family = $9,125,000.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		1.00			1.00
(b) Personal Service		$60,000			$60,000
(c) Employer Contributions		$15,000			$15,000
Pass-Through Funds		$9,125,000			$9,125,000
Other Operating Expenses					
Total	$ 0	$9,200,000	$ 0	$ 0	$9,200,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State $0
Federal $0
Other $6,105,803

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: There are family literacy programs in each of the 85 school districts. These programs must be integrated and of high quality in order to continue providing the results that have been seen in our state over the past few years. It is very difficult to get the concept of integration of services understood to most program directors. Few program directors come to the position with background or knowledge in quality parenting programs. The needs of program development, monitoring for success and program integration must be overseen by the State Department of Education.

(1) Justification for New FTEs

(a) Justification: In order to visit programs, provide professional development, ensure integration of services, provide educational local resources to programs, and adequately track the development of programs, it is necessary to have a FTE in the office of early childhood education whose primary function will be to provide support services to the education associate who delivers professional development for program directors, provides technical assistance to programs, coordinates monitoring services, implements evaluation plans. There is an existing professional FTE dedicated to overseeing the family literacy programs but there is not sufficient staff to effectively carry out communication with programs, compile detailed reports, input program data, and schedule site visits.

(b) Future Impact on Operating Expenses of Facility Requirements: Many school building principals and directors do not have any expertise in family literacy and parent education. The concept of "one stop shop" for parents and young children is increasingly becoming a model of excellence. In one site, children, ages 0 – 5, can receive education and/or care, parents can receive GED or other appropriate adult education/work force preparation coursework, parents can receive parenting assistance, parents can learn about other community based or state resources which may be available to them, parents and children together can practice under the leadership of a parent educator the early literacy skills that are necessary for the educational development of the child, parents and children may receive ESOL services, parents and children may receive appropriate medical and health services, and local and regional literacy programs can expand educational services which may lead to appropriate employment for parents. It may be necessary for the state to evaluate the costs in renovating old school sites, businesses, or other structures to make them safe, healthful, and appropriate for both adult and child learners.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs	1.00				1.00
(b) Salary	$60,000				$60,000
(c) Fringe Benefits	$15,000				$15,000

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State
Federal
Other 1.00

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 7 of 42

C. (1) Title: Education Accountability Act (EAA) Assessment System.

(2) Summary Description: EAA Assessment System—PACT, High School Assessment Program, Alternate Assessments, South Carolina Readiness Assessment, End-of-Course Tests, PSAT/PLAN, Performance Tasks for Gifted and Talented. NCLB also requires English language proficiency assessment (ELDA).

(3) Strategic Goal/Action Plan: EAA Assessment—Strategic Aim 1: High Student Achievement. Goa1 1.2: Students demonstrate essential knowledge and skills as described in the curriculum standards.

D. Budget Program Number and Name: XI.A.2 – Student Testing EAA Assessment; XV – Education Accountability Act

E. Agency Activity Number and Name: 759 **–** Assessment and Testing Activities

F. Detailed Justification for Funding

(1) Justification for Funding Increase: Projected cost of EAA assessment program is $29,291,688. Most contracts will be re-bid in FY2008; these contract costs are based on current contract costs and italicized below in Section H. Current base recurring state appropriation is $19,820,171. Projected federal funding is $6,300,000. Requested increase is $3,171,517.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Other Operating Expenses				$3,171,517	$3,171,517
Total	$ 0	$ 0	$ 0	$3,171,517	$3,171,517
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$2,880,000
Federal	$6,300,000 Estimated but no confirmation
Other	$15,939,612 EIA, and $1,000,559 EIA

(4) Is this priority associated with a Capital Budget Priority? NO. **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments: Please see chart below

Assessment Program/Component	Contract Costs/ *Estimated Costs*	Comments
Development of new items for PACT, HSAP, EOCEP based on changes in content standards are required by the 1998 S.C.Code Ann 59-18-340 (Supp. 2002)	*$2,976,962*	Item and form development, standard setting
Palmetto Achievement Challenge Tests (PACT) are required by the 1998 S.C.Code Ann 59-18-340 (Supp. 2002) and the No Child Left Behind Act of 2001, 20 USU 6301 et seq. (2002) (NCLB)	*$14,023,217*	Administration, scoring and reporting
High School Assessment Program (HSAP) serves to meet federal requirements for a high school examination under NCLB (No Child Left Behind Act of 2001, 20 USU 6301 et seq. (2002)) as well as state requirements under the EAA (1998 S.C.Code Ann 59-18-340 (Supp. 2002))	*$5,292,621*	Administration, scoring and reporting
Alternate assessments for PACT and HSAP are administered to meet the requirements of section 612(a)(17)(A) of the Individuals with Disabilities Act (IDEA) and NCLB	$1,740,000	Development, administration, scoring and reporting
The assessments comprising the End-of-Course Examination Program (EOCEP) are required under the EAA (1998 S.C.Code Ann 59-18-340 (Supp. 2002))	*$2,756,311*	Administration, scoring and reporting
South Carolina Readiness Assessment (SCRA) as required by the EAA (1998 S.C.Code Ann 59-18-340 (Supp. 2002))	$100,000	Administration, scoring and reporting
English Language Development Assessment (ELDA) is required by the No Child Left Behind Act of 2001, 20 USU 6301 et seq. (2002)	*$ 1,646,737*	Administration, scoring and reporting
Performance Tasks for the Identification of Gifted and Talented Students	$ 82,810	
PSAT/PLAN	$510,000	
Accommodations Review Committees	$7,030	
Technical Advisory Committee	$40,000	
SCASS Memberships	$96,000	
SAS	$9,000	
NCS Mentor	$11,000	
Total	**$29,291,688**	

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 8 of 42

C. (1) Title: New**,** Act 254 of 2006
(2) Summary Description: Compliance with Act 254 of 2006 for formative assessments requires an adoption list of formative assessments, adoption of developmentally appropriate formative reading assessments for grades 1 and 2, and professional development on the use of formative assessments. In the report from the task force on assessment, this was termed, "Assessment for Learning."
(3) Strategic Goal/Action Plan: High Student Achievement. 1.2 Students demonstrate essential knowledge and skills as described in the curriculum standards.

D. Budget Program Number and Name: XI.A.2 – Student Testing Assessment (Assessment for Learning)

E. Agency Activity Number and Name: 759 – Assessment and Testing Activities

F. Detailed Justification for Funding:
(1) Justification for Funding Increase: Act 254 in Section 3 amends Section 59-18-310 of the 1976 Code to require an adoption list of formative assessments (Section 3D), developmentally appropriate formative reading assessments for grades 1 and 2 (Section 3E), and professional development (Section 3F).

- Formative assessments for ELA and mathematics for grades 3-10 are based on 437,700 students x $15 each = $6,565,500. This money will pass-through to districts for their use in purchasing assessments on the adoption list.
- Formative assessments for science and social studies for 2 grade levels each are based on 106,000 for each subject at $15 per student = $1,590,000 for science + $1,590,000 for social studies = $3,180,000.
- Formative reading assessment estimates for grades 1 and 2 are based on test portfolios for 6,300 teachers ($233.50 x 6,300= $1,471,050). (non-recurring item)
- If the formative reading assessments are recorded electronically, there will be an additional charge per student (109,000 x $21 = $2,289,000) and school (623 x $400 = $249,200). Ten two-day training sessions would cost $40,000. Total = $2,578,200
- Hand-held PDAs for teachers to record responses would cost $1,190,700 (6,300 x $189). (non-recurring item)

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		5.00			5.00
(b) Personal Service		$303,000			$303,000
(c) Employer Contributions		$84,840			$84,840
Pass-Through Funds		$6,565,500			$6,565,500
Other Operating Expenses	$2,661,750	$5,758,200			$8,419,950
Total	$2,661,750	$12,711,540	$ 0	$ 0	$15,373,290
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: Act 254 requires that formative assessments be evaluated for alignment to the standards and other criteria jointly determined by the Department and the Education Oversight Committee. In order to accomplish this work, a five-person unit is required. Each of the five FTEs will have expertise in the following subject areas respectively: ELA, mathematics, science, social studies, early reading/literacy. The staff members would evaluate submissions to the adoption list annually, oversee formative test administration, provide professional development on formative and classroom assessment techniques.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate III					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$63,000				$63,000
(c) Employer Contributions	$17,640				$17,640

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II					
(a) Number of FTEs	4.00				4.00
(b) Personal Service	$240,000				$240,000
(c) Employer Contributions	$67,200				$67,200

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State
Federal
Other

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–State Department of Education

B. Priority No. 9 of 42

C. (1) Title: High School Reading Initiative

(2) Summary Description: The South Carolina Reading Initiative (SCRI) was created and implemented in 2000–01. In 2001–02, Proviso 1A.52. (SDE-EIA: XI.A.3-Institute of Reading) called for the expansion of the South Carolina Reading Initiative to the middle grades by requiring that existing Institute of Reading funding be used to implement a comprehensive approach to improving the reading abilities of students in the middle grades and accelerating the learning of middle grade students reading below grade level with strategies based on best practice and providing targeted assistance, shown by research, to help these students to read at grade level. During FY07, the SCRI model will be implemented statewide in more than half of the state's 85 school districts as follows:

Initiative	Districts	Schools	Literacy Coaches
SCRI K-5 Phase 2	10	25	21
SCRI K-5 Phase 3	11	27	28
SCRI K-5 Phase 4	20	30	28
SCRI-MG Phase 1	16	28	19
SCRI MG Phase 2	19	32	27
SCRI-HS Phase 1	20	26	28
South Carolina Reading First (SCRF)	23	51	53
Totals	119	219	204

All of these initiatives are being funding by either state or federal funds. SCRI K-5 Phase 2, 3 and 4 are being funded with K-5 Lottery funds; SCRI-MG is being funded by the Institute of Reading; SCRI-HS is funded via Proviso 1.67. (SDE: High School Reading Initiative) and SC Reading First is being funded solely with federal funds.

In FY06 we received $1,000,000 in State Funds via Proviso 1.67 (SDE: High School Reading Initiative). Year one of SCRI-HS was implemented with districts paying for initiative costs beyond the training and materials provided by the SDE. In FY07, we received $1,000,000 of the $1,650,000 requested to award grants to participating districts that are struggling to support implementation. While this increase has helped districts, many are still struggling with implementation. In FY08 we are again requesting $1,650,000 so that we can award grants that will continue to support implementation costs in our participating districts.

(3) Strategic Goal/Action Plan: The South Carolina Reading Initiative (SCRI) relates to three of the Agency's strategic goals—Accountability: Standards for Teaching and Learning, School Leadership, and Teacher Quality. Through the South Carolina Reading Initiative, we are providing long-term, intensive professional development to administrators and teachers. Led by a literacy coach, administrator/teacher teams at participating schools across the state meet to conduct systematic inquiry into reading research and practice and to discuss related issues and questions that arise in schools and classrooms. By developing a strong knowledge base about literacy, administrators and teachers will be able to make informed and effective curricular and instructional decisions. This, in turn, will impact their literacy practices and the achievement of their students.

D. Budget Program Number and Name: III – High School Reading Initiative

E. Agency Activity Number and Name: 711 – Professional Development on Reading to Teachers: Institute of Reading

F. Detailed Justification for Funding

(1) Justification for Funding Increase: Increased funding for the High School Reading Initiative is requested. Using Federal Reading First grant funds and state K-5 Lottery funds, the agency will be able to continue implementing the elementary component of SCRI. Institute of Reading funds will allow the agency to continue implementing the middle level component. The $1,650,000 requested will provide 26 school grants of $50,000 for a total of $1,300,000 to support the implementation of SCRI-HS. The remaining $350,000 will pay for the costs involved in the training of the literacy coaches, including materials and technical support provided to the participating districts.

(2)

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		$1,300,000			$1,300,000
Other Operating Expenses		$350,000			$350,000
Total	$ 0	$1,650,000	$ 0	$ 0	$1,650,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State $1,000,000
Federal $0
Other $0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63-Department of Education

B. Priority No. 10 of 42

C. (1) Title: Program of Alternative Certification for Educators (PACE) (formerly the Critical Needs Certification Program)

(2) Summary Description: To address critical teaching shortages in South Carolina, the South Carolina General Assembly provided for an alternative certification program as part of the 1984 Education Improvement Act. The purpose of the program is to enable degreed individuals, who otherwise do not meet certification requirements, to gain employment in the public schools in a critical need subject area and/or in a critical geographic area where teacher shortages exist, as determined annually by the State Board of Education.

The State Board of Education adopted the program design in 1985. During the first 20 years, Winthrop University, Coastal Carolina University, Converse College, and school district consortia served as program providers at various times.

Originally math and science were the only subjects on the list of critical subject areas. Today the list has expanded to include art, business, dance, emotionally disabled (special education), English, foreign languages, family and consumer science, industrial technology, mathematics, media specialists, music, science and theater. Subject area needs in South Carolina are determined based on the percentage of available positions in each content area that are filled with teachers who are not fully certified. Critical geographic areas include the fifteen districts with the highest average teacher turnover rate for the past three years and districts that have received an unsatisfactory rating.

In March 2001, the State Board of Education revised the guidelines for alternative certification in South Carolina to reflect the recommendations of the Governor's Commission on Teacher Quality. These recommendations included a program name change from the Critical Need Certification Program (CNCP) to the Program of Alternative Certification for Educators (PACE). The PACE guidelines were implemented beginning June 1, 2001.

During the 1999-2000 academic year, there were 434 participants. For 2000-2001 the program grew to 689 participants. Each year since 2001, there has been an average of 1100 participants statewide. Participants in PACE are changing the face of South Carolina's teaching population. While the state teaching population is 17 percent minority, 34 percent of PACE participants are minority. At the same time, 45 percent of PACE participants are male compared to a state average of 17 percent. The average age of PACE participants is 35.

Each year, over 5,000 new teachers are hired by school districts in South Carolina. For the past three years, 6-10 percent of those new hires entered teaching through PACE. However, even with a program such as PACE in South Carolina, there were still over 500 teaching vacancies as of October 1, 2005.

In October 2002, the State Department of Education (SDE) was named the recipient of a five-year, Transition to Teaching federal grant. Over a period of five years (2002–07), this grant provides over $2,000,000 in funding for alternative certification in South Carolina. During that time period, the grant only provides full funding for grant years two, three, and four. Start-up funding was provided during year one and close-out funding will be provided in year five.

Each year, over 2500 individuals apply for admission to PACE. About 670 of those who inquire meet all admission criteria and over 425 accept teaching positions and begin the training program.

The Transition to Teaching grant has allowed the SDE to coordinate and provide consistent training in five regional locations within the state. The training curriculum developed by the state is based on state and national standards and is taught by South Carolina's own classroom practitioners and higher education professionals. Participants are assessed to determine their readiness for the classroom and continuance in the training program. The training is provided by a team of South Carolina's top educators. Participants and school administrators have been very pleased with the quality of program participants and their readiness for the classroom.

(3) Strategic Goal/Action Plan: Teacher Quality

2.1 Teacher recruitment and retention programs are successful.
2.2 Teacher preparation programs produce highly qualified teachers.
2.3 Teachers are qualified, competent, ethical, and caring.
2.4 Teacher professional development programs are effective.

D. Budget Program Number and Name: XI.C.2 – Teacher Quality

E. Agency Activity Number and Name: 744 – Alternative Certification Programs

F. Detailed Justification for Funding

(1) Justification for Funding Increase: PACE serves a vital need in South Carolina of filling vacant teaching positions with highly qualified teachers. Without PACE, there would have been 1100 additional vacancies in 2005-06. However, PACE does not just place an individual in the classroom, but provides a complete accelerated teacher education program for minimal cost to the participant and/or school district.

Currently, through federal and state funding, PACE participants (or their school district) pay a minimal fee of not more than $200 for the entire training program. Since PACE attracts individuals who are changing careers and PACE participants work in the greatest needs areas of South Carolina, the federal funding has allowed these individuals to make the transition to teaching without additional training costs.

With an average age of 35 years, most PACE participants already have established life expenses. In making the transition from another career to teaching, they often go a minimum of two to four weeks without a paycheck. While some school districts are able to cover any expenses associated with the PACE training, the greatest need districts that are served by PACE are not able to afford the full cost of training that is currently covered through federal funds. It is estimated that it would cost an average of $3,500 to train each PACE participant. While that is economical when compared to a traditional college education, it would be a great burden for school districts who have multiple PACE participants. It is also anticipated that any increase in fee would greatly deter the recruitment of qualified career changers. PACE participants must also cover the cost of the three required graduate courses which are completed separate from the training program.

The federal grant has supported five years of program implementation. This has allowed the SDE to determine weaknesses that need to be addressed while being able to document the success of an alternative certification program in South Carolina. Essentially the federal funding has allowed PACE to establish five mini-colleges of education in regional locations statewide. The Office of Teacher Certification serves most functions of a college through recruitment, counseling, training, and ensuring completion of all requirements for professional certification.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*				7.00	7.00
(b) Personal Service				$298,000	$298,000
(c) Employer Contributions				$83,440	$83,440
Other Operating Expenses	$147,300			$1,008,400	$1,155,700
Total	$147,300	$ 0	$ 0	$1,389,840	$1,537,140
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name** NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: Through PACE, the state of South Carolina is able to fill vacant teaching positions with highly qualified teachers who are committed to a career in education. However, just as with any teacher education program, it requires a qualified staff to recruit, counsel, and advise potential applicant and current participants. It also requires a qualified staff to manage the curriculum, instructors, and program growth.

Annually, there are 1,100 participants in PACE. PACE participants bring diverse perspectives and career experiences to the K-12 curriculum. Over the past year, recruitment activities have led to over 2,500 applications for PACE. About 670 of those who inquired met admission criteria and over 400 enter the teaching profession through PACE annually. Management of inquiries from potential participants and school district employers creates about 14,000 cases and 35,000 phone calls annually.

In addition to the management of inquiries from potential participants, current participants, and school districts, the staff working with PACE must also manage a cadre of 35-40 instructors and a curriculum with over 110 individualized lessons. For each lesson and for each of the 26 regular training days, materials, text and supplies must be available in five regional locations. Twelve days of the initial training are duplicated during December and January of each year for mid-year hires for a total of 38 training days annually.

To adequately manage this program, SDE is requesting the below FTEs.
(b) Future Impact on Operating Expenses or Facility Requirements: The request would require recurring expenses for salaries and fringe benefits for each of the seven positions, office supplies, telephone, and office space rental. Initial (but non-recurring) costs would include office furniture and computers for the four positions that were not initially federally funded.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Training and Development Director II – AG45					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$61,000				$61,000
(c) Employer Contributions	$17,080				$17,080

	State	Federal	Earmarked	Restricted	Total
Position Title: Program Coordinator II – AH40					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$51,000				$51,000
(c) Employer Contributions	$14,280				$14,280

	State	Federal	Earmarked	Restricted	Total
Position Title: Program Coordinator I – AH35					
(a) Number of FTEs	3.00				3.00
(b) Personal Service	$105,000				$105,000
(c) Employer Contributions	$29,400				$29,400

	State	Federal	Earmarked	Restricted	Total
Position Title: Training and Development Director I – AG40					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$51,000				$51,000
(c) Employer Contributions	$14,280				$14,280

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Assistant II – AA75					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$30,000				$30,000
(c) Employer Contributions	$8,400				$8,400

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:
State
Federal 3.00
Other

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments:

Nationwide, alternative programs produce as many as 35,000 teachers a year. The National Center for Education Information (NCEI) has been polling state departments of education since 1983 regarding alternatives to the traditional methods of certification. NCEI has noticed a growth in alternative programs from only eight states with programs in 1983 to forty-eight states with programs in 2006. Specifically, there are more than 600 alternative route programs operating nationwide. South Carolina is unique in that there is only one alternative certification program and it is managed by the State Department of Education.

Without PACE in South Carolina, there would be an additional 1100 vacant teaching positions. Current PACE participants not only have the content knowledge in their teaching area, they often have experience applying the content knowledge in a previous career. Current and former PACE participants have been school and district teachers of the year as well as finalist for state teacher of the year.

Without state funding, PACE would not be able to offer an economically appealing path for qualified individuals to enter teaching. The federal funding has allowed the SDE to create an alternative route based in national standards. State funding will allow this alternative route that serves students, program participants, districts and the state to continue to provide highly qualified professionals for South Carolina's classrooms.

Explanation of Program Services and Other Operating Expenses

Recruitment	22,000
Curriculum Development and Management	22,500
Training Location	71,500
Training Materials	86,000
Instructor Pay (includes up to 64 instructor positions for the summer and winter cohorts)	593,800
New Mentor Support	186,000
PACE Office Location and Set Up (NR)	96,000
PACE Database Development (NR)	40,000
Equipment (NR)	11,300
Travel	9,000
Administrative Office Costs	17,600
Total	$1,155,700

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 11 of 42

C. (1) Title: South Carolina Virtual Learning Program

(2) Summary Description: The South Carolina Virtual Learning Program will establish rigorous guidelines and course approval standards for all courses offered in South Carolina. All courses will be at or above grade level. These courses will be screened by curriculum and teacher experts for alignment to state standards and required rigor. The courses will engage students in real life projects, requiring the use of critical thinking, problem-solving skills and the ability to apply the knowledge they have acquired. SDE and district experts will establish evaluation guidelines and procedures for online instructors. Each student will have a certified teacher for each course, with whom he/she will constantly communicate by e-mail, instant message and telephone.

The Virtual Learning pilot began on June 1, 2006, and involved approximately ten school districts and three hundred students. The pilot will enable the SDE to test its online learning course management system, registration system, and quality assurance measures. The online committee will use research, information from other state initiatives, and the ongoing pilot to refine statewide virtual school policies, guidelines, and procedures. Starting in August 2006 (i.e., the 2006-07 school year), online courses will be offered statewide with the SDE providing technical and implementation assistance to those school districts offering courses. The SDE will collaborate with local school districts, adult education, and higher education institutions to pool resources and offer a broad array of options and course work for SC students.

(3) Strategic Goal/Action Plan: Goal 1.4: Students use technology to reach higher levels of learning. Goal 1.5: The state educational system components are accountable and aligned so that all students reach a high level of academic achievement. Goal 5.3: Educational leadership is accountable.

D. Budget Program Number and Name: South Carolina Virtual Learning Program

E. Agency Activity Number and Name: South Carolina Virtual Learning Program

F. Detailed Justification for Funding

(1) Justification for Funding Increase: The cost elements essential to operating a state virtual school are similar to those of a "brick and mortar" school. Costs include personnel needed to provide instruction, administration, academic guidance and technical support. The costs also include hardware and software development or licensing of course content, and outreach.

Other Operating Expenses:

Academic Development: Central to the success of the state virtual school is academic coordination that includes purchase of software, curriculum development and management, assessment, quality control, and instructional strategies and materials. (Funding required to purchase software, adapt, or create course content, then undertake the review, alignment and installation of course materials).	$560,000
Outreach: The state virtual school should inform its many constituencies about online learning, and its importance to meeting student and state academic goals. This outreach should include the development and distribution of publications; provide an easily accessible web portal; and encourage participation in meetings across the state to tell the virtual school story. (Student access cannot be assured without publications, a Web portal, and travel budget to allow for face-to-face meetings across the state)	$ 50,000
Equipment, software and material: Includes the tools required to establish and maintain the course delivery system, the capability of having 24/7 support, and fail safe backup in place. Blackboard and a Learning Management/Registration System will ensure security, management of student records, house teacher information, and delivery of online course content. (Pays for the delivery and on-line registration system, as well as the base system to be hosted by the state CIO's office with 24/7 technology support and proper backup systems in place and for equipment for school personnel.)	$318,000
Facilities: Physical facilities sufficient to provide office and meeting rooms for staff and spaces for technology equipment and materials storage are important considerations when choosing a location for the state virtual school. (Comparable costs of offices, meeting rooms and storage areas for equipment and materials similar to private sector spaces where the state virtual school is located.)	$120,000
Evaluation: Cost includes both internal and external evaluations, conducted on a regular basis to ensure quality and accountability. Customer surveys and needs assessment will be included in this process (internal and external program evaluation, to include customer surveys and needs assessment).	$150,000
High school computer/support costs: Support cost for 3000 students (average assumed to be enrolled for SC Virtual School in Year 1) at $84.03 per student (See table in Section H for breakdown of costs.)	$252,090

(2)

FY 2007-2008 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		28.00			28.00
(b) Personal Service		$1,287,438			$1,287,438
(c) Employer Contributions		$360,482			$360,482
Pass-Through Funds					
Other Operating Expenses		$1,450,090			$1,450,090
Total	$ 0	$3,098,010	$ 0	$ 0	$3,098,010
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State $0
Federal $0
Other $0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification:

- **Administration:** Education Associate II (1 FTE @ $46,146 salary) and Education Associate III (1 FTE @ $74,880 salary) - provide the leadership and coordination to ensure the program is accountable for achieving its goals. They are responsible for recruiting, hiring and retention of teachers, academic development and coordination; help desk, and technology support.
- **Administrative Support:** Administrative Specialist (1 FTE @ $28,800 salary).
- **Academic Delivery Coordinator:** Education Associate II (1 FTE @ $46,146 salary) - This position is both technical and academic. The person links the state's student information system to the students taking courses through the state virtual school. Responsibilities also include managing a content repository, providing a help desk to respond to student and staff needs, supporting software used for instruction and administration, managing the Learning Management System (LMS), ensuring security, managing the network and student records.
- **Teachers:** Education Associate II (20 FTEs @ $46,146 per FTE salary).
- **Student Services (Guidance):** Education Associate I (1 FTE @ $40,800 salary) - These function responsibilities include student guidance, registration, progress reports, coordination of onsite facilitators, and development of Individual Education Plans (IEP) when needed.
- **Student Services (Development Support)**: Education Associate I (1 FTE @ $40,800 salary) - student services development support services (registration and online content).
- **Student Services (E-learning Manager)**: Education Associate II (1 FTE @ $46,146 salary) - coordinating the marketing and public relations efforts of SCVS.
- **Student Services (part-time proctors/facilitators)**: Responsible for assisting with online instruction and proctoring of tests.
- **Student Services (Permanent substitute teachers)**: Three online instructional substitutes.
- **Instructional Design Specialist** (Education Associate I) (1 FTE @ $40,800 salary) **-** The Instructional Design Specialist is responsible for planning, designing, and developing interactive Web applications and technologies for SCVS training programs/services. The Instructional Design Specialist is responsible for providing level two support for HTML editing programs and assisting other team members in new technology and delivery systems.

(b) Future Impact on Operating Expenses of Facility Requirements: NA

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate III					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$74,880				$74,880
(c) Employer Contributions	$20,966				$20,966

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II					
(a) Number of FTEs	23.00				23.00
(b) Personal Service	$1,061,358				$1,061,358
(c) Employer Contributions	$297,180				$297,180

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate I					
(a) Number of FTEs	3.00				3.00
(b) Personal Service	$122,400				$122,400
(c) Employer Contributions	$34,272				$34,272

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Specialist					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$28,800				$28,800
(c) Employer Contributions	$8,064				$8,064

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State
Federal
Other

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments:
High School Computer/Support Costs

A. SUPPORT CAPACITY	**Units**	**Cost each**	**Per Pupil**	**Per Pupil-5 Year Cycle**
Technology Support Personnel	1	$64,500	$71.67	$71.67
B. INSTRUCTIONAL CAPACITY				
Media Center Equipment				
Networked Computers	27	$1,500	$45.00	$9.00
Networked Printers	2	$800	$1.78	$0.36
Additional Computers (1 for every 100 students)	9	$1,500	$15.00	$3.00
Sub-total				$12.36
TOTAL			$133.45	**$84.03**

The calculation of the average per pupil cost for the 5-year cycle is based on the following model. The average high school (assuming an average pupil enrollment of 900 pupils) will have a media center that contains 25 computers for online research, 2 networked circulation computers, and 2-networked printers. Each media center will also have an additional computer per every 100 pupils.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 12 of 42

C. (1) Title: Education Accountability Act, School Assistance, Intervention
(2) Summary Description: The Education Accountability Act (EAA) of 1998 states that schools designated as unsatisfactory or below average are eligible to receive special services from the state. According to Proviso 1A.44 for 2006–07, funds designated for teacher specialists, principal specialists, principal mentors, alternative technical assistance, technical assistance—below average, principal leaders, retraining grants, and homework centers are to be allocated directly to schools with a 2005 report card absolute rating of unsatisfactory or below average. Schools are to update their school renewal plan specifying planned expenditures of these funds. The allocation of these funds are to have a range of $75,000–$200,000 for schools rated below average and a range of $250,000–$600,000 for schools rated unsatisfactory. The Department maintains the pool of qualified candidates for the various on-site positions to enable schools to continue to employ these highly qualified individuals. The final allocation of funds also considers the number of pupils served as well as external review team recommendations. This approach to providing technical assistance to schools allows the school to direct the funds to the greatest needs as determined by local school officials.
(3) Strategic Goal/Action Plan: Intervention and Assistance. School intervention and technical assistance fully support the vision and mission statement for the SDE. The mission statement indicates that the SDE will "provide leadership and services to ensure a system of public education in which all students become educated, responsible, and contributing citizens." Every strategic aim is addressed in the intervention and assistance program. The clear focus of this program is high student achievement, educational leadership, and teacher quality. By providing extensive training on assessing school needs and authoring targeted plans, the Department has helped enable low-performing schools to author plans that best target its most critical needs.

The specific strategic goals supported for high student achievement are 1.1, students are held to rigorous and relevant academic standards; 1.2, students demonstrate essential knowledge and skills as described in the curriculum standards; and 1.3, students graduate from high school ready for college or a career. For teacher quality, the strategic goals supported are 2.3, teachers are qualified, competent, ethical, and caring, and 2.4, teacher professional development programs are effective. Early childhood education supports strategic goals 3.1, children enter the first grade ready to learn and succeed, and 3.2, children have access to quality early childhood programs. The specific strategic goals supported by the program are 2.4, teacher professional development programs are effective, and 6.4, professional development programs support education leaders.

D. Budget Program Number and Name: XI.A4 – Homework Centers; XI.A4 – Teacher Specialists Assistance and Technical Support; XI.A4 – Retraining Grants; XI.A4 – Principal Specialists, Mentors, Leaders

E. Agency Activity Number and Name: 721 – Homework Centers, 723 – Teacher Specialist-Assistance and Technical Support; 724 – Retraining Grants, 728 – Principal Specialist, Mentors, and Leaders

F. Detailed Justification for Funding
(1) Justification for Funding Increase: The EAA requires school report cards to be issued and low-performing schools are designated. The report cards will highlight schools' performances so that needed changes can be addressed through various strategies to support continuous improvement. Through the writing of the school renewal plan, funds are directed to address the greatest needs found within each low-performing school. Based on the 2005 report card, there were 53 schools rated as unsatisfactory and receiving funds, each receiving an average of $491,761. For the 201 schools rated as below average, the average was $134,538. Three factors influenced the increase in the number of schools rated as low performing: 1) inclusion of new content areas in report card rating (science and social studies), 2) statewide higher rates of children living in poverty, and 3) higher standards imposed for the same rating category. It is estimated that the number of schools rated as unsatisfactory will increase from 53 to 63 for the next report card. For the below average category, the increase from 201 to 221 is projected. This results in an appropriation increase of $18,815,277 of which $11,000 is to replace FY2006 non-recurring lottery appropriation. The $11,000,000 lottery appropriation should be continued.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				$18,815,277	$18,815,277
Other Operating Expenses					
Total	$ 0	$ 0	$ 0	$18,815,277	$18,815,277
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$33,135
Federal	$0
Other	$46,390,838

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

FY 2008 Projected

Unsatisfactory schools = 63 x $491,761/school =	$30,980,943
Below average schools = 221 x $134,538/school =	$29,732,898
SDE leadership, training, and support per Proviso 1A.44 =	$ 4,525,409
FY 2008 TOTAL REQUIRED	$65,239,250
FY 2007 Base Recurring Appropriation =	$46,423,973
FY 2008 Requested Increase =	$18,815,277

Note:
For FY 2007, $11,000,000 was provided from the Lottery.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 13 of 42

C. (1) Title: Education Accountability Act, School Assistance
(2) Summary Description: The EAA states that when schools receive a rating of unsatisfactory or upon the request of a school rated below average, an external review team must be assigned by the State Department of Education (SDE) to examine school district educational programs, actions, and activities. The results of the external reviews are used to develop technical assistance plans for each school.
(3) Strategic Goal/Action Plan: External Review/Intervention and Assistance. The external review fully supports the vision and mission statement for the SDE. The mission statement indicates that the SDE will "provide leadership and services to ensure a system of public education in which all students become educated, responsible, and contributing citizens." Every strategic aim is addressed in the intervention and assistance program. The clear focus of this program is high student achievement, educational leadership, and teacher quality. After the comprehensive review conducted during the on-site visits to the school, recommendations for improvement are made.

D. Budget Program Number and Name: XI.A.4 – EIA, Standards for Teaching, Learning, Accountability-Assistance Intervention, and Reward

E. Agency Activity Number and Name: 725 **–** External Reviews – External Review Teams

F. Detailed Justification for Funding
(1) Justification for Funding Increase: The program supports the statutory requirements for intervention and assistance in schools rated unsatisfactory. Each external review team requires $9,800. The number of schools rated as unsatisfactory is expected to increase due to these primary factors: 1) inclusion of new content areas in report card rating (science and social studies), 2) statewide higher rates of children living in poverty, and 3) higher standards imposed for the same rating category. It is estimated that the number of schools rated as unsatisfactory will increase from 53 to 63 for the next report card. With the anticipated increase of ten schools rated as unsatisfactory, an increase of $98,000 is needed.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds					
Other Operating Expenses				$98,000	$98,000
Total	$ 0	$ 0	$ 0	$98,000	$98,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$699,010

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments: NA

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. **14 of 42**

C. (1) Title: Summer School

(2) Summary Description: The Education Accountability Act establishes and provides for the Academic Plans for Students Program in section 59-18-500. The legislation requires that each district provide summer school or year-long comprehensive remediation to students who continue to perform below grade level after receiving general academic assistance for an academic year.

(3) Strategic Goal/Action Plan: Strategic Aim 1, High Student Achievement. Provide statewide leadership and services to schools and districts to ensure implementation of grade-level standards-based instruction for all students.

Strategic Goals:

1.1 Students are held to rigorous and relevant academic standards.
1.2 Students demonstrate essential knowledge and skills as described in the curriculum standards.
1.3 Students graduate from high school ready for college or a career.
1.4 Students use technology to reach higher levels of learning.
1.5 The state educational system components are aligned so that all students reach a high level of academic achievement.

D. Budget Program Number and Name: XI.A.4 – Assistance, Intervention and Reward - Education Accountability Act, Summer Schools.

E. Agency Activity Number and Name: 679 – Summer Schools

F. Detailed Justification for Funding

(1) Justification for Funding Increase: Several research studies have shown that high quality summer school programs can have a significant impact on student achievement and greatly reduce the number of students retained (Denton 2002, 3). However these studies, including the July 2001 report by the South Carolina Educational Policy Center, point out that most existing programs do not meet the standard of "high quality."

The research consistently identifies five factors that make a summer program effective:

- high quality teachers;
- adequate, reliable funding;
- an emphasis on reading and math;
- a climate of innovation and creativity; and
- a comprehensive plan for research and evaluation of program results. (Denton 2002, 9)

Denton, David. *Summer School: Unfulfilled Promise*. Atlanta, GA: Southern Regional Education Board, 2002.

Monrad, Diane M. and John May. *Year 2000 Summer School in South Carolina: A Follow-up Study*. Columbia, SC: South Carolina Educational Policy Center, College of Education, University of South Carolina, 2001.

In FY2007, the General Assembly appropriation for summer school was $31 million. However, $12,777,088 was from non-recurring EIA funding. This request for $12,777,088 is to annualize the FY2007 nonrecurring amount.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				$12,777,088	$12,777,088
Total	$ 0	$ 0	$ 0	$12,777,088	$12,777,088
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$18,222,912

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

In FY2007, $12,777,088 was provided in non-recurring EIA.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 15 of 42

C. (1) Title: Textbooks and Instructional Materials
(2) Summary Description: This request provides funds to support textbooks and instructional materials for children, grades K–12 in each subject area as adopted by the State Board of Education to include consumables and replacement of older adoptions.
(3) Strategic Goal/Action Plan: High Student Achievement, Students are held to rigorous and relevant academic standards.

D. Budget Program Number and Name: VII.B – Instructional Materials,

E. Agency Activity Number and Name: 760 **–** Instructional Materials -Textbooks

F. Detailed Justification for Funding
(1) Justification for Funding Increase: The increase in funding is essential for providing replacements of materials used in the public school system six or more years. New academic standards for science K–8 require new instructional materials for students prior to PACT testing. With the exception of Driver Education, all other subject areas are technical in nature and have expiring contracts. Driver Education was last adopted in 1997.

Recent copyrighted textbooks and instructional materials are aligned with the latest South Carolina Academic Standards.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds					
Other Operating Expenses		$17,686,975			$17,686,975
Total	$ 0	$17,686,975	$ 0	$ 0	$17,686,975
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$26,498,804
Federal	$0
Other	$23,278,783

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments: Breakdown of requested increase:

2006 Adoption Areas (New)	
Science Kits, K–8	$14,122,000
Science, K–8	$29,744,342
Agricultural Mechanics 1–2	$17,380
Agricultural Production; Business Management 1–2	$16,500
Agricultural Technology 1–2	$1,749,000
Air Conditioning and Refrigeration Technology	$22,440
Auto Collision Repair Technology 1–4	$103,000
Automotive Technology 1–4	$316,800
Building Construction Cluster 1–4	$297,000
Business and Marketing Internet Applications	$37,400
Computer Programming 1–4	$281,600
Computer Science–AP, A and AB	$81,400
Cosmetology 1–4	$248,820
Desktop Publishing	$237,600
Document Processing	$165,000
Drafting 1–4	$123,860
Driver Education	$1,141,800
E-Business	303,800
Electricity 1–4	$90,200
Electronics (Core, Communication, and Industrial)	$31,680
Fashion Merchandising	$60,060
Graphic Communication 1–4	$41,140
Health Science Technology 1–2	$543,400
Hospitality and Tourism	$70,400
Industrial Systems Technology 1–2	$572,000
Integrated Business Applications 1–2	$1,856,800
Introduction to Computer Technology	$8,140
Introduction to Health Science	$74,800
Machine Technology 1–4	$55,000
Masonry 1–4	$70,400
Multimedia	$580,800
Plumbing 1–4	$9,900
Small Engine Technology 1–4	$8,800
Sports and Entertainment Marketing	$204,800
Sports Medicine 1–2	$312,400
Web Page Design and Development 1–2	$145,200
Welding Technology 1–4	$218,900
Total 2006 Adoption Areas	$53,964,562
Growth, Maintenance of Prior Adoptions, and Elementary Consumables	$13,500,000
Total Needed for the 2007–08 School Year	$67,464,562
Current Level of Funding	$49,777,587
Increase in Funding for FY 07–08	**$17,686,975**

Note: For FY 2007 the following non-recurring appropriation was provided:

CRF = $1,855,727
Proviso 73.14 = $3,144,273

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 16 of 42

C. (1) Title: Student Health and Fitness Act
(2) Summary Description: To provide funding and support to implement the provisions of the Student Health and Fitness Act of 2005.
(3) Strategic Goal/Action Plan: Strategic Aim 1. 5: High Student Achievement, Teacher Professional Development, and Safe and Healthy Schools. To help students demonstrate essential knowledge and skills as described in the curriculum standards and help schools become safe, healthy places with environments that are conducive to learning and promote the health, safety, and well-being of students. Strategic Goals: 1.2 Students demonstrate essential knowledge and skills as described in the curriculum standards. 1.5 The state educational system components are aligned so that all students reach a high level of academic achievement. 5.1 Schools are safe, healthy places with environments that are conducive to learning. 5.4 Schools form community and state alliances that promote the health, safety and well being of students. Action Plan: Implement year one of the assessment program for Health and Safety Education in the 2007-08 school year as required by the Student Health and Fitness Act of 2005. Assist schools with establishing and maintaining Coordinated School Health Advisory Councils (CSHAC) inclusive of community partners as required by the Student Health and Fitness Act of 2005. Provide the District level CSHACS with tools and resources for improving a variety of school health programs. Provide funds to decrease the physical education teacher to student ratio to 1:600 in FY2007-08. Provide for training for the Physical Activity Directors in each elementary school. Provide for the implementation of the assessment of physical education programs in schools. Provide for the retraining of physical education faculty in those schools that do not attain an acceptable rating on the PE program assessment. Provide funds for the SDE to provide grants to districts to hire a full time licensed nurse at each elementary school that serves grades K-5.

D. Budget Program Number and Name: III – Division of Curriculum Services and Assessment, Physical Education Teacher Ratio; V – Division of District and Community Services; Act 102, R129, H3499 – The Student Health and Fitness Act of 2005. (New initiative – year two of implementation)

E. Agency Activity Number and Name: 764 – Coordinated School Health Programs

F. Detailed Justification for Funding
(1) Justification for Funding Increase: The Student Health and Fitness Act of 2005 provides for the SDE to implement an assessment to measure the effectivness of Health Education programs in the public schools in FY2007-08 . The Act also provides for the SDE to provide grants to districts to fund a full time licensed nurse in each elementary school beginning in FY2007-08. The Act also reduces the ratio of students to physical education teacher to 600:1 in FY2007-08. The total increased funding requested to fully implement the Student Health and Fitness Act in FY 2007-08 is $33,407,578. This includes the following:

- Funds to support the implementation of an assessment program to determine the effectiveness of school health education including nutrition education in 2007-08 ($1,100,000).
- Funds to provide grants to school districts to employ a full time licensed nurse at each elementary school for 2007-08. ($28,040,378). Calculation: 631 schools x $44,438 average salary and fringe = $28,040,378, pass-through
- Funds to reduce the student to physical education teacher ratio is reduced from the current 700-1 to 600-1 in 2007–08. ($4,267,200). Calculation: 80 new teachers x $53,340 average salary and fringe = $4,267,200 pass-through

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		$32,307,578			$32,307,578
Other Operating Expenses		$1,100,000			$1,100,000
Total	$ 0	$33,407,578	$ 0	$ 0	$33,407,578
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$4,140,340
Federal	$0
Other	$0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 17 of 42

C. (1) Title: K-12 Technology Initiative

(2) Summary Description: In order to comply with the Education Accountability Act of 1999 and Proviso 72.37, to address technology shortfalls in schools as identified by the October 2000 KPMG study and to continue to implement the South Carolina Educational Technology Plan, funding is required for school technology. These funds are recommended to include: statewide connectivity, state virtual library, digital content development, district hardware and software, technology professional development, and networking academies.

(3) Strategic Goal/Action Plan*:* K–12 Technology Initiative. Goal 1.4: Students use technology to reach higher levels of learning. Goal 1.5: The state educational system components are accountable and aligned so that all students reach a high level of academic achievement. Goal 5.3: Educational leadership is accountable. Goal: 6.4 Teacher professional development programs are effective.

D. Budget Program Number and Name: XI.E.3 – Technology Initiative

E. Agency Activity Number and Name: 757 – Technology Initiative

F. Detailed Justification for Funding

(1) Justification for Funding Increase: The General Assembly identified technology as a means to assist schools in meeting their educational objectives. The K–12 School Technology Initiative has made great strides in integrating technology into the classroom. South Carolina was one of the first five states nationally to achieve Internet connectivity for all public schools. Students in all school districts have high-speed access to the worldwide resources of the Internet. Over 6,400 teachers used the South Carolina Online Professional Development System to take graduate and recertification courses. A technology proficiency system was piloted in FY05-06 training over 1,545 educators and 12,400 are scheduled to participate in FY06-07. Also, 1000 students were trained to measure 8th grade technology proficiency as required by NCLB. A Virtual School was piloted in the summer of 2006, offering courses to 250 students. We plan to expand the school in the fall and seek expansion in FY 07-08. The School Interoperability Framework longitudinal project was begun, developing architecture and a data dictionary for the system. A system design will be developed in FY06-07. The use of Knowitall.org, the state's standards-based curriculum web site, has seen substantive increases in visitors, with a projected 5 million page views during FY06. The number of visitors to Knowitall.org increased almost two times from the previous year. It should also be noted that many Knowitall.org sites, such as virtual field trips or the Artopia visual and performing arts project, serve to mitigate the loss or cut-back of school initiatives. Others, such as RiverVenture or Hobby Shop, expose students to learning activities that would simply never be within the province of a local school or district.

Unfortunately, the state's technology is aging and we are falling behind other states. Since 2000, very limited funds have been available to the districts to address this problem. In addition, scarce funds have caused the State to scale back its computer rebuild program. In the past, this program had provided many rebuilt computers to the schools. While South Carolina was once able to boast one of the best students-to-computer ratios, the state is losing ground in relation to the national scale. We now have a 1:7.3 instructional computer to students in classrooms (2004) according to 2006 Education Week. Over 20 percent of our schools report their teachers are at the "beginner" skill level in their use of technology. The state has experienced a decline or leveling-off of integration and expertise and the state has had to operate with a reduced amount of flow-through money available to the districts.

- Student and school performance expectations and the state's economic future require, actually demand:
- Adequate Internet connectivity;
- Virtual School to enable credit recovery courses and equitable access to advanced courses;
- Technology proficiency ePortfolio for teachers and administrators;
- Student access to a multi-media computer able to handle education software;
- Distance learning facilities;
- Training of new SASI data entry clerks;
- New computers and replacement of 199,000 low capacity computers on a five year replacement cycle;
- Quality professional development on-line access for every teacher.

The budget presented below will enable the state to begin meeting these expectations. Without this funding, the state will simply maintain the status quo or fall farther behind in achieving educational goals through the use of technology.

$40,200,000	**Distribution to Schools:** To provide five year replacements for low capacity outdated/obsolete computer equipment and expand base of equipment to meet state goals for improved student access as defined in the South Carolina Educational Technology Plan.

$10,000,000	**Continuation of Network Connectivity:** To provide Internet connectivity to all schools and public libraries. (Total required for network connectivity is $21.5 million: ($11.5 million from anticipated ERATE refunds; $10 million from appropriated funds.)
$280,000	**SC Virtual School Pilot** - All students in South Carolina will have access to the same courses with highly qualified teachers regardless of their geographic location. The SC Virtual School will enable students to recover needed credits, meet graduation requirements, resolve schedule conflicts, obtain access to curriculum content when there is a shortage of certified personnel, learn via a more flexible and individualized instructional pace, and take courses not available in their attendance area. The South Carolina Virtual School is running a pilot program offering approximately 20 courses for the summer term and 32 courses in the fall FY2006-07. The International Society for Technology in Education (ISTE) will be evaluating the pilot and submitting a report of best practices, recommendations, and lessons learned. This information will be used for the statewide roll out of the SC Virtual School in the Fall of 2007 if funded by the legislature, otherwise funds from K-12 will be used to continue to expand the program.
$463,100	**SASI Training:** To provide funding for statewide web-based professional development, on SASI and ABACUS systems, to school and district faculty and staff. Also, provides face-to-face training for school personnel by NCS Pearson on as-needed basis.
$1,018,428	**Professional Development:** The South Carolina Online Professional Development Initiative (SCOPD) has experienced an average increase of 8% in participation each semester and is now serving over 6,500 teachers .The purpose of SCOPD is to provide South Carolina educators who cannot attend traditional face-to-face classes because of time and schedule constraints, with an online professional growth program that provides anytime access to courses for graduate and/or re-certification credit. Technology proficiency training for at least 12,400 teachers is provided.
$89,400	**Electronic Portfolio System:** Based on the International Society for Technology in Education (ISTE) standards, the electronic portfolio system has established a model for effectively measuring the technology proficiency of teachers and administrators. The portfolio submission model allows a more standardized method for evaluating the technology proficiency for teachers and administrators as required by SC Proviso 1.25.
$75,000	**Administrator Technology Leadership Training:** The new National Education Technology Plan from the United States Department of Education identifies effective technology leadership as its #1 priority. Both research and practical experience confirm that effective leadership is the primary factor in successful school reform. Administrator training will serve the technological needs of K-12 school administrators resulting in increased teacher proficiency and enhanced student achievement.
$1,053,586	**Automatic reporting of SASI data between schools, districts, and SDE (SIF):** This request is to expand the existing Student Unique Numbering System for Testing SASIxp school interoperability framework agent to provide a real-time transfer of SASI information within the schools, and from schools to districts to SDE, eliminating most of the current SDE data collections, which require manual intervention and assistance from district technology staff. Schools will be notified immediately of errors or omissions in their SASI data. A server will be provided for each school district for the School Interoperability Framework (SIF) software in order to avoid technical problems associated with current district server. Novell directory structure will be deployed to provide security access control to sensitive information.
(Separate request)	**DISCUS:** South Carolina's virtual library—To provide funds for subscriptions to reference materials. $2,265,460 funded directly to State Library.
$1,350,000	**Digitization Project:** To provide continued development of Knowitall.org, which provides standards-based content for students and teachers, and continued digitization of content from ETV vaults.
$1,100,000	**ITFS Network Services:** To provide for maintenance of receivers, towers and antennas for ETV Distance Education Learning Centers.
$100,000	**ETV Satellite:** To provide funding for the new Education Satellite lease agreement.
$160,000	**ETV/ITV Video-on-Demand:** South Carolina's instructional Video-on-Demand library, StreamlineSC—To provide funds for maintaining infrastructure and management of online multimedia reference materials made available to all students and teachers in South Carolina.
$55,889,514	Total FY 2007 Appropriation Request

$13,683,697	Total FY 2006 Appropriation
$42,205,817	Total FY 2007 Increase for K–12 Technology Initiative

Note: The State Library receives a direct appropriation of $2,265,460.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		$40,200,000			$40,200,000
Other Operating Expenses		$2,005,817			$2,005,817
Total	$ 0	$42,205,817	$ 0	$ 0	$42,205,817
**If new FTE's are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$13,683,697

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 18 of 42

C. (1) Title: Education and Economic Development Act (EEDA) Dual Enrollment
(2) Summary Description: To provide funding for statewide dual enrollment under the EEDA.
(3) Strategic Goal/Action Plan: Strategic Initiative: High Student Achievement. Strategic Goal 1.3: Students graduate from high school ready for college or a career. Action Plan: To implement the provisions of the Education and Economic Development Act passed in 2005.

D. Budget Program Number and Name: V, New – EEDA – Dual Enrollment

E. Agency Activity Number and Name: NEW 1 **–** Education Economic Development Act - Dual Enrollment

F. Detailed Justification for Funding

(1) Justification for Funding: The general assembly passed the Education and Economic Development Act (EEDA) in 2005. The purpose of the EEDA is to ensure that all South Carolinians graduate from high school prepared to enter the workforce or to enter postsecondary education. The legislation mandates a seamless transition from secondary to postsecondary education. A lack of funding for tuition has been identified as a barrier to dual enrollment as a mechanism for promoting seamlessness between secondary and higher education.

South Carolina has made a significant commitment to supporting students through lottery-funded scholarship and assistance programs; however, students in dual enrollment course sections comprise a unique population. For the current year (summer 2005, fall 2005, and spring 2006 semesters), 9,766 high school students have enrolled in college courses offered by South Carolina's colleges and universities. A separate grant program designed specifically to provide tuition and address the special needs of these students will ensure greater access to college courses.

The Pathways Tuition Grants Program will provide students with $150 per credit hour ($450 per three credit-hour class) to participate in dual enrollment college courses. Students will be able to use the grant toward the cost of tuition and fees at public and independent two- and four-year colleges and universities in the State. Unlike other scholarship and assistance programs, students would not be required to enroll in a particular number of credit hours each semester or be enrolled in a degree, diploma or certificate program. The $150 per credit hour should be adjusted annually based on the Higher Education Price Index (HEPI).
The estimated cost of tuition awards for students participating in dual enrollment is $9,285,000 for 2007-2008 and $11,142,000 for 2008-2009, based on current levels of dual enrollment in all sectors of higher education with projected enrollment increases of 20% annually and an additional 4% adjustment in 2008-2009 for the five-year HEPI average.

An additional barrier identified by the SDE Instructional Leaders Roundtable was funding for textbooks. The group recommended a $50 per student per course textbook supplement to address this need. Based on current dual enrollment in all sectors with projected enrollment increases of 20% annually, the estimated cost of the textbook supplement is $1,032,000 in 2007-2008 and $1,238,000 in 2008-2009.

(2)

FY 2007–08 Cost Estimates:	**State Non-Recurring Funds**	**State Recurring Funds**	**Federal**	**Other**	**Total**
Pass-Through Funds		$10,317,000			$10,317,000
Other Operating Expenses					
Total	$ 0	$10,317,000	$ 0	$ 0	$10,317,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. **19 of 42**

C. (1) Title: Teacher Quality: National Board for Professional Teaching Standards (NBPTS) Certification
(2) Summary Description: National Board Certification. Section 59-26-85 provides for an incentive pay increase to teachers who become certified by the National Board for Professional Teaching Standards (NBPTS). The pay increase shall be determined annually in the appropriations act.

Additional funding is required to fund the increase of the numbers of teachers becoming Nationally Board certified in SC.
(3) Strategic Goal/Action Plan: Strategic Initiative 2: Teacher Quality
2.1 Teacher recruitment and retention programs are successful.
2.2 Teacher preparation programs produce an adequate supply of competent teachers.
2.3 Teachers are qualified, competent, ethical, and caring.
2.4 Teacher professional development programs are effective.

D. Budget Program Number and Name: XI.C.3 – EIA-National Board Certification; XIII.A – National Board Certification

E. Agency Activity Number and Name: 688 – National Board Certification (NBC) Incentive

F. Detailed Justification for Funding
(1) Justification for Funding Increase: National Board Certification. Provides funding for the projected increase in teachers achieving National Board for Professional Teaching Standards (NBPTS) certification and applicants for (NBPTS) certification. The FY2006 number of NBPTS certified teachers receiving the incentive was 4,196. Based on previous pass rates and current NBPTS certified teachers, the State anticipates having approximately 4,950 NBPTS certified teachers by November 2006 and a total of 5,690 by November 2007 (FY2008). The State also anticipates an additional 750 new applicants. Total current year appropriation request is for $53,174,618; prior year appropriation was $48,112,500; requested increase is for $5,062,118. See Paragraph H, other comments.

(2)

FY 2007–08 Cost Estimates:	**State Non-Recurring Funds**	**State Recurring Funds**	**Federal**	**Other**	**Total**
Pass-Through Funds				$5,062,118	$5,062,118
Other Operating Expenses					
Total	$ 0	$ 0	$ 0	$5,062,118	$5,062,118
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State $6,061,304
Federal $0
Other $42,051,196 EIA

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

CALCULATIONS:

National Board Certification:

Salary: 5,690 NBPTS Teachers X $7,500 =	$42,675,000
Employer Contributions = $42,675,000 x .2021 =	$8,624,618
New Applicants = 750 X $2,500 =	$1,875,000
Total Required =	$53,174,618
Less Prior Year Appropriation =	-$48,112,500
Current Year Required Increase =	$5,062,118

NOTE: The national board certification impacts SC Average Teacher Salaries and is synchronized with the EFA, Teacher Specialist, and EIA Teacher Salary Supplement.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. **20 of 42**

C. (1) Title: High Schools That Work/Making Middle Grades Work (HSTW/MMGW)
(2) Summary Description: Request funding to support 40 new *HSTW/MMGW* sites that will be added to the South Carolina initiative during the fall of 2007. Funding will support professional development and initiative startup costs for the new sites. Adding 40 new sites to the five-year technical assistance visit (TAV) rotation will also require additional funding to pay for travel expenses and TAV Team Leader services, including the writing of a detailed, data-driven report. Additionally, increased funding is requested to support NAEP assessments for the new sites. This assessment is the accountability component of the reform initiative. This assessment is administered on alternating years, and 2007–08 will be the next testing year. NOTE: We anticipate adding 40 additional whole school reform sites for, at least, two more years in order to provide the state's high schools with the opportunity to comply with the requirements established in the Education and Economic Development Act (EEDA).
(3) Strategic Goal/Action Plan: Strategic Plan Goals1.1-1.5, 5.1-5.4, and 6.4

D. Budget Program Number and Name: XI.A.1 – High Schools That Work

E. Agency Activity Number and Name: 700 – High Schools That Work (HSTW) and Making Middle Grades Work (MMGW)

F. Detailed Justification for Funding
(1) Justification for Funding Increase: *HSTW* and *MMGW* are whole school reform models designed to provide quality educational opportunities for all students. The Southern Regional Education Board (SREB) supports these models, and South Carolina is one of 32 states in this whole school reform initiative. South Carolina is in the top five of the participating 32 states with regard to the number of sites in the initiative. The primary goal of each of these reform initiatives is to increase the number of students who meet reading, math, and science performance goals and who complete an upgraded academic core and a career and technical focus (recommended curriculum). This particular curriculum has just been recognized by the United States Department of Education as demonstrating that students will have completed a rigorous secondary school program of study. Other curricula receiving such recognition include the SC Academic Achievement Honors Award and the SC College Preparatory Course Requirements. SC, at the 2006 National *HSTW/MMGW* Conference, was one of only two states to receive the State Award for Educational Achievement based on students' performance on the NAEP assessment and their having completed the initiative's recommended curriculum as recognized by the United States Department of Education. These reform initiatives are guided by key practices and conditions, which include advocating accelerated learning and raising standards for all students, giving students the counseling support and extra help they need to plan and complete a challenging program of studies, involving parents and the community in efforts to raise student achievement and securing and effectively utilizing world-class technology. The key practices relate directly to the No Child Left Behind Act requirements of accountability and assessment for results, flexibility, local control, and scientifically based research. All initiative sites administer NAEP assessments every other year and are on a five-year, technical assistance visit (TAV) rotation. Pilot TAVs combining SACS and *HSTW/MMGW* visits have been successfully completed and schools wishing to combine visits have the flexibility of doing so. The requested increase is for $827,800 to support the professional and site development of 40 new sites, provide NAEP assessments for the new sites, and increase funding required to provide TAVs to 40 additional sites as they are merged into the existing 5-year rotation. Specific funding details, other than the FTE justification provided below, include the following:

- Education and Business Summit New Site Development Conference for All New Sites = $5,000
- Site Initiative and Professional Development for All New Sites = $680,000
- NAEP Assessments for All New Sites = $97,800
- Technical Assistance Visits for eight (8) sites = $45,000

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		2.00			2.00
(b) Personal Service		$110,000			$110,000
(c) Employer Contributions		$33,000			$33,000
Pass-Through Funds		$680,000			$680,000
Other Operating Expenses		$177,800			$177,800
Total	$ 0	$1,000,800	$ 0	$ 0	$1,000,800
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State $1,100,000
Federal $0
Other $1,000,000

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: Two FTEs are needed to support the continuing, significant growth of the *HSTW/MMGW* initiative in South Carolina. Currently the state has 86 *HSTW* sites and 40 *MMGW* sites. This number will increase by at least 40 sites in the fall of 2007. Growth indicators, based on completed applications for the fall of 2006 and given the number of potential sites to join the reform initiative prior to the EEDA implementation deadline, and our best prediction dictate that we must plan to add an additional 40 sites in the fall of 2007. This trend will probably be a reality through the fall of 2009 (EEDA implementation deadline), and, even beyond that date, as more *MMGW* sites will be added. Though we have moved to a five- versus three-year TAV rotation, the sheer number of reform sites requires approximately 40, three-day TAVs each year, management/writing of 40 lengthy reports, coordinating professional development and training, and managing NAEP assessments every other year for all sites. In order to provide office space and supplies for these two FTEs, a budget allocation of $15,000 per FTE for a total of $30,000 will be required.

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities requested.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II					
(a) Number of FTEs	2.00				2.00
(b) Personal Service	$110,000				$110,000
(c) Employer Contributions	$33,000				$33,000

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State
Federal
Other

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments: N/A

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 21 of 42

C. (1) Title: Agency Leadership, Support, and Assistance
(2) Summary Description: To provide funding and support for the Agency
(3) Strategic Goal/Action Plan: Strategic Initiative: Agency-wide Support

D. Budget Program Number and Name: All

E. Agency Activity Number and Name: Agency-wide support

F. Detailed Justification for Funding
(1) Justification for Funding Increase: The agency requests assistance in support of its operations with restoration of portions of budget reductions in FY2001-FY2004 and assistance with increasing cost of operations.

During fiscal years 2001 to 2004, the agency absorbed $7.2 million of General Fund budget reductions in personal service, other operating expense ($6.5 million), and employer contribution line items. Total general fund personal service, other operating expense, and employer contribution line items fell from a total of $51,914,852 in FY 2002 to a total of $44,705,954 in FY2005. There have been no restoration of these reductions.

Beginning in FY 2005, the Agency experienced a reduction of over 40 FTEs due to the 12-month vacancy proviso (FY 2007 Proviso 63.14). The reason the vacancies exceeded 12 months was due to inadequate personal service funds because of budget reductions during the period of FY 2002 – FY 2004.

General Tort Liability Insurance premiums increased $41,071 from $69,024 in FY2002 to $110,095 in FY 2006. There has been no additional appropriation for this item.

Workers Compensation Insurance premiums increased $1,043,456 from the FY2001 final adjusted premium amount of $442,082 to the final adjusted premium of $1,485,538 in FY2006. There has been no additional appropriation for this item. The FY2007 premium is projected to increase to $1,600,000.

Based on the items listed above, the Agency is requesting additional personal service, other operating expense, and employer contributions as listed in the below table.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		5.00			5.00
(b) Personal Service		$325,000			$325,000
(c) Employer Contributions		$591,000			$591,000
Other Operating Expenses		$500,000			$500,000
Total	$ 0	$1,416,000	$ 0	$ 0	$1,416,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: See above Section F (1)

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities requested.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II - CB05					
(a) Number of FTEs	5.00				5.00
(b) Personal Service	$325,000				$325,000
(c) Employer Contributions	$91,000				$91,000

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 884
Federal 138
Other 133

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments: N/A

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 22 of 42

C. (1) Title: Alternative School
(2) Summary Description: To provide funding and support for Alternative Schools in South Carolina.
(3) Strategic Goal/Action Plan: Strategic Initiative 5: Safe and Healthy Schools. Strategic Goal 5.1: Schools are safe healthy places with environments that are conducive for learning. Strategic Goal 5.4: Schools form community and state alliances that promote the health, safety, and well-being of students.

D. Budget Program Number and Name: XI.A.1 – Alternative Schools

E. Agency Activity Number and Name: 707 – Safe Schools – Alternative Schools

F. Detailed Justification for Funding
(1) Justification for Funding Increase: Under provisions of Section 59-63-1300 of the South Carolina Code of Laws, all of the State's school districts are eligible to receive funds to design and operate alternative school programs. In FY06, the department was only able to fund the additional weighting per student with a base student cost of $2,010 instead of $2,290, or a shortage of $427,500. In FY06 approximately 3,300 students were served by alternative schools. Using the projected base student cost for FY08 ($2,476) and no increase in students, the department would need approximately $285,000 more to fully fund the additional weighting of 1.74. In order for school districts to be able to provide appropriate services to these students, the department must be able to provide the necessary funding for them to operate. These funds are used for salaries, employee benefits, purchased services, supplies and materials, and capital outlay. The total FY08 budget request is $11,688,777; FY07 base recurring is $10,976,277; FY08 requested increase is $712,500.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				$712,500	$712,500
Other Operating Expenses					
Total	$ 0	$ 0	$ 0	$712,500	$712,500
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$10,976,277

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 23 of 42

C. (1) Title: Assisting, Developing, and Evaluating Professional Teaching (ADEPT)

(2) Summary Description: ADEPT is South Carolina's system for promoting and ensuring teacher effectiveness. According to state statute (S.C. Code Ann. §§ 59-26-30 and 59-26-40) and State Board of Education Regulation 43-205.1, all public school districts and teacher preparation programs in the state are required to implement the ADEPT system. The ADEPT system applies to all teachers throughout all stages of their careers. Specifically, the ADEPT system is based on ten teaching performance standards that are aligned with national standards and includes the following components relative to these standards:

- training and assistance for, and assessment of, teacher candidates;
- induction programs and mentoring support for beginning teachers;
- mentoring support and assistance-based professional growth and development plans for teachers who require support during their second or third year;
- formal performance evaluation that begins during teachers' second or third year;
- formal performance evaluation of experienced teachers who are exhibiting performance weaknesses; and
- informal (goals-based) evaluation to support the continued professional growth and development of experienced teachers.

(3) Strategic Goal/Action Plan: Strategic Initiative: Teacher Quality. Strategic Goal 2.3: Teachers are qualified, competent, ethical and caring.

D. Budget Program Number and Name: XIII.A – ADEPT

E. Agency Activity Number and Name: 693 – Teacher Quality – ADEPT

F. Detailed Justification for Funding

(1) Justification for Funding Increase: ADEPT Pass-Through. During FY 2005–06, school districts were required to implement the ADEPT system with a total of 52,232 teachers. However, during this time, nearly 50% of the school districts received less than $10,000 to support the entirety of their respective ADEPT programs; 20% of these districts received less than $5,000. Stated another way, the FY 2005–06 appropriation provided roughly $42 for the assistance, professional development, and evaluation of each teacher in the state. Teacher preparation programs were faced with similar ADEPT funding shortfalls relative to their teacher candidates. Current ADEPT funding to school districts is allocated based on the number of induction teachers employed by the school district during the fiscal year; similarly, teacher preparation programs receive ADEPT funds based on their numbers of student teachers. One recommendation stemming from the Comprehensive External Evaluation of the ADEPT System (Anderson, 2003) is to provide a baseline level of ADEPT funding to *every* school district and teacher preparation program. For school districts, a minimum baseline of $5,000 per district is recommended, with additional funding provided to each district on a per-induction-teacher basis. For teacher preparation programs, a minimum baseline of $2,500 to $5,000 per program is recommended (based on the size of the program), with additional funding provided to each program on a per-student-teacher basis. Using this formula, a pass-through appropriation of $3,867,500 is requested, representing an increase of $1,650,255.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		1.00			1.00
(b) Personal Service		$69,000			$69,000
(c) Employer Contributions		$19,320			$19,320
Pass-Through Funds		$1,650,255			$1,650,255
Other Operating Expenses					
Total	$ 0	$1,738,575	$ 0	$ 0	$1,738,575
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$2,217,245
Federal	$0
Other	$0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: The utility of and support for ADEPT have lead to continuous increases in the size, scope, and importance of the system. During the past three years, amendments to the ADEPT statute (S.C. Code Ann. §§ 59-26-30 and 59-26-40) and the ADEPT regulation (R 43-205.1), in addition to the State Board of Education's adoptions of the ADEPT System Guidelines, have resulted in a significant increase in responsibility at the state level. Currently, only one FTE is assigned to coordinate the state's ADEPT system. One additional FTE is requested to assist with the following functions:

- developing materials and resources, and conducting intensive training for personnel in all school districts and teacher education programs relative to the revised ADEPT Performance Standards and evaluation and assistance processes for student teachers, classroom-based teachers, school guidance counselors, library media specialists, and speech-language therapists;
- providing technical assistance to school districts and teacher education programs regarding program implementation and reporting;
- monitoring school districts and teacher education programs to ensure fidelity of implementation of the ADEPT Performance Standards and the evaluation and assistance processes;
- collecting, analyzing, and reporting teacher performance data and using this information to assist school districts and teacher education programs in making continuous improvements to their teacher evaluation and assistance processes that, ultimately, will result in increased student achievement.

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities are requested. Operating costs will be absorbed under the current budget allocation.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: ADEPT Associate (Education Associate III)					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$69,000				$69,000
(c) Employer Contributions	$19,320				$19,320

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State	1.00
Federal	
Other	

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments:

Calculations:

ADEPT Pass–Through Appropriation			
Base allocation per school district and special school: $5,000 x 85		$	425,000
Per induction teacher add–on allocation: Estimated at $750 x 3,000 induction teachers		$	2,250,000
Base allocation per teacher education program with fewer than 10 student teachers: $2,500 x 5		$	12,500
Base allocation per teacher education program with ten or more student teachers: $5,000 x 26		$	130,000
Per student teacher add–on allocation: Estimated at $350 x 3,000 student teachers		$	1,050,000
Total ADEPT Pass–Through Appropriation Requested		**$**	**3,867,500**
Less Current ADEPT Pass–Through Appropriation	-	$	2,217,245
Requested *Increase* in ADEPT Pass–Through Appropriation		**$**	**1,650,255**

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 24 of 42

C. (1) Title: Young Adult Education
(2) Summary Description: The Young Adult Program (YAP) serves an overwhelming number 17-21 years of age who leave the traditional K-12 system and enroll in the local school district adult education program for the purpose of completing their high school credential.
(3) Strategic Goal/Action Plan: The goal is to actively recruit students specifically in the age category to enroll in adult education to complete their high school credential.
Strategic Goals:
3.1 Students successfully complete their high school credential.
3.2 Upon successful completion, students will enroll in postsecondary education, enter employment and/or the military.

D. Budget Program Number and Name: XI.A.1, XIII.A, XVII.C – Young Adult Education Program (YAP)

E. Agency Activity Number and Name: 740 – Adult Education (AE)

F. Detailed Justification for Funding
(1) Justification for Funding Increase:
In the last decade, the high school diploma completion rate has continued to decline giving South Carolina one of the lowest graduation rates in the nation. Because of the extremely high number of dropouts, adult education programs have become the dropout retrieval program for South Carolina. During the academic year of 2004-05, 71,000 adults between the ages of 17-82 were served in a variety of academic instructional levels. Adult education programs have experienced a particularly rapid increase in enrollment of students in the 17-21 age group. In 2004-05, 15,693 students 17-21 years of age enrolled in adult education. An additional 15,597 adults 22–29 years of age were also served.

Due to the alarming number of students leaving the traditional K-12 program and enrolling in adult education, adequate funding to meet the challenges of the "young adult" population continues to erode. The Education Oversight Committee (EOC) 2003-04 budget recommended funding adult education at $1,000 per student in this age group. Based on this recommendation an additional $1.6 million is requested each year, over a ten-year period, to adequately fund part-time and full-time teachers and career specialists to assist in serving this population.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		$1,600,000			$1,600,000
Other Operating Expenses					
Total	$ 0	$1,600,000	$ 0	$ 0	$1,600,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$1,600,000
Federal	$0
Other	$1,600,000

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63-Department of Education

B. Priority No. 25 of 42

C. (1) Title: Educator Certification

(2) Summary Description: Funding is requested to provide additional certification analysts (Program Assistant I) for the processing of certification requests. The Office of Educator Certification currently has 12 analyst positions (three vacant, but positions posted) that provide staff for processing all certification requests. Overall, the Office processed approximately 65,000 certification cases in 2005-06, including 6,000 initial certificates, 12,000 renewals and add-on certificates, over 400 out-of-field permits, and thousands of certificate upgrades for salary purposes (i.e., bachelor's plus 18, master's, master's plus 30, and doctorate). Office staff responded to over 69,000 e-mail inquiries, 68,000 phone calls and consulted with approximately 2,800 walk-in visitors. Staff also scanned 186,627 documents required for certification processing into the Educator Certification database, and prepared 240 cases for SDE or State Board of Education review and/or action relative to educator discipline cases (arrests, convictions, etc.) noted on fingerprint reports relative to initial teacher certification, and assisted in the review of approximately 110 cases that resulted in public reprimands, suspensions, revocations, or surrender of certificates.

Although State Board of Education regulations have been revised and streamlined to some degree, and certification processing has been modified because of requirements addressed in the No Child Left Behind federal legislation (elimination of certain certificates with waivers), and the conversion to a statewide certificate renewal system that results in more advisement and processing at the local school district level, the volume of requests to the office has still resulted in a processing delay of 12-15 weeks during the summer months. Delays are reduced to five-six weeks during the remainder of the year, but this is still far from acceptable. The employment of temporary or part-time staff is not a viable alternative because of the knowledge, understanding, and training related to certification regulations that is required of certification analysts. Therefore, it is requested that four new FTEs be funded to provide additional staff for the processing of requests to the Office of Educator Certification.

(3) Strategic Goal/Action Plan: Teacher Quality

2.1 Teacher recruitment and retention programs are successful.
2.2 Teacher preparation programs produce highly qualified teachers.
2.3 Teachers are qualified, competent, ethical and caring.
2.4 Teacher professional development programs are effective.

D. Budget Program Number and Name: XI.C.2 – Teacher Quality

E. Agency Activity Number and Name: 742 – Teacher Certification

F. Detailed Justification for Funding

(1) Justification for Funding Increase: Four additional state FTEs are needed in the Office of Educator Certification to employ certification analysts who will be trained to interpret and apply State Board of Education regulations in the processing of thousands of requests to this office. The additional analysts will make it possible for the Office of Educator Certification to reduce the current backlog of cases that reaches approximately 12-15 weeks during the peak summer months, and five to six weeks during the remainder of the academic year. Office space rental and equipment will be needed to house the additional staff members in addition to salary and fringe benefits.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*				4.00	4.00
(b) Personal Service				$124,000	$124,000
(c) Employer Contributions				$34,720	$34,720
Pass-Through Funds					
Other Operating Expenses	$17,648			$13,978	$31,626
Total	$17,648	$ 0	$ 0	$172,698	$190,346
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$ 452,923
Federal	$ 0
Other	$ 0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA .

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification: Four additional FTEs are needed in the Office of Educator Certification to employ certification analysts who will be trained to interpret and apply State Board of Education regulations in the processing of thousands of requests to this office. The additional analysts will make it possible for the Office of Educator Certification to reduce the current backlog of cases that reaches approximately 12-15 weeks during the peak summer months, and five to six weeks during the remainder of the year. Funds for office space rental and equipment will be needed as well to accommodate these staff members.

(b) Future Impact on Operating Expenses or Facility Requirements: The request would require recurring expenses for salaries and fringe benefits for each of the four positions, office supplies, telephone, and office space rental. Initial (but non-recurring) costs would include office furniture and computers for each new certification analyst.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Educator Certification Analyst (Program Assistant I)					
(a) Number of FTEs	4.00				4.00
(b) Personal Service	$124,000				$124,000
(c) Employer Contributions	$34,720				$34,720

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State	11.00
Federal	
Other	

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 26 of 42

C. (1) Title: Assistant Principal Leadership Program

(2) Summary Description: Under the provisions of §59-24-50, SDE must develop "continuous professional development programs" for school leaders. An analysis of current leadership programs found that there were not sufficient programs and services for beginning school leaders. There was not a program specifically dedicated to the important transition from classroom teacher to the assistant principal position. Currently § 59-24-80 requires that all new principals attend a formalized induction program. This proviso would create a similar initiative for assistant principals by establishing the Assistant Principal Leadership Program (APLP). APLP would deliver training specifically designed for new assistant principals that would lay the foundation for success in their new position as well as future leadership training. The proviso requires SDE to develop and deliver this new leadership growth opportunity for newly assigned assistant principals. Moving from the classroom to an administrative position is a significant transition. This program would help these new leaders make a smooth transition into their administrative roles. It is absolutely essential that we provide the very best leaders to our schools. It is critical that we begin leadership training prior to assignment as a principal. This is an important step in improving current school leadership and creating school leaders for future generations.

(3) Strategic Goal/Action Plan: Strategic Initiative: Education Leadership. Strategic Goals 6.1: School leaders are highly qualified, caring, and supportive; 6.2: State education leadership is aligned; and 6.4: Professional development programs support education leaders. Action Plan: To develop and deliver a rigorous and relevant program for newly assigned Assistant Principals.

D. Budget Program Number and Name: XI.E.1, XI.E.3 – Leadership Schools, State

E. Agency Activity Number and Name: 771 – Office of School Leadership (OSL) Foundational Leadership Programs

F. Detailed Justification for Funding

(1) Justifcation for Funding Increase: The Office of School Leadership delivers a continuum of leadership growth opportunities for educational leaders. The first program offered in the continuum is for veteran assistant principals who aspire to be principals. We must begin rigorous and relevant leadership training earlier in the careers of our school leaders. Moving to an assistant principal position is a tremendous transition. For most people it is the first time they are performing administrative work. The competencies for success as an assistant principal are much different those required of a classroom teacher. Teachers are focused on instructional practice and the teaching and learning of their students. Assistant principals are responsible for leading adults, managing facilities, developing budgets, handling discipline on a much broader scale, and dealing with many other building-level issues. This program will help new assistant principals make a smooth transition to their new responsibilities and strengthen the pool of educational leaders in South Carolina.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*				1.00	1.00
(b) Personal Service				$72,000	$72,000
(c) Employer Contributions				$20,160	$20,160
Pass-Through Funds					
Other Operating Expenses				$75,340	$75,340
Total	$ 0	$ 0	$ 0	$167,500	$167,500
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: Our analysis indicates that each year 110 to 140 educators move into assistant principal positions for the first time. Developing, delivering, and evaluating a program of this scope requires an experienced educator. Current staff could not absorb the significant additional workload of this program.

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities requested.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate III					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$72,000				$72,000
(c) Employer Contributions	$20,160				$20,160

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 1.0
Federal
Other

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments:

Cost Factors: School leadership is second only to teacher quality in improving student performance. We know that strong school leadership translates into improved school and student performance. This proviso will have a significant positive effect on school leadership. We will conduct a pilot cohort of this program (25-30 participants) this year to help develop the curriculum and format.

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A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 27 of 42

C. (1) Title: EAA Data Collection and Reporting System
(2) Summary Description: To provide annual maintenance fees for the flexible Windows-based data collection and reporting system and the Student Unique Numbering System (SUNS for Testing) provided by the state to all public school districts to facilitate educational accountability. These maintenance fees are stipulated under the terms of the existing state contract. In addition, funds are required to expand the technical capacity of data warehouse data collection and validation using Student Unique Numbering System for Testing and School Interoperability Framework. Also, to support this effort the agency network infrastructure must be upgraded.
(3) Strategic Goal/Action Plan: 1.5 The state educational system components are accountable and aligned so that all students reach a high level of academic achievement. Goal 5.3: Educational leadership is accountable.

D. Budget Program Number and Name: XI.A.4 – Data Collection; Student Unique Numbering System

E. Agency Activity Number and Name: 755 – Data Collection – SASI; 756 – Student Identifier and LDS

F. Detailed Justification for Funding
(1) Justification for Funding Increase: SASI forms the backbone of data collection and reporting system (SASIxp) for all public school districts to meet educational accountability requirements by providing a responsive data collection, storage, retrieval, and reporting system for the school districts and public school students. The software requires annual maintenance fees for continued operation and support. Districts are dependent on this software for school administration, curriculum and assessment and state reporting. School funding is distributed based on data collected and reported through this system.

South Carolina became the first state in the nation in 1986 to have all schools automated. Through this model, districts realized the efficiencies of automation. The SASIxp software system upgraded the original software provided in 1986 and the state has been able to collect a higher level of data with increased accuracy.

In 2005, the State Department of Education implemented the first in the nation statewide School Interoperability Framework Student Unique Numbering System for Testing needed for assessment, longitudinal studies, state and federal reporting. The contract for the installed software requires maintenance fees for continued operation and support. Districts and the agency are dependent on this software.

The federal No Child Left Behind (NCLB) and Education Accountability Act of 1998 (the EAA) have data reporting requirements. Data collection, analysis, and dissemination are integral to the education reform process and central to establishing accountability. As a result, demands for information and data analysis have grown exponentially in public education in recent years.

Implementing the EAA requires extensive data collection by the state's public education system as a part of this comprehensive set of education reforms and reporting requirements. To meet the EAA data demands, our schools and educators established greater data sets, enlarged collection/integration capacity, and heightened the sophistication of the analyses. The Student Unique Numbering System (SUNS for Testing) provides the unique number to allow tracking of students and longitudinal studies. The increased demand for data collection from 1132 schools on a regular basis requires extensive upgrading of the agency network infrastructure. Information for the Report Card, AYP, Dial 3 for 4K students, Highly Qualified Teachers and much more too numerous to mention is provided via this system.

NCLB institutes even higher student performance requirements and demands more creative programs and activities to improve student achievement. NCLB mandates even more drastic increases in the types of data collected, its analysis, and forms of reporting required of schools, districts, and the state for compliance purposes. Additionally, the higher performance goals established by this federal law require more sophisticated analysis of the information for improvement and accountability. Even with the EAA data foundation, NCLB requirements threaten to overwhelm our present information systems' capacity for data collection and analysis.

The National Conference of State Legislatures, in a review of the NCLB legislation, expressed concern about the fiscal impact of specific provisions of the law. The group noted that the data collection and reporting requirements of the Act could be significant and could cost $5 to $10 per student in total K–12 enrollment in a given state.

The additional funds are needed to cover increased software maintenance costs by vendors.

$1,328,010	SASIxp and SUNS Data Collection and Reporting System Maintenance
$1,638,450	Data Analysis, Validation, Longitudinal Studies and Agency Network Infrastructure
$2,966,460	Total FY2008 Request
$2,706,605	Total FY2007 Appropriation
$259,855	Total 2008 Increase

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Other Operating Expenses				$259,855	$259,855
Total	$ 0	$ 0	$ 0	$259,855	$259,855
**If new FTE's are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$ 0
Federal	$ 0
Other	$ 2,706,605

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments: FY2007 appropriation for this activity was $2,706,605 for Data Collection – SASI. For FY2008, the amount required for data collection, SASI and SUNS for testing, and agency network infrastructure – $1,219,230 for SASI maintenance and security maintenance, $108,780 for Student Unique Numbering System (SUNS for Testing) maintenance, and $1,638,450 for data warehouse data analysis, validation, network infrastructure and vertical reporting from SASIxp using School Interoperability Framework. FY2008 total required is $2,966,460, which represents a $259,855 increase from the FY2007 appropriated amount of $2,706,605.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 28 of 32

C. (1) Title: Teacher Supplies
(2) Summary Description: To provide funding for eligible teachers, guidance counselors and media specialists to purchase instructional supplies and materials.
(3) Strategic Goal/Action Plan: Strategic Initiative 2: Teacher Quality. Strategic Goal 2.2: Teacher preparation programs produce highly qualified teachers. Strategic Goal 2.4: Teacher professional development programs are effective.

D. Budget Program Number and Name: XI.C.3 – Teacher Supplies

E. Agency Activity Number and Name: 689 – Teacher Supplies

F. Detailed Justification for Funding
(1) Justification for Funding Increase: Each year since the inception of the teacher supply allocation, eligible staff have continued to increase. In FY06, the department paid approximately 500 more staff than in FY05. We anticipate another increase of an additional 500 teachers for FY07. In order to be able to continue to provide all eligible employees with $250 to offset expenses for instructional supplies and materials, the department must have the available funds to meet this requirement. Calculation : 51,000 staff X $250 = $12,750,000

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				$250,000	$250,000
Other Operating Expenses					
Total	$ 0	$ 0	$ 0	$250,000	$250,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$12,500,000

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:
Cost Factors: 51,000 staff X $250 = $12,750,000 – $12,500,000 FY 2006 Base = $250,000 increase

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 29 of 42

C. (1) Title: Curriculum Standards - Advanced Placement

(2) Summary Description: Advanced Placement (AP). The SDE provides pass-through funds to districts and direct-billed allocation to the College Board to support the approximately 22,500 AP exams administered each year, as well as teacher training graduate institutes in AP.

(3) Strategic Goal/Action Plan: Strategic Aim 1, High Student Achievement. Increase and sustain emphasis on identifying students with high performance ability or potential and providing an educational program beyond that normally provided by the general school program in order to achieve their potential.

Strategic Goals:

1.1 Students are held to rigorous and relevant academic standards.
1.2 Students demonstrate essential knowledge and skills as described in the curriculum standards.
1.3 Students graduate from high school ready for college or a career.
1.4 Students use technology to reach higher levels of learning.
1.5 The state educational system components are aligned so that all students reach a high level of academic achievement.

D. Budget Program Number and Name: XI.A.1 – Education Improvement Act, 1A.2 – Advanced Placement

E. Agency Activity Number and Name: 682 **–** Advanced Placement (AP)

F. Detailed Justification for Funding

(1) Justification for Funding Increase: This request is for an increase to cover the costs of the AP exams ($74 per exam). The number of exams taken by South Carolina students increased from 18,044 in 2004 to 20,479 in 2005 and approximately 22,500 in 2006. This increase resulted in an expenditure of over $330,000. The increase cost of exams has resulted in decreasing the costs of Singleton funds and AP Teacher Institutes. Projecting an 11% increase in the number of AP students in FY08, the requested appropriation increase for AP is $891,735 (The following is a breakdown of the total operating needs: $1,850,000 for costs of exams ($74 @25,000 students); $1,250,000 for AP materials and supplies, including books ($50/student); $400,000 for Singleton; $270,000 for AP Institutes, based on an average of $15,000 for eighteen statewide institutes, necessary to meet the requirements of the College Board's audit procedures); and an additional $200,000 to support the pre-AP efforts the schools whose AP enrollment is less than ten students. In 2005-06, twenty-three high schools (approximately 11%) had AP enrollments of less than ten students, eight high schools had no AP students.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				$597,735	$597,735
Other Operating Expenses (exam costs)				$294,000	$294,000
Total	$ 0	$0	$ 0	$891,735	$891,735
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$3,078,265

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 30 of 42

C. (1) Title: Education of Students with Disabilities. Students with Disabilities in Alternative Residences; Extended School Year; Preschool Children with Disabilities.
(2) Summary Description: Students with Disabilities in Alternative Residences. To provide funding to local school districts for the provision of improved educational and related services to students with disabilities who reside in alternative residences located within their geographic boundaries.
Extended School Year. Provides extended school year services for students with disabilities whose IEPs specify such services.
Preschool Children with Disabilities. Provides financial support for the provision of a free appropriate public education for 11,668 three, four, and five year old children with disabilities statewide in South Carolina.
(3) Strategic Goal/Action Plan: Strategic Aim 1–High Student Achievement. 1.1. Students are held to rigorous and relevant academic standards.

D. Budget Program Number and Name: III – Division of Curriculum Services; XI.A.1 – P.L. 108-446, 20 U.S.C. § 1412, Preschool Children with Disabilities; XIII – Aid to School Districts.

E. Agency Activity Number and Name: 694 **–** Services to Students with Disabilities –Special Needs – Children w/Disabilities P.L. 108-446, 20 U.S.C. §1412; 695 – Services to Students with Disabilities, Special Needs Children, Aid Sch Dist-Pilot

F. Detailed Justification for Funding
(1) Justification for Funding Increase: Students with Disabilities in Alternative Residences. Under Proviso 1.8 local education agencies wherein alternative residences are located are responsible for providing a free and appropriate education for all students residing within the alternative residence. For the most part, these students come from all over the state and require an extremely high level of services. During the course of a school year the residency of these students may change frequently, and they require additional supports such as shadows. The number of group homes has increased dramatically, and the number continues to grow each year. Many are located in small districts that do not have the necessary support services and resources available that are required to appropriately serve these students. In 2005–06 there were 602 students identified in alternative residences. Request is for $1,000,000.

Extended School Year. Last year local education agencies received $10.11 per child in state funding for each student receiving extended school year services.

Three school districts participated in a pilot program during the summer of 1993 under a legislative proviso. It was determined that the average cost per student for that year was $323.77. The current incidence rate for 2005–06 is 3.9%, which includes 4,284 students. Request is for $1,000,000 pass-through. The current appropriation is $43,316 General Fund.

Preschool Children with Disabilities. In 1995, a report commissioned by the Joint Committee to Study Formula Funding in Education Programs stated that the average cost for educating a preschool child with a disability was $3,009. This was based on a study of the costs incurred in ten representative districts. The total of state and federal funds available for this population last year was $475.29 per child creating a deficit of $2,533.71 per child. This request would enable preschool children with disabilities to continue to receive more appropriate services, which would enable them to achieve higher standards when they reach school age. The total cost to meet this requirement would be $29,563,328. The request below would meet 6.8% of this need. Request is for an increase of $2,000,000. Current appropriation is $3,973,584.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		$4,000,000			$4,000,000
Other Operating Expenses					
Total	$ 0	$4,000,000	$ 0	$ 0	$4,000,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$43,316	(Extended School Year)
Federal	$0	
Other	$3,973,584	(Preschool Children with Disabilities)

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

Alternative Residence. The funding formula that would be utilized would be to divide the number of students with disabilities residing in alternative residences into the allocation to determine a per pupil amount per alternative residence. In order to determine the allocation available for each school district, the per pupil amount would be multiplied by the number of students with disabilities residing in alternative residences within each district. The expenditure of these funds would be limited to the provision of direct services for students residing in the alternative residences.

Preschool Children with Disabilities. All local school districts are mandated by both state and federal statutes to provide a free appropriate public education for all children with disabilities beginning on their third birthday. Owing to financial constraints, many of the 11,668 three, four, and five year old children with disabilities are receiving fragmented and limited services. In February 2002, the Office of Special Education Programs with the U. S. Department of Education visited several districts and validated that many children in the state were not receiving services on their birthday.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 31 of 42

C. (1) Title: Educator Quality: Educator Preparation Program Report Card for Educator Preparation Programs
(2) Summary Description: Title II, Section 207, of the Higher Education Act (HEA) as passed in 1998 requires states, as recipients of HEA funds, and all institutions with educator preparation programs that enroll students receiving federal financial assistance, to prepare annual reports on educator preparation and certification. A data warehouse will be developed to meet the needs of Title II as well as supporting comprehensive policy making decisions for educator preparation programs in South Carolina.
(3) Strategic Goal/Action Plan: Strategic Initiative: Educator Quality. Strategic Goal 2.2: Educator preparation programs produce highly qualified teachers.

D. Budget Program Number and Name: IV, XI.C.3 – Teacher Quality

E. Agency Activity Number and Name: 745 – Teacher Education

F. Detailed Justification for Funding:
(1) Justification for Funding Increase: SDE is required to accredit the educator preparation program of all institutions of higher education in South Carolina. Institutions must meet relevant state and federal accreditation and program standards as provided by the National Council for the Accreditation of Teacher Education (NCATE), Title II of the Federal Higher Education Act (HEA) of 1998, and the SC Code of Laws. SDE prepares and submits the Title II State Report to the US DOE as mandated by Title II, Section 207 of the HEA and is responsible for including additional report card components approved by the State Board of Education.

The requested increase provides funding to carry out the state and federal annual reporting requirements, which assure that institutional program effectiveness is reviewed through such program completer indicators as certification exam pass rates (PRAXIS II exam), teacher induction and evaluation program performance, and surveyed perceptions of program effectiveness. The increased funding provides the resources to achieve the strategic aim of Teacher Quality. The state report card requires information about three basic areas: state certification requirements, the institutions and alternative routes that prepare teachers and their success in doing so as measured by pass rates on certification tests, and the numbers of teachers in the state, both those who are and those who are not fully certified to teach. The state report also must rank order institutions and alternative preparation routes in quartiles in each of seven categories by percent of candidates passing the assessments. The end result of the program is to fulfill the requirements to provide a description of state efforts to improve teacher quality and to identify both low-performing educator preparation programs and those at-risk of being considered low performing, providing technical assistance to those programs so designated. No resources are provided to cover the increase in costs associated with meeting this mandate by Title II, Section 207 of the HEA and the State Board Requirements.

In addition to Title II requirements, the State currently lacks the ability to adequately access and monitor educator preparation programs in terms of pertinent trends such as graduation rates, candidate satisfaction rates and critical needs such as programming quality and distance education opportunities for the state. A Data Warehousing computing environment will enable policy makers to examine the comprehensive state of educator preparation programs in South Carolina without overdependence on technical analysts. The SDE will use this data to produce an annual fact sheet on each institution that prepares educators.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Other Operating Expenses				$180,000	$180,000
Total	$ 0	$ 0	$ 0	$180,000	$180,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

Explanation of Other Operating Expenses	
Contractual Services	$75,000
Supplies and Materials	$30,000
Equipment	$75,000
Total	$180,000

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 32 of 42

C. (1) Title: M-L TEACH (Middle Level Teacher Education, Advancement, Certification and High Qualification)
(2) Summary Description: Teacher education programs in South Carolina will prepare only a fraction of the certified middle level teachers needed in the 2006 – 2007 school year. As a result, many school districts will need to hire teachers who are elementary or secondary trained and certified. By July 2008, these teachers will need to meet the requirements for middle level certification and "highly qualified" status.

Through ML-TEACH, all eligible middle level teachers who are certified at the elementary or secondary level will have access to the coursework needed to obtain middle level add-on certification at no cost to them. ML-TEACH will ensure middle level teacher education, advancement, certification, and high-qualification for all participants by coordinating coursework and professional development experiences that are closely aligned with National Middle School Association (NMSA) standards for teacher preparation. Some of the coursework will be offered at the graduate level, so participants will advance their careers with three or more graduate credit hours that may transfer into a Master's degree program at a college or university in South Carolina. Finally, all participants in ML-TEACH will meet the requirements for middle level teacher certification upon completion of the program, and they will be considered "highly qualified" as defined by NCLB.

While all project completers will meet the requirements for a middle level teaching certificate, ML-TEACH goes beyond the minimal certification requirements to ensure that each participant will meet the NMSA performance standards for initial teacher preparation upon completion of the project. The overarching goal of ML-TEACH is to cultivate the necessary expertise and leadership in the teaching force to improve middle level education in South Carolina.
(3) Strategic Goal/Action Plan: Strategic Initiative: Educator Quality. Strategic Goal 2.2: Educator preparation programs produce highly qualified teachers. Action Plan: To increase the percentage of middle-grade educators with middle-level certification.

D. Budget Program Number and Name: IV, XI.C.3 **–** Teacher Quality – New

E. Agency Activity Number and Name: 745 **–** Teacher Education – New

F. Detailed Justification for Funding
(1) Justification for Funding Increase: Until recently, young adolescents in South Carolina had been taught by teachers prepared to teach at the elementary or secondary levels. We are now giving attention to the middle grades with specialized preparation for middle level teachers and mandatory middle level certification. This attention is long overdue, as evidenced by high dropout rates, low levels of academic achievement, and persistent issues with risk behaviors evidenced by students in grades 6 through 8. Young adolescents in South Carolina need and deserve teachers who are well prepared and qualified to teach them.

Institutions of higher education in South Carolina are developing specialized programs to prepare middle level teachers as the Department of Education phases in the new certification requirements. However, there will be a shortage of teachers who are certified, highly qualified, and well prepared to teach at the middle level until enough of these programs are developed, approved, and operating at full capacity. In the mean time, ML-TEACH will provide an alternate route to middle level certification for teachers who are prepared and certified to teach students at another grade level.

(2)

ML-TEACH Cost (Based on 200 teachers served)

FY 2007–08 Cost Estimates:	**State Non-Recurring Funds**	**State Recurring Funds**	**Federal**	**Other**	**Total**
Other Operating Expenses				$370,000	$370,000
Total	$ 0	$ 0	$ 0	$370,000	$370,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

Costs are based on 200 teachers completing coursework toward middle level certification during the project period.

Explanation of Other Operating Expenses	
*Coursework (contracts, tuition waivers, and texts)	$260,000
Wages and Travel	$50,000
Teacher Professional Development (summer 2007)	$50,000
Expenses (supplies, data collection, evaluation)	$10,000
Total	$370,000

***Course and Exam Demand:**
Initial survey results indicate that 27% of the teachers in the target group will meet the certification requirements by simply passing the appropriate Praxis exams. Another 27% will need to take one or two courses. Thirty two percent (32%) of the target group teachers will need 3 to 5 courses, and fourteen percent (14%) will need six or more courses.

A. Agency Section/Code/Name: Section 1, H63-Department of Education

B. Priority No. 33 of 42

C. (1) Title: Teacher Quality, Induction and Mentoring

(2) Summary Description: Funding for this activity is requested in order to comply with the Teacher Quality Act (Act 393 of 2000). Its objective is to improve teacher quality and student achievement by increasing teacher retention and reducing teacher turnover by establishing an effective mentoring and induction program for South Carolina's public schools. The program will focus on the following three critical needs: each school district will have access to a mentoring program that will address the needs of beginning teachers; teacher attrition will be significantly reduced through the efforts of well-trained and supportive mentors; student achievement gains will be noted because of teacher retention and greater teacher effectiveness. The State Board of Education adopted guidelines in July 2005 to guide school districts in developing plans for the selection, training, and assignment of mentors. Further action by the State Board is expected in August 2006 to expand the guidelines to include the full range of induction requirements for beginning teachers, including mentoring.

Current research indicates that teacher attrition rates for South Carolina are:
16.7% after the first year of teaching
27.5% after three years of teaching
33.5% after five years of teaching

The cost of teacher turnover is significant. It is estimated that the cost of replacing a teacher is 25-35% of a teacher's annual salary plus benefits. A Texas study reported the cost to a school district to be $8,000 or more per recruit leaving the first several years of teaching. Further attrition exacerbates recruitment problems, particularly when teachers leave hard-to-staff schools and critical subject fields. At present school districts in South Carolina are required to assign a mentor to each beginning teacher; however, the formal sustained training of these mentors is minimal or non-existent across the state. If a foundation of professional development is provided for mentors, not only will teacher attrition decrease, but research indicates that more effective teaching has a direct positive correlation with higher student achievement.

The proposed budget request of $12 million for 2007-08 will allow for initial training of mentors and induction providers, and advanced training of selected mentors (through flow-through funding to the Center for Educator Recruitment, Retention and Advancement). Funding will also provide stipends or released time for mentors to work with beginning as well as experienced teachers. Additionally, funding will allow for the creation of an on-line mentoring system that will facilitate expert mentor consultation to remote school districts.

Assisting, Developing and Evaluating Professional Teaching (ADEPT) is a SC system for enhancing teacher quality. The system includes provisions for induction/mentoring/assistance programs for first year teachers; formal evaluation for second year teachers who are having performance problems; and professional development goals for experienced teachers. However, funding for mentoring is minimal through the current ADEPT appropriation. The current ADEPT appropriation of $2,217,245 in 2006-07 is for the ADEPT program as a whole, not just mentoring. Districts may decide how much of their allotment per teacher will be used for mentoring and induction; therefore, many districts designate very little of these funds to support an effective mentoring experience for all eligible teachers.

(3) Strategic Goal/Action Plan: Teacher Quality

2.1 Teacher recruitment and retention programs are successful.
2.2 Teacher preparation programs produce highly qualified teachers.
2.3 Teachers are qualified, competent, ethical, and caring.
2.4 Teacher professional development programs are effective.

D. Budget Program Number and Name: XI.C – Teacher Quality

E. Agency Activity Number and Name: 746 – Teacher Evaluation-ADEPT

F. Detailed Justification for Funding

(1) Justification for Funding Increase: Induction and Mentoring- Requested appropriation is for $12,000,000. This will allow for initial training of mentors (approximately 5,000 statewide, training to be phased in over three years) and induction providers (1-2 persons per school district), and advanced training for successful mentors recommended by their districts (approximately 600). Funding will also provide stipends or released time for mentors to work with beginning teachers. Additionally, funding will allow for the creation of an on-line mentoring system (consultation by expert mentors) that will facilitate expert mentor consultation to remote school districts. Funding will also support the state administration of the mentoring initiative by providing three regional trainers/residents (district

staff members employed with flow-through funds to the Center for Educator Recruitment, Retention and Advancement-CERRA) in addition to training materials and other associated costs to support the mentoring effort statewide, both for initial mentor training and advanced training for selected, experienced mentors.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		$9,000,000			$9,000,000
Other Operating Expenses		$3,000,000			$3,000,000
Total	$ 0	$12,000,000	$ 0	$ 0	$12,000,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State $0
Federal $0
Other $0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

Based on a $12 million appropriation and approximately 6,215 teachers (induction, annual, and annual-diagnostic), the appropriation would provide approximately $1,931 per teacher for the purpose of implementing the induction and mentoring program statewide. Funds for flow-through purposes to the Center for Educator Recruitment, Retention and Advancement (CERRA) will account for $748,200 of the $9,000,000 requested in flow-through funding to provide for staff, training materials, two full-time trainers and associated costs to support both the initial and advanced training of mentors statewide, in collaboration with staff at the SDE.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 34 of 42

C. (1) Title: Educator Quality: Teacher Advancement Program (TAP)
(2) Summary Description: The Teacher Advancement Program (TAP) is an educational reform model built around raising the level of teacher effectiveness and student achievement by providing multiple career paths, differentiated compensation, on-going applied professional growth, and instructional accountability for teachers and administrators. In order to keep the most effective teachers in classrooms, TAP provides bonuses and opportunities for teachers to gain more responsibility within the school. The bonuses for the 2006 cycle ranged from $500-$4,500; however, research indicates incentive pay alone is not the solution. Attitudinal surveys of current TAP schools indicate an overwhelming majority of teachers support performance based compensation if there are systems in place to provide pedagogical support for teachers. Systematic feedback and coaching from master and mentor teachers provides constant on-site support for career teachers to become more effective. In addition to improving pedagogical skills through demonstration lessons and coaching, mentor and master teachers research, implement and provide models for specific strategies selected through a thorough analysis of student data. TAP is a school wide comprehensive reform model designed to build local capacity and raise the professionalism, expectations, and monetary compensation for teachers.
(3) Strategic Goal/Action Plan: Strategic Initiative: Educator Quality. Strategic Goal 2.1: Educator recruitment and retention programs are successful.

D. Budget Program Number and Name: IV, XI.C.3 – Teacher Quality

E. Agency Activity Number and Name: 745 – Teacher Education

F. Detailed Justification for Funding:
(1) Justification for Funding Increase: There is no state funding for TAP in South Carolina. Federal Title II, Part A funds currently account for $500,000, which is used to pay performance bonuses and associated personnel costs of master and mentor teachers at the original pilot schools in addition to software licensing and contractual agreements for several of the schools.

The requested funding would provide the resources necessary to achieve the strategic aim of raising Educator Quality. While seventeen schools are in the program for 2006-07, many districts and schools have made contact with SCTAP to express interest in the program. Currently, the state director is working with those schools in the application and set-up process. Lack of funding will make it nearly impossible to assist these schools. The requested increase provides funding for the expansion of this program and the inclusion of these schools. Also, the requested funds for new schools would be strategically placed to geographically compliment the existing TAP schools in terms of location across the state. These funds will create competition that will serve as a catalyst for statewide changes in district pay scales by putting all of South Carolina's teachers within a reasonable commute of a TAP school.

The growth and expansion of TAP in South Carolina has primary and secondary benefits. As TAP expands, student achievement in those schools increases; this statistic is clearly documented in the following examples:

- Nationwide, 64% of TAP schools increased their percentage of students at proficient or above in Math and English from the 2003–04 to the 2004–05 school year.
- In TAP schools where 30 percent or more students qualified for free or reduced lunch, 59 percent increased their percentage of students scoring proficient or above from 2002–03 to 2003–04.
- In rural TAP schools, those located in an area with less than 2,500 people and coded rural by the Census Bureau, 55 percent increased their percentage of students to proficient or above from the 2002–03 to the 2003–04 school year.

South Carolina has experienced the following TAP results:

- 100 percent of TAP schools increased the percentage of students achieving proficiency or higher in both reading and mathematics. All of these schools are considered high poverty.
- After only one year of implementation, two new TAP schools increased by approximately 15 percent the number of students scoring basic or above on PACT in 2005.

Two schools, in particular demonstrated increased levels of student achievement. Bell Street Middle School scored two standard deviations above a representative sample for the 2004-2005 school year in Language Arts, science and social studies. West Hartsville Elementary School lowered the number of students scoring Below Basic in Math by 50%.

Turnover hampers efforts in professional development and student achievement gains. The cost of turnover for the district represents unnecessary and unproductive expenditures that could be much more effectively allocated elsewhere. Estimates for the cost of turnover represent between .25 multiplied by the (annual leaver's salary + benefits) to 1.5 multiplied by the (annual leaver's salary). These formulas would translate into a range of $102,267 - $502,953 at Whitlock Junior High School in Spartanburg 7, assuming those leaving were all first year teachers with bachelor's degrees, so more experienced and educated teachers leaving would cost even more money. At one of the current SC TAP schools, Bell Street Middle, teacher turnover was a serious problem with approximately 40% of teachers leaving in the 1999–2000, and 32% the next year. TAP was introduced in the 2001–02 school year and teacher turnover had dropped to below 10% by 2003–04. Bell Street's results are typical for TAP schools in South Carolina. Weighed against the unproductive cost of teacher turnover, TAP is a very wise investment.

With the expansion of the program, Master and Mentor teachers cultivated within existing TAP schools will often choose to move to new TAP schools, taking with them their expertise and experience to guide these new schools in the program. One major goal is to build the local capacity of teaching within these schools as opposed to providing temporary, outside personnel. This clear career ladder and support structure in conjunction with performance pay potential will attract high-quality teachers from surrounding states and keep effective educators in South Carolina.

(2)

FY 2007–08 Cost Estimates:	**State Non-Recurring Funds**	**State Recurring Funds**	**Federal**	**Other**	**Total**
Pass-Through Funds				$5,794,000	$5,794,000
Total	$ 0	$ 0	$ 0	$5,794,000	$5,794,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State $0
Federal $0
Other $0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

Pass-Through Funds for TAP

Cost Estimates	**Calculations**	**Total**
Payouts for current TAP Schools ($500,000)	$500,000	$500,000
Payouts for 20 additional TAP Schools	20 x $80,000	$1,600,000
Master teacher salary plus fringe (based on 2 master teachers, 31% fringe, and a $55,000 base)	20 x $144,100	$2,882,000
Master Teacher Salary Addendum (40 positions x $10,000 each)	40 x $10,000	$400,000
Mentor stipends (3 mentors at $5,000 each)	3 x 20 x $5,000	$300,000
Travel expenses	20 x $2,500	$50,000
PAMS on-line data collection system	20 x $1,600	$32,000
SAS Institute Value Added Data (calculations =$1,500/school)	20 x $1,500	$30,000
Total		$5,794,000

A. Agency Section/Code/Name: Section 1AA, H66 –Lottery Expenditure Account

B. Priority No. 35 of 42

C. (1) Title: K–5 Enhancement Funds; 6–8 Enhancement Funds
(2) Summary Description: The Office of Curriculum and Standards provides pass-through funds to districts to support their efforts to improve student academic performance and teacher quality. These appropriations must be used to supplement and not supplant existing funds for education. These funds also support statewide endeavors addressing these two areas.
(3) Strategic Goal/Action Plan: Strategic Goals:
Strategic Aim 1– High Student Achievement. 1.1. Students are held to rigorous and relevant academic standards.
Strategic Aim 2– Teacher Quality. 2.2 Teacher preparation programs produce highly qualified teachers.

D. Budget Program Number and Name: Section 1AA - H66, I. Lottery Expenditure Account, item (12) Department of Education—K–5 Reading, Math, Science & Social Studies Program as provided in Section 59-1-525.
Section 1AA - H66 – Lottery, item (13) Department of Education--Grades 6–8 Reading, Math, Science & Social Studies Program.

E. Agency Activity Number and Name: 713 – Enhance Teacher Skills and Student Performance in English, Math, Science, and Social Studies in Grades K–5 and 6–8

F. Detailed Justification for Funding
(1) Justification for Funding Increase: The SDE requests continued support in this area for FY08. The school districts rely on these funds to supplement their instructional improvement efforts described in their strategic plans. FY2006 funding for grades K–5 was $46,500,000 from the Lottery and grades 6–8 was $2,000,000 from the Lottery. Request is for $48,500,000 of which $48,500,000 is to replace prior year Lottery appropriation. To extend support so all students can benefit from increased academic performance; the SDE recommends that funds be allowed to be spent in grades K–12. The title would be changed to K–12 Enhancement Funds.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				$48,500,000	$48,500,000
Total	$ 0	$ 0	$ 0	$48,500,000	$48,500,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments: NA

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 36 of 42

C. (1) Title: Education Accountability Act, Reward
(2) Summary Description: Palmetto Gold and Silver Awards. The EAA mandates the establishment of the Palmetto Gold and Silver Awards Program to recognize and reward schools for high levels of academic performance or for high rates of improvement. The program is operated by the SDE in accordance with program criteria established by the Division of Accountability of the Education Oversight Committee (S.C. Code Ann. § 59-18-1100).
(3) Strategic Goal/Action Plan: Palmetto Gold and Silver Awards. The SDE's operation of the Palmetto Gold and Silver Awards Program is consistent with its mission statement to "provide leadership and services to ensure a system of public education through which all students will become educated, responsible, and contributing citizens." The Palmetto Gold and Silver Awards Program supports the SDE's strategic aim of high student achievement by encouraging, recognizing, and rewarding schools for high academic performance and high rates of improvement. The specific strategic goals supported by the program are 1.1, students are held to rigorous and relevant academic standards, and 1.2, students demonstrate essential knowledge and skills as described in the curriculum.

D. Budget Program Number and Name: XI.A.4, XI.E.3 – EIA, Standards for Teaching, Learning, Accountability-Assistance Intervention, and Reward

E. Agency Activity Number and Name: 726 – Palmetto Gold and Silver Awards Program

F. Detailed Justification for Funding
(1) Justification for Funding Increase: Measures to be used to evaluate the effectiveness of the Palmetto Gold and Silver Awards Program may include school report card absolute and improvement scores, the number of schools qualifying for the awards, and the public recognition provided to qualifying schools. In prior years the school recognition program was funded at the $7 million level. This request for additional funds will help restore the prestige of the program. Current year appropriation request is for $4,010,000; prior year appropriation was $3,000,000; requested increase is $1,010,000. Other operating funds are needed to promote recipient schools through showcasing successful programs by Web, conferences, and literature.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				$1,000,000	$1,000,000
Other Operating Expenses				$10,000	$10,000
Total	$ 0	$ 0	$ 0	$1,010,000	$1,010,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State $0
Federal $0
Other $3,000,000

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments: NA

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 37 of 42

C. (1) Title: Professional Development on Standards
(2) Summary Description: These funds are used to provide the professional development activities supporting the implementation of the state's academic standards for teachers in grades K–12. These activities are designed to enhance capacity of teachers to implement and support standards-based curriculum, instruction, and assessment practices, and to increase teacher knowledge of the subject matter content.
(3) Strategic Goal/Action Plan: Strategic Aim 2, Teacher Quality. Increase teachers' content knowledge of the eight core subject areas, as well as enhance teachers' instructional strategies and assessment practices. The strategic goal is 2.4, teacher professional development programs are effective.

D. Budget Program Number and Name: XI.C.4 – Education Improvement Act, 1A.42 – Professional Development

E. Agency Activity Number and Name: 710 – Professional Development on Standards

F. Detailed Justification for Funding
(1) Justification for Funding Increase: This request is to restore the Professional Development funds to the FY 2002 level of $7,000,000. This increase will assist districts in providing the necessary professional development to teachers in the eight core subject areas having state-approved academic standards. The decrease in funding that has occurred over the past two years has had a great impact on the number of teachers districts have been able to reach, dropping over twenty percent in 2003–04 (from 40K teachers to 32K).

Districts are charged with providing teachers with training on content, instructional strategies, and assessment practices aligned with the state academic standards. Two areas that will be revised this year are mathematics and English language arts. These subjects represent the largest number of teachers and are accountable for both NCLB and EAA. In addition, the Department of Education will be responsible for strengthening its efforts to provide services and support on the effective use of assessment results and other data necessary to improve instruction and academic performance.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				$2,586,515	$2,586,515
Total	$ 0	$ 0	$ 0	$2,586,515	$2,586,515
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$4,413,485

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 38 of 42

C. (1) Title: Mathematics and Science Centers

(2) Summary Description: The Mathematics and Science Centers support the improvements in mathematics and science by providing high quality job-relevant and sustained professional development using a variety of research-validated strategies. The professional development activities have the overall goal of increasing the capacity of teachers to provide instruction that will increase student achievement in mathematics and in science.

(3) Strategic Goal/Action Plan: The mission of the program is to support improvements in mathematics and science through resources and professional development in instructional techniques and strategies, use of technology, leadership, content in subject areas and assessment.

(a) Provide professional development to schools and districts to increase teacher knowledge and instructional practice to increase student achievement in mathematics and science.

(b) Train, place, and support elementary (grades K–5) school level coaches in mathematics and science who will help teachers to increase their content and pedagogical knowledge so that instruction is improved and student achievement rises.

(c) Support the use of exemplary science curriculum materials in elementary and middle schools and to provide special support for elementary mathematics instruction.

(d) Provide specific professional development for high school teachers of algebra and physical science to benefit students who are to take the exit examination beginning during the current school year.

D. Budget Program Number and Name: XI.C.4 – Professional Development –NSF Grants (CSO Mathematics and Science Unit)

E. Agency Activity Number and Name: 690 **–** Professional Development and Support for Math and Science

F. Detailed Justification for Funding

(1) Justification for Funding Increase: The Office of Curriculum and Standards requests an increase of 15% ($449,427) in order to increase its services and support to the state's schools. This request will bring the allocation in line with the FY99 amount. Through its regional centers, the Mathematics and Science Unit (MSU) will develop and implement a middle and high school mathematics coaching model, building on the successful work done at the elementary grades since 2003. This increase will help meet the needs of the schools and districts, particularly as they implement high school redesign efforts.

During the 2005–06 school year, the staff of the Mathematics and Science Centers will support one hundred and four mathematics and science coaches in schools across the state. The schools contain approximately 2,400 teachers serving nearly 60,000 K–5 students. The elementary coaching initiative has demonstrated its effectiveness in raising the PACT scores of the students whose teachers have received more than sixty hours of coaching support. Additionally, the centers provide programs at the high school level, supporting teachers of algebra and physical science.

The research is clear; the future economic well-being of South Carolina depends on the development of a well-educated work force. This fact is of particular importance in science, mathematics, engineering, and technology education. The public schools of this state will need to do the best possible work to increase the numbers of South Carolina students who are prepared to enter science, technology, engineering, and mathematics careers. The Mathematics and Science Centers continue to provide high quality professional development to teachers, schools, and districts across the state.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				$449,427	$449,427
Total	$ 0	$ 0	$ 0	$449,427	$449,427
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$2,900,382

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 39 of 42

C. (1) Title: School Facilities
(2) Summary Description: To provide funding and support for public school facilities.
(3) Strategic Goal/Action Plan: Strategic Initiative: Safe and Healthy Schools. Strategic Goals 5.1 Schools are safe, healthy places with environments that are conducive to learning; 5.2 School facilities are safe, functional, and adequate; 5.3 Schools form community and state alliances that promote the health, safety, and well being of students.

D. Budget Program Number and Name: IX – School Enterprise Operations

E. Agency Activity Number and Name: 761 – School Facilities Support

F. Detailed Justification for Funding
(1) Justification for Funding Increase: The State Department of Education (SDE) is required by law (59-144-130) to report school district capital needs to the legislature. Based solely on a survey of school districts, this report is now unreliable as it lacks any uniform condition assessment of schools or estimation of capital costs. Furthermore, there are not established standards defining adequacy for existing schools, a critical first step in identifying capital needs. Finally, unlike other states, South Carolina does not use SDE to act as a clearinghouse for state-of-the-art design review of new and/or renovated schools. As a result, neither the legislature nor the school districts can make properly informed decisions concerning adequacy or safety; nor can the districts and statewide capital needs be adequately defined. The requested appropriation provides for a statewide contract to assess school facilities and provide a related software system.

Our mission is to ensure safe, minimally adequate school facilities. A key related task is to accurately report school facility capital needs to the legislature in support of well-informed decisions.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		3.00			3.00
(b) Personal Service		$150,000			$150,000
(c) Employer Contributions		$42,000			$42,000
Pass-Through Funds					
Other Operating Expenses	$1,710,000				$1,710,000
Total	$1,710,000	$192,000	$ 0	$ 0	$1,902,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State $509,000
Federal $0
Other $0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: This program would require additional staff to support the efforts to identify public school capital needs in South Carolina as required by law (59-144-130).

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities requested.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Architect - Engineer					
(a) Number of FTEs	2.00				2.00
(b) Personal Service	$120,000				$120,000
(c) Employer Contributions	$33,600				$33,600

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Specialist					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$30,000				$30,000
(c) Employer Contributions	$8,400				$8,400

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 8
Federal 0
Other 0

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 40 of 42

C. (1) Title: School Libraries
(2) Summary Description: To provide funding and support for the South Carolina school libraries.
(3) Strategic Goal/Action Plan: Strategic Aim: High Student Achievement. Strategic Goal 1.1: Students are held to high academic standards. Action Plan: Develop and expand resources to help teachers implement academic standards.

D. Budget Program Number and Name: New – School Libraries

E. Agency Activity Number and Name: New – Technology Support and Assistance

F. Detailed Justification for Funding
(1)Justification for Funding Increase: The state provides no specific line item appropriation for school library resource collections. According to the most recent SDE data collection regarding school libraries, the statewide average age of book collections is 17 years with the oldest collection reported at 45 years. The statewide average age for the General Sciences section (500s) is 15 years with the oldest average age reported at 45 years. The statewide average age for the Technology and Applied Sciences section (600s) is 15 years with the oldest average age reported at 45 years. The statewide average age for the Geography, Travel, and History section (900s) is 16 years with the oldest average age reported at 45 years. Books this old cannot support a standards-based instructional program and cannot meet the information and recreational reading needs of South Carolina students or teachers. The Internet and web-based resources available in schools cannot meet all the information needs of our students in an equitable way or meet the individual learning styles of our students. Despite money being invested in reading/literacy initiatives, no major investment has been made in our school libraries. Unless a child lives in a major metropolitan area and within walking distance of a public library, the school library is most likely the only library to which a child has access. Books that are 15, 20, 25, or 45 years old are of no benefit or interest to that student.

Most districts do not allocate a local per pupil expenditure for school libraries. Consistent funding from the State would ensure that every school library would have a set amount to purchase new library books that would be aligned with the state academic standards and that would support a standards-based instructional program. Providing our students with 21st Century learning tools means creating 21st Century school libraries and recurring state funding is crucial to this endeavor.

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		$1,000,000			$1,000,000
Other Operating Expenses					
Total	$ 0	$1,000,000	$ 0	$ 0	$1,000,000
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State $0
Federal $0
Other $0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

Research has shown that school libraries are driving forces for improving student achievement when students have open and equal access to library collections that are current and aligned with the state academic standards and schools' instructional program. School libraries are repositories for instructional materials for the entire school, are key to students reading for recreation, and, most importantly, are a major instructional area in our schools. They are the information and instructional hubs of our schools. The South Carolina Association of School Librarians asked that the SDE request $25.00 per student which would be approximately $17 million. Recurring state funding will ensure that school libraries have the resources needed to fulfill their key roles in our schools.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 41 of 42

C. (1) Title: Parental Involvement and Community Partnerships
(2) Summary Description: To provide funding and support to increase parental involvement in their children's education.
(3) Strategic Goal/Action Plan: Strategic Aim 4: To have parents, communities and businesses as active partners in student learning.

D. Budget Program Number and Name: V – Division of District and Community Services

E. Agency Activity Number and Name: 770 – Parental and Community Partnerships

F. Detailed Justification for Funding
(1) Justification for Funding Increase: S.C. Code 59-28-100 (The Parental Involvement in Their Children's Education Act) requires the State Superintendent "to promote parental involvement as a priority for all levels from pre-K through grade 12" and to designate staff "whose specific role is to coordinate statewide initiatives to support school and district parental involvement." The legislation further requires the Department of Education "to provide technical assistance relating to parental involvement training to districts and schools" and "to monitor and evaluate parental involvement programs … by designing a statewide system which will determine program effectiveness and identify best practices and report evaluation findings and implications to the General Assembly, State Board of Education and Education Oversight Committee." The SDE also must "sponsor statewide conferences on best practices."

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		2.00			2.00
(b) Personal Service		$125,000			$125,000
(c) Employer Contributions		$31,250			$31,250
Pass-Through Funds					
Other Operating Expenses					
Total	$ 0	$156,250	$ 0	$ 0	$156,250
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$0

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: New FTEs are required to assist the State Superintendent and State Board of Education in carrying out the mandates and responsibilities set forth in SC Code 59-28-100.

(b) Future Impact on Operating Expenses of Facility Requirements: None

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Program Manager II					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$80,000				$ 80,000
(c) Employer Contributions	$20,000				$20,000

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate I					
(a) Number of FTEs	1.00				1.00
(b) Personal Service	$45,000				$45,000
(c) Employer Contributions	$11,250				$11,250

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 1
Federal
Other

Agency-wide Vacant FTEs as of July 31, 2006: 94
% Vacant 9.6%

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 42 of 42

C. (1) Title: Teacher Salary Supplement and Employer Contributions
(2) Summary Description: This EIA program provides the additional funds needed over and above base salary funding to achieve and/or exceed the projected southeast average teacher salary for over 47,000 teachers throughout the entire state. **NOTE: THIS REQUEST MUST BE SYNCHRONIZED WITH THE EFA, TEACHER SPECIALIST, AND NATIONAL BOARD REQUESTS.**
(3) Strategic Goal/Action Plan: Strategic Aim 2: Teacher Quality. Strategic Goal 2:1 Teacher recruitment and retention programs are successful.

D. Budget Program Number and Name: XI.C.3 – Teacher Salary Supplement and Employer Contributions

E. Agency Activity Number and Name: 686 – Teacher Salary Supplement; 687 – Teacher Salary Supplement Employer Contributions

F. Detailed Justification for Funding
(1) Justification for Funding Increase: This request synchronized with the EFA, national board certification, and teacher specialist requests provides teacher salary supplement and related fringe to exceed the southeastern average teacher salary by $300. The SC average salary goal for FY2008 is set to be $45,479 and is projected to exceed the southeastern average teacher salary by $300. The State Minimum Salary Schedule would increase by approximately 3.22% and the average SC teacher salary would increase by approximately 3.07%. This request is subject to the General Assembly's action on the following budget requests: EFA, National Board Certification, Teacher Specialist. This program permits the state to achieve or exceed the projected southeast average teacher salary. Program success will be measured by comparing South Carolina average teacher salary to the southeastern average teacher salary. For FY2006, the actual South Carolina average teacher salary was $43,011. The FY2007 projected South Carolina average teacher salary is $44,123. The FY2008 projected southeast average teacher salary is $45,179. These salary estimates include National Board Certification and Teacher Specialist incentives. The EIA teacher salary supplement and fringe line items complement base funding for teacher salaries. This program provides for meeting the southeastern average teacher salary as projected by the Office of Research and Statistics, Budget and Control Board. Applicable state statute: S. C. Code Ann. § 59-20-50(b).

(2)

FY 2007–08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				($21,271,993)	($21,271,993)
Total	$ 0	$ 0	$ 0	($21,271,993)	($21,271,993)
**If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*					

(3) Base Appropriation:

State	$0
Federal	$0
Other	$114,717,477

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name**: NA

G. Detailed Justification for FTEs: NA

H. Other Comments:
This request must be synchronized with the National Board Certification and Teacher Specialist requests.
FY2008 Required Appropriation:

1. EIA Teacher Salary Supplement =	$77,735,200
2. EIA Teacher Salary Increase Fringe Benefits =	$15,710,284
TOTAL =	$93,445,484