

**Senate Select Committee on K-12 Funding
January 5, 2011**

In response to a request by the chairman of the Senate Select Committee on K-12 Funding, the staff of the Education Oversight Committee (EOC) prepared the following analysis that: (1) determines the existing funding for the South Carolina Public Charter School District (SCPCSD); (2) applies the EOC funding model weights to the SCPCSD to project a revised weighted pupil unit count; and (3) proposes options for funding the SCPCSD. The EOC staff worked with the South Carolina Department of Education (SCDE) and the SCPCSD to gather data used in the analysis.

In the current Fiscal Year, 2010-11, SCPCSD is projected to receive \$31.7 million in state funding. (Table 1) Consistent with the EOC funding model and the deliberations of the Senate Select Committee, of the \$31.7 million, approximately \$31.4 million would be included in any revised funding model. Excluded are allocations for National Board supplements, refurbishing of science kits and early childhood education. Section 59-20-140 of the South Carolina Code of Laws allows the SCPCSD to retain up to 2 percent of all revenues for internal administrative and operating expenses, which is in addition to a General Fund appropriation of \$343,146 and an EIA appropriation of \$372,712. Regarding Education Finance Act (EFA) reimbursements in the current fiscal year, from July through December of 2010, EFA reimbursements to the SCPCSD were \$1,630 plus \$700 per weighted pupil unit. Beginning January of 2011, the reimbursements will be \$1,616.74 plus \$700 per weighted pupil unit to reflect the revised 45-day statewide weighted pupil unit counts.

Table 1
SC Public Charter School District FY2010-11 Funding

	Revenue Code	Current Allocation	Include in Funding Model
Education Finance Act (EFA)		\$24,672,910.32	\$24,672,910.32
EIA, General Fund & Lottery:			
EEDA Career Specialists	3118	\$244,486.44	\$244,486.44
Consolidated Funds	3129	\$171,993.99	\$171,993.99
Fringe Benefits	3180	\$4,141,097.08	\$4,141,097.08
Retiree Insurance	3181	\$120,823.00	\$120,823.00
Apple Tags	3193	\$33.90	
Professional Development	3511	\$40,532.10	\$40,532.10
Science Kits	3526	\$24,246.00	
Handicapped Student Services	3530	\$3,365.81	\$3,365.81
National Board Supplements	3532	\$159,844.89	
Students at Risk of School Failure	3538	\$1,516,740.72	\$1,516,740.72

	Revenue Code	Current Allocation	Include in Funding Model
Half-Day 4-Year-Old	3540	\$69,445.78	
Early Intervention Preschoolers	3542	\$1,888.00	\$1,888.00
High Achieving Students	3544	\$36,934.24	\$36,934.24
Teacher Salary Supplement	3550	\$186,730.00	\$186,730.00
Fringe Teacher Salary	3555	\$38,354.34	\$38,354.34
Reading	3558	\$27,416.63	\$27,416.63
Teacher Supply	3577	\$36,575.00	\$36,575.00
6-8 Lottery Enhancement	3607	\$14,618.05	\$14,618.05
K-5 Lottery Enhancement	3610	<u>\$184,022.25</u>	<u>\$184,022.25</u>
Subtotal:		\$7,019,148.22	\$6,765,577.65
TOTAL All Funding Sources:		\$31,692,058.54	\$31,438,487.97

Source: SCDE, Office of Finance, "Report of Payments," December 15, 2010 <<http://ed.sc.gov/agency/Finance-and-Operations/Finance/old/finance/monthlypayments/DEC11.txt>>.

The EOC staff then applied the revised weights per the EOC funding model, as shown in Appendix A, to students in the SCPCSD. The staff used the following data to project the number of weighted pupil units: (1) the current school year's 45-day student count provided by SCDE; (2) poverty data from the 2010 school report cards; and (3) student achievement results on the 2010 Palmetto Assessment of State Standards (PASS). As reported on the 2010 annual school report cards, the average poverty index for virtual schools in the SCPCSD was 64 percent. The statewide poverty index for all public school students in school year 2009-10 was 67.74 percent. Poverty is defined as students eligible for the free or reduced-price lunch program and/or Medicaid eligible. Based on available data, a poverty index of 75 percent was used for brick and mortar charter schools in the SCPCSD. Table 2 projects the total number of weighted pupil units in brick and mortar charter schools and the total number of weighted pupil units in virtual charter schools. These projections were provided to the SCPCSD for review and comments, and were confirmed by SCPCSD staff.

Table 2
Projected Weighted Pupil Units, SCPCSD

Virtual Charter Schools	Brick and Mortar Charter Schools	TOTAL
12,742.85	2,120.86	14,863.71

The next step was to project the cost of funding the projected weighted pupil units using the following three options:

- Option 1: Uses the current year's revised base student cost of \$2,317;
- Option 2: Uses a base student cost of \$4,485 which is the projected average per pupil funding in FY2010-11 from state sources as established in Proviso 1.3 of the 2010-11 General Appropriations Act; and

- Option 3: Uses a base student cost of \$5,254 which is the projected average per pupil funding in FY2010-11 from local sources as established in Proviso 1.3 of the 2010-11 General Appropriations Act.

An assumption was made that virtual schools would be funded at 75 percent of the base student cost and brick and mortar charter schools at 100 percent. Table 3 documents the impact of the three options on funding for the SCPCSD.

Table 3
Options for Funding SCPCSD

	Projected WPU's	Funding Levels	Option 1	Option 2	Option 3
Base Student Cost			\$2,317	\$4,485	\$5,254
Virtual Schools	12,742.85	75%	\$22,143,888	\$42,863,762	\$50,213,200
Brick and Mortar Schools	2,120.86	100%	<u>\$4,914,033</u>	<u>\$9,512,057</u>	<u>\$11,142,998</u>
Total:			\$27,057,921	\$52,375,819	\$61,356,198
Existing Funds			\$31,438,488	\$31,438,488	\$31,438,488
Difference			(\$4,380,567)	\$20,937,331	\$29,917,710

Additional Information

On December 21, 2010 the Budget and Control Board revised downward its estimate of the weighted pupil units for FY2011-12 from 873,427 to 865,782. The weighted pupil units per the EOC funding weights for all school districts, including the SCPCSD, are estimated to be 935,473, or 69,691 above the existing EFA weights.

Table 4
EFA Weights, 2011-12

Estimated Weights per EOC Funding Model for 85 school districts	920,609
Estimated Weights for SCPCSD	<u>14,864</u>
Estimated Total Weights per EOC Funding Model (all districts)	935,473
12-21-10 Revised Estimate (existing EFA weights)	865,782
Difference:	69,691

Appendix A
Weights of the EOC Funding Model

Classifications	Current EFA Weights	EOC Model Weights
<i>General Education Weights:</i>		
K-5	Kindergarten, 1.30 Primary (1-3), 1.24	1.0
Grades 6-8	Elementary (4-8) 1.00	1.0
Grades 9-12	1.25	1.0
<i>Disabilities:</i>		
Educable Mentally Handicapped	1.74	1.74
Trainable Mentally Handicapped	2.04	2.04
Emotionally Handicapped	2.04	2.04
Visually Handicapped	2.57	2.57
Hearing Handicapped	2.57	2.57
Orthopedically Handicapped	2.04	2.04
Speech	1.90	1.90
Autism	2.57	2.57
Homebound	2.10	1.0
Vocational		1.2
V1	1.29	
V2	1.29	
V3	1.29	
<i>Compensatory Weights:</i>		
Poverty *		.20
Limited English Proficient		.20
<i>Program Weights:</i>		
Gifted and Talented (Grades 3-12)		.15
Remediation		.15
Adult Education 17 to 21 year-olds		.20