COMMITTEE REPORT

March 24, 2010

**H. 4299**

Introduced by Reps. Cooper and Owens

S. Printed 3/24/10--S.

Read the first time January 19, 2010.

**THE COMMITTEE ON FINANCE**

To whom was referred a Joint Resolution (H. 4299) to allow local school districts and special schools to transfer certain funds among appropriated revenues, Education Improvement Act Funds, Education Lottery Act Funds, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the joint resolution, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Notwithstanding Section 59‑25‑410, the boards of trustees of the several school districts shall decide and notify, in writing, the teachers, as defined in Section 59‑1‑130, in their employ concerning their employment for the 2010‑2011 school year by May 15, 2010.

SECTION 2. Notwithstanding Section 59‑25‑420, any teacher who is reemployed by written notification pursuant to Section 59‑25‑410 shall notify the board of trustees in writing of his acceptance of the contract for the 2010‑2011 school year no later than ten days following receipt of written notification. Failure on the part of the teacher to notify the board of acceptance within the specified time limit shall be conclusive evidence of the teacher’s rejection of the contract.

SECTION 3. Notwithstanding any other provision of law, school districts may uniformly negotiate salaries below the school district salary schedule for the 2010‑2011 school year for retired teachers who are not participants in the Teacher and Employee Retention Incentive Program.

SECTION 4. This joint resolution takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

**EXPLANATION OF IMPACT:**

State Department of Education (SDE)

SDE estimates this Joint Resolution will have no additional costs to the state; however, the department notes there would be undeterminable cost savings to local school districts, contingent upon the extent of furlough days and teacher negotiations pursuant to Section 2(A) 3 & 4. The suspension of programs and activities according to Section 3 will reduce the department’s expenditures for the items listed. However, it is anticipated these reductions will be redirected to other programs.

Comptroller General’s Office

The agency is in the process of reviewing the bill for its potential impact on its programs and expenditures.

*Approved By:*

Harry Bell

Office of State Budget

**A** **JOINT RESOLUTION**

TO ALLOW LOCAL SCHOOL DISTRICTS AND SPECIAL SCHOOLS TO TRANSFER CERTAIN FUNDS AMONG APPROPRIATED REVENUES, EDUCATION IMPROVEMENT ACT FUNDS, EDUCATION LOTTERY ACT FUNDS, AND FUNDS RECEIVED FROM THE CHILDREN’S EDUCATION ENDOWMENT FUND IN ORDER TO ENSURE THE DELIVERY OF ACADEMIC AND ARTS INSTRUCTION DURING FISCAL YEAR 2010‑2011 AND TO PROVIDE THAT A SCHOOL DISTRICT MAY NOT TRANSFER FUNDS REQUIRED FOR DEBT SERVICE OR BONDED INDEBTEDNESS, TO ALLOW SCHOOL DISTRICTS FOR FISCAL YEAR 2010‑2011 TO SUSPEND CERTAIN PROFESSIONAL STAFFING RATIOS AND EXPENDITURE REGULATIONS, TO DELAY THE DATE THAT TEACHER CONTRACTS ARE ISSUED, TO NEGOTIATE SALARIES FOR CERTAIN RETIRED TEACHERS BELOW THE SCHOOL DISTRICT SALARY SCHEDULE, AND TO FURLOUGH TEACHERS FOR UP TO FIVE NONINSTRUCTIONAL DAYS, PROVIDED THAT DISTRICT ADMINISTRATORS ARE FURLOUGHED FOR TWICE THE NUMBER OF DAYS, TO PROVIDE FURTHER MEASURES SCHOOL DISTRICTS AND EDUCATION‑RELATED ENTITIES ARE ENCOURAGED TO TAKE TO MAXIMIZE RESOURCES, TO PROVIDE DISTRICT REPORTING REQUIREMENTS FOR COST‑SAVING MEASURES UNDERTAKEN BY THE DISTRICT, TO REQUIRE SCHOOL DISTRICTS TO PROVIDE TO PUBLIC CHARTER SCHOOLS PUPIL ALLOCATION FOR EACH CATEGORICAL PROGRAM BEFORE IMPLEMENTING THESE FLEXIBILITY PROVISIONS, TO SUSPEND CERTAIN FORMATIVE ASSESSMENTS, TO ALLOW SCHOOL DISTRICTS TO SUSPEND TEXTBOOK ADOPTIONS, AND TO ALLOW SCHOOL DISTRICTS TO PURCHASE THE MOST ECONOMICAL TYPE OF BUS FUEL FOR FISCAL YEAR 2010‑2011, TO REQUIRE SCHOOL DISTRICTS FOR FISCAL YEAR 2010‑2011 TO UTILIZE AT LEAST SIXTY‑FIVE PERCENT OF THEIR PER PUPIL EXPENDITURES WITHIN PROVIDED CATEGORIES OF INSTRUCTION WITH CERTAIN CONDITIONS AND TO PROVIDE REPORTING REQUIREMENTS, TO REQUIRE SCHOOL DISTRICTS FOR FISCAL YEAR 2010‑2011 TO MAINTAIN A TRANSACTION REGISTER THAT RECORDS CERTAIN EXPENDED FUNDS, TO PROVIDE WHAT THE REGISTER MUST INCLUDE, TO REQUIRE SCHOOL DISTRICTS TO PUBLISH THEIR CREDIT CARD STATEMENTS ON THEIR WEBSITES, AND TO REQUIRE THE COMPTROLLER GENERAL TO PUBLISH ON ITS WEBSITE CREDIT CARD INFORMATION OF SCHOOL DISTRICTS THAT DO NOT MAINTAIN THEIR OWN WEBSITES; AND TO SUSPEND SECTION 59‑21‑1030 OF THE 1976 CODE FOR THE 2010‑2011 FISCAL YEAR.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. For Fiscal Year 2010‑2011, school districts and special schools of this State may transfer and expend funds among appropriated state general fund revenues, Education Improvement Act funds, Education Lottery Act funds, and funds received from the Children’s Education Endowment Fund for school facilities and fixed equipment assistance, to ensure the delivery of academic and arts instruction to students. However, a school district may not transfer funds required for debt service or bonded indebtedness.

SECTION 2. (A) Notwithstanding another provision of law and for Fiscal Year 2010‑2011, school districts may:

(1) suspend professional staffing ratios and expenditure regulations and guidelines at the sub‑function and service area level, except for four‑year‑old programs. The funds must be utilized in accordance with Section 4 of this joint resolution;

(2) delay from April fifteenth to May fifteenth the date that contracts are issued to teachers. A teacher who is reemployed by written notification pursuant to Section 59‑25‑410 shall notify the board of trustees of the district in writing of his acceptance of the contract within ten days of the notification or May twenty‑fifth, whichever occurs later. Failure on the part of the teacher to notify the board of acceptance within the specified time limit is conclusive evidence of the teacher’s rejection of the contract;

(3) uniformly negotiate salaries below the school district salary schedule for the 2010‑2011 school year for retired teachers who are not participants in the Teacher and Employee Retention Incentive Program; and

(4) if not prohibited by an applicable employment contract, furlough teachers for up to five noninstructional days, provided that district administrators are furloughed for twice the number of days.

(B) To further ensure resources are maximized, school districts are encouraged to reduce expenditures by means, including, but not limited to:

(1) limiting the number of low enrollment courses;

(2) reducing travel for the staff and the school district’s board;

(3) reducing and limiting activities requiring dues and memberships;

(4) reducing transportation costs for extracurricular and academic competitions; and

(5) expanding virtual instruction.

Education related entities that require dues from school districts are encouraged to consider cost‑saving measures for school districts including, but not limited to, coordination and reductions in dues, workshops, and professional training initiatives.

(C) Quarterly throughout Fiscal Year 2010‑2011, the chairman of each school district’s board and the superintendent of each school district must certify where noninstructional or nonessential programs have been suspended and the specific actions taken in response to the measures provided in Sections 1 and 2 of this joint resolution. The certification must be in writing, signed by the chairman and the superintendent, delivered electronically to the State Superintendent of Education, and an electronic copy forwarded to the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Chairman of the House Ways and Means Committee, and the Chairman of the House Education and Public Works Committee. Additionally, the certification must be presented publicly at a regularly called school board meeting, and the certification must be posted on the Internet website maintained by the school district.

(D) Prior to implementing the flexibility provisions provided in this joint resolution, school districts must provide to public charter schools the per pupil allocation due to the charter schools for each categorical program.

(E) All other provisions of law, program regulations, guidelines, reporting, and audit requirements remain in effect unless addressed in this joint resolution.

SECTION 3. Notwithstanding another provision of law and for Fiscal Year 2010‑2011, implementation of formative assessments for grades one, two, and nine, the foreign language program assessment, and the physical education assessment, must be suspended. New textbook adoptions may be suspended. Nothing in this joint resolution suspends, amends, modifies, or otherwise authorizes changes in the manner in which textbooks are purchased. School districts and the State Department of Education must be granted permission to purchase the most economical type of bus fuel.

SECTION 4. In order for a school district to take advantage of the flexibility provisions provided in this joint resolution and for Fiscal Year 2010‑2011 only, at least sixty‑five percent of the school district’s per pupil expenditures must be utilized within the In$ite categories of instruction, instructional support, and noninstruction pupil services. No portion of the sixty‑five percent may be used for business services, debt service, capital outlay, program management, and leadership services, as defined by In$ite. By August 1, 2011, the school district shall report to the State Department of Education the actual percentage of its per pupil expenditures used for classroom instruction, instructional support, and noninstruction pupil services for the school year ending June 30, 2011.

For purposes of this section, “In$ite” means the financial analysis model for education program utilized by the State Department of Education.

SECTION 5. (A)(1) For Fiscal Year 2010‑2011, school districts must maintain a transaction register that includes a complete record of funds expended over one hundred dollars, from whatever source for whatever purpose. The register must be prominently posted on the district’s Internet website and made available for public viewing and downloading.

(2)(a) The register must include for each expenditure:

(i) the transaction amount;

(ii) the name of the payee; and

(iii) a statement providing a detailed description of the expenditure.

(b) The register must not include an entry for salary, wages, or other compensation paid to individual employees.

(c) The register must not include any information that can be used to identify an individual employee.

(d) The register must be accompanied by a complete explanation of any codes or acronyms used to identify a payee or an expenditure.

(3) The register must be searchable and updated at least once a month. Each monthly register must be maintained on the Internet website for at least five years.

(B)(1) For Fiscal Year 2010‑2011, each school district also must maintain on its Internet website a copy of each monthly statement for all of the credit cards maintained by the entity, including credit cards issued to its officers or employees for official use.

(2) The credit card number on each statement must be redacted prior to posting on the Internet website.

(3) Each credit card statement must be posted not later than the thirtieth day after the first date that any portion of the balance due as shown on the statement is paid. Each statement must be maintained on the website for at least five years.

(C)(1) The Comptroller General must establish and maintain a website to contain the information required by this section from a school district that does not maintain its own Internet website. The Internet website must be organized so that the public can differentiate between the school districts and search for the information they seek.

(2) School districts that do not maintain an Internet website must transmit information required by this section to the Comptroller General in a manner and at a time determined by the Comptroller General to be included on the Internet website required by this section.

(D) The provisions contained in this section do not amend, suspend, supercede, replace, revoke, restrict, or otherwise affect Chapter 4, Title 30, the South Carolina Freedom of Information Act.

(E) The provisions contained in this section must be implemented within one hundred eighty days of the effective date of this joint resolution.

(F) The Comptroller General shall distribute to the districts a methodology and resources for compliance with the provisions of this section. If a district complies with the methodology, it must be reimbursed for documented expenses incurred as a result of compliance. Reimbursement must be allocated from the budget of the Comptroller General.

SECTION 6. For Fiscal Year 2010‑2011, Section 59‑21‑1030 of the 1976 Code is suspended.

SECTION 7. This joint resolution takes effect upon approval by the Governor.

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