

1 DRAFT PREPARED BY LEGISLATIVE COUNCIL  
2 For: Sen. Hayes  
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9 **A BILL**

10  
11 TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA,  
12 1976, BY ADDING SECTION 59-18-1125 SO AS TO REQUIRE  
13 THE STATE BOARD OF EDUCATION TO PROMULGATE  
14 REGULATIONS THAT PROVIDE A SYSTEM FOR  
15 GRANTING SCHOOL DISTRICTS EXEMPTION FROM  
16 BOARD REGULATIONS, AND TO PROVIDE WHAT THE  
17 REQUEST FOR EXEMPTION MUST INCLUDE AND WHO  
18 SHALL MAKE THE REQUEST; BY ADDING SECTION  
19 59-20-62 SO AS TO ALLOW SCHOOL DISTRICTS TO  
20 TRANSFER AND EXPEND CERTAIN FUNDS UPON  
21 CERTAIN CONDITIONS, TO ALLOW DISTRICTS TO  
22 CARRY FORWARD UNEXPENDED FUNDS, AND TO  
23 PROVIDE CERTIFICATION AND REPORTING  
24 REQUIREMENTS; BY ADDING SECTION 59-20-63 SO AS TO  
25 REQUIRE SCHOOL DISTRICTS TO MAINTAIN  
26 TRANSACTION REGISTERS ON THEIR WEBSITES, TO  
27 PROVIDE WHAT THE REGISTER MUST INCLUDE, TO  
28 REQUIRE DISTRICTS TO POST ON THEIR WEBSITES  
29 MONTHLY STATEMENTS FOR ALL DISTRICT CREDIT  
30 CARDS, AND TO REQUIRE THE COMPTROLLER GENERAL  
31 TO POST ON ITS OWN WEBSITE DISTRICT TRANSACTION  
32 REGISTERS FOR DISTRICTS THAT DO NOT MAINTAIN  
33 THEIR OWN WEBSITES, TO DISTRIBUTE A  
34 METHODOLOGY FOR COMPLIANCE WITH THE  
35 TRANSACTION REGISTER PROVISION, AND REIMBURSE  
36 DISTRICTS THAT COMPLY; BY ADDING SECTION 59-20-64  
37 SO AS TO REQUIRE THE STATE BOARD OF EDUCATION  
38 TO ESTABLISH A FRAMEWORK WHEREBY A DISTRICT  
39 MAY IMPLEMENT AN INCENTIVE COMPENSATION  
40 SYSTEM FOR TEACHERS; AND TO REPEAL SECTIONS  
41 59-18-1110 AND 59-18-1120, BOTH RELATING TO

1 FLEXIBILITY OF EXEMPTION FROM REGULATIONS AND  
2 STATUTES.

3  
4 Be it enacted by the General Assembly of the State of South  
5 Carolina:

6  
7 SECTION 1. Article 11, Chapter 18, Title 59 of the 1976 Code is  
8 amended by adding:

9  
10 “Section 59-18-1125. The State Board of Education shall  
11 promulgate regulations that establish a system whereby a local  
12 school district board of trustees of this State may request  
13 exemption from regulations promulgated by the State Board of  
14 Education. The regulations must include the duration of the  
15 exemption and renewal procedures. The request must indicate  
16 specific justification for the exemption and also must contain an  
17 evaluation component to document the success of the exemption,  
18 including provisions for suspension of the exemption should the  
19 evaluation denote lack of success. The request must be made to  
20 the State Board of Education by the chair of the district board of  
21 trustees, the superintendent of the district, and the principals of the  
22 affected schools, as appropriate.”

23  
24 SECTION 2. Chapter 20, Title 59 of the 1976 Code is amended  
25 by adding:

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27 “Section 59-20-62. (A) School districts and special schools of  
28 this State may transfer and expend funds among appropriated state  
29 general fund revenues, Education Improvement Act funds,  
30 Education Lottery Act funds, and funds received from the  
31 Children’s Education Endowment Fund for school facilities and  
32 fixed equipment assistance, to ensure the delivery of academic and  
33 arts instruction to students. However, a school district may not  
34 transfer funds required for debt service or bonded indebtedness.

35 (B) A school district that chooses to utilize the provisions of  
36 subsection (A) shall spend at least seventy percent of the district’s  
37 per pupil expenditures within the In\$ite categories of instruction,  
38 instructional support, and non-instruction pupil services. No  
39 portion of the seventy percent may be used for business services,  
40 debt service, capital outlay, program management, and leadership  
41 services, as defined by In\$ite. The district shall report to the  
42 Department of Education the actual percentage of its per pupil  
43 expenditures used for classroom instruction, instructional support,

1 and non-instructional pupil services by December 1 of each year.  
2 Salaries of on-site principals must be included in the calculation of  
3 the district's per pupil expenditures. As used in this section,  
4 'In\$ite' means the financial analysis model for education programs  
5 utilized by the Department of Education.

6 (C) School districts and special schools of this State may carry  
7 forward unexpended funds from the prior fiscal year into the  
8 current fiscal year.

9 (D) Annually, the chairman of each school district board of  
10 trustees and the superintendent of the district shall certify the  
11 specific actions taken to provide financial flexibility to the district.  
12 The certification must be made in writing, signed by the chairman  
13 and superintendent, and delivered electronically to the State  
14 Superintendent of Education. Additionally, the certification must  
15 be presented publicly at a regularly-called school board meeting,  
16 and the certification must be posted on the Internet website  
17 maintained by the district.

18 (E) The provisions of this section do not otherwise relieve a  
19 local school district from its obligation to provide any element of  
20 its education program prescribed by statute or regulation.”

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22 SECTION 3. Chapter 20, Title 59 of the 1976 Code is amended  
23 by adding:

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25 “Section 59-20-63. (A) A school district of this State shall  
26 maintain a transaction register that includes a complete record of  
27 all funds expended over one hundred dollars, from whatever  
28 source, for whatever purpose. The register must be prominently  
29 posted on the district's Internet website and made available for  
30 public viewing and downloading.

31 (1) The register must include for each expenditure:  
32 (a) the transaction amount;  
33 (b) the name of the payee; and  
34 (c) a statement providing a detailed description of the  
35 expenditure.

36 (2) The register may not include an entry for salary, wages,  
37 or other compensation paid to individual employees, nor may it  
38 include information that can be used to identify an individual  
39 employee. The register must be accompanied by a complete  
40 explanation of any codes or acronyms used to identify a payee or  
41 an expenditure. The register must be searchable and updated at  
42 least monthly.

1 (B) A school district also shall maintain on its Internet website  
2 a copy of each monthly statement for all of the credit cards  
3 maintained by the entity, including credit cards issued to its  
4 officers or employees for official use. The credit card number on  
5 each statement must be redacted prior to posting on the Internet  
6 website. Each credit card statement must be posed by the thirtieth  
7 day after the first day that any portion of the balance as shown on  
8 the statement is paid.

9 (C) The Comptroller General shall establish and maintain an  
10 Internet website to contain the information required by this section  
11 from a school district that does not maintain its own Internet  
12 website. The Internet website must be organized so that the public  
13 can differentiate among the school districts and search for the  
14 information they are seeking.

15 (D) The Comptroller General shall distribute to the districts a  
16 methodology and resources for compliance. If a district complies  
17 with the methodology, it must be reimbursed for any documented  
18 expenses incurred as a result of compliance, which reimbursement  
19 must be paid from the budget of the Comptroller General.

20 (E) The provisions of this section do not amend, suspend,  
21 supersede, replace, revoke, restrict, or otherwise affect the South  
22 Carolina Freedom of Information Act, as provided in Chapter 4,  
23 Title 30.”

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25 SECTION 4. Chapter 20, Title 59 of the 1976 Code is amended  
26 by adding:

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28 “Section 59-20-64. By June 1, 2012, the State Board of  
29 Education shall promulgate regulations to establish a framework  
30 by which a local school district may implement an incentive  
31 compensation system for teachers in the district that is technically  
32 sound and minimizes bias. The system may include incentives tied  
33 to responsibilities, assignments, instructional performances, and  
34 student achievement results. A local school district may decide to  
35 develop and implement a system, and if it chooses to do so, it shall  
36 use the framework provided in regulations promulgated by the  
37 board.”

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39 SECTION 5. Sections 59-18-1110 and 59-18-1120 of the 1976  
40 Code are repealed.

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42 SECTION 6. This act takes effect upon approval by the Governor.  
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