(1) Notwithstanding the computations prescribed in Section 59-20-40, the level of state contributions to each district shall not be reduced to a per-pupil level of foundation program funds below that per-pupil level of state funding of programs for the fiscal years prior to implementation of this chapter which will be incorporated in the foundation program.

Provided, no district shall receive annually an increase in state funds less than the full rate of the inflationary adjustment in the base student cost specified in Section 59-20-40(1)(b). This increase shall be computed annually over and above the amount actually received from the State for the foundation program in the prior fiscal year.

Provided, further, after the fiscal year 1982-83 no district shall receive annually an increase in state funds less than four-fifths of the inflationary adjustment in the base student cost specified in Section 59-20-40(1)(b). This increase shall be computed annually over and above the amount actually received from the State for the foundation program in the prior fiscal year.

Beginning July 1, 1994, no additional school district shall receive hold-harmless funds under this subsection due to decreases in student numbers or upward adjustments in the index of taxpaying ability.

- (2) Notwithstanding any provisions of this chapter, any local school district may increase the local effort above the foundation program funding level as deemed necessary to meet the aspirations of the people of the district.
- (3) Eighty-five percent of the funds appropriated through state and local effort for each weighted classification shall be spent in direct and indirect aid in the specific area of the program planned to serve those children who generated the funds. Districts expending less than the required eighty-five percent of the appropriated amount shall be subject to a penalty the following fiscal year in the amount equal to the difference between the amount spent and the required eighty-five percent figure.

However, this requirement shall not apply to the funds generated by children in the pupil classification "Speech Handicapped Pupils".

- (4)(a) Each school district shall pay each certified teacher or administrator an annual salary at least equal to the salary stated in the statewide minimum salary schedule for the person's experience and class. No teacher or administrator employed in the same position, over the same time period, shall receive less total salary, including any normal incremental increase, than that teacher or administrator received for the fiscal year before the implementation of this article.
- (b) The state minimum salary schedule must be based on the state minimum salary schedule index in effect as of July 1, 1984. In Fiscal Year 1985, the 1.000 figure in the index is \$14,172. (This figure is based on a 10.27% increase pursuant to the South Carolina Education Improvement Act of 1984.)

Beginning with Fiscal Year 1986, the 1.000 figure in the index must be adjusted on a schedule to stay at the southeastern average as projected by the Division of Research and Statistical Services and provided to the Budget and Control Board and General Assembly during their deliberations on the annual appropriations bill. The southeastern average teacher salary is the average of the average teachers' salaries of the southeastern states. In projecting the southeastern average, the division shall include in the South Carolina base teacher salary all local teacher supplements and all incentive pay. Under this schedule, school districts are required to maintain local salary supplements per teacher no less than their prior fiscal level. In Fiscal Year 1986 and thereafter teacher pay raises through adjustments in the state's minimum salary schedule may be provided only to teachers who demonstrate minimum knowledge proficiency by meeting one of the following criteria:

- (1) holding a valid professional certificate;
- (2) having a score of 425 or greater on the Commons Examination of the National Teachers Examinations;
- (3) meeting the minimum qualifying score on the appropriate area teaching examination; or
- (4) meeting the minimum standards on the basic skills examinations as prescribed by the State Board of Education provided in Section 59-26-20.