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# Capital Funding for Disadvantaged Schools

Pursuant to Proviso 1.81(E) for FY 2023-24

January 31, 2025

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## Overview

This report provides an overview and analysis of public funds appropriated by the South Carolina General Assembly or leveraged from federal funds to support school district infrastructure needs. Between FY 2020 and FY 2025, over \$430 million was allocated to address capital project needs, particularly for small, rural school districts experiencing high poverty levels and facing infrastructure challenges due to aging facilities and limited resources.

### Authorizing Legislation for School Capital Projects

State budget provisions ("provisos") in the General Appropriations Act served as the foundation for allocating funds to address the unique capital needs of South Carolina's smaller, rural school districts. These provisos identified the source and amount of funds available, outlined guiding principles and criteria to consider in determining eligibility for funds, and established parameters to be used by the SC Department of Education (SCDE) in administering the Capital Funding for Disadvantaged Schools initiative. Over the years, these provisos were amended to tweak district consolidation definitions and clarify the use of funds with specific project types, but the overall intent to make impactful and timely awards was maintained.

Along with state funds appropriated via these provisos, the SCDE leveraged federal American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) funds to also support small, rural districts. The SCDE directed use of ARP ESSER funds as conditioned by the State Agency ESSER plan that was submitted and approved by the federal government.

Funds and the projects they supported resulted from the following efforts:

- **FY 2020 Proviso 1.88A - 1.88B:** Allocated funds for new school construction and facility renovations to address aging infrastructure and safety improvements.
- **FY 2022 Proviso 1.104A - 1.104B:** Focused on funding technology upgrades and modernization efforts in schools to enhance digital learning environments.
- **FY 2023 Proviso 1.92A - 1.92B:** Supported consolidation efforts for districts to incentivize merging resources and streamlining operations for greater efficiency.
- **FY 2024 Proviso 1.81A - 1.81D:** Funded the construction of shared Career and Technology Education (CATE) facilities to promote workforce development programs and expanded the scope of the program to include wealthier districts that are smaller but experiencing student growth.
- **CY 2021 American Rescue Plan Elementary and Secondary School Emergency Relief funds (ARP-ESSER)** were leveraged from the SCDE state-level allocation for allowable costs associated with facility upgrades in response to COVID-19.

- **FY 2025 Proviso 1.110:** Reallocated carry forward funds from Lottery and Capital Reserve Fund proceeds from previous district facilities assessments and efficiency studies to support school district capital infrastructure efforts.

Language specific to each proviso contained in the General Appropriation Act since Fiscal Year 2020 is included in Appendix C of this report.

## State Appropriations for School Capital Projects

The charts below summarize the amount of funds, by proviso or initiative, made available for school district infrastructure needs.

### STATE FUNDS

Proviso Number	Fiscal Year	Appropriation Amount
1.88A – 1.88B	FY 2019-20	\$50 million
1.104A – 1.104B	FY 2021-22	\$100 million
1.92A – 1.92B	FY 2022-23	\$140 million
1.81A -1.81D	FY 2023-24	\$120 million*
<b>Subtotal</b>		<b>\$410 million</b>

\***Note:** \$20 million of this amount was appropriated specifically for school safety efforts and was allocated by the SCDE Office of Safe Schools; Awards for school safety efforts are not considered capital improvement projects and are therefore excluded from this report. Total proviso-related funds appropriated for district capital improvement projects is \$390 million.

### OTHER FUNDS

Authorization	Fiscal Year	Authorization Amount
ARP ESSER	March - August 2021	\$40,000,000
Proviso 1.110	FY 2024-25	\$869,500
<b>Subtotal</b>		<b>\$40,869,500</b>

### TOTAL STATE APPROPRIATIONS (*Excluding Safety Funds*)

**\$ 430,869,500**

In general, these funds were used to:

- incentivize the consolidation of smaller, rural districts
- leverage demolition of smaller, aged schools within districts for construction of new replacement schools
- support the construction of new elementary schools, middle schools, high schools, and career technology facilities
- provide major renovations and infrastructure improvements, to include among other things, safety upgrades, accessibility modifications, HVAC modernization, and roofing replacements.

Additional state funds totaling \$155,550,000 were appropriated via FY 2023 Proviso 118.19 from the Savannah River Site (SRS) Settlement Litigation to help meet capital needs of schools in the geographic area impacted by the SRS. While the SCDE is not responsible for these funds, Appendix D lists the district projects funded with SRS settlement funds to provide a more comprehensive overview of all state fiscal efforts to address capital needs for certain districts.

## **Application Process and Eligibility Criteria**

### **The Application**

The authorizing provisos required the SCDE to develop an application and application process for administration of this initiative. To receive funds, districts had to make application to the SCDE. The SCDE did not open the application process to allow all eligible districts to apply as the amount of funding available was insufficient to cover all the districts' needs as documented by school facilities assessments that the department commissioned. The SCDE opened the application process based on priority ranking of the eligible districts, considering the availability of funds. Thus, not all districts that were eligible for funds applied for funding. The SCDE managed the prioritized list of eligible districts to ensure that every district that made application received an award. The most recent SCDE Application for Capital Funding is included as Appendix A in this report.

The application required the following:

1. District Information: Basic details about the district, including name, contact information, and relevant administrative data.
2. Project Description: A clear and detailed outline of the proposed project, including its purpose, scope, and intended outcomes.
3. Budget Plan: A breakdown of estimated costs for the project, including any available match funds.
4. Timeline: A proposed schedule for the project's start, major milestones, and completion date.
5. Justification Statement: Explanation of how the project aligns with district needs and the goals of the funding provisions.
6. Supporting Documents: Attachments such as site plans, cost estimates, and any other relevant documentation to substantiate the request.

### **Eligibility Guidelines**

The authorizing provisos required the SCDE to make recommendations for guidelines to define the districts most in need of capital funding and the conditions for receipt of funding. The original guideline recommendations were submitted to the Chairmen of Senate Finance, Ways and Means, House Education, and Senate Education in December 2021 and revised guideline recommendations were submitted in December 2023. The guideline documents are contained as Appendix B in this report.

The 2021 guidelines targeted disadvantaged districts with extreme poverty levels based on district and county index of taxpaying ability (ITA), resulting in 26 districts identified as eligible to receive funding. The 2023 guidelines incorporated broader economic and demographic factors, including average daily membership (ADM) and student growth trends, making 11 additional districts eligible to receive funding. In total, 37 districts (pre-consolidation count) were deemed eligible for funds using the 2021 and 2023 guidelines. Below is a comparison of the guidelines.

### **2021 Guidelines Summary**

- Focus: Addressed infrastructure needs of disadvantaged school districts.
- Key Criteria:
  - Index of taxpaying ability (district and county).
  - Per capita income.
  - Age and condition of existing academic buildings.
  - Timely commencement of construction.
  - Quality of applications.
- Additional Factors
  - Encouraged district consolidation.
  - Encouraged use of prototype design plans to reduce costs and timelines.
  - Required districts to identify other available funding sources.

### **2023 Guidelines Summary**

- Focus: Broader funding scope based on district infrastructure needs.
- Key Criteria:
  - Modified index of taxpaying ability that reflects a district's fiscal capacity to raise revenue for *school capital funding* from property tax.
  - District median family income.
  - Average daily membership (ADM) to assess the impact of the relative ability of each district to raise funding on a per student basis.
- Additional Factors:
  - Prioritized areas with significant student population growth.
  - Emphasized "shovel-readiness" and matching funds.

### **District Facility Needs**

The governing provisos also required the SCDE to consider the age and condition of districts' existing academic buildings as a determinant for funding. Districts that meet criteria for this funding typically do not have comprehensive building programs in place that are sufficiently staffed to maintain facility management and planning functions or to render comprehensive assessments of their building needs and related costs. To compile the necessary facilities conditions data, the SCDE, using ARP ESSER funds, procured school construction firms to conduct facility assessments of each eligible district.

The school construction firms (Alpha Solutions/Brownstone, MB Kahn Construction, and Thompson Turner Construction) conducted facility assessments that summarized building conditions in terms of building envelope (windows, doors, roofs, etc.), mechanical systems (electrical, plumbing, HVAC, etc.), interior finishes, fire protection and life safety, security, and accessibility. In addition to documenting current facility conditions, the firms developed recommendations - based on each district's spacing needs, demographic trends, physical age of structures, life expectancy of major systems, maintenance impacts of existing systems, and staff operational capacity - that identified the three most critical facility needs that should be addressed to assist the districts in reducing aged school facilities and establishing technologically-advanced, safe, accessible school learning environments.

Districts eligible for this funding typically have not pursued new construction projects or major renovations. Prior to construction, districts such as these must take necessary steps to ensure construction can occur in a timely manner. For example, the district will need to obtain the land, hire a design professional, have the design plans reviewed and approved by the SCDE Office of School Facilities (OSF), and procure contractors to do the work.

To assist these districts with timely construction, the SCDE used ARP ESSER funds to procure design professionals (LS3P, SSOE/Stevens & Wilkinson (SSOESW), and McMillan-Padzan-Smith (MPS) to create an array of site adaptable design plans (prototype designs) that can be used by the districts for *new* school construction projects. The SCDE has made these prototype designs available to any school district that is interested in them. Utilizing state-provided design plans can result in preconstruction costs savings up to 3.5% of a project. Typically, architectural and design fees could be up to 7% of project costs. So, leveraging prototype plans reduces costs and reduces the construction timeline because less time is spent designing basic educational spacing, incorporating code requirements into plans, and OSF's reviewing and approving plans.

### **Capital Fund for Disadvantaged Schools Allocations**

Funds were used primarily for new school construction that replace outdated facilities; major renovations to update and ensure safe and accessible modern learning environments; and consolidation of districts and/or consolidation of schools to improve operational efficiency and educational outcomes.

The state provisos prohibited funding of district central office administration facilities, unimproved real property and facilities used for athletic activities. The SCDE, in its award of ARP-ESSER funds, applied this same prohibition to projects that were supported with these federal funds.

This chart lists the eligible districts and summarizes the projects that were supported by state proviso funding and federal ARP-ESSER funds.

<b>District</b>	<b>Total Funds</b>	<b>Use</b>
Abbeville	\$38,000,000	Major renovations to Abbeville High and Dixie High Schools
Allendale	\$11,869,500	School facility renovations and HVAC upgrades
Anderson 3	\$5,000,000	Seed funds for construction of new Starr-Iva middle school
Bamberg	\$18,125,000	Funds for facility renovations and to address costs associated with consolidation of Bamberg 1 and Bamberg 2
Barnwell	\$21,250,000	Funds to address costs associated with consolidation of Barnwell 19, 29, and 45
Chester	\$ -	
Chesterfield	\$ -	
Clarendon	\$58,250,000	Funds associated with the consolidation of Clarendon 1 and 3 and Clarendon 2 and 4 for creation of Clarendon County School District and construction of new Walker Gamble Elementary School
Colleton	\$ -	
Dillon 3	\$3,000,000	Renovations and additions related to Latta elementary and middle schools (ARP ESSER)
Dillon 4	\$25,000,000	Funds for consolidation of three elementary schools within the district (ARP ESSER and state funds)
Dorchester 4	\$16,000,000	Renovation updates to elementary and middle schools
Edgefield	\$ -	
Fairfield	\$ -	
Florence 1	\$10,000,000	Funds associated with consolidation of Florence 1 and 4 as well as facility upgrades related to the consolidation
Florence 2	\$1,000,000	Renovations and repairs at Hannah-Pamplico Elementary
Florence 3 & the Continuum	\$3,350,000	Funds (\$2.35 million) to support shared career and technology education facilities and shared high school alternative schools across multiple districts and funds (\$1 million) for updates to Florence 3 school facilities



<b>District</b>	<b>Total Funds</b>	<b>Use</b>
Florence 5	\$1,000,000	Funds for renovations to Johnsonville Elementary School
Greenwood 51	\$ -	
Hampton	\$58,125,000	Funds associated with consolidation of Hampton 1 and Hampton 2 and construction of new comprehensive high school
Jasper	\$ -	
Laurens 55	\$ -	
Laurens 56	\$ -	
Lee	\$42,000,000	Funds for construction of a new elementary school to replace three aged elementary schools (ARP ESSER and state funds)
Lexington 4	\$12,000,000	Funds for renovations to Frances F. Mack Intermediate School
Marlboro	\$3,000,000	Funds for renovations at Clio and McColl Elementary Schools
Marion	\$ -	
McCormick	\$3,000,000	Funds for HVAC and facilities repairs for middle and elementary schools
Orangeburg	\$40,000,000	Funds for construction of a new elementary school to replace four outdated schools
Saluda	\$42,000,000	Funds for construction of a new elementary school to replace outdated facilities
Spartanburg 3	\$5,000,000	Funds to partially support renovation and construction of School District/Daniel Morgan Technology Center for Transportation, Distribution, and Logistics
Union	\$ -	
Williamsburg	\$13,900,000	Funds associated with combining and renovating school facilities
<b>Total</b>	<b>\$430,869,500</b>	

## Conclusion

Since Fiscal Year 2020, over \$430 million has been made available through state and federal funds to address infrastructure needs of districts most in need based on district poverty, district consolidations, student enrollment trends, and aged school facilities.

- Thirty-three (33) districts (post-consolidation count) were eligible for capital funding to support disadvantaged schools based on the 2021 and 2023 Eligibility Guidelines.
- Twenty-two (22) districts were awarded funds via SCDE Capital Funds for Disadvantaged Schools appropriations or from ARP ESSER federal funds.
- Eleven (11) districts did not receive any financial support for any of their documented building infrastructure needs. These districts are Chester, Chesterfield, Colleton, Edgefield, Fairfield, Greenwood 51, Jasper, Laurens 55, Laurens 56, Marion, and Union.
- Thirty-six (36) district facilities assessments were conducted to document the priority infrastructure needs of the districts most in need or seeking to consolidate.
- Five (5) districts – Bamberg, Barnwell, Clarendon, Florence 4, Hampton - leveraged funds to incentivize district consolidations.
- Two (2) school districts – Dillon Four and Lee – each eliminated three aged school buildings (total of six buildings eliminated) and replaced them with two larger modern facilities, increasing the operational efficiency and capacity of these districts.
- Six (6) new schools and career centers are being built because of these funds.
  - Four (4) new elementary schools in Clarendon, Lee, Orangeburg, and Saluda
  - One (1) new middle school project in Anderson 3
  - One (1) new high school in Hampton
- Over thirty (30) renovation projects (high schools, CATE centers, middle schools, and elementary schools) are being supported by these funds.
- Funds awarded to each district partially funded at least *one* priority project or served as “seed” funds to initiate upgrades.
- None of the districts received sufficient funding to address their *three* priority building infrastructure needs, as documented by the SCDE school facilities assessments.
- School construction costs have risen significantly over the past five years. Data from 2024 indicates the average cost to build a new elementary school is \$50 million while the average cost of a new middle school is \$60 million, and a new high school is \$80 to \$100 million.
- To continue modernizing school facilities in districts with limited financial resources or the capacity to generate funds, a large infusion of recurring funding, such as a Schools Capital Funds Infrastructure Bank, is needed.

## **APPENDIX A – Application for Capital Funds Proviso 1.81(D) of 2023-24**

### **Instructions**

The primary factor for eligibility will be an assessment of district need as indicated by the district index of taxpaying ability (ITA), district median family income, and district average daily membership (ADM). Other factors include the quality of the district's application, the capital needs in the district, the availability of other capital funds, the district's growth in student population, the "shovel readiness" of the proposed project, the district's ability and willingness to provide match funds for the project and the "funding readiness" of the project.

As to the age and condition of districts buildings, the South Carolina Department of Education (SCDE) has contracted with design professionals to provide updated information, priority rankings of projects, and cost estimates. As to the ITA and district median family income, the SCDE is using information supplied by Revenue and Fiscal Affairs at the State Fiscal Accountability Agency.

For districts that are consolidating, the SCDE requests only one application be submitted by the authorized new district. Please note that if SCDE receives applications from more than one district in a multi-district county, the two applications may be considered together as one to avoid disadvantage to consolidating districts.

### **Questions** (\* indicates mandatory response needed)

1. Please indicate the name of the school district that is applying. \*
2. Please provide your district's reasoning for why it should receive funds as priority over other eligible districts that are in need. \*
3. Indicate the name of the district's contact for this application. \*
4. Indicate the district contact email address. \*
5. Indicate the district contact best daytime phone number. \*
6. What is the amount of capital funding being requested by the applicant? \* *(The value must be a number)*
7. What are the projects for which this funding is being requested? Please be specific and provide essential details. \*
8. What is the anticipated total amount of funding that will be needed to complete the identified project? \* *(The value must be a number)*
9. Does the district have a recent (within the last six months) cost estimate that supports the figures provided as the total cost? \* Yes No

10. If the anticipated cost is higher than the amount being requested in this application, please indicate what other sources of funding are currently available to the district to commence and complete this project. \*
11. How much funding is the district able to provide as “match” for this project? \* (*The value must be a number*)
12. The next few questions are about the district’s match funds. Please indicate if the district is using any of these sources of funding for the listed match. \*
- Borrowing funds within the district’s 8% debt capacity
  - Installment Purchase Revenue Bonds (for related equipment and technology)
  - Local Option Education Capital Improvement or School District sales tax revenues
  - Not applicable
  - Other
13. Will part of the district match be referendum-allowed debt? \* Yes No
14. If “yes” as to referendum, please describe the date when the referendum occurred, or will occur, and the amount in the referendum. \*
15. Is the district using pandemic relief funds or other federal funds as match for the projects? \* Yes No
16. If you answered “yes” to pandemic/federal funds, describe in detail which pandemic or federal funds are used, to include source/type of funds and amounts used.
17. As of June 30, 2023, what was the district’s existing total capital debt load? \* (*The value must be a number*)
18. If the district is awarded funds through this application, on what date does the district anticipate being able to start construction? (NOTE: plans require a design professional and approval by the SCDE Office of School Facilities.) \*
19. What is the estimated number of months for completion of the project after the start of construction? (Please provide the number of months. NOTE: the federal funds may have deadlines by which funds must be obligated, committed, and/or spent or claimed.) \* (*The value must be a number*)

## **APPENDIX B.1 – 2021 Guideline Recommendations**

### **Authorizing Legislation**

Included in the Appropriations Act of 2021-22, Proviso 1.104(B) directs the South Carolina Department of Education (SCDE) to submit recommendations to the Senate Finance Committee and the House Ways and Means Committee establishing guidelines to disburse state funding for local school district infrastructure needs by December 31, 2021. The guidelines are to include “award criteria, conditions for the awards and any match requirements.” The Proviso indicates the criteria shall include, but not be limited to:

- districts' index of taxpaying ability,
- consideration of a district's or county's per capita income,
- the age and condition of the district's existing academic buildings,
- the ability to commence construction in a timely matter, and
- the quality of the application.

The Proviso in full can be found here:

#### **1.104. (SDE: Capital Funding for Disadvantaged Schools)**

The funds appropriated for Capital Funding for Disadvantaged Schools shall be prioritized by the Department of Education pursuant to subsections (A) and (B).

(A) Up to \$15 million of the funds shall be made available first to a local school district or districts with an average daily membership that is less than 5000, based on the most recent student count received by the department, and that is located within a county ranked as Tier IV pursuant to Section 12-6-3360(B) for 2018 which chooses to consolidate with another school district located in the same county, or to a school district that is under state takeover and is consolidating school buildings as directed by the State Superintendent of Education. The funds may be used to support costs directly related to the consolidation which shall include, but are not limited to, salary adjustments, facilities, debt mitigation, millage rate adjustments, transportation, technology, and other factors for which the district demonstrates are necessary to complete consolidation. On or before August 1, the eligible districts must submit a preliminary plan and timeline for pursuing consolidation, including the use of the consolidation funds requested, to the Department of Education for review and approval. When the department has approved the final plan, the districts shall forward the plan to the local legislative delegation outlining the specific request that local legislation be enacted to effect the consolidation. The legislation may include, but is not limited to, composition of the consolidated board, transition procedures, and

disposition and/or assumption of district assets and liabilities. Upon approval of a consolidation plan, the department shall make an initial allocation to the impacted districts and shall allocate remaining funds upon enactment of legislation formally consolidating the districts for the benefit of the consolidated district.

- (B) The remaining funds shall be set aside by the department to create a source of state funding for local school district infrastructure based on need. Additional funds may be appropriated by the General Assembly with either recurring or non-recurring funds from the General Fund, EIA, or lottery. Federal funds authorized by a federal agency or authorized by the General Assembly may also be included in this fund. The fund may also accept gifts from private sources.

The department shall submit recommendations to the Senate Finance Committee and the House Ways and Means Committee to establish guidelines for the program consisting of award criteria, conditions for the awards and any match requirements by December 31. Criteria shall include, but not be limited to, consideration of a district's index of taxpaying ability, consideration of a district's or county's per capita income and the age and condition of the district's existing academic buildings as well as the ability to commence construction in a timely matter and the quality of the application.

For purposes of this provision, school infrastructure shall not include unimproved real property, centralized district administration facilities, or other facilities, including those normally identified with interscholastic sports activities.

Unexpended funds may be carried forward from the prior fiscal year into the current fiscal year to be expended for the same purposes by the department and school districts.

The General Assembly appropriated \$100 million to be distributed in accordance with this proviso. Of that amount, \$85 million is designated for purposes of part (B): capital improvements to disadvantaged school districts and distributed using the recommended guidelines provided below.

### **Recommendations for Establishing Guidelines**

Based on all information reviewed and considered, the SCDE recommends that the following guidelines be established for the criteria, conditions, and match related to 1.104(B) capital funding.

#### **Criteria**

When determining the districts most in need of capital funding to support district infrastructure, those districts selected would be among those with the highest poverty, as determined by the average rankings of the index of taxpaying ability (county and district) and the county per capita income. The overall ranking is established by ranking each district using the below criteria and taking the average of the three rankings.

- The District Index of Taxpaying Ability
  - Specifically mentioned within the proviso is the consideration of the district index of taxpaying ability (ITA). This is the index used in the standard Education Finance Act (EFA) calculations for the base student cost funding to districts. It compares the value of taxable property in the school district with the total value of all taxable property in the state. It represents the district's relative fiscal capability to raise revenue from property tax in comparison to all districts. For a fuller description of the ITA please see the report to the Senate Educational Funding Study Committee.
- A County Index of Taxpaying Ability
  - For multi-district counties, the SC Revenue and Fiscal Affairs Office (RFA) calculated a county level index and ranked those by school districts-counties. A county index has some merits over a district level index because it does not penalize the districts – past and present – who have consolidated.
- Per Capita Income
  - The proviso indicates the SCDE should consider district or county per capital income. Using the 2019 per capita income information, the RFA provided this information and ranked districts ranging from lowest (\$30,203) to highest (\$63,901).

#### **Additional Criteria**

After using the above formula to establish an overall ranking of the districts using average rankings of the index of taxpaying ability (county and district) and the county per capita income, the following additional criteria shall be considered:

- Local Capacity to Pay
  - While there is not a specific match districts must reach, it will be required that the district is able to show they will be able to provide some amount of funding towards the capital improvement project.
  - The SCDE recommends that districts utilize a portion of their Federal American Recover Plan Elementary and Secondary Schools Emergency Relief (ARP ESSER) funds, if available, towards these capital improvement projects. Other available sources of funding include the constitutional debt limit of 8%, the opportunity for local option sales taxes for capital school projects, and the willingness of the citizens of the county and district to support bond issues to finance buildings.
  - Districts that have spent to their existing authority and authorized bonds should not be penalized over districts that have resisted bond referenda or had constituents who have not supported maintenance, repair, and updating of facilities.
- The Age and Condition of Existing Buildings
  - Districts that meet criteria for this funding typically do not have comprehensive building programs in place that are sufficiently staffed to maintain facility

management and planning functions or to render comprehensive assessments of their building needs and related costs.

- o The SCDE is using ARP ESSER funding to secure design professionals to conduct facility assessments in those districts ranked in the top 25 districts most in need using the formula established above. These professionals will conduct updated facility assessments which summarize building conditions in terms of building envelope (windows, doors, roofs, etc.), mechanical systems (electrical, plumbing, HVAC, etc.), interior finishes, fire protection and life safety, security, and accessibility. In addition to documenting current facility conditions, these assessments will include other information that inform funding priorities, to include information on future facility needs driven by demographic trends and programming requirements, comparisons of educational facilities within each district and across districts so that projects can be prioritized based on need for complete replacement or new construction, consolidation, or major renovation, and sustainable construction cost estimates that reflect current inflationary factors and market conditions.
- Ability to Commence Construction in a Timely Manner
  - o Prior to construction, a district must take necessary steps to ensure construction can occur in a timely manner. For example, the district needs to have the land, hire a design professional, have those plans reviewed and approved by the SCDE Office of School Facilities (OSF), and procure contractors to do the work.
  - o To assist with timely construction, the SCDE recommends any districts receiving a portion of these funds for new construction be required to use prototype design plans. Prototype design plans are sample or generic design plans that can be modified or adapted based on certain considerations, such as type of school, student enrollment, geographic variations, etc.
  - o The SCDE set aside funding to secure design professionals who will create an array of site adaptable design plans to be used by the eligible districts. Utilizing state-provided design plans can result in preconstruction costs savings of 3.5% of a project.
  - o Typically, architectural and design fees equate to seven percent of project costs. Also, using prototype plans reduces the construction timeline because less time is spent designing basic educational spacing, incorporating code requirements into plans, and OSF's reviewing and approving plans.
  - o When considering the above criteria, the state will need to balance the desire to assist as many districts as possible with the reality that \$85 million will not cover all state's school infrastructure needs. The SCDE anticipates reviewing applications and information on the estimated costs of the entire capital project, as well as other funding the district has available to meet those costs.



- o Additionally, districts will need to verify other sources of funding available for the project.
- Quality of Applications
  - o The SCDE has prepared a draft of a proposed application for funds. See Appendix A. In addition to seeking basic information about the request and proposed project, the draft asks for the district's statement on why it should receive priority consideration for funds. The completeness of all responses and the quality of the descriptions can be a factor in making award decisions.

### **Additional State Level Funding Source for Capital Projects - Federal American Recovery Plan**

The State Superintendent [intends to allocate](#) approximately \$38 million in state level ARP ESSER funding to supplement the Disadvantaged Schools state funding (as stated in the approved state application). As mentioned above, school districts can designate a portion of their ARP funds for capital purposes. The [allocations to school districts](#) are linked here.

ARP ESSER funds have fifteen broad categories for which the funds may be used. Ones relevant to capital projects for disadvantaged schools include:

- School facility repairs and improvement to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs.
- Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement.

If a district has not already included capital projects in its ARP ESSER plan, any such use would need to be placed in an amended plan and pre-approved before funds are spent.

### **Considerations in Setting Guidelines on Criteria, Conditions, and Match**

When establishing the recommended guidelines for delivery of capital improvement funding to disadvantaged school districts, the SCDE sought assistance from the RFA office. The RFA provided information related to district index of taxpaying ability, county index of taxpaying ability, job tax credit county tiers, and per capita income information. Through collaboration with RFA, the SCDE was able to consider a broad range of data sets to determine those districts most in need of funding for capital improvement projects.

The following is a list of some of the criteria that have been considered by the SCDE:

- district's index of taxpaying ability,

- consideration of a district's or county's per capita income,
- the age and condition of the district's existing academic buildings,
- the ability to commence construction in a timely matter,
- needs at the county level (encourage consolidation; not create an unintended negative from it),
- county and district existing investment in school buildings,
- shared services or multi-county projects for smaller districts, and
- full funding available.

## APPENDIX B.2 – 2023 Guideline Recommendations

### Authorizing Legislation

Included in the Appropriations Act of 2023-24, Proviso 1.81(D) directs the South Carolina Department of Education (SCDE) to submit recommendations to the Senate Finance Committee and the House Ways and Means Committee establishing guidelines to disburse state funding for local school district infrastructure needs by December 31, 2023. The guidelines are to include “award criteria, conditions for the awards and any match requirements. The Proviso indicates the criteria shall include, but not be limited to:

- districts’ index of taxpaying ability,
- consideration of a district’s or county’s per capita income,
- the age and condition of the district’s existing academic buildings,
- the ability to commence construction in a timely matter, and
- the quality of the application.

The Proviso in full can be found here:

**1.81.** (SDE: Capital Funding for Schools) The funds appropriated for Capital Funding for Schools shall be prioritized by the Department of Education pursuant to subsections (A), (B), and (C).

(A) Up to \$20 million of the funds shall be made available first to a local school district or districts that is consolidating with another school district. The funds may be used to support costs directly related to the consolidation which shall include, but are not limited to, salary adjustments, facilities, debt mitigation, millage rate adjustments, transportation, technology, and other factors for which the district or districts demonstrates are necessary to complete consolidation. On or before August 1, the eligible districts must submit a preliminary plan and timeline for pursuing consolidation, including the use of the consolidation funds requested, to the Department of Education for review and approval. When the department has approved the final plan, the districts shall forward the plan to the local legislative delegation outlining the specific request that local legislation be enacted to effect the consolidation. The legislation may include, but is not limited to, composition of the consolidated board, transition procedures, and disposition and/or assumption of district assets and liabilities. Upon approval of a consolidation plan, the department shall make an initial allocation to the impacted districts and shall allocate remaining funds upon enactment of legislation formally consolidating the districts for the benefit of the consolidated district.

(B) Up to \$10 million of the funds shall be made available to a local school district consolidating at least three schools within a single district into a single school campus and consolidating other district-owned educational buildings or buildings that support district functions into a single building. The funds may be used to support costs directly

related to the consolidation and other factors for which the district demonstrates are necessary to complete consolidation.

- (C) Up to \$20 million of the funds shall be made available for the direct benefit of all children of South Carolina enrolled in K-12 schools by funding facilities upgrades aligned with school safety priorities. The department shall allocate these funds to the public-school districts and charter school districts. Eligible school facility upgrades shall include: (a) classroom/internal door locks; (b) secure school entry points and access control; (c) window covers; (d) bulletproof glass or bulletproof film for windows; and (e) electronic or other technology. School facilities eligible for safety upgrades under this subsection are defined as locations with daily student attendance and shall not include unimproved real property, centralized district administration facilities, or other facilities, including those normally identified with interscholastic sports activities.

The department shall develop an application process for public and charter school districts to request funding for facilities upgrades aligned with school safety priorities and establish policies, procedures, and priorities for the making of grants pursuant to this subsection. Criteria for prioritizing the awarding of grants shall include, but not be limited to, percentage of students enrolled from low-income families, the age and condition of the existing school facilities to be upgraded as well as the ability to commence construction in a timely matter and the quality of the application. The criteria must also require that all proposed projects do not create new recurring annual expenses and comply with local, state, and federal building codes.

Applications must be submitted to the department by September 1, 2023. Upon receipt of applications pursuant to the application process adopted by the department, the department shall prioritize the eligible projects with the greatest need using the established criteria and shall submit a list of recommended grant awards to the State Board of Education no later than November 30, 2023. Grants shall be awarded upon an affirmative vote of the State Board.

The financial assistance provided pursuant to this provision must be used for the eligible school facility project. The department is responsible for establishing policies and procedures to ensure that funds are expended in a manner consistent with this provision. Unexpended funds may be carried forward to be expended for the same purposes by the department and grant recipients. Following the close of the fiscal year, the department shall submit a report of approved projects to the Governor, the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

- (D) The remaining funds shall be set aside by the department to create a source of state funding for local school district infrastructure based on need. Additional funds may be appropriated by the General Assembly with either recurring or non-recurring funds from the General Fund, EIA, or lottery. Federal funds authorized by a federal agency or

authorized by the General Assembly may also be included in this fund. The fund may also accept gifts from private sources.

The department shall submit recommendations to the Senate Finance Committee and the House Ways and Means Committee to establish guidelines for the program consisting of award criteria, conditions for the awards and any match requirements by December 31. Criteria shall include, but not be limited to, consideration of a district's index of taxpaying ability, consideration of a district's or county's per capita income and the age and condition of the district's existing academic buildings as well as the ability to commence construction in a timely matter and the quality of the application.

For purposes of this provision, school infrastructure shall not include unimproved real property, centralized district administration facilities, or other facilities, including those normally identified with interscholastic sports activities.

(E) The Department of Education must submit to the General Assembly by June 30 of each year a report documenting, at a minimum, the number of applications received and approved, information on the types of infrastructure supported by these funds, and the projected and final costs of each project.

Unexpended funds may be carried forward from the prior fiscal year into the current fiscal year to be expended for the same purposes by the department and school districts.

The General Assembly appropriated \$120 million to be distributed in accordance with this proviso. Of that amount, at least \$70 million is designated for purposes of part (D): capital improvements for school districts infrastructure based on need and distributed using the recommended guidelines provided below.

### **Criteria**

When determining the districts in need of capital funding to support district infrastructure, the selected districts are determined based on the average rankings of districts' index of taxpaying ability (ITA) for debt millage, districts' median family income, and districts' average daily membership (ADM).

- The District Index of Taxpaying Ability for Debt Millage
  - Specifically mentioned within the proviso is the consideration of the District Index of Taxpaying Ability (ITA). It is used in the State Aid to Classrooms calculations for funding to districts. The ITA compares the value of taxable property in the school district with the total value of all taxable property in the state. The standard ITA represents the district's relative fiscal capability to raise revenue *for school operations* from property tax in comparison to all districts. The criteria for Proviso 1.81(D) use a slightly modified version calculated by the Office of Revenue and Fiscal Affairs (RFA) that reflects the district's relative fiscal capability to raise revenue *for school capital funding* from property tax.

- The District Median Family Income
  - The proviso indicates the SCDE should consider district or county per capita income. Because county level measures can obscure district need, the criteria use district level US Census 2021 median family income information, provided by RFA and ranging across districts from lowest (\$44,751) to highest (\$125,582).
- District Average Daily Membership (ADM)
  - Because the size of the district's student population directly affects capacity needs and is not accounted for by either the ITA or the median family income, 135-day ADM is included to assess the impact of the relative ability of each district to raise funding on a per student basis.

### **Additional Criteria**

After using the above formula to establish an overall ranking of the districts using average rankings of the district index of taxpaying ability, district median income, and district ADM, the following additional criteria shall be considered:

- Local Capacity to Pay
  - While there is not a specific match districts must reach, it will be required that the district be able to show they will be able to provide some amount of funding towards the capital improvement project.
  - Available sources of funding that districts could utilize for capital improvement projects include the constitutional debt limit of 8%, the opportunity for local option sales taxes for capital school projects, and the willingness of the citizens of the county and district to support bond issues to finance buildings.
  - Districts that have spent their existing authority and authorized bonds should not be penalized over districts that have resisted bond referenda or had constituents who have not supported maintenance, repair and updating of facilities.
- The Age and Condition of Existing Buildings
  - Districts that meet criteria for this funding typically do not have comprehensive building programs in place that are sufficiently staffed to maintain facility management and planning functions or to render comprehensive assessments of their building needs and related costs.
  - The SCDE is using ARP ESSER funding to secure design professionals to conduct facility assessments in those districts ranked as the top 20 districts most in need using the formula established above. Districts in this top 20 listing that underwent SCDE facility assessments in 2022 will not need to undergo additional or new SCDE assessments.
  - These professionals will conduct updated facility assessments which summarize building conditions in terms of building envelope (windows, doors, roofs, etc.), mechanical systems (electrical, plumbing, HVAC, etc.), interior finishes, fire

protection and life safety, security, and accessibility. In addition to documenting current facility conditions, these assessments will include other information that inform funding priorities, to include information on future facility needs driven by demographic trends and programming requirements, comparisons of educational facilities within each district and across districts so that projects can be prioritized based on need for complete replacement or new construction, consolidation, or major renovation, and sustainable construction cost estimates that reflect current inflationary factors and market conditions.

- Ability to Commence Construction in a Timely Manner
  - o Prior to construction, a district must take necessary steps to ensure construction can occur in a timely manner. For example, the district needs to have the land, hire a design professional, have those plans reviewed and approved by the SCDE Office of School Facilities (OSF), and procure contractors to do the work.
  - o To assist with timely construction, the SCDE recommends any districts receiving a portion of these funds for *new* construction be required to use prototype design plans. Prototype design plans are sample or generic design plans that can be modified or adapted based on certain considerations, such as type of school, student enrollment, geographic variations, etc.
  - o The SCDE set aside funding to secure design professionals who have created an array of site adaptable design plans to be used by eligible districts for new construction projects if this funding is allocated. Utilizing state-provided design plans for new construction can result in preconstruction costs savings of 3.5% of a project. Typically, architectural and design fees equate to 7% of project costs. Also, using prototype plans reduces the construction timeline because less time is spent designing basic educational spacing and incorporating code requirements into plans. Additionally, the amount of time spent by OSF reviewing and approving plans is significantly reduced.
  - o When considering the above criteria, the state will need to balance the desire to assist as many districts as possible with the reality that \$70 million will not cover all the state's school infrastructure needs. The SCDE anticipates reviewing applications and information on the estimated costs of the entire capital project, as well as other funding the district has available to meet those costs.
  - o Additionally, districts will need to verify other sources of funding available for the project.
- Quality of Applications
  - o The SCDE has prepared an application for funds. See *Appendix A*. In addition to seeking basic information about the request and proposed project, the application asks for the district's statement on why it should receive priority consideration for funds. The completeness of all responses and the quality of the descriptions can be a factor in making award decisions.

## **Considerations in Setting Guidelines on Criteria, Conditions, and Match**

When establishing the recommended guidelines for delivery of capital improvement funding to school districts based on need, the SCDE sought assistance from the RFA office. RFA provided information related to district index of taxpaying ability, and median family income information. Through collaboration with RFA, the SCDE was able to consider an accurate and detailed range of data to determine those districts most in need of funding for capital improvement projects.

The following is a list of some of the criteria considered by the SCDE:

- district's index of taxpaying ability,
- consideration of a district's or county's per capita income,
- the age and condition of the district's existing academic buildings,
- the ability to commence construction in a timely matter,
- needs at the county level (encourage consolidation; not create an unintended negative from it),
- county and district existing investment in school buildings,
- areas of the state experiencing significant student population growth, and
- full funding available.



## **APPENDIX C – Authorizing Legislation: FY 2020 through FY 2025**

### **FY 2020 – Proviso 1.88**

1.88. (SDE: School Districts Capital Improvement) The funds appropriated for school district capital improvements in Proviso 112.1, shall be prioritized by the Department of Education pursuant to subsections (A) and (B).

(A) Twenty-five percent of the funds shall be made available first to a local school district or districts with an average daily membership that is less than one thousand five hundred, based on the most recent student count received by the department, and that is located within a county ranked as Tier IV pursuant to Section 12-6-3360(B) for 2018 which chooses to consolidate with another school district located in the same county. The funds may be used to support costs directly related to the consolidation which shall include, but are not limited to, salary adjustments, facilities, debt mitigation, millage rate adjustments, transportation, technology, and other factors for which the district demonstrates are necessary to complete consolidation. Furthermore, the department is eligible to carry forward these funds and use them for the same purpose. On or before August 1, the eligible districts must submit a preliminary plan and timeline for pursuing consolidation, including the use of the consolidation funds requested, to the Department of Education for review and approval. When the department has approved the final plan, the districts shall forward the plan to the local legislative delegation outlining the specific request that local legislation be enacted to effect the consolidation. The legislation may include, but is not limited to, composition of the consolidated board, transition procedures, and disposition and/or assumption of district assets and liabilities. Upon approval of a consolidation plan, the department shall make an initial allocation to the impacted districts and shall allocate remaining funds upon enactment of legislation formally consolidating the districts for the benefit of the consolidated district.

(B) Any funds not used for the purposes of assisting districts eligible in (A) shall be distributed by the department to eligible districts for the purpose of funding shared school facility construction and upgrades in districts with a poverty index of 70% or higher or an index of taxpayer ability less than .009. For the purpose of this provision, “school facility” means only facilities necessary for instructional and related supporting purposes including, but not limited to, classrooms, libraries, media centers, laboratories, cafeterias, physical education spaces, related interior and exterior facilities, and the conduit, wiring, and powering of hardware installations for classroom computers or for area network systems. Eligible school facility projects shall include and be prioritized as follows: construction of shared high school and career and

technology education facilities with priority given to districts that submit a plan for a facility that serves multiple school districts with average daily membership counts of less than one thousand five hundred and then for the following purposes: (a) health and safety upgrades; (b) technology upgrades inside school facilities; (c) upgrades associated with career and technology education programs; and (d) deferred maintenance needs as described in the district's capital improvement plan. For purposes of this provision, school facilities shall not include unimproved real property, centralized district administration facilities, or other facilities, including those normally identified with interscholastic sports activities. (i) The department shall develop and maintain an application process for school districts to request funding for qualified school projects and establish policies, procedures, and priorities for the making of grants pursuant to this provision. At least twice a year and upon receipt of applications pursuant to the application process adopted by the department, the department shall prioritize the eligible projects with the greatest need and shall submit a list of recommended grant awards to the State Board of Education. Grants shall be awarded upon an affirmative vote of the State Board. (ii) The financial assistance provided to school districts pursuant to this provision must be used for the eligible school facility project. The department is responsible for establishing policies and procedures to ensure that funds are expended in a manner consistent with this provision.

- (C) Following the close of the fiscal year, the department shall submit a report on the expenditure of funds pursuant to subsections (A) and (B) for the preceding year to the Governor, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Education Committee, and the Chairman of the House Education and Public Works Committee.

## **FY 2022 – Proviso 1.104**

1.104. (SDE: Capital Funding for Disadvantaged Schools) The funds appropriated for Capital Funding for Disadvantaged Schools shall be prioritized by the Department of Education pursuant to subsections (A) and (B).

(A) Up to \$15 million of the funds shall be made available first to a local school district or districts with an average daily membership that is less than 5000, based on the most recent student count received by the department, and that is located within a county ranked as Tier IV pursuant to Section 12-6-3360(B) for 2018 which chooses to consolidate with another school district located in the same county, or to a school district that is under state takeover and is consolidating school buildings as directed by the State Superintendent of Education. The funds may be used to support costs directly related to the consolidation which shall include, but are not limited to, salary adjustments, facilities, debt mitigation, millage rate adjustments, transportation, technology, and other factors for which the district demonstrates are necessary to complete consolidation. On or before August 1, the eligible districts must submit a preliminary plan and timeline for pursuing consolidation, including the use of the consolidation funds requested, to the Department of Education for review and approval. When the department has approved the final plan, the districts shall forward the plan to the local legislative delegation outlining the specific request that local legislation be enacted to effect the consolidation. The legislation may include, but is not limited to, composition of the consolidated board, transition procedures, and disposition and/or assumption of district assets and liabilities. Upon approval of a consolidation plan, the department shall make an initial allocation to the impacted districts and shall allocate remaining funds upon enactment of legislation formally consolidating the districts for the benefit of the consolidated district.

(B) The remaining funds shall be set aside by the department to create a source of state funding for local school district infrastructure based on need. Additional funds may be appropriated by the General Assembly with either recurring or non-recurring funds from the General Fund, EIA, or lottery. Federal funds authorized by a federal agency or authorized by the General Assembly may also be included in this fund. The fund may also accept gifts from private sources. The department shall submit recommendations to the Senate Finance Committee and the House Ways and Means Committee to establish guidelines for the program consisting of award criteria, conditions for the awards and any match requirements by December 31. Criteria shall include, but not be limited to, consideration of a district's index of taxpaying ability, consideration of a

district's or county's per capita income and the age and condition of the district's existing academic buildings as well as the ability to commence construction in a timely matter and the quality of the application. For purposes of this provision, school infrastructure shall not include unimproved real property, centralized district administration facilities, or other facilities, including those normally identified with interscholastic sports activities. Unexpended funds may be carried forward from the prior fiscal year into the current fiscal year to be expended for the same purposes by the department and school districts.

## **FY 2023 – Proviso 1.92**

1.92. (SDE: Capital Funding for Disadvantaged Schools) The funds appropriated for Capital Funding for Disadvantaged Schools shall be prioritized by the Department of Education pursuant to subsections (A) and (B).

- (A) Up to \$25 million of the funds shall be made available first to a local school district or districts that is consolidating with another school district. The funds may be used to support costs directly related to the consolidation which shall include, but are not limited to, salary adjustments, facilities, debt mitigation, millage rate adjustments, transportation, technology, and other factors for which the district or districts demonstrates are necessary to complete consolidation. On or before August 1, the eligible districts must submit a preliminary plan and timeline for pursuing consolidation, including the use of the consolidation funds requested, to the Department of Education for review and approval. When the department has approved the final plan, the districts shall forward the plan to the local legislative delegation outlining the specific request that local legislation be enacted to effect the consolidation. The legislation may include, but is not limited to, composition of the consolidated board, transition procedures, and disposition and/or assumption of district assets and liabilities. Upon approval of a consolidation plan, the department shall make an initial allocation to the impacted districts and shall allocate remaining funds upon enactment of legislation formally consolidating the districts for the benefit of the consolidated district.
- (B) The remaining funds shall be set aside by the department to create a source of state funding for local school district infrastructure based on need. Additional funds may be appropriated by the General Assembly with either recurring or non-recurring funds from the General Fund, EIA, or lottery. Federal funds authorized by a federal agency or authorized by the General Assembly may also be included in this fund. The fund may also accept gifts from private sources. The department shall submit recommendations to the Senate Finance Committee and the House Ways and Means Committee to establish guidelines for the program consisting of award criteria, conditions for the awards and any match requirements by December 31. Criteria shall include, but not be limited to, consideration of a district's index of taxpaying ability, consideration of a district's or county's per capita income and the age and condition of the district's existing academic buildings as well as the ability to commence construction in a timely matter and the quality of the application. For purposes of this provision, school infrastructure shall not include unimproved real property, centralized district

administration facilities, or other facilities, including those normally identified with interscholastic sports activities.

- (C) The Department of Education must submit to the General Assembly by June 30 of each year a report documenting, at a minimum, the number of applications received and approved, information on the types of infrastructure supported by these funds, and the projected and final costs of each project. Unexpended funds may be carried forward from the prior fiscal year into the current fiscal year to be expended for the same purposes by the department and school districts.

## **FY 2024 – Proviso 1.81**

1.81. (SDE: Capital Funding for Schools) The funds appropriated for Capital Funding for Schools shall be prioritized by the Department of Education pursuant to subsections (A), (B), and (C).

- (A) Up to \$20 million of the funds shall be made available first to a local school district or districts that is consolidating with another school district. The funds may be used to support costs directly related to the consolidation which shall include, but are not limited to, salary adjustments, facilities, debt mitigation, millage rate adjustments, transportation, technology, and other factors for which the district or districts demonstrates are necessary to complete consolidation. On or before August 1, the eligible districts must submit a preliminary plan and timeline for pursuing consolidation, including the use of the consolidation funds requested, to the Department of Education for review and approval. When the department has approved the final plan, the districts shall forward the plan to the local legislative delegation outlining the specific request that local legislation be enacted to effect the consolidation. The legislation may include, but is not limited to, composition of the consolidated board, transition procedures, and disposition and/or assumption of district assets and liabilities. Upon approval of a consolidation plan, the department shall make an initial allocation to the impacted districts and shall allocate remaining funds upon enactment of legislation formally consolidating the districts for the benefit of the consolidated district.
- (B) Up to \$10 million of the funds shall be made available to a local school district consolidating at least three schools within a single district into a single school campus and consolidating other district-owned educational buildings or buildings that support district functions into a single building. The funds may be used to support costs directly related to the consolidation and other factors for which the district demonstrates are necessary to complete consolidation.
- (C) Up to \$20 million of the funds shall be made available for the direct benefit of all children of South Carolina enrolled in K-12 schools by funding facilities upgrades aligned with school safety priorities. The department shall allocate these funds to the public school districts and charter school districts. Eligible school facility upgrades shall include: (a) classroom/internal door locks; (b) secure school entry points and access control; (c) window covers; (d) bulletproof glass or bulletproof film for windows; and (e) electronic or other technology. School facilities eligible for safety upgrades under this subsection are defined as locations with daily student attendance and shall not include unimproved real property, centralized district administration facilities, or

other facilities, including those normally identified with interscholastic sports activities. The department shall develop an application process for public and charter school districts to request funding for facilities upgrades aligned with school safety priorities and establish policies, procedures, and priorities for the making of grants pursuant to this subsection. Criteria for prioritizing the awarding of grants shall include, but not be limited to, percentage of students enrolled from low-income families, the age and condition of the existing school facilities to be upgraded as well as the ability to commence construction in a timely matter and the quality of the application. The criteria must also require that all proposed projects do not create new recurring annual expenses and comply with local, state, and federal building codes. Applications must be submitted to the department by September 1, 2023. Upon receipt of applications pursuant to the application process adopted by the department, the department shall prioritize the eligible projects with the greatest need using the established criteria and shall submit a list of recommended grant awards to the State Board of Education no later than November 30, 2023. Grants shall be awarded upon an affirmative vote of the State Board. The financial assistance provided pursuant to this provision must be used for the eligible school facility project. The department is responsible for establishing policies and procedures to ensure that funds are expended in a manner consistent with this provision. Unexpended funds may be carried forward to be expended for the same purposes by the department and grant recipients. Following the close of the fiscal year, the department shall submit a report of approved projects to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.

- (D) The remaining funds shall be set aside by the department to create a source of state funding for local school district infrastructure based on need. Additional funds may be appropriated by the General Assembly with either recurring or non-recurring funds from the General Fund, EIA, or lottery. Federal funds authorized by a federal agency or authorized by the General Assembly may also be included in this fund. The fund may also accept gifts from private sources. The department shall submit recommendations to the Senate Finance Committee and the House Ways and Means Committee to establish guidelines for the program consisting of award criteria, conditions for the awards and any match requirements by December 31. Criteria shall include, but not be limited to, consideration of a district's index of taxpaying ability, consideration of a district's or county's per capita income and the age and condition of the district's existing academic buildings as well as the ability to commence construction in a timely matter and the quality of the application. For purposes of this provision, school infrastructure shall not include unimproved real property, centralized district



administration facilities, or other facilities, including those normally identified with interscholastic sports activities.

- (E) The Department of Education must submit to the General Assembly by June 30 of each year a report documenting, at a minimum, the number of applications received and approved, information on the types of infrastructure supported by these funds, and the projected and final costs of each project. Unexpended funds may be carried forward from the prior fiscal year into the current fiscal year to be expended for the same purposes by the department and school districts.

**FY 2025 – Proviso 1.110**

1.110. (SDE: Carry Forward Reallocation) Carry forward funds from Lottery and Capital Reserve Fund proceeds appropriated for Facilities Assessments and Efficiency Studies during a prior fiscal year shall be reallocated to support school district shared services and capital infrastructure efforts. Unexpended funds may be carried forward from the prior fiscal year into the current fiscal year to be expended for the same purposes by the department and school districts.

## **APPENDIX D – Savannah River Site (SRS) Settlement Funds for Capital Needs**

A portion of Savannah River Site (SRS) Settlement Litigation funds, via FY 2023 Proviso 118.19 appropriated funds totaling \$155,550,000 through the Department of Administration to address capital needs of schools in the geographic area impacted by the SRS. The SCDE is not responsible for these funds; however, the below list provides additional insight into the capital needs of disadvantaged schools/districts and their efforts to pursue other funding options to address these needs. Of the districts listed below, Aiken did not qualify for disadvantaged schools proviso funding per the SCDE initiative and Edgefield, while eligible for such funding, did not receive any funds from the initiative.

<b>District</b>	<b>Total Funds</b>	<b>Use</b>
Allendale	15,000,000	Capital Improvements to Allendale High School and other district buildings
Aiken	\$30,000,000	New Career and Technology Center and district-wide technology upgrades
Bamberg	5,000,000	Schools Facilities Bond Reduction
Barnwell	\$105,000,000	Consolidated High School and Career Center and K-8 School for Williston and Blackville
Edgefield	\$500,000	Workforce Development Training and Equipment
<b>Total</b>	<b>\$155,500,000</b>	