

AGENCY NAME:	South Carolina Public Charter School District	
AGENCY CODE:	H610	SECTION:



Fiscal Year 2018-19 Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.
CAPITAL REQUESTS (FORM C)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.
PROVISOS (FORM D)	For FY 2018-19, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Elliott Smalley, Superintendent	803-734-8322	esmalley@sccharter.org
SECONDARY CONTACT:	Siddhartha Chowdri, CFO/COO	803-908-2680	schowdri@sccharter.org

I have reviewed and approved the enclosed FY 2018-19 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:	Elliot Smalley	Don McLaurin

This form must be signed by the agency head – not a delegate.

Fiscal Year 2018-19 Budget Request Executive Summary

Agency Code:
 Agency Name:
 Section:

South Carolina Public Charter School District

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Proviso per Pupil Funding	3,820,933				3,820,933					0.00
2	B1 - Recurring	Annual Transportation Costs	3,653,250				3,653,250					0.00
3	B2 - Non-Recurring	Title 1 Bus Grants	6,259,188				6,259,188					0.00
4							0					0.00
5							0					0.00
6							0					0.00
7							0					0.00
8							0					0.00
9							0					0.00
10							0					0.00
11							0					0.00
12							0					0.00
13							0					0.00
14							0					0.00
15							0					0.00
16							0					0.00
17							0					0.00
18							0					0.00
19							0					0.00
20							0					0.00
21							0					0.00
22							0					0.00
23							0					0.00
24							0					0.00
25							0					0.00
26							0					0.00
27							0					0.00
28							0					0.00
29							0					0.00
30							0					0.00
TOTAL BUDGET REQUESTS			13,733,371	0	0	0	13,733,371	0.00	0.00	0.00	0.00	0.00

AGENCY NAME:	South Carolina Public Charter School District		
AGENCY CODE:	H610	SECTION:	

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	SC Charter School District Proviso per Pupil Funding
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Provide a brief, descriptive title for this request.

AMOUNT	General: Federal: Other \$ 3,820,933 EIA Total: \$ 3,820,933
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What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

AGENCY NAME:	South Carolina Public Charter School District	
AGENCY CODE:	H610	SECTION:

ACCOUNTABILITY OF FUNDS	<p>The SCPCSD authorizes and holds independent and autonomous charter schools accountable for student learning and responsible management of public taxpayer funds consistent with the SC Charter Schools Act. Each charter school is responsible for developing and maintaining its own curriculum, teaching standards, assessments and facilities to ensure that they are contributing to providing an excellent education for students across the state.</p> <p>The SCPCSD approves new charter applications, monitors charter school performance, and takes appropriate corrective action when charters do not meet academic, financial or legal compliance standards. Additionally, the SCPCSD determines whether each charter school’s performance merits replication, renewal, nonrenewal, or revocation.</p>
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What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>As per state Charter School Law, 98% of state funds are passed from the District directly to the schools (non-profit organizations that hold the charter contract with SCPCSD). State EFA funds are allocated to schools based on their official weighted pupil unit counts and state EIA funds are distributed according to each EIA funding program.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p><i>The South Carolina Public Charter School District (SCPCSD) has approved six new charter schools that are projected to open in school year 2018-19 and enroll approximately 1,400 additional students. Subsequent to the initial budget request, five schools were approved to transfer to another charter school authorizer (Erskine). In total, the SCPCSD anticipates over 27,300 students will be attending SCPCSD charter schools come August 2018.</i></p> <p>To ensure that charter school students are afforded equitable educational opportunities as public school students, it is important to gradually close this funding gap. It is recommended that the per pupil as set forth in the SCPCSD proviso be increased a modest 5% to \$3,780 for brick and mortar students and to \$1,995 for virtual students. Based on projected enrollment, this 5% increase totals an overall proviso request of \$104,377,484, which is significantly less than the \$132,853,064¹ of funding that would be required if these approximately 27,300 students were to have been funded at the same levels as the statewide district per pupil average.</p> <p><i>Put simply the 41 schools of the SCPCSD are projected to operate with approximately \$25.1 million less than the average locally funded schools in South Carolina.</i></p>
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

¹ \$132.8million total is calculated based on an assumed \$5,869 for SCPCSD Brick and Mortar students (SC District local revenue equivalent) and \$3,098 for SCPCSD virtual students.

AGENCY NAME:	South Carolina Public Charter School District		
AGENCY CODE:	H610	SECTION:	

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Annual Transportation Costs for Charter Schools Serving Predominantly Low-Income Families
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$3,653,250 Federal: Other Total: \$3,653,250
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What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	<p>The SCPCSD’s objective is to increase and improve the available school choice options for all South Carolina families. This request would enable charter schools to be more accessible to those families that are unable to provide their own transportation to school. The SCPCSD would evaluate increased access for student and families.</p>
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What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

AGENCY NAME:	South Carolina Public Charter School District		
AGENCY CODE:	H610	SECTION:	

RECIPIENTS OF FUNDS	<p>The SCPCSD would receive the funds, and then allocate the funding to schools on a grant reimbursement basis. Charter school eligibility for funds will include:</p> <ul style="list-style-type: none"> • Title 1 (high poverty) – serves the highest need students • Brick and mortar charter schools only • Agreement to cost-share (grant funds will not pay for 100% of a charter school’s transportation operational costs). <p>Similar to a legislative appropriation approved in North Carolina, the transportation grant reimbursement program for charter schools would be advantageous for the following reasons:</p> <ul style="list-style-type: none"> • Cost share – based on actual funding levels, it is anticipated that schools will receive 65-75% of operational costs for transportation in a given year. This allows the funds to be spread more widely among schools to have a positive impact for more students, while also ensuring there is some skin in the game from charter schools that participate. • Private transportation options – As a grant reimbursement program, the program would allow grant funds to pay for a charter school’s privately contracted bus service, so as to not rely on an already over-taxed state transportation fleet and operation. • Quality and Efficiency – Through a reimbursement basis, schools will be able to contract transportation service providers at efficient contract rates and have greater control over the transportation service to ensure quality of operation.
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>The lack of transportation services in public charter schools inadvertently creates a school choice access barrier for many families. Consistent with the purposes of the SC Charter Schools Act, the SCPCSD supports true school choice for all South Carolina families. Providing transportation to charter school families reduces a key barrier to access and affords students the ability to access a better public school option.</p> <ul style="list-style-type: none"> •We would focus this transportation funding request for the Brick and Mortar Title 1 (high-poverty) schools in the SCPCSD •Our current estimate is that this funds request would provide operational funds to transport approximately 4,100 students. •The cost estimates per student per year used to make this total request is based on an operating figure from a state report on transportation.
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	South Carolina Public Charter School District		
AGENCY CODE:	H610	SECTION:	

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Annual Transportation Costs for Charter Schools Serving Predominantly Low-Income Families
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$6,259,188 Federal: Other Total: \$6,259,188
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What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input type="checkbox"/>	Government and Citizens

AGENCY NAME:	South Carolina Public Charter School District		
AGENCY CODE:	H610	SECTION:	

ACCOUNTABILITY OF FUNDS	<p>The SCPCSD’s objective is to increase and improve the available school choice options for all South Carolina families. This request would enable charter schools to be more accessible to those families that are unable to provide their own transportation to school. The SCPCSD would evaluate increased access for student and families.</p>
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What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>The SCPCSD would receive the funds, and then allocate the funding to schools on a capital purchase grant reimbursement basis. Charter school eligibility for funds will include:</p> <ul style="list-style-type: none"> • Title 1 (high poverty) – serves the highest need students • Brick and mortar charter schools only • Agreement to cost-share on capital costs (grant funds will not pay for 100% of a charter school’s transportation capital costs). <p>This non-recurring funds request will assist high poverty charter schools with bus purchase and/or lease acquisition.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>The lack of transportation services in public charter schools inadvertently creates a school choice access barrier for many families. It is recommended that SC General Assembly allocate funding to enable charter school students to receive transportation services.</p> <ul style="list-style-type: none"> •We would focus this transportation funding request for the Title 1 (high-poverty) schools in the SCPCSD. •Our current estimate is that this would be approximately 4,100 students. • The cost of a new bus for which this total request was calculated came from an estimate provided by the SCDE transportation office.
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	South Carolina Public Charter School District		
AGENCY CODE:		SECTION:	

**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION
CONTINGENCY PLAN**

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	<p>Not applicable our request is being funded through EIA</p> <p><i>What is the General Fund 3% reduction amount (minimum based on the FY 2017-18 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.</i></p>
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ASSOCIATED FTE REDUCTIONS	<p>The District Office has already reduced its FTE staff by 10%. Any reductions of staffing at the school level would be at the discretion of the independent boards of each of our 45 schools.</p> <p><i>How many FTEs would be reduced in association with this General Fund reduction?</i></p>
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PROGRAM/ACTIVITY IMPACT	<p>The SCPCSD cannot operate with fewer funds as we continue to grow in student size. Currently we have a student population increase of 40% over the last three years. On a per pupil basis the students at charter schools will be inadequately supported in comparison since the local school funding has increased by more than 11% over the last four years and our schools already see \$1,200 less per school than other public schools. If EIA funding were reduced, the SCPCSD would have to freeze enrollment, which would mean less students served and less positions available for teachers. Depending on the grade levels served and continued enrollment, some of the District's schools would not be able to continue operations.</p> <p><i>What programs or activities are supported by the General Funds identified?</i></p>
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AGENCY NAME:	South Carolina Public Charter School District		
AGENCY CODE:		SECTION:	

SUMMARY

Since the decisions of service delivery for schools in the SCPCSD is determined by the independent and autonomous schools the District is not in a position to anticipate how each one of its 45 schools may reduce expenditures while at the same time meeting our high standards of accountability. Each school would have to manage a decrease in resources as their leadership and community sees fit.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS

The SCPCSD has and continues to take several steps to reduce the cost of its operations including but not limited to:

- Reducing the amount of office space required to manage the district by 30%
- Moving from a 4-person IT team to outsourced technology support
- Significant reduction in Superintendent and other travel expenditure

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

AGENCY NAME:	South Carolina Public Charter School District		
AGENCY CODE:	H610	SECTION:	

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	District Office Economies of Scale
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	The SCPCSD will through its central office authorize, support and hold accountable schools that are serving twice as many students as it was four years ago without any additional costs.
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What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark “X” for all that apply:</p> <input type="checkbox"/> Repeal or revision of regulations. <input type="checkbox"/> Reduction of agency fees or fines to businesses or citizens. <input checked="" type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden. <input type="checkbox"/> Other
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METHOD OF CALCULATION	We expect the SCPCSD District Office to reduce its expenditure levels from over \$170 per pupil to close to around \$100 per pupil without a reduction in the quality of our schools.
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	Not applicable.
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	Not applicable.
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

AGENCY NAME:	South Carolina Public Charter School District		
AGENCY CODE:	H610	SECTION:	

SUMMARY

SCPCSD works relentlessly to promote high quality charter schools that create excellent choices for all families. SCPCSD will by grow the schools that support and inspire students to achieve at high levels. High quality charters prove what can happen when those closest to their students and communities — the educators and leaders in schools — have the power to make their own decisions, ensure equitable offerings for every student and be accountable for results.

By raising the bar on charter authorization and accountability, we will increase quality choices for families and give students in South Carolina the great education they deserve.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?