

AGENCY NAME:	South Carolina Public Charter School District		
AGENCY CODE:	H610	SECTION:	1



**Fiscal Year 2020-21
Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2020-21, 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 2020-21, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

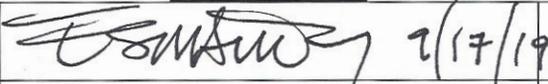
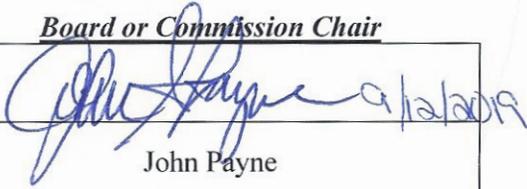
CAPITAL REQUESTS (FORM C)	For FY 2020-21, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

PROVISOS (FORM D)	For FY 2020-21, 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:	Elliot Smalley, Superintendent	803-960-9670	esmalley@sccharter.org
SECONDARY CONTACT:	Chris Griner, Chief Financial Officer	803-457-2724	cgriner@sccharter.org

I have reviewed and approved the enclosed FY 2020-21 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:	<u>Agency Director</u>	<u>Board or Commission Chair</u>
	 2/17/19	
TYPE/PRINT NAME:	Elliot Smalley	John Payne

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

Fiscal Year 2020-21 Budget Request Executive Summary

Agency Code: H630
 Agency Name: Department Of Education
 Section: 1

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				38,161,149	38,161,149					0.00
2							0					0.00
3							0					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			0	0	0	38,161,149	38,161,149	0.00	0.00	0.00	0.00	0.00

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	Proviso per Pupil Funding <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: Federal: Other: \$38,161,149 EIA Total: \$38,161,149 <i>What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.</i>
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NEW POSITIONS	0 <i>Please provide the total number of new positions needed for this request.</i>
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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	

ACCOUNTABILITY OF FUNDS	<p>Each school is responsible for developing and maintaining curriculum, teaching standards, assessments, and facilities to ensure that they are contributing to closing the achievement gap in the state.</p> <p>SCPCSD monitors charter school performance and takes appropriate corrective actions when charters do not meet performance standards. Additionally, SCPCSD determines whether each charter school’s performance merits replication, renewal, nonrenewal, or revocation.</p> <p><i>What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?</i></p>
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RECIPIENTS OF FUNDS	<p>As per state Charter School Law, 98% of the funds are passed from the District directly to the schools (non-profit organizations that hold the charter contract with SCPCSD). These funds are allocated to schools based on their official weighted per pupil unit counts that are reported to the State Department of Education.</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 South Carolina Public Charter School District (SCPCSD) has approved three new charter schools that are projected to open in school year 2020-21 and enroll approximately 580 additional students, with existing schools adding approximately 4,750 students through additional grades and expansion. In total, the SCPCSD anticipates 25,200 students will be attending SCPCSD charter schools come August 2020.</p> <p>According to data reported by the Revenue and Fiscal Affairs Office, local funding for South Carolina schools has increased by an estimated \$858 to \$6,146 per pupil (a 16.2% increase from 2014-15). Over the same period, charter school proviso funding has remained unchanged at \$3,600 for brick and mortar and \$1,900 for virtual schools. It should also be noted that the inflation rate since 2014 has been a cumulative 6.8% but the charter school proviso has not been adjusted as mentioned above.</p> <p>To ensure that public charter school students are afforded equitable educational opportunities, it is important to close this funding gap. It is recommended that the per pupil as set forth in the SCPCSD proviso be increased by 20% to \$4,320 for brick and mortar students and to \$2,280 for virtual students. Based on projected enrollment, this 20% increase generates an overall proviso request of \$117,945,448 (a total increase of \$38,161,149 which consists of the 20% increase of \$19,657,575 and student growth of \$18,503,574).</p> <p>Even with the 20% increase in this proviso funding charter schools of the SCPCSD are projected to operate with approximately 20% less total per pupil funding (\$10,999) than the average locally funded schools in South Carolina (\$13,656).</p> <p>Note: This budget request does not include the funding requirements for schools that are authorized by any Institute of Higher Education or any other LEA. It solely is a request for schools that are expected to be under the authorization of the SCPCSD in FY20-21.</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.

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FORM D – PROVISO REVISION REQUEST

NUMBER	1A.49
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Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").

TITLE	South Carolina Public Charter School Funding
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Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	CHARTER SCHOOL DISTRICT (SEC. 1)
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	Priority1: Recurring Request: SC Charter School District Proviso per Pupil Funding
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Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.

REQUESTED ACTION	Amend
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	None
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>These funds are appropriated to provide educational opportunities for students attending charter schools authorized by the South Carolina Public Charter School District (SCPCSD). For the school year 2019-20 this funding was appropriated at a level of \$3,600 per weighted pupil unit (WPU) at a brick and mortar school and \$1,900 per WPU at a virtual school. This funding is required to supplement the base student funding to ensure that state-sponsored charter schools have sufficient funding to provide a free and appropriate public education for the more than 25,200 students across the state that have chosen these schools. This funding is required because schools authorized by the SCPCSD are not allocated Local Funding through their municipalities. Over the last five years local funding for schools has increased by more than 16% per pupil on average across the state whereas the equivalent funding through this EIA program for charter schools on a per pupil basis has not increased. In addition, the cumulative inflation rate since 2014 has been 6.8% but the charter school proviso funding has remained unchanged.</p> <p>It is requested that the per pupil as set forth in the SCPCSD proviso be increased by 20% to \$4,320 for brick and mortar students and to \$2,280 for virtual students. Based on projected enrollment, this 20% increase generates an overall proviso request of \$117,945,448 (a total increase of \$38,161,149 which consists of the 20% increase of \$19,657,575 and student growth of \$18,503,574).</p> <p>It is also requested that the proviso be amended to only include funding for schools under</p>
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the SCPCSD and that Charter School Funding for any charter school registered with an Institution of Higher Education be funded through a separate proviso.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	Even with the 20% increase in this proviso, SCPCSD schools are projected to operate with approximately 20% less total per pupil funding (\$10,999) than the average locally funded schools in South Carolina (\$13,656).
	The overall projected fiscal impact of the 20% increase in per pupil funding for FY21 is \$19,657,575.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT	1A.49. (SDE-EIA: South Carolina Public Charter School Funding) The funds appropriated in Part IA, Section VIII.H.- South Carolina Public Charter School Statewide Sponsor must be allocated in the following manner to students at charter schools within the South Carolina Public Charter School District or within a registered Institution of Higher Education : Pupils enrolled in virtual charter schools sponsored by the South Carolina Public Charter School District or a registered Institution of Higher Education shall receive \$1,900 \$2,280 per weighted pupil and pupils enrolled in brick and mortar charter schools sponsored by the South Carolina Public Charter School District or a registered Institution of Higher Education shall receive \$3,600 \$4,320 per weighted pupil. Three and four year old students with a disability, who are eligible for services under IDEA and enrolled in brick and mortar charter schools sponsored by the South Carolina Public Charter School District or registered IHE, shall receive \$3,600 \$4,320 per student for brick and mortar charter schools. Three and four year old students with a disability, who are eligible for serves under IDEA and enrolled in charter schools sponsored by the South Carolina Public Charter School District or a registered IHE, shall be included in student counts for the South Carolina Public Charter School District and registered IHEs solely for purposes of funding under this proviso. Any unexpended funds, not to exceed ten percent of the prior year appropriation, must be carried forward from the prior fiscal year and expended for the same purpose. Any unexpended funds exceeding ten percent of the prior year appropriation must be transferred to the Charter School Facility Revolving Loan Program established in Section 59-40-175. For Fiscal Year 2019-20 2020-21 , the timelines set forth for ruling on charter school applications are extended for sixty calendar days for all applications submitted to the South Carolina Public Charter School District <u>who wish to amend their applications after submission if they satisfy the following criteria as determined by the SCPCSD: 1) the applicant makes a written request to amend its charter application pursuant to this provision within the timeline prescribed by the SCPCSD; 2) the charter application is designed to address an existing achievement gap utilizing an evidence based educational program in an underserved geographical area of the state including, but not limited to, charter schools proposed to be located in any school district that is a plaintiff in the Abbeville law suit; and 3) the SCPCSD determines that the charter application is reasonably comprehensive as written and that the applicant has the capacity to amend its application in the time allotted to meet the requirements of Section 59 40</u>

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~~60 and Section 59 40 70, of the 1976 Code. if the district determines that an applicant should be if the district determines that an applicant should be permitted to amend its application to meet the requirements of Section 59-40-60 and Section 59-40-70, of the 1976 Code, based on an applicants proposal to address an existing achievement gap utilizing an evidence based educational program in an underserved geographical area of the state including, but not limited to, charter schools proposed to be located in any school district that is a plaintiff in the Abbeville law suit. The South Carolina Public Charter School District shall report to the Senate Finance Committee and the House Ways and Means Committee on the outcomes of this extended time for a hearing at the end of the application cycle.~~

In addition, from the EIA funds appropriated in and carried forward from Act 97 of 2017, the Department of Education shall distribute to the South Carolina Public Charter School District, an amount equal to \$3,600 **\$4,320** per pupil for three and four year old students with a disability, who were eligible for services under IDEA and who were enrolled in brick and mortar charter schools sponsored by the district or registered institution of higher education during the 2017-2018 School Year and for whom EIA funding previously was not provided. The district shall distribute the funds on a per pupil basis to the charter schools which provided the IDEA services and shall not retain any portion thereof. The schools shall submit documentation of the student count to both the district and the department before the funds are dispersed.

The Education Oversight Committee shall issue a report to the General Assembly recommending one or more funding systems for charter schools using such indicators as graduation rate and academic achievement data. At a minimum the report will break out graduation and achievement data by school. Any charter school receiving funding pursuant to this proviso must send the required information to the Education Oversight Committee by October 1 and the Education Oversight Committee shall issue its report to the General Assembly by June 1. Any school failing to report this information to the Education Oversight Committee shall have one percent of the funds received pursuant to this proviso withheld until they become compliant with the data submission requirements.

Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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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	Not applicable our request is being funded through EIA
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What is the General Fund 3% reduction amount (minimum based on the FY 2019-20 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	Any reductions of staffing at the school level would be at the discretion of the independent boards of each of our 35 schools.
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM/ACTIVITY IMPACT	The SCPCSD cannot operate with fewer funds as we continue to grow in student size. 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 16% 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.
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What programs or activities are supported by the General Funds identified?

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 35 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.
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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	<p>The SCPCSD has and continues to take several steps to reduce the cost of its operations including but not limited to:</p> <ul style="list-style-type: none"> • Consolidating positions when possible • Review of expenditures on a monthly basis
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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?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	District Office Economies of Scale <i>Provide a brief, descriptive title for this request.</i>
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EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	<p>As the SCPCSD grows its number of schools and student enrollment it will not expand its central office operations proportionally. Any additional funding generated through its authorizing fee will be passed back to high-performing schools that are successful in closing the achievement gap.</p> <p><i>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.</i></p>
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FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark “X” for all that apply:</p> <table border="1"> <tr> <td><input type="checkbox"/></td> <td>Repeal or revision of regulations.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Reduction of agency fees or fines to businesses or citizens.</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Greater efficiency in agency services or reduction in compliance burden.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Other</td> </tr> </table>	<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
<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								

METHOD OF CALCULATION	<p>We expect the SCPCSD District Office to reduce its expenditure levels from over \$170 per pupil to close to around \$100 per pupil while improving the student-level outcomes.</p> <p><i>Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.</i></p>
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REDUCTION OF FEES OR FINES	<p>Not applicable.</p> <p><i>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?</i></p>
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REDUCTION OF REGULATION	<p>Not applicable.</p> <p><i>Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?</i></p>
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SUMMARY	<p>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.</p> <p>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.</p> <p><i>Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?</i></p>
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