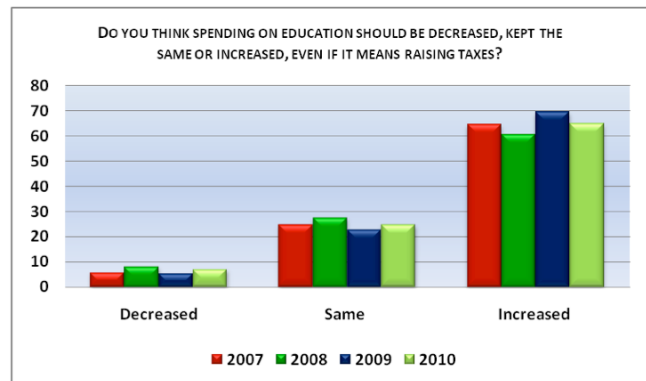


Views on K-12 Spending in South Carolina: Self Portrait Perspectives

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The benefits of a quality education system extend well beyond the student. In fact, all citizens benefit to some degree because wise educational investment is a factor in a skilled and competent workforce, business investment and job creation. Likewise, the educated workforce contributes to the economy by reducing unemployment, crime rates and the associated concerns.

The commitment of South Carolinians to fund education adequately, evidenced in the *Self Portrait* surveys over the past four years, is grounded in support for economic growth and the connections to and between education reform and workforce development. *The Self Portrait: How Are We Doing in South Carolina?* is conducted twice a year as a collaborative effort between the Jim Self Center on the Future at Clemson University and the Survey Research Laboratory at the University of South Carolina. The surveys are used to evaluate how South Carolinians perceive their role and wellbeing in the state.



To date, in the four *Self Portrait* surveys where the question has been posed regarding spending on K-12 education, between 60% and 70% of the responses have been in favor of increased spending. Even the 2008 surveys conducted when the economy seemed to be at its most vulnerable point, still had 60.5% of respondents preferring an increase in education spending. At a higher rate of over 8 to 13 percentage points, females have been more likely than male respondents to indicate that funding should be increased. The only respondents with less than a 50% increase rate were people with less than a high school education and this occurred over the 2007 and 2008 surveys. In the other surveys, even this demographic category weighed in above 50%. On average, blacks respond at 11.4 percentage points higher than whites that education spending should be increased.

South Carolina's statewide and regional newspapers are scanned during the time that the surveys are in the field in order to assess what are the popular discussion topics that might shape individual preferences and survey outcomes. When the 2008 survey was conducted, education ranked number 2 or 3 in terms of headline frequency after the economy/jobs and

immigration. In 2009 and 2010, the education headline frequencies never ranked above fourth in any of the scanned newspapers. These survey years have been economically challenging, thereby indicating that despite the comparative insignificance from a media perspective, in the minds of survey participants, appropriate funding for public education is still important even if it means raising taxes.

One question that frequently surfaces related to South Carolina's commitment to education is, "how can South Carolina educate productive citizens and a world class globally competitive workforce, if it does not make adequate resources available for education a state priority?" It is not that the State lacks official mandates for support of public education. The Education Finance Act (EFA) of 1977, the Education Improvement Act (EIA) of 1988, the Education Accountability Act (EAA) of 1994 and other programs have been created by the General Assembly to support education in South Carolina as catalogued by Ulbrich and Saltzman (2009) in *Financing Education in South Carolina: A Citizen's Guide*. Still, the benefits of these acts are somewhat diminished by the disparities in education delivery and changes in the funding formula. For one thing, the tax base differs among school districts based on the value of the taxable property in the community and the school tax rate. Without high value commercial properties, tax income from one mill is substantially less in some communities than in others. One example listed in the *Financing Education Citizen's Guide* highlights Beaufort County where in 2006, one mill approximated \$1.6 million while one mill in Clarendon 3 raised \$8,055. While there are efforts to equalize funding across the state through the EFA and some federal aid, these sources do not completely resolve the disparities among school districts. In fact, the EFA provides only 22% of combined state and local funding, therefore, does not do much on a per student basis to reduce the inequality. While targeted federal aid reduces the financial disparity in impoverished areas, it is program specific and not a significant contributor to school operations.

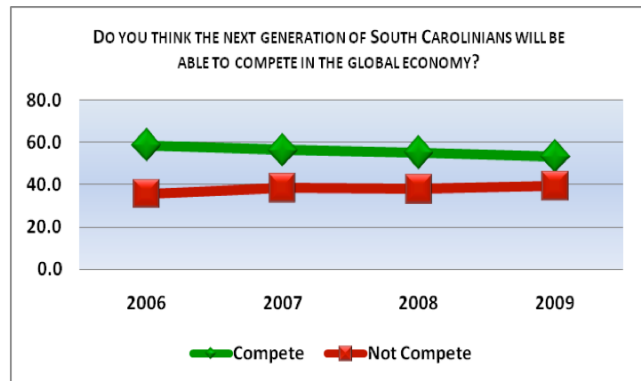
The recently passed Act 388's funding formula for public education swaps the sales tax and commercial property tax for the partial exemption of homeowner property taxes. While the act increased the level of state funding for elementary and secondary education, the increase is targeted to homeowner property tax relief and not to increasing school revenue. Of course, the economic decline has had an impact on sales and property tax revenue. When these factors as well as others are combined with the varied sources of authority to set the school district budgets and mill rates, the need to tackle state education funding in a more holistic fashion becomes obvious. For each school district, this fiscal authority may rest with the school district or with the county council, the county board of education, or the legislative delegation thus making the fiscal resolution a little more complicated. Because of Act 388, the maximum annual millage increase is limited to school district growth plus inflation affecting 62 of the state's 85 school districts.¹

¹ Ulbrich, H., and E. Saltzman (2009) *Financing Education in South Carolina: A Citizen's Guide*, Jim Self Center on the Future, Strom Thurmond Institute of Government and Public Affairs, Clemson University.

Even with the funding woes, South Carolina is making headway in single gender education, public charter and magnet schools, graduation rates, and better scores on the Palmetto Assessment of State Standards tests. Despite these efforts, there are concerns that we still are not connecting the dots between the importance of education and workforce strength, and not delivering the education needed to compete in the global economy.

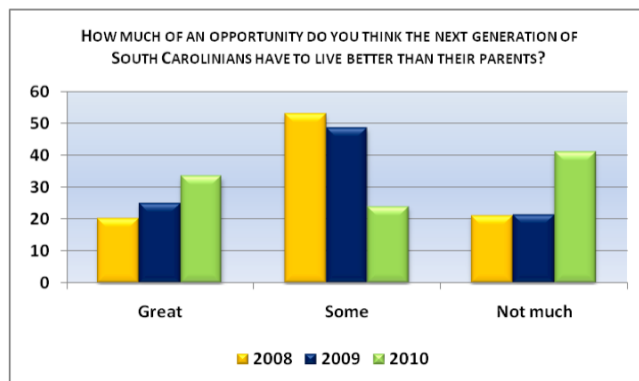
In different venues, South Carolinians have discussed the importance of sustained educational investments to the future of the state. In the past four years, *Self Portrait* respondents have been asked about the competitive abilities of the next generation in the global economy. Even though a majority of respondents have always been optimistic about the next generations' competitive abilities, concern about the outlook now is growing among survey participants.

Over the four years that the question has been posed, respondents who are pessimistic about the next generation's competitiveness have grown by about 10% from 35.8% in late 2006 to 39.4% in late 2009. At the same time, there has been a 9% reduction in optimistic respondents who think the next generation will be competitive in the global economy.



Over the four years that the question has been posed, respondents who are pessimistic about the next generation's competitiveness have grown by about 10% from 35.8% in late 2006 to 39.4% in late 2009. At the same time, there has been a 9% reduction in optimistic respondents who think the next generation will be competitive in the global economy.

Self Portrait respondents have also been asked whether they think the next generation has opportunities to live better than their parents. Over a 3 year period, there has been a 94% increase in participants who think that the next generation will not have the opportunity to live better than their parents. However those who are optimistic about the next generations' opportunities to live better than their parents (combination of Great and Some opportunity) have dropped by about 22% over the same three year period.



One key observation about the three *Self Portrait* survey responses reported here is that majority of the respondents who think the next generation of South Carolinians do not

have as much opportunity to live better than their parents or compete in the global economy consistently identify the economy as the reason. There is no doubt that the economic recession has influenced respondents' perceptions. Still, it is interesting that during the 2008, 2009 and 2010 media scan, economic issues ranked as the most frequently cited headline in South Carolina newspapers and even with the difficult economic situation, citizens have not relented

in their call for increased support for education. Obviously, continued and concerted effort is needed to ensure that support systems are adequately funded and that they are equitable and fair across all of the state's communities.