



Achieve

American Diploma Project Network



Taking Root

*South Carolina's Lessons for Sustaining
the College- and Career-Ready Agenda*



About Achieve

Achieve, created by the nation's governors and business leaders, is a bipartisan, non-profit organization that helps states raise academic standards, improve assessments and strengthen accountability to prepare all young people for postsecondary education, careers and citizenship.

About the American Diploma Project (ADP) Network

In 2005, Achieve launched the ADP Network—a collaboration of states working together to improve their academic standards and provide all students with a high school education that meets the needs of today's workplaces and universities. The ADP Network members—responsible for educating nearly 85 percent of all our nation's public high school students—are committed to taking four college and career readiness action steps:

- Align high school standards with the demands of college and careers.
- Require all students to complete a college- and career-ready curriculum to earn a high school diploma.
- Build assessments into the statewide system that measure students' readiness for college and careers.
- Develop reporting and accountability systems that promote college and career readiness for all students.

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South Carolina's Education Improvement Act

Introduction

In 1983, *A Nation at Risk* was published, drawing the nation's attention to the implications of an ineffective and inefficient education system and motivating many reformists into action. In South Carolina, the education system was failing its students; at the time, high school students' average SAT scores ranked 50th and the graduation rate was 43rd in the nation. Employers were struggling to transform South Carolina from a textile and tobacco growing-heavy state into a more robust state economy but were finding that the old mantra of "come to the Sun Belt for cheap labor and low taxes" was no longer enough to make up for the lack of a prepared workforce.

As these problems converged, a severe recession hit the country and the state as well. To deal with needed education changes and large shortfalls in state revenues, Governor Richard Riley considered proposing a one-cent sales tax increase to fund an education aid package, a variety of state programs, property-tax relief and infrastructure support. He convened prominent business leaders in the state to float the idea and see if it had traction before making any specific commitments or proposals. Governor Riley quickly found that while the leaders would not support a general state government-funding package, they would support the penny tax increase if the governor would agree that all of the revenues were spent exclusively on funding a K-12 reform package, particularly one that included educational innovation and accountability provisions. This began a massive effort to craft a reform package that would reshape South Carolina's education system.

It was not an easy sell: When Governor Riley first proposed a new education reform package statewide, legislative support for the package was very low, as it required a tax increase in a time of economic uncertainty. While the state champions were finding supporters at the local level through extensive grassroots outreach efforts, including regional forums, that support did not immediately trickle up to state legislators. A poll of House members in early 1984 found that only 22 out of 134 supported the plan, primarily due to the penny sales tax.

Yet, within a year—after an aggressive campaign to engage and encourage buy-in and support from the business community, politicians, local leaders, parents and

educators—the General Assembly overwhelmingly approved the Education Improvement Act (EIA) with an initial appropriation of over \$200 million in June 1984, which now values at almost \$550 million a year. The Act, which contained over 61 provisions and 20 programs to promote innovation, established a new dedicated funding stream for K-12 education; new high school graduation standards and an exit exam; remedial programs; incentive pay awards programs for educators, principals, schools and districts; an increase in teachers' salaries; and a range of other programs (see sidebar on page 15 for full details of the EIA). It also included several unusual provisions that were specifically intended to help sustain the reforms over the long term.

South Carolina's EIA of 1984 ushered in a new era of education investment in innovation, both during its seven-year phase-in and even today, a quarter of a century later. By creating a dedicated funding stream that could only be used for education and an improvement focus, the leaders who crafted EIA ensured its existence today.

Seven years after passage of the Act, one of the statewide oversight committees, the South Carolina Business-Education Committee, highlighted a number of impressive results from 1984-1991, including:

- South Carolina's college-going rate increased significantly over a decade: In 1983, 41 percent of the state's high school graduates were admitted to college; in 1991, 53 percent were admitted to college. In addition, a reported 93 percent of first-year college courses were successfully passed by South Carolina graduates who were enrolled as freshmen.
- South Carolina's scores on the SAT test increased an average of 36 points, the highest gain among states primarily using the test for college entrance. Black students' scores increased 69 points.
- The percentage of young children rated "ready" for regular kindergarten work increased by almost 20 percent.
- By 1989-90, per-pupil spending rose 50 percent and teacher salaries remained on par with the Southeastern average, although still lower than the national average.

In addition:

- By the mid-1990s, 97 percent of schools were offering Advanced Placement (AP) courses, compared to a national average of 56 percent of schools, although pass rates remained at the 55 percent range throughout the 1990s.
- By one account, more than 185 foreign companies opened operations South Carolina between 1984 and 1993, creating more than 40,000 new jobs, driven

largely by the education reforms (including the expansion of vocational education), extensive industrial recruitment and continuation of low taxes.

While there has been some evidence of mission creep over time — such as the use of EIA funds for non-“innovative” programs— the EIA is still a major element of South Carolina’s education strategy, providing more than \$500 million to support innovation, achievement for all students and teacher equity.

Strategies for Sustaining the College- and Career-Ready Agenda

To give states the information they need to sustain hard-fought education reform effectively, Achieve conducted research on state education reforms that have been sustained successfully for over a decade or more. Funded by the GE Foundation, Achieve hopes this work will help other state leaders, wherever they may be on their road to reform, replicate successful strategies and accelerate systemic reform in their own states, particularly around the college- and career-ready agenda.

The project includes:

- Four case studies that examine both governmental and non-governmental strategies that were effective in making reform last in Indiana, Massachusetts, South Carolina and Texas.
- A paper that draws on and synthesizes the case studies’ overarching lessons and states’ strategies for sustainability.
- A tool that states can use in their own planning.

The four states were chosen because they were able to pass and sustain significant education reforms over time, for at least a decade. The focus of the case studies is not on the specific policies passed, but rather the process and strategies the states employed to make significant change last.

The South Carolina EIA story is often cited as one of the strongest examples of a successful campaign to adopt, implement and sustain a comprehensive education policy agenda. This case study seeks to describe the processes and decisions that allowed for such a successful adoption and implementation, as well as identify lessons other states may use when crafting and putting a major policy agenda into place to ensure the agenda is sustained over time. What did South Carolina do? Who was involved? How did they make it happen? While South Carolina is still struggling to raise achievement and attainment today, this should not detract from the important lessons we can learn from the deliberate and far-reaching steps South Carolina took in the 1980s to ensure the EIA was sustained successfully for well over a decade.



Taking Root

Lessons for Sustaining the College- and Career-Ready Agenda



South Carolina's Education Improvement Act

Major Milestones

- 1983**
 - Governor Riley proposes penny tax increase and convenes Business-Education Committees
 - State plans and holds regional forums
- 1984**
 - EIA passes, forming the Select Committee and launching the Division of Public Accountability
 - Business-Education Committees tasked with continuing work
- 1985**
 - EIA begins to go into effect
 - First “What Is the Penny Buying for South Carolina” issued
- 1986**
 - Regional implementation forums and councils launched
- 1987**
 - Governor Carroll Campbell enters office
- 1988**
 - Governor Campbell convenes the “Task Force to Develop a New Five-Year EIA Program”
- 1989**
 - Target 2000 passes
 - Business-Education Partnership and Business-Education Subcommittee replace earlier versions
- 1991**
 - Division of Public Accountability eliminated
- 1992-93**
 - Business-Education Partnership and Subcommittee eliminated
- 1995**
 - Governor David Beasley enters office
- 1998**
 - Education Accountability Act passes
 - Select Committee replaced with Education Oversight Committee
- 1999**
 - Governor James Hodges enters office
- 2001**
 - The lottery passes in South Carolina with most of the proceeds going for education
- 2003**
 - Governor Mark Sanford enters office
- 2008**
 - State Superintendent Rex forms several statewide committees to propose updating the state's education funding system and the revenue sources for education

Sustainability Lessons in South Carolina

Every state—and every reform effort—has its own unique elements, history and political context. While these often make for interesting observations, they are of limited utility for other states trying to create their own education reform plans and manage their own reform efforts. Of more value are lessons and strategies—both political and substantive—that speak directly to what makes a public-policy change successful and what helps it “stick” in the system to make a difference. The following lessons were gleaned from interviews with individuals who have played a role in South Carolina’s education reform efforts and the review of many documents.

South Carolina’s Sustainability Lessons

- Strong and consistent political and education leadership is vital to laying the groundwork for a sustainable reform
- External champions, particularly the business community, are key to building momentum and making the case for education reform over time
- Governmental and quasi-governmental institutionalized mechanisms, built at the beginning of the reform efforts, can facilitate long-term stability
- States need to engage a broad base of stakeholders early and often to ensure long-term support, high-quality implementation and sustainability
- States need to invest smartly to ensure the reforms—and necessary capacity-building—are adequately funded over time
- Effectively using data can counteract—and even prevent—pushback

Strong and consistent political and education leadership is vital to laying the groundwork for a sustainable reform

Major reforms efforts would not be possible without focused and consistent state leadership. Leaders are necessary to draw public attention to and drum up support for major education reform efforts. Their ability to convene, motivate and navigate complicated terrains is paramount in launching a comprehensive reform effort, particularly one that can be sustained over time.

Gubernatorial Leadership

The leadership demonstrated by Governor Richard Riley, who used his bully pulpit and political capital to build the support and coalitions needed to pass the ambitious reform agenda, was a key element of the development and passage of the EIA. Gov. Riley was critical in building up other champions of the EIA, as well as establishing a value system that placed accountability, continual improvement, innovation and public-private partnerships at the center of education policy in South Carolina.

Gov. Riley embodied a number of elements of a successful leader: He used his bully pulpit to advocate for the reform; he purposefully and successfully garnered bi-partisan support; he reached out to individuals outside the government for financial, political and public support; he had a depth of knowledge on the reform and was able to address concerns of opponents; he capitalized on his support among educators and parents to help them accept and embrace some cutting-edge reforms; and he did not waver in his support of the reform over time.

For example, when Gov. Riley put together the two blue-ribbon panels to develop a proposal and plan for a new education package, he purposefully reached out to stakeholders outside of the government, as well as individuals who were skeptical that the strategy would work. By bringing different perspectives together, the committees served as incubators that generated a



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broad range of ideas and, allowed the participants to learn about and from one another. Over the course of their planning, the participants became a strong and united coalition of not-always-like-minded individuals.

Since the EIA was adopted, South Carolina has seen four governors elected. The first of which was Carroll Ashmore Campbell, Jr., a Republican, who was elected just three years after the Education Improvement Act passed, and was very committed to education reform. Upon coming into office, Gov. Campbell planned to get rid of what he viewed as some of the stronger financial commitments to the “Riley reform plan.” Yet after being lobbied heavily by members of the Business-Education Partnership and Subcommittee to stick with the reforms, he came to realize that, politically, it was smarter to let the reforms play out and supported the EIA, even during budget crunches throughout the 1980s.

In 1988 Gov. Campbell convened the “Task Force to Develop a New Five-Year Education Improvement Act Program,” which purposefully engaged a number of business and education leaders and led to the Target 2000 Act. Target 2000 expanded upon the EIA in a number of ways. While EIA had focused on raising graduation requirements and providing targeted remediation, Target 2000 focused on reducing the dropout rate. The EIA required the governor to initiate the development of a state plan on early childhood development and education to ensure the state provided all the necessary services to preschool children. Target 2000 vastly expanded on this. Target 2000 kept the tradition of innovation going forward by including the arts in the basic curriculum initiative to expand the arts and creative learning in interested schools.

In addition, in large part because of the overwhelming support from the business, education and larger state community, in 1991, Gov. Campbell came out in support of the EIA when the House Ways and Means Committee tried to use the trust fund to pay for other education programs. His support was much-needed coverage for the EIA during a contentious time in South Carolina. In his budget proposal for that year, he left the EIA intact while calling for cuts from other programs.

The Evolution of Oversight

Over the past 25 years, a number of governmental and public-private oversight entities have been formed, been dissolved and replaced one another. Briefly:

- **The Business-Education Partnership and the Committee on Financing Excellence:** These committees were convened by Gov. Riley in 1983 to formulate a reform proposal. When the EIA passed in 1984, these committees were formalized and mandated by law to reconvene at least once annually to review the EIA's implementation and make recommendations for improvements. In 1989, the Business-Education Partnership was renamed the **Business-Education Partnership for Excellence in Education** and the Committee on Financing Excellence was renamed the **Business-Education Subcommittee**, and it became a standing committee. The committees were dissolved in the early 1990s.
- **The Select Committee/Education Oversight Committee:** The EIA created a Select Committee, a legislatively-formed entity that included primarily elected leaders from across the state, to review and monitor the implementation of the EIA's programs. In 1998, the Select Committee was replaced with the **Education Oversight Committee** and re-tasked to focus on monitoring the recently adopted Education Accountability Act. The EOC still exists today.
- **The Division for Public Accountability:** The EIA also established the Division for Public Accountability, located in but not held accountable to the Department of Education, to plan, monitor and review programs developed under the EIA. The Division was mandated to exist only until 1991, and its funding was allowed to lapse at that time.
- **The EIA required that each school have a school site improvement council and a school improvement plan.** More than 10,000 parents, educators and community members have served on a school improvement council and this has continued for a quarter of a century to today.

Governor Campbell's support for EIA eroded during his second term; he dissolved the Business-Education Partnership and Subcommittee and chose not to re-up the Division of Public Accountability's funding. While this did not completely eliminate the EIA, it seriously weakened the coalitions that consistently had supported the reform. The other major education bill Gov. Campbell oversaw was the Early Childhood Development and Academic Assistance Act of 1993, which did expand upon the provisions of the EIA and Target 2000 regarding access to early childhood education, dropout prevention, and tailored assistance and remediation to struggling students. However, this bill did re-direct some of the EIA funds, without buy-in from the Business-Education Partnership, and was implemented without the Division of Public Accountability.

An important thing to note is that many people viewed—and still do today—the EIA as “Riley’s plan.” This was quite positive when he was governor as it empowered him to move a huge agenda forward, while working across the aisle and with leaders inside and outside the government. However, the strong association between the EIA and Gov. Riley may have made it more tempting for subsequent governors to craft their own education plans in order to leave their own mark in the state.

Leaders at all levels of the government

While there is little question that governors and their key education, policy and political staff are in unique positions to champion large-scale reform, there are also critical leaders at other levels of government. In South Carolina, a number of Department of Education staffers and fairly young legislators provided critical leadership both during the adoption and implementation of the bill. This can largely be attributed to the ownership these individuals felt around the EIA.

Early on and throughout the development process, a number of South Carolina key legislators and educational leaders accompanied Governor Riley to national

and regional meetings where many contemporary education reform issues were discussed. On a number of occasions, out-of-state experts and public figures, such as governors who led education fights in other states, were brought into South Carolina to discuss their efforts.

In addition to using their bully pulpits and inherent powers, state political leaders, including the governor and the chair of the Senate Education Committee, did targeted outreach to legislative leaders, a move that paid off significantly. A group of younger legislators volunteered to divvy up the reform act and be trained as “experts” on different sections—not just the formal provisions but also the reasoning and evidence behind them—so they could explain them in detail to their colleagues. Working with the governor’s office, these champions managed to get members to consider the merits of the substantive proposals separately from funding, finding that once a legislator agreed to the reforms in principle, it was easier to convince him or her of the need to fund it.

The growth of these champions had both short- and long-term benefits. Running up to the EIA’s adoption, they could credibly explain why each provision is necessary, the research behind it, how it was priced out and other relevant facts to opponents. In the longer term, when some aspects of the bill’s implementation became contentious or were misunderstood, these legislators could explain the justification for and mechanics of that component over and over again. In addition, there are a handful of legislators who were in the early stages of their career with the EIA passed in 1984 and are now in greater positions of power, while having maintained the original values of the EIA.

After the reform was passed, the state superintendent of education, Charlie G. Williams, dedicated about twenty of his staff to ensure that the bill was implemented smoothly and successfully, in alignment with his other education priorities. While some of these employees



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were hired specifically to implement the EIA, others had been key players in getting the bill enacted. Having a handful of non-political appointees remain engaged on the implementation of a bill they had worked hard to get passed helped keep the momentum moving forward and the message and goals consistent.

For example, it was these Department of Education staff members who proposed and built support for the creation of a regional implementation strategy. This strategy, largely organized through a second round of regional forums, was intended to help facilitate implementation, keep the lines of communication open so that local stakeholders could bring attention to serious problems or issues, and maintain the sense of shared ownership over the reforms.

Also important is that Terry Peterson, dubbed Governor Riley's "right-hand man," stayed on after Gov. Riley left office and coordinated the Business-Education Partnership and served on the Select Committee, the legislative entity responsible for monitoring the EIA, through 1993. This provided a level of consistency for supporters both inside and outside the government. Peterson had worked closely with many of the business leaders on the Business-Education Partnership and Subcommittee in developing the content of the EIA, as well as with many of the legislators who championed the bill in the General Assembly. In addition to his institutional knowledge and deep understanding of EIA's technical details, he had the respect of and familiarity with many of the key players throughout the 1980s and into the early 1990s, providing crucial leadership and support to ensure South Carolina stayed the course.

External champions, in particular the business community, are key to building momentum and making the case for education reform over time

The commitment of the leaders outside of the government—in particular members of the business community—was critical throughout the entire process of adopting and implementing the reform, both at the state level and on-the-ground. Once Gov. Riley discovered the business community would support the penny sales tax increase if it were allocated to education improve-

ment and innovation, he, in collaboration with the state superintendent of education, convened two blue-ribbon commissions charged with developing a final proposal.

- *The Business-Education Partnership* was the "big picture" committee personally chaired by the governor and consisting primarily of prominent state business leaders and high-ranking legislators as well as a cross-section of educators.
- *The Committee on Financing Excellence* was the "heavy lifting" committee meant to work through the nuts and bolts of the reform proposal, consisting of about one-third citizen and business representatives, one-third educators, and one-third government representatives including legislators. It also included representatives of education organizations and was chaired by a highly respected, up-and-coming business leader.

Given the success of these committees in drafting comprehensive legislation and bolstering statewide support, the Education Improvement Act included a provision that required versions of these independent, statewide panels (later re-named the Business-Education Partnership for Excellence in Education and the Business-Education Subcommittee in 1989) to remain engaged in the implementation of the bill. These panels provided a forum for business leaders to offer their perspectives on education policy and programs and to interact with educators and education leaders on a regular basis.

Business leaders also invested resources into the campaign for EIA. When the state legislators failed to show early support, business representatives on the committees rallied private sector support to the tune of \$100,000 for a public outreach and action campaign to get the legislation passed. The campaign included a toll-free hotline and phone banks to answer questions and encourage supporters to contact their state representatives and a print and television ad campaign with the slogan "A Penny for Their Thoughts." As a 1986 *Washington Monthly* article on Gov. Riley put it, "soon televisions in homes across the state were filled with images of pregnant mothers, blue collar workers and pinstriped executives confessing they feared for their

children unless the state improved the education system.” A former aide to Gov. Riley told the magazine, “By the end, some legislators were promising to vote yes if only we’d stop the phone calls.”

In addition, members of the blue-ribbon committees aggressively reached out to regional and national bipartisan groups to help focus the state’s efforts. Groups like the Southern Regional Education Board, Education Commission of the States, National Governors Association, National Conference of State Legislatures and the Business Roundtable provided cutting-edge ideas around new and broader educational issues and policies that had mainstream support. The national reports and organizations provided much needed context and coverage, which proved to be very useful given the scope of the reform and the large number of people involved in the decisionmaking.

Well after the reform passed, the business community stayed engaged in the state’s education system. In 1991, for example, State Superintendent Barbara Nielson called on 35 business leaders to participate in a task force that would develop recommendations for restructuring the Department of Education to, in her own words, “[move] from the basic-skills reform of '83 and '84 to a new phase of reform. We're now looking at re-

Joseph Grant, the executive director of the South Carolina Education Association at the time “I think [this debate] has given us the opportunity to reaffirm the fact that this program is well-supported. Once someone tried to assault the EIA, the original players came back together again.”

form to make sure our dollars get to the classroom level.” The participation of various business leaders on the Business-Education Partnership and the Business-Education Subcommittee also ensured passionate and committed business leaders had a forum for remaining engaged. A number of the original members of the Subcommittee remained involved in the work through the 1989 reforms.

More broadly, the business community was part of an extensive coalition of stakeholders, driven in large part by their collaboration with education and political leaders in the Partnership and Subcommittee. This was particularly demonstrated in 1991 when the House Ways and Means Committee adopted a proposal to use some of the one-cent sales tax revenues for general education expenditures rather than for the specific EIA reforms as intended. Even the state superintendent backed the cuts. But EIA backers banded together and loudly protested the proposal to “raid the fund.”

According to an *Education Week* story at the time, “After heavy lobbying by education and business groups, however, the House approved a compromise measure calling for most of those programs to be funded from general revenues.” While certain programs of the EIA were eliminated, the core elements of the bill remained secure by the dedicated funding stream. Indeed, Joseph Grant, the executive director of the South Carolina Education Association at the time told *Education Week*, “I think [this debate] has given us the opportunity to reaffirm the fact that this program is well-supported. Once someone tried to assault the EIA, the original players came back together again.”

Governmental and quasi-governmental institutionalized mechanisms, built at the beginning of the reform efforts, can facilitate long-term stability

The EIA was particularly remarkable in that it included a number of provisions to facilitate its implementation.



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Notably, it institutionalized a number of governmental and public-private entities to monitor and provide feedback on the implementation and evolution of the EIA.

Business-Education Partnership and Business-Education Subcommittee

First, the EIA “institutionalized” versions of the blue-ribbon committees that developed the proposal by authorizing the governor and state superintendent of education to reconvene the stand-alone, independent Business-Education Partnership and Committee on Financing Excellence at least once annually to review the implementation of this act and recommend improvements.

In 1989, these “quasi-governmental,” public-private committees were reconstituted as the Business-Education Partnership for Excellence in Education and its standing Business-Education Subcommittee. Over the decade, a number of state business, education and government leaders from the original committees remained on the panels, which was a major factor in sustaining the reform. In simple terms, the Partnership was established as a forum where business leaders could provide input on South Carolina’s education system. The Business-Education Subcommittee, in particular, played a significant role in reviewing state plans and progress reports to ensure any new or existing programs were being implemented efficiently and effectively. The committees eventually were eliminated in the early 1990s.

The Select Committee/Education Oversight Committee

The bill also created a Select Committee—a legislatively-formed, yet independent entity that included business, education and civic members—tasked with reviewing and monitoring the implementation and evaluation of the EIA programs and funding. The Select Committee was composed of state elected leaders or their designees, including the speaker of the house, chairmen of the house and senate education committees, state superintendent of education, chairman of the commission on higher education and others. The Select Committee was largely responsible for issuing annual reports to the General Assembly, State Board of Education and

public about the progress of the programs and their impacts and making recommendations about necessary funding or programmatic changes.

In 1998, when the Education Accountability Act (EAA) was passed, the Select Committee was replaced with the Education Oversight Committee (EOC) and re-tasked to focus on overseeing the provisions of the EAA, although the EOC still has a subcommittee dedicated to the EIA and improvement mechanisms. The EOC continues to provide analyses of student performance, educational programs and funding to the General Assembly and develops the state’s school- and district-level report cards. Given that the Business-Education Committees were phased out, the EOC became an even more important voice—the “next-generation” of the efforts.

Division for Public Accountability

Finally, the law established a new Division for Public Accountability “for the planning and development of the implementation of the Education Improvement Act,” which was housed in the Department of Education, but had a level of autonomy. This decision was made to ensure the Division was neither adversarial to the Department nor absorbed into it, could access the necessary data, and didn’t lose credibility with outside stakeholders. The Business-Education Subcommittee nominated candidates to head the Division, with the appointment made by the state superintendent in consultation with the governor. The Subcommittee intentionally wanted someone who “didn’t need the job” financially to ensure the unit’s head could speak truth to power without fear of retaliation.

This “special unit” was mandated to exist only until 1991 to plan, monitor and review programs developed under the EIA and provide information, recommendations and an annual assessment of the Act to the Governor, Select Committee and Business-Education Subcommittee. To keep all of the committees and entities in alignment, the Business-Education Subcommittee was tasked with reviewing the Division’s products and making recommendations to the State Board of Education for final approval.

These entities all worked together to ensure implementation was done right and that the reform was having its intended impact. However, the relationships were not always easy ones. There was natural tension between the semi-autonomous accountability entity and the implementers, yet this tension was important to ensuring transparency and deliberate action.

In addition, all of these entities made it very difficult for any future governor or legislature to undermine the EIA. The next major education package—Target 2000 Act of 1989—was rooted in many of the same principles and goals of the EIA, and the Business-Education Partnership, in particular, played a major role in providing recommendations for and supporting that bill.

However, Terry Peterson, who coordinated the South Carolina Business-Education Partnership for ten years, suggests that the overall reform effort really needed another feature, a totally independent bipartisan advocacy coalition or organization. Such a coalition could be much more aggressive than governmental or quasi-governmental organizations in advocating for continual education reforms and fighting off raids on the EIA and other critical education funding.

By engaging early, and often, through forums, site visits, and eventually a wide-scale public service announcement campaign, South Carolina was able to build supporters from the ground up, among parents and local education leaders, and get the state comfortable with the idea of major education reform.

States need to engage a broad base of stakeholders early and often to ensure long-term support, high-quality implementation and sustainability

Very early on, Governor Riley and his supporters committed to a grassroots strategy to develop support for and buy-in around the education reform package. They wanted to ensure the proposal had wide stakeholder agreement and quickly realized that the most effective way to sway legislators was to have constituents support it. By engaging early, and often, through forums, site visits and eventually a wide-scale public service announcement campaign, South Carolina was able to build supporters from the ground up, among parents and local education leaders, and get the state comfortable with the idea of major education reform.

After the original blue-ribbon committees sketched out an initial plan, they vetted it with the public to garner feedback that might highlight problem areas and, also, to begin to generate broad grassroots support for an ambitious reform package—and the sales tax to pay for it. To that end, they crafted an ambitious plan to hold seven regional forums throughout the state during September and October 1983. The forums had two overarching strategies to garner support and shared ownership: (1) provide a data-driven and well-grounded rationale for the recommended plan and (2) offer community members the opportunity to voice their own priorities and concerns about the reform agenda.

To achieve the first strategy, the forums featured presentations by top leaders, including Gov. Riley and key local educator and business leaders, where the recommendations were laid out, along side arguments from major reports, such as *A Nation at Risk*, and studies commissioned by the blue-ribbon panels. As the chair of the program subcommittee of the Business-Education Partnership at the time, Bill Youngblood, described it, “at every forum, in every community, we had a mixture of business, education and [political] leaders speaking in one voice. We had become missionaries for educational excellence.”



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These presentations were followed by small-group discussions led by specially trained facilitators. The facilitators were tasked with completing forms to summarize the opinions of their groups and working together to pull together the consensus. Each forum generated a report on its community's priorities, which were shared with all of the forum participants and the state committees. In addition, earlier on the day of the forum, the state leaders in town for the forum would visit schools, speak to civic groups and local PTAs, and appear on television and radio broadcasts to drum up enthusiasm for the reform proposal and the evening event. While these forums did not necessarily lead to major shifts in the original blueprints of the bill, they did help focus on important features and identify pitfalls to avoid.

About 13,000 people participated directly in the evening forums and approximately 40,000 people total participated in activities related to the "forum days" in some way. The traveling facilitators worked with groups of 50 or so trained volunteers, along with scores of other volunteers at each of the seven regional forums. Many of the volunteers from the education and civic groups who helped mount the forums were left with a deeper investment in the reform effort because of their efforts to make it a success.

Two years after the EIA was passed, the Department of Education launched a second round of regional forums, focused on implementation. Many of the Department of Education staffers who had participated or worked on the original forums took responsibility for finding, managing and reporting school improvement data to monitor and share progress being made across the state. The forums provided an opportunity for the state to explain the lack of results in the short term, maintain local engagement and garner explicit feedback from those on the ground. Down the line, superintendents were fierce supporters of the EIA and resisted attempts at the state level to de-fund or eliminate any of EIA's provisions.

States need to invest smartly to ensure the reforms—and necessary capacity-building—are adequately funded over time

The legislation created a special Education Improvement Act Fund and required a two-thirds vote for the money raised through the new penny tax to be re-allocated for any other purpose. This had a major impact on the implementation and sustainability of the EIA. According to a 1991 report by Terry Peterson, "Because funds for the South Carolina incentives are assured in the special reform fund, complex reforms—such as [...] the exit exam for graduation with the provision of extra help to students likely to fail it—could be phased in an orderly manner over a six-year period." In the longer term, although subsequent education bills called for specific programs to be funded by the EIA trust fund—some more relevant to the EIA's original intent than others—the EIA remains a dedicated funding source for K-12 education in South Carolina today. In a number of instances, the fund still finances original programs, such as teacher pay and school-based incentives.

In addition to shoring up a dedicated funding stream for education and EIA-sponsored programs, the EIA also invested in capacity-building and teachers. Given that a number of the EIA's provisions were based around accountability—such as ensuring all students achieve above the basic level and developing district plans for improvement—the bill smartly provided the necessary financial support to schools, teachers and principals to implement the new accountability measures. A major element of the EIA was that the fund was to be—and today still is—used to help close the gap between local teachers' salaries and the Southeastern average. It also contained direct provisions to elevate the teaching profession, for example, upgrading teacher preparation standards in colleges, grants directly to teachers to try new ideas, and competitive grants to colleges for centers of excellence in teaching. The EIA also included a number of incentive-based programs that rewarded top schools for improvement and success.

The Education Improvement Act Today

South Carolina's education today

By the mid-1990s, the original EIA coalitions had largely been unraveled. The Business-Education Partnership and Subcommittee and Division of Public Accountability had been eliminated, and state leaders were more comfortable shifting funding for programs between the EIA fund and the general education fund. However, traces of the EIA remain embedded in South Carolina's education system—and in the state's education leadership.

When the House Ways and Means Committee proposed shifting EIA funds in 1995—as they had attempted to do in 1991—to cover a decrease in the general education fund and help pay for a property-tax plan, the Committee was supported by the state superintendent and Gov. Beasley. A compromise was eventually reached between these stakeholders and the supporters of the EIA—the state cut \$10 million and 10 programs from the EIA, rather than the \$30 million and 22 programs proposed, and re-allocated district funding through other programs—but it was only temporary. By early 1997, when Gov. Beasley released his budget, he required EIA funds to augment more of the state's general education spending.

Gov. Beasley went on to pass two major bills during his one term in office including the Education Accountability Act (EAA) of 1998, which remains the foundation of South Carolina's assessment and accountability system. While the EAA mainly draws from the general education fund, it also relies on the EIA to fund specific programs—some aligned with its original vision and some that are not.

To attempt to capture some of the reform and excitement of the EIA and to address new education issues and funding needs, Governor James (Jim) H. Hodges, Beasley's successor, led the charge to pass a statewide lottery with the majority of the proceeds going for education. It passed in 2001, becoming the first new funding source for education since the EIA passed 17 years earlier. The lottery generates almost \$150 million annually for a variety of early childhood, K-12 and higher education programs. At the time the EIA was being developed, Gov. Hodges was a leading attorney for a large South Carolina business whose CEO's were some of the strongest supporters of the EIA.

The two most recent state-elected superintendents, Inez Tenenbaum and Jim Rex (current), have worked to engage many more educators and community members in supporting reform, pitching once again the need for higher standards and

innovation. Former Superintendent Tenenbaum, working with the governor and state legislators, led a successful effort for the first statewide bond bill to fund the renovation and construction of schools. Interestingly, but not surprisingly, 25 years ago, both Superintendents Tenenbaum and Rex were actually involved in the original planning and passage of the EIA, albeit in very different positions.

Getting EIA's funding back on track

Like many states, South Carolina currently is experiencing an economic downturn. To make matters worse, the state recently replaced its education property taxes on one's primary residence (regardless of the value of the home or income of the homeowner) with a two-cent sales tax increase. This has put a tremendous hole in local school district budgets at the worst possible time, in the middle of a deep recession. In order to sell the property tax swap politically, the state eliminated the sales tax on groceries. This decision—along with a general decrease in individuals' buying power—has turned a \$700 million-plus EIA fund into a \$554 million-fund (as anticipated for Fiscal Year 2010) in just three years and left districts cutting their budgets further.

At the time this paper was being written, an important battle developed around whether South Carolina will accept the "stabilization funds" from the federal stimulus package to help compensate from some of the severe education cuts resulting from the recession. Governor Mark Sanford said he would not accept the stabilization portion of the funds, but the state Legislature recently overrode the Governor's veto of using the stabilization funds overwhelmingly. The South Carolina Supreme Court sided with the Legislature and ordered the governor to accept the funds. This bipartisan coalition is reminiscent of the EIA legislative coalition and in fact some of today's key legislators or their parents were part of that original EIA effort.

Longer term, Superintendent Rex and the Education Oversight Committee are working with the House Ways and Means Committee and Senate Education Committee to refocus the EIA's programs and return to its fundamentals. While there are currently 60 line items funded by EIA—including things outside the purview of the EIA such as textbooks and adult education—Superintendent Rex and the EOC are working on a plan to reduce that number to 20 to put them back in the broad categories to provide schools with flexibility, or, according to the Education Oversight Committee Executive Director Jo Anne Anderson, "come full circle."



Taking Root

Lessons for Sustaining the College- and Career-Ready Agenda



South Carolina's Education Improvement Act

Effectively using data can counteract—and even prevent—pushback

Throughout the process of adoption and implementation, South Carolina continually collected and used data to make the case for the large-scale education reform. Immediately after the bill passed and the Division of Public Accountability was formed, the Division commissioned special analyses of various aspects of the reform and worked with other agencies to collect and report data to the public. When stakeholders—and the media—began asking to see results, even before the major policies had been put into place, the Division and Business-Education Subcommittee realized they needed to be putting out whatever data and information they had to maintain support.

The state began releasing an annual statewide “report card” on the progress of the reform effort called, “What Is the Penny Buying for South Carolina,” initially focusing on trends in general student performance and individual programs in the areas of student academic performance, services to special students, services to school personnel, school conditions, community involvement and public confidence on the reforms. The reports were shared with the General Assembly and the broader public, including participants in the implementation forums. In later years, the annual report included information on the EIA’s expenditures, trend data over time, and, generally, how the EIA affected South Carolina’s education system.

This report is still issued today now by the Department of Education to evaluate programs funded by the EIA, although in a much more abbreviated format that typically examines only one program or initiative each year.

Conclusion

While South Carolina is by no means the highest achieving state today, in the 1980s, it was seen as a national leader on education policy, reforms, and gaining very positive and impressive results. The comprehensiveness of the EIA—and the broad coalition of political, business, education and local leaders who championed the bill—was seen as a model reform effort and is still widely respected today.

The EIA may have lost some of its stature in the mid-1990s, but it still remains a significant element of the state’s education system and helped usher in a new vision for education and for educational partnerships. Today, the EIA has more than \$500 million in the coffer and there is little evidence to indicate that this fund—largely dedicated to innovative programs—will ever go away. As the deputy superintendent for finance and operations at the South Carolina Department of Education and former accounting manager of the EIA, John Cooley noted the EIA “provided an infusion of money that allowed South Carolina to make substantial improvements—if we hadn’t done it, who knows where we would be. The only thing more difficult than adding another one-cent tax today would be taking away the one-cent tax from education.”

The major lessons of the passage, implementation and sustainability of the EIA are that careful deliberation and planning at the onset can pay off in the long run. More so than any other state at the time, leaders in South Carolina thought about long-term sustainability and it shows. The “intentionality” of South Carolina’s efforts, as well as the dedicated leaders inside and outside the government, and institutionalization of entities to oversee the implementation and provide recommendations for improvement over time, demonstrates that sustainability doesn’t have to be an afterthought, but can be a part of the policy adoption and implementation process.

An equally important lesson, however, is that not only do states need to ensure they have shared ownership over any reform package, but there also needs to be consideration given to ensure there is shared leadership as well. While the coalitions built early on to support the EIA were successful at protecting the EIA for some time after Gov. Riley left office, subsequent leaders eventually sought to leave their own mark rather than just continue to support or make constructive changes in the “Riley plan.” Within a decade after the EIA’s passage, subsequent governors demonstrated they had little issue with dismantling the governmental and quasi-governmental entities that made it so strong and co-opting the reform and its funding to pay for their own agendas.

Major Components and Policies of the Education Improvement Act

The 61 strategies contained in the EIA were designed to give a coherent and comprehensive approach to major school reform as well as to build upon the state's earlier reforms. They were designed to have a positive effect on students, teachers, administrators, schools, districts and the state as a whole while calling for more parental, business and citizen involvement in the schools. The EIA also attempted to promote advances in education from early childhood education through elementary, middle and high school reform and for at-risk and talented and gifted students—a bold approach that represented comprehensive reform.

1) Raising Student Performance by Increasing Academic Standards: increasing academic standards, strengthening student discipline and attendance, providing more effective use of classroom learning time, providing programs of excellence for talented students (including access to AP courses), providing more relevant vocational training programs, providing programs for handicapped students.

2) Strengthening the Teaching and Testing of Basic Skills: requiring an exit exam for graduation, enacting a promotion policy, improving the basic skills in all grades (including voluntary early education and required remedial programs), alcohol and drug abuse programs in schools, pupil-teacher ratios.

3) Elevating the Teaching Profession by Strengthening Teacher Training, Evaluation and Compensation: increasing the number of highly qualified persons going into the teaching profession, raising teacher salaries to attract and hold qualified persons (including teacher incentive programs), improving

training of current and prospective teachers, maximizing the use of teaching time and talent.

4) Improving Leadership, Management and Fiscal Efficiency of Schools at All Levels: recruiting the most able candidates to become principals and administrators (including principal incentive programs), improving the training and evaluation of prospective and current school administrators.

5) Implementing Strict Quality Controls and Rewarding Productivity: evaluating and rewarding schools and districts based on measurable performance and progress, focusing the planning of schools and districts on instructional improvement and the effective use of resources, annual monitoring of the implementation of the Education Improvement Program (including the Select Committee, Business-Education Partnership and Subcommittee, and Division of Public Accountability), authorization of intervention by state superintendent of education where quality of education in a local school district is impaired.

6) Creating More Effective Partnerships Among the Schools, Parents, Community and Business: strengthening the involvement of parents, increasing the participation of business and industry in public schools, broadening community involvement in public schools.

7) Providing School Buildings Conducive to Improved Student Learning: performing pressing repairs, renovations and construction on school buildings.



Taking Root



South Carolina's Education Improvement Act

Case Study Interviews

Terry Peterson—*Former Executive Director of the Business-Education Partnership*

Jo Anne Anderson—*Executive Director of Education Oversight Committee*

John Cooley—*Deputy Superintendent, Finance and Operations, South Carolina Department of Education*

William Youngblood—*Former chair of the program subcommittee of the Business-Education Partnership; Managing Shareholder, McNair Attorneys*

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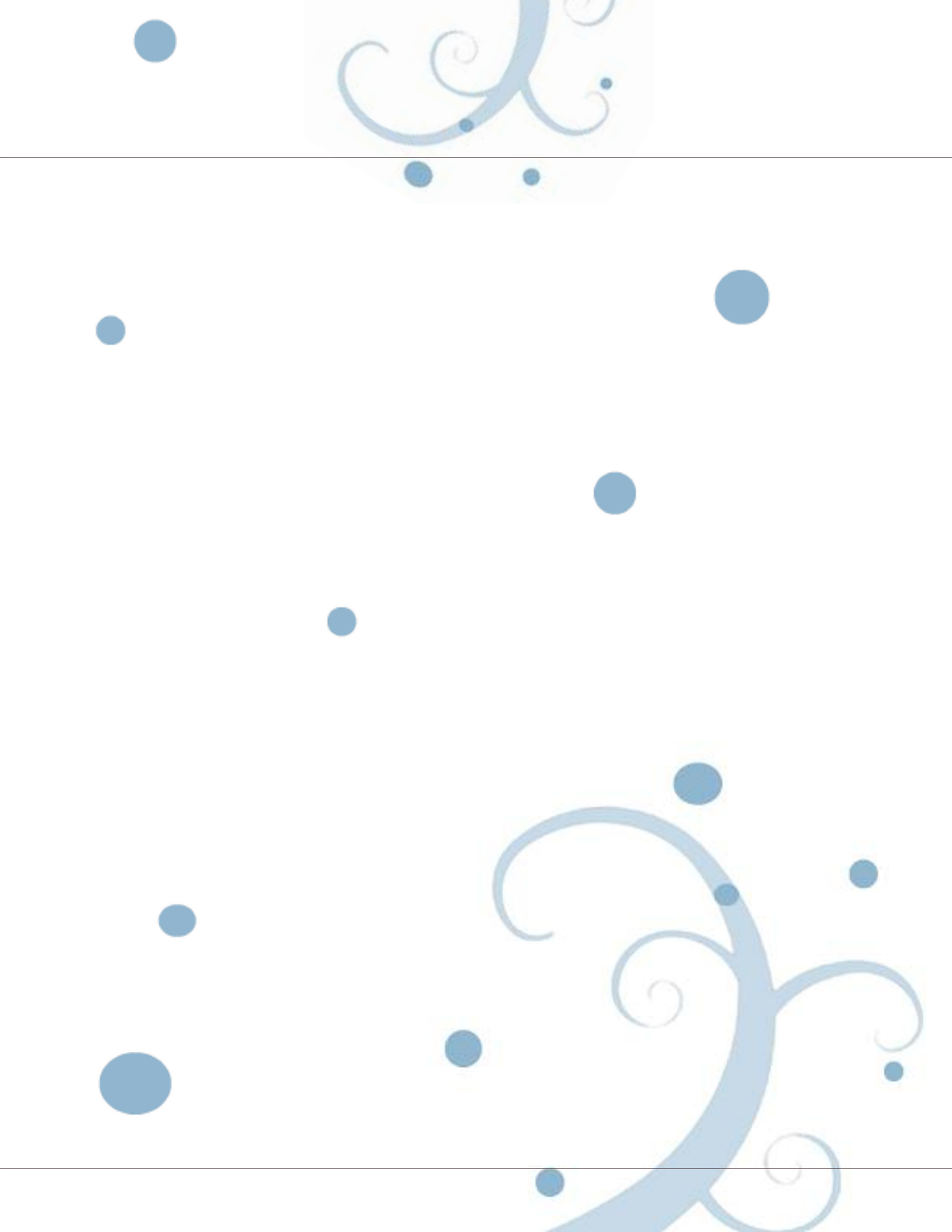
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