

Agency Name:	Education Oversight Committee		
Agency Code:	A850	Section:	4



Fiscal Year FY 2026-2027

Agency Budget Plan

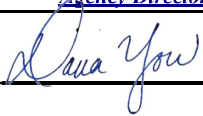
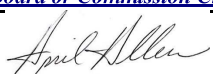
FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS <i>(FORM B1)</i>	For FY 2026-2027, my agency is (mark "X"):	
	☐	Requesting General Fund Appropriations.
	☐	Requesting Federal/Other Authorization.
	☒	Not requesting any changes.
NON-RECURRING REQUESTS <i>(FORM B2)</i>	For FY 2026-2027, my agency is (mark "X"):	
	☐	Requesting Non-Recurring Appropriations.
	☐	Requesting Non-Recurring Federal/Other Authorization.
	☒	Not requesting any changes.
CAPITAL REQUESTS <i>(FORM C)</i>	For FY 2026-2027, my agency is (mark "X"):	
	☐	Requesting funding for Capital Projects.
	☒	Not requesting any changes.
PROVISOS <i>(FORM D)</i>	For FY 2026-2027, my agency is (mark "X"):	
	☐	Requesting a new proviso and/or substantive changes to existing provisos.
	☒	Only requesting technical proviso changes (such as date references).
	☐	Not requesting any proviso changes.

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

PRIMARY CONTACT: SECONDARY CONTACT:	<u>Name</u>	<u>Phone</u>	<u>Email</u>
	Dana Yow	(803) 734-6164	danay@eoc.sc.gov
	Crystal Garcia	(803) 734-2343	cgarcia@eoc.sc.gov

I have reviewed and approved the enclosed FY 2026-2027 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE: TYPE/PRINT NAME:	<u>Agency Director</u>	<u>Board or Commission Chair</u>
	 9/30/2025 Dana Yow	 9/30/2025 April Allen

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

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FORM D – PROVISO REVISION REQUEST

NUMBER	1.47
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Cite the proviso according to the renumbered list (or mark “NEW”).

TITLE	SDE: Full-Day 4K
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	Part 1B Section 1 H630 Dept of Education, 2025-26 Appropriation Act
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	No
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Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.

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

OTHER AGENCIES AFFECTED	SCDE, SC First Steps
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	Most recently available data show that over 400 children in South Carolina spent time on a waitlist to access free, state-funded 4K. At the same time, there were over 2,300 available seats across the state. The process of collecting point-in-time data of eligible children waiting to access 4K is not efficient in matching children with available seats. It has previously been reported that pupils in poverty who access CERDEP-funded early childhood education are more likely to demonstrate readiness than their similarly-eligible counterparts. As a result, understanding how waitlists function across early childhood sectors to provide free 4K to eligible families is imperative in preparing our youngest learners for kindergarten. Understanding waitlists and the most efficient enrollment processes to match children with a 4K seat they are eligible for protects the investment South Carolina has made in early childhood education. During the spring and summer of 2025, the EOC worked with SCDE, SC First Steps, and two SC school districts to pilot a waitlist pilot that involved transfer of “real time” data and supported matching ensure that all eligible young children benefit from the state’s investment in early childhood education. The pilot followed a collaborative convening of early childhood stakeholders hosted by the EOC. The work was time-intensive for all parties involved, but was successful. The proposed change would provide relief from one requirement for participating districts.
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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

No fiscal impact

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

1.47. (SDE: Full-Day 4K) (A) Eligible students residing in any school district or attending any charter school authorized by the South Carolina Public Charter School District or an approved institution of higher education may participate in the South Carolina Early Reading Development and Education program (CERDEP) pending the availability of space and funding. Student eligibility as defined by Section 59-156-130 of the 1976 Code is an annual family income of one hundred eighty-five percent or less of the federal poverty guidelines as promulgated annually by the United States Department of Health and Human Services or a statement of Medicaid eligibility.

(B) A parent or guardian may choose to enroll their child in a public school participating in the program and approved by the Department of Education pursuant to Section 59-156-210 or in a private provider participating in the program and approved by the Office of First Steps pursuant to Section 59-156-200. A private provider includes, but is not limited to, a child care center, a military child care facility regulated by the United States Department of Defense, or a non-profit independent school. State funds appropriated for the provision of CERDEP services in military child care facilities may not be used to supplant existing federal child care funds. No school district can be denied participation in CERDEP or be denied CERDEP funding pursuant to the terms of this provision.

(C) 4K programs in public schools and non-profit independent schools participating in CERDEP are not required to be approved, registered, or licensed by the Department of Social Services in order to participate in CERDEP. Instead, the Department of Education and the Office of First Steps are responsible for ensuring that providers deliver high-quality educational programs pursuant to Section 59-156-160.

(D) Public and private providers shall be funded for instructional costs at a minimum rate of \$5,100 per student enrolled. Eligible students enrolling during the school year or withdrawing during the school year shall be funded on a pro rata basis determined by the length of their enrollment. Private providers transporting eligible children to and from school shall also be eligible for reimbursement at a minimum of \$620 per eligible child transported. First Steps and the Department of Education must provide an equitable distribution above the minimum between public and private providers. First Steps and the Department of Education must provide a quarterly report beginning October 1 detailing funding above the minimum made to any provider to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. All providers who are reimbursed are required to retain records as required by their fiscal agent. New providers participating for the first time in the current fiscal year and enrolling between one and six eligible children shall be eligible to receive at a minimum of \$1,000 per child in materials and equipment funding, with providers enrolling seven or more such children eligible for funding at a minimum of \$10,000. The Department of Education and the Office of First Steps Readiness are authorized to utilize carry forward funds and federal funds to supplement the amount expended for materials and equipment. Providers receiving equipment funding are expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years will require the provider to return a portion of the equipment allocation at a level determined by the Department of Education and the Office of First Steps to School Readiness. Funding to providers is contingent upon receipt of data as requested by the Department of Education and the Office of First Steps. The Department of Education shall only provide funding for public school students whose complete records have been entered into PowerSchool based on the one hundred and thirty-five day student average daily membership. For the current fiscal year, providers may enroll pay-lunch children who score at or below the twenty-fifth national percentile

**PROPOSED
PROVISO TEXT**

on two of the three DIAL-3 subscales by July 1 if at least seventy-five percent of the total number of children eligible or the Child Early Reading Development and Education Program in a district or county are projected to be enrolled in that program, Head Start, or ABC Child Care Program as determined by the Department of Education and the Office of First Steps, Child Early Reading Development and Education Program. Providers may receive reimbursement for these children if funds are available. By September 1, the Department of Education and the Office of First Steps must collect the documented waiting lists, share the lists, and determine a process to notify parents of eligible students of available slots in all approved providers. The Department of Education is required to offer waivers allowing students with disabilities to be served in multi-categorical classroom settings based on similar cognition and abilities. Funding appropriated for CERDEP may be carried forward and expended for the same purpose. **School districts participating in the EOC wait list pilot are exempt from the September 1 requirement.**

(E) Annually, the Department of Education is directed to audit the annual allocations to public providers to ensure that allocations are accurate and aligned to the appropriate pro rata per student allocation, materials, and equipment funding. In the event the department, during the audit process determines that the annual allocations of the prior fiscal year are not accurate, the department must adjust the allocations for the current fiscal year to account for the audit findings. The department must provide the results of the annual audit findings to the General Assembly no later than December first. Likewise, in the event the Office of First Steps determines that the annual allocations of the prior fiscal year to private providers are not accurate, the Office of First Steps must adjust the allocations for the current fiscal year to account for the findings.

(F) Of the funds appropriated, \$300,000 shall be allocated to the Education Oversight Committee to conduct an annual evaluation of the South Carolina Early Reading Development and Education Program (CERDEP) and to issue findings in a report to the General Assembly by March first of each year. To aid in this evaluation, the Education Oversight Committee shall determine and obtain the data necessary and both public and private providers are required to submit the necessary data as a condition of continued participation in and funding of the program, including average daily attendance data, so that consistent enrollment may be determined. This data shall include developmentally appropriate measures of student progress. Additionally, the Department of Education shall issue a unique student identifier for each child receiving services from a public or private provider including those funded by CERDEP, Head Start, SC Child Care Scholarships, EIA, Title I, district-funded, and all other federal, state, or local public sources. The Department of Education shall be responsible for the collection and maintenance of data on the public state funded full day and half-day four-year-old kindergarten programs. The Office of First Steps to School Readiness shall be responsible for the collection and maintenance of data on the state funded programs provided through private providers. The Education Oversight Committee shall use this data and all other collected and maintained data necessary to conduct a research based review of the program's implementation and assessment of student success in the early elementary grades along with information, recommendations, and a timeline for how the state can increase the number of students served in high-quality programs. To aid in the accurate reporting of four-year-olds in poverty served in formal education programs in public schools in South Carolina, the Department of Education must provide to the EOC data related to four-year-olds served in formal education programs funded with other state, local, or federal funds, including Title 1 and EIA-District-funded programs, denoting full- or partial-day status.

(G) For eligible children residing in school districts that do not participate in CERDEP, the Department of Education is required to develop and implement inter-district transfer policies that give parents or guardians the option of their eligible child attending an out-of-district school that participates in CERDEP.

(H) For the current fiscal year, the Office of First Steps may expend: (1) up to \$2,000,000 to pilot a program to provide higher reimbursement rates to high-quality providers. The reimbursement rate for students enrolled by child care providers rated B or higher in the ABC Quality System operated by the Department of Social Services may be increased by up to 10% of the per-student base following guidelines developed by the Office of First Steps; and (2) up to \$250,000 to provide one-time supplemental, needs-based incentive grants in an amount not to exceed \$30,000 for newly created and/or newly approved private providers proposing to expand service to ten or more CERDEP eligible children in communities unable to enroll all eligible students in a public, private, or Head Start setting during the prior fiscal year. These grants are designed to address building renovations, documented as necessary to bring proposed classrooms into compliance with licensing regulations, materials and staffing costs, and/or other obstacles currently preventing their participation in the program. The First Steps Board of Trustees shall develop and approve an application process that incorporates formal review and fiscal safeguards designed to ensure grant funds are used solely to address documented barriers to program participation. Providers receiving this one-time supplement shall be expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years shall require the provider to return a portion of the supplemental allocation at a level determined by the Office of First Steps to School Readiness. First Steps shall submit a report detailing its process, expenditures and expanded enrollment to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee by March 15.

(I) If by August first, the Department of Education or the Office of First Steps determines that appropriations will exceed expenditures, available funds may be used to fund an extended program and to increase the length of the program to a maximum of eight and

a half hours per day or two hundred and twenty days per year or to fund summer programs. If a district chooses to fund summer enrollment, the program funding shall conform to the funding in this act for full year programs; however, it shall be reduced on a pro rata basis to conform with the length of the program. A summer program shall be no more than eight and a half hours per day and shall be not more than ten weeks in length. The per pupil allocation and classroom grant must conform with the appropriated amount contained in this act and end of year adjustments shall be based on the one hundred and thirty-five-day student average daily membership or later student average daily membership for districts choosing to extend the program past one hundred and eighty days. Funds may also be used to provide parent engagement, professional development, and quality evaluations of programs. No later than April first, the Department of Education and the Office of First Steps shall report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on the expenditure of these funds to include the following information: the amount of money used and specific steps and measures taken to enhance the quality of the 4K program and the amount of money used for professional development as well as the types of professional development offered and the number of participants. The Office of First Steps is directed to determine if the provision of extended programs in private centers improves the ability of parents to enter the workforce or to pursue postsecondary training or industry credentials.

(J) On or before November 15, the Department of Education and the Office of First Steps shall share data that identifies the total number of children enrolled in CERDEP in both public and private providers. If available appropriations exceed the instructional costs of serving children enrolled in the program and if a waiting list of eligible children can be documented by the Department of Education and by the Office of First Steps, then the Executive Budget Office may authorize the transfer of funds between the Department of Education and the Office of First Steps.

(K) The Office of First Steps and the Department of Education shall collaborate with the South Carolina Head Start State Collaboration Office to inform parents of all publicly funded full-day 4K programs including Head Start by participating in PalmettoPreK and First5SC.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Education Oversight Committee		
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FORM D – PROVISO REVISION REQUEST

NUMBER	New
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Cite the proviso according to the renumbered list (or mark “NEW”).

TITLE	ESTF Parent Satisfaction Survey
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	SECTION 59-8-150 (E)
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	No
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Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.

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

OTHER AGENCIES AFFECTED	SCDE
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	Currently, SECTION 59-8-150 (E) 4 requires the Education Oversight Committee to: collaborate with the department to develop and administer an annual parental satisfaction survey for all parents of scholarship students on issues relevant to the ESTF program, to include effectiveness and length of the program participation. Results of this survey must be provided to the General Assembly by December thirty-first of each year. To meet a reporting deadline of 12/31 each year, the survey must be developed and administered to all parents in October. This timeline means that parents are reporting on less than three months of the school year. By moving the date of the parent satisfaction report, the General Assembly can observe a full school year experience reported on the satisfaction survey, thus providing a more complete picture. This amendment was discussed with SCDE staff; they are supportive.
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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

No fiscal impact

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**

For the current fiscal year, the EOC is directed to provide the results of the ESTF Parent Survey by June 30.

Paste existing 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	\$0
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	None
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	The agency receives no General funds, so there would be no impact. Any reduction would occur in the agency’s administrative budget.
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What programs or activities are supported by the General Funds identified?

SUMMARY	The EOC receives a base appropriation amount of \$2,187,264 of EIA revenues. Of this amount, \$500,000, by proviso, is allocated to the SC Autism Society. Additionally, Proviso 1.84 in the 2025-26 Appropriations Act directs the EOC to produce an Education Dashboard; the agency receives an annual appropriation in EIA funds of \$3,605,978 for that purpose. \$1.25 million of dashboard funds are directed by proviso to go to SC Future Makers. The EIA base recurring balance would absorb any three percent reduction. The EOC would use its contingency fund to offset any shortfall in EIA revenues. Annually, the EOC sets aside 10 percent of the funds appropriated in a contingency fund to absorb any mid-year reduction in EIA revenues or to offset unexpected expenses. There would be no impact on service delivery.
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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	Currently, the agency is reducing costs by reducing the amount of contractors, utilizing in-house staff for most evaluations. The EOC continues its shared service contract with SC Dept. of Admin, which allows staff to dedicate resources elsewhere.
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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	Shared Services: Finance, Accounting, Procurement, Human Resources, and Benefits Services
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	\$31,100
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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	Mark “X” for all that apply:	
	☐	Repeal or revision of regulations.
	☐	Reduction of agency fees or fines to businesses or citizens.
	☒	Greater efficiency in agency services or reduction in compliance burden.
	☐	Other

METHOD OF CALCULATION	Staff time saved – service consolidation
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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	The agency does not impose any fees or collect any revenues.
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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	The agency has never promulgated regulations.
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY	The Department of Administration began providing finance and accounting services, procurement services, budgetary services to the EOC at an annual cost of \$30,600 in FY 2019-20. In October 2020, DOA agreed to add Human Resources and Benefits services to the EOC’s shared service agreement at no additional cost to the agency. This Shared Service arrangement has been beneficial to the agency, allowing staff time to be devoted to other agency activities.
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Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?