

FUNDING FLEXIBILITY REPORTING PROCEDURES

Fiscal Year 2026-27

Under Provisos 1.21, 1.24 and 1A.13 for Fiscal Year 2026-27, all school districts and special schools of this State may transfer and expend funds to “...ensure the delivery of academic and arts instruction to students.”

Financial Flexibility

1. All transfers must be completed and submitted to SCDE by June 30, 2027. Quarterly reports are encouraged. Only submit reports quarterly if an action is approved by your school board.
2. Districts may transfer and expend funds among appropriated state general fund revenues, Education Improvement Act funds, and Education Lottery Act funds. No federal funds may be flexed.
3. To take advantage of the financial flexibility provisions, at least seventy-five (75) percent of the school district’s expenditures must be utilized within the In\$ite categories of instruction, instructional support and non-instructional pupil services. Those functional areas are outlined in Item #4 under Reporting Requirements. Salaries of on-site principals must be included in the calculation of the district’s per-pupil expenditures.
4. If you choose to take advantage of this flexibility, you must maintain the integrity of the program guidelines as outlined in the Funding Manual.
5. The only appropriations that are excluded from this flexibility are as follows:
 - a. NBC Salary Supplement (Revenue 3532)
 - b. Teacher of the Year (Revenue 3533)
 - c. Technical Assistance – State Priority Schools (Revenue 3571)
 - d. Teacher Supplies (Revenue 3187 & 3577)
 - e. EEDA Supplies and Materials (Revenue 3595)
 - f. EEDA Career Specialists (Revenue 3596)
 - g. Science Kit Refurbishment (Revenue 3526)
 - h. Industry Certification/Credentials (3528)
 - i. Career and Technology Education (Revenue 3529)
 - j. No funds provided specifically to assist districts in the Abbeville Lawsuit are flexible. No funds received in accordance with the terms of a signed MOA should be flexed (i.e. Reading Coaches)

6. Judicious caution should be used when transferring those funds received through a competitive grant process.
7. No programs serving students with special needs may be flexed in the 2026-27 year.
8. Prior to implementing the flexibility provisions, school districts must provide public charter schools the per pupil allocation due to the charter schools for each categorical program for which they are eligible to receive funding.
9. For the 2026-27 fiscal year, Section 59-21-1030 (Maintenance of Effort) is suspended.

Furlough, Staffing Flexibility, and Maximizing Resources

1. Districts must report the student teacher ratio for every classroom to the Department of Education at the ninety- and one hundred eighty-day mark.
2. To further ensure resources are maximized, districts are encouraged to: (1) limit the number of low enrollment courses, (2) reduce travel for staff and board, (3) reduce and limit activities requiring dues and fees, (4) reduce transportation costs for extracurricular and academic competitions, and (5) expand virtual education.

Reporting Requirements

1. By June 30, 2027, districts must certify where non-instructional or nonessential programs have been suspended.
2. Certification must be in writing, signed by the board chairman and the superintendent, and delivered electronically to the State Superintendent of Education. The SCDE will forward to the following: the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Chairman of the House Ways and Means Committee, and the Chairman of the House Education and Public Works Committee.
3. The certification must be presented publicly at a regularly called school board meeting, and the certification must be posted on the school district's website. Refer to Provisos 1.24, 1.36, 1.40 and S.C. Code Ann. §23-3-535(F)(1)(b), §59-18-900, and §59-18-85 for additional district website posting requirements. Further information can be found on the SCDE's web page for [district website requirements](#).
4. Districts must report as of June 30, 2027, using the In\$ite categories, all expenditures in Instructional, Instructional Support, and non-Instructional student services. The following functions must be reported:

<u>Function Name</u>	<u>Function Number</u>
a. Instruction	All 100 functions
b. Attendance & Social Work	211
c. Guidance	212
d. Health Services	213
e. Psychological Services	214
f. Exceptional Program Services	215
g. Vocational Placement	216
h. Career Specialists	217
i. Curriculum Development	221
j. Library Media	222
k. In-Service/Staff Training	224
l. School Administration	233 (Only Object 111 and 200's)
m. Pupil Transportation	251, 255
n. Food Service	256
o. Security/Safety	258
p. Planning	262
q. Pupil Services Activities	271
r. Enterprise Activities	272
s. Trust and Agency Activities	273
t. Community Services	All 300 functions