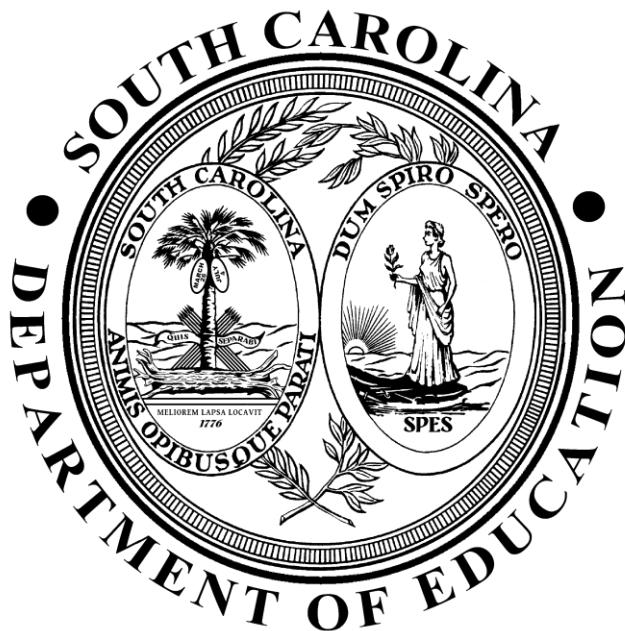


**STATE OF SOUTH CAROLINA**  
**DEPARTMENT OF EDUCATION**

**MOLLY M. SPEARMAN**  
*STATE SUPERINTENDENT OF EDUCATION*



***Abbeville Capital Improvement Funds  
Interim Report***

Report to the South Carolina General Assembly

Pursuant to Proviso 1A.82

December 29, 2017

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## Introduction

Proviso 1A.50 of the FY 2017–18 General Appropriations Act requires that a portion of Education Improvement Act (EIA) cash funds from the prior fiscal year and EIA funds not otherwise appropriated or authorized be carried forward and expended to support school district capital improvement plans. This one-time funding was made available through the State Board of Education (SBE) under an application process developed by the South Carolina Department of Education (SCDE) totaling \$55,828,859.

Proviso 1A.82 of the FY 2017–18 General Appropriations Act requires these funds be made available to any school district that is a plaintiff in the *Abbeville* lawsuit or districts with a poverty index of eighty percent or higher. Funds are available to thirty-four *Abbeville* plaintiff districts and fourteen districts with an eighty percent or greater poverty index. Eligible districts are listed in Table 1.

Table 1. *Eligible Districts with Qualifying Category and Poverty Index*

| District     | Qualifying Category | Poverty Index | District     | Qualifying Category | Poverty Index |
|--------------|---------------------|---------------|--------------|---------------------|---------------|
| Abbeville    | <i>Abbeville</i>    | 79.65         | Florence 3   | <i>Abbeville</i>    | 93.95         |
| Allendale    | <i>Abbeville</i>    | 98.49         | Florence 4   | <i>Abbeville</i>    | 97.27         |
| Anderson 3   | Poverty             | 81.35         | Florence 5   | <i>Abbeville</i>    | 75.95         |
| Bamberg 1    | <i>Abbeville</i>    | 78.98         | Greenwood 51 | Poverty             | 83.82         |
| Bamberg 2    | <i>Abbeville</i>    | 97.66         | Hampton 1    | <i>Abbeville</i>    | 85.91         |
| Barnwell 19  | <i>Abbeville</i>    | 95.31         | Hampton 2    | <i>Abbeville</i>    | 97.82         |
| Barnwell 29  | <i>Abbeville</i>    | 86.15         | Jasper       | <i>Abbeville</i>    | 96.16         |
| Barnwell 45  | <i>Abbeville</i>    | 83.74         | Laurens 55   | <i>Abbeville</i>    | 82.83         |
| Berkeley     | <i>Abbeville</i>    | 73.01         | Laurens 56   | <i>Abbeville</i>    | 85.29         |
| Calhoun      | Poverty             | 91.09         | Lee          | <i>Abbeville</i>    | 97.76         |
| Cherokee     | Poverty             | 80.72         | Lexington 2  | Poverty             | 79.76         |
| Chester      | Poverty             | 82.94         | Lexington 3  | Poverty             | 80.43         |
| Chesterfield | <i>Abbeville</i>    | 82.78         | Lexington 4  | <i>Abbeville</i>    | 87.69         |
| Clarendon 1  | <i>Abbeville</i>    | 98.28         | Marion       | <i>Abbeville</i>    | 95.46         |
| Clarendon 2  | <i>Abbeville</i>    | 92.23         | Marlboro     | <i>Abbeville</i>    | 93.82         |
| Clarendon 3  | <i>Abbeville</i>    | 69.61         | McCormick    | <i>Abbeville</i>    | 91.97         |
| Colleton     | Poverty             | 89.28         | Orangeburg 3 | <i>Abbeville</i>    | 96.74         |
| Darlington   | Poverty             | 83.19         | Orangeburg 4 | <i>Abbeville</i>    | 85.76         |
| Dillon 3     | <i>Abbeville</i>    | 79.83         | Orangeburg 5 | <i>Abbeville</i>    | 93.20         |
| Dillon 4     | <i>Abbeville</i>    | 94.44         | Richland 1   | Poverty             | 82.17         |
| Dorchester 4 | Poverty             | 87.09         | Saluda       | <i>Abbeville</i>    | 83.04         |
| Fairfield    | Poverty             | 94.57         | Sumter       | Poverty             | 82.67         |

| <b>District</b> | <b>Qualifying Category</b> | <b>Poverty Index</b> | <b>District</b> | <b>Qualifying Category</b> | <b>Poverty Index</b> |
|-----------------|----------------------------|----------------------|-----------------|----------------------------|----------------------|
| Florence 1      | <i>Abbeville</i>           | 74.19                | Union           | Poverty                    | 82.24                |
| Florence 2      | <i>Abbeville</i>           | 79.10                | Williamsburg    | <i>Abbeville</i>           | 97.62                |

Funds are to be used to support upgrades to instruction and instruction support facilities and cannot be used for unimproved real property, centralized district administration facilities, or other facilities such as those normally identified with interscholastic sports activities. Eligible school facility projects include: (a) health and safety upgrades; (b) technology upgrades inside school facilities; (c) upgrades associated with career and technology education programs; and (d) deferred maintenance needs as described in the district's capital improvement plan.

Proviso 1A.82 also requires the SCDE to:

- develop an application process for school districts to request funding for qualified school projects;
- establish policies and procedures for making funds available to districts by prioritizing eligible projects with the greatest need;
- make recommendations to the SBE for award to school districts;
- establish policies and procedures to ensure that funds are expended in a manner consistent with this provision; and
- submit an annual report of Abbeville Equity School Districts Capital Improvement Plan activities for the preceding year to the Governor and leadership of the SC General Assembly.

This is an interim report on activities related to the application process and award of funds as of December 2017. The first annual report as required by proviso will be submitted to the Governor and General Assembly after the close of FY 2017–18 to include specific district facility projects, upgrade activities, use of funds, and funds remaining unspent.

### **Application Submission and Review Process**

The SCDE developed an application process and procedures for submission and analysis of applications based on information obtained from districts 2017 Facility Assessments and based on input from eligible districts.

Proviso 1.92 of the FY 2016–17 General Appropriations Act required the SCDE to issue a procurement to contract with vendors to conduct reviews of “(1) facilities use and management; (2) energy management; (3) site reviews when needed; and (4) any technology needs and infrastructure as aligned to the district technology plan and the district technology assessment.” The SCDE engaged contractors to visit and evaluate the condition of public school buildings in the state to meet the requirements of items (1) and (3) above. Resulting facility assessments for thirty of the *Abbeville* plaintiff districts and thirteen of the eligible poverty districts can be found on the SCDE website at <https://ed.sc.gov/districts-schools/school-planning-building/school-facility-building-funds/>. Facility assessments were not conducted for four of the *Abbeville*

districts (Barnwell 19, Berkeley, Clarendon 1, and Lexington 4) given that they underwent efficiency reviews within two years of the proviso's implementation. To date, facility assessments have not been conducted for Richland One given that the district is included in the second round of facility assessments scheduled to start January 2018. The SCDE evaluated project requests based on available information that was included in or aligned with district facility assessments, when available, or critical facility needs as identified by districts.

On July 17, 2017, the SCDE sought feedback from a focus group of district finance officers of eligible districts who also serve as members of the agency's Fiscal Practices advisory team. The focus group provided feedback on the timing and due date(s) for submission of applications, the mode of application submission, use of funds for existing projects, per project funding amounts, and the feasibility of including other criteria, such as the index of tax paying ability, in determining award amounts.

Based on this feedback, the SCDE developed the *Abbeville* Capital Improvement Fund application and notified eligible districts on July 21, 2017, that several application submission dates had been established, starting August 11, 2017. Application due dates and SBE consideration dates are provided in Table 2.

Table 2. *Abbeville Capital Improvement Fund Application Due Dates*

| <b>Due Date</b>   | <b>State Board of Education Meeting Date</b>  |
|-------------------|---|
| August 11, 2017   | Application due date for consideration at September 12, 2017, SBE meeting   |
| September 8, 2017 | Application due date for consideration at October 10, 2017, SBE meeting to include incomplete applications from prior month submissions and new submissions since the last SBE meeting  |
| October 13, 2017  | Application due date for consideration at November 14, 2017, SBE meeting to include incomplete applications from prior month submissions and new submissions since the last SBE meeting |
| November 10, 2017 | Application due date for consideration at December 12, 2017, SBE meeting to include incomplete applications from prior month submissions and new submissions since the last SBE meeting |

All forty-eight districts submitted applications to the SCDE before the November 14, 2017, SBE meeting. As a result, all available funds were approved in November and the SBE did not have to consider any funding requests for its December 2017 meeting. All funds have been sent to all eligible districts as of November 17, 2017.

The SCDE developed several procedures and guidelines regarding application submissions, analysis, and allocation of funds. These guidelines were reported as information to the SBE at its August 11, 2017, meeting. The guidelines included:

- Districts could choose their due date; however, applications will be reviewed and considered for funding on a first-come-first-served basis. Districts did not need to submit a new application for each submission due date. One application was sufficient.
- Only electronically-submitted applications were accepted.
- Districts were encouraged to submit all applications by November 10, 2017. The SCDE's goal was to distribute all available funds prior to January 2018.
- Districts must identify their top three capital improvement projects for which funding was requested. Projects should have been based on the district's Facilities Assessment Report, if applicable. Each project was to include the scope of the project along with estimated costs to include design, construction, and inspection costs for each project.
- Priority consideration was to be given to projects that (1) address life safety such as sprinkler and alarm systems; (2) address handicap accessibility such as ramps, toilets, parking; (3) address energy efficiency such as windows, AC, water heaters; or (4) include matching funds such as state, federal or private/Foundation funding.
- Incomplete applications requiring follow-up or additional information would delay consideration of applications. If cost estimates were not submitted with applications, the SCDE Office of School Facilities (OSF) assisted districts in determining cost.
- No new construction projects were eligible for funding. Only facility renovations, depending on the scope of the project, were eligible.
- Only projects initiated on or after July 1 were eligible. Reimbursement for projects initiated before July 1 was not allowed.
- Only one project per district was to be funded per funding round. Initial funding recommendations were for districts' first identified priority. Districts were advised that second and third priority projects may be considered depending on fund availability.
- The maximum award per project was not exceed \$1 million. If funds remained after funding of districts' first priority requests, other priority projects could be recommended to the SBE.
- Projects related to windows, heating, lighting, electrical transformers, and AC might qualify for energy conservation funding through the State Energy Office. Districts requesting those type projects were required to explore qualifying match funds from the Energy Office.
- In the event of an emergency, districts could request emergency funding as long as the project met eligibility and if funds were available for allocation.
- Depending on project scope, design plans must be submitted to the OSF to ensure compliance with required building and fire code rules and final inspection approvals.
- Districts must comply with all procurement regulations.
- The SCDE OSF, Finance, and Auditing Services are monitoring district progress regarding expenditure of funds and will ensure that funds are expended in a manner consistent with proviso, other statutes, and agency policy.
- Funds will be totally allocated for each project upon SBE approval. The recipient district must accurately and timely record receipts and expenditures and submit quarterly and annual expenditure reports to the SCDE. Districts must retain all documentation related to projects for five years.
- Project allocations can be carried forward to the next fiscal year.

- The SCDE will submit an annual report of all activities for the preceding fiscal year to the General Assembly each December. The annual report to the General Assembly will include information on any projects not completed and funds not expended.
- Districts are encouraged to develop Comprehensive Permanent Improvement Plans (CIPs) if such have not been developed. CIPs identify permanent improvement plans for the short term for which funding is already available and long-term plans for subsequent years.
- Districts' top three projects and facilities assessments could serve as Year One of the CIP. The OSF provided a template to districts for identification of subsequent permanent improvement plans covering the next four years. The initial CIP and subsequent updates are due to OSF annually by February 1.

### **Total Funds Requested and SBE Approvals**

Districts were instructed to identify and submit funding requests for their top three capital improvement projects. Projects, however, had to be based on the district's Facilities Assessment, if applicable. The SCDE received funding requests totaling \$133.7 million.

Given the amount of funding requests, the SBE decided to focus on each district's number one priority improvement project for initial funding consideration. Districts' number one priority requests totaled \$59.2 million, \$3.4 million more than available for eligible districts. Estimated costs for some of these projects, however, exceeded the \$1 million maximum round one award guideline. Using this approach, the SBE considered the SCDE recommendations to fund thirty districts' priority one projects totaling \$27.4 million at its September 2017 meeting, ten districts' priority one projects at its October meeting, and eight districts' priority one projects at its November meeting, resulting in \$45.2 million allocated.

The SCDE recommended several options for allocating the remaining \$10.6 million of funds. These options, which would have resulted in varying funding amounts per district, included proposals that incorporated revised funding requests; increased base funding to \$1 million for each district, fully funding each district's number one request up to an additional \$500,000 maximum; and equally allocating any remaining funds across all districts. The SBE voted to award \$1 million to each district and allocated the remaining \$7.8 million equally among all eligible districts. As a result, some districts received funds sufficient to fully fund all three of their priority projects; most districts received funds sufficient to cover their first priority; and some districts did not receive enough funding to cover their first priority project. Table 3 details each district's priority requests and SBE approvals.

*Table 3. Priority Requests and SBE Funding Approvals by District*

| District  | Priority #1 Request | Priority #2 Request | Priority #3 Request | Total Requests - All Projects | SBE Initial Approvals (September through October) | SCDE Recommendation to SBE (11/14/2017) | SBE Final Approval (11/14/2017) |
|-----------|---------------------|---------------------|---------------------|-------------------------------|---|---|---------------------------------|
| Abbeville | \$900,000           | \$282,000           | \$227,000           | \$1,409,000                   | \$900,000   | \$1,045,596                             | \$1,163,101                     |

| District     | Priority #1 Request | Priority #2 Request | Priority #3 Request | Total Requests - All Projects | SBE Initial Approvals (September through October) | SCDE Recommendation to SBE (11/14/2017) | SBE Final Approval (11/14/2017) |
|--------------|---------------------|---------------------|---------------------|-------------------------------|---|---|---------------------------------|
| Allendale    | \$1,068,736         | \$1,064,598         | \$1,112,250         | \$3,245,584                   | \$1,000,000                                       | \$1,114,332                             | \$1,163,101                     |
| Anderson 3   | \$1,000,000         | \$416,548           |                     | \$1,416,548                   | \$1,000,000                                       | \$1,045,596                             | \$1,163,101                     |
| Bamberg 1    | \$1,346,400         | \$880,000           | \$514,466           | \$2,740,866                   | \$1,000,000                                       | \$1,391,996                             | \$1,163,101                     |
| Bamberg 2    | \$965,280           | \$992,075           | \$994,750           | \$2,952,105                   | \$965,280   | \$1,045,596                             | \$1,163,101                     |
| Barnwell 19  | \$911,224           | \$809,400           | \$619,085           | \$2,339,709                   | \$911,224   | \$1,045,596                             | \$1,163,101                     |
| Barnwell 29  | \$1,219,660         | \$1,094,792         | \$1,259,595         | \$3,574,047                   | \$1,000,000                                       | \$1,265,256                             | \$1,163,101                     |
| Barnwell 45  | \$1,041,000         | \$1,000,000         | \$1,000,000         | \$3,041,000                   | \$1,000,000                                       | \$1,086,596                             | \$1,163,101                     |
| Berkeley     | \$975,000           | \$600,000           | \$650,000           | \$2,225,000                   | \$975,000   | \$1,045,596                             | \$1,163,101                     |
| Calhoun      | \$1,133,628         | \$100,000           | \$20,000            | \$1,253,628                   | \$1,000,000                                       | \$1,179,224                             | \$1,163,101                     |
| Cherokee     | \$1,079,000         | \$1,400,000         | \$1,000,000         | \$3,479,000                   | \$1,000,000                                       | \$1,124,596                             | \$1,163,101                     |
| Chester      | \$250,000           | \$70,000            | \$124,000           | \$444,000                     | \$444,000   | \$1,045,596                             | \$1,163,101                     |
| Chesterfield | \$987,775           | \$996,000           | \$445,000           | \$2,428,775                   | \$987,775   | \$1,045,596                             | \$1,163,101                     |
| Clarendon 1  | \$1,000,000         | \$625,000           | \$435,000           | \$2,060,000                   | \$1,000,000                                       | \$1,045,596                             | \$1,163,101                     |
| Clarendon 2  | \$8,000,000         | \$1,500,000         | \$211,680           | \$9,711,680                   | \$1,000,000                                       | \$1,545,596                             | \$1,163,101                     |
| Clarendon 3  | \$793,000           | \$295,000           | \$540,000           | \$1,628,000                   | \$1,000,000                                       | \$1,045,596                             | \$1,163,101                     |
| Colleton     | \$1,058,684         | \$236,000           | \$251,000           | \$1,545,684                   | \$1,000,000                                       | \$1,104,280                             | \$1,163,101                     |
| Darlington   | \$1,110,000         | \$1,890,000         | \$1,175,000         | \$4,175,000                   | \$1,000,000                                       | \$1,155,596                             | \$1,163,101                     |
| Dillon 3     | \$1,235,850         | \$898,800           | \$645,016           | \$2,779,666                   | \$1,000,000                                       | \$1,281,446                             | \$1,163,101                     |
| Dillon 4     | \$481,000           | \$234,000           | \$285,000           | \$1,000,000                   | \$1,000,000                                       | \$1,045,596                             | \$1,163,101                     |
| Dorchester 4 | \$178,000           | \$345,000           | \$480,000           | \$1,003,000                   | \$1,000,000                                       | \$1,045,596                             | \$1,163,101                     |
| Fairfield    | \$964,670           | \$525,000           | \$390,000           | \$1,879,670                   | \$964,670   | \$1,045,596                             | \$1,163,101                     |
| Florence 1   | \$2,413,494         | \$2,687,328         | \$2,688,000         | \$7,788,822                   | \$1,000,000                                       | \$1,545,596                             | \$1,163,101                     |
| Florence 2   | \$1,000,000         | \$1,000,000         | \$1,000,000         | \$3,000,000                   | \$1,000,000                                       | \$1,045,596                             | \$1,163,101                     |
| Florence 3   | \$1,000,001         | \$1,000,000         | \$1,000,000         | \$3,000,001                   | \$1,000,000                                       | \$1,045,597                             | \$1,163,101                     |
| Florence 4   | \$330,000           | \$1,000,000         | \$200,000           | \$1,530,000                   | \$530,000   | \$1,045,596                             | \$1,163,101                     |
| Florence 5   | \$915,920           | \$519,000           | \$937,320           | \$2,372,240                   | \$915,920   | \$1,045,596                             | \$1,163,101                     |
| Greenwood 51 | \$402,800           | \$170,660           | \$450,500           | \$1,023,960                   | \$853,300   | \$1,045,596                             | \$1,163,101                     |
| Hampton 1    | \$999,993           | \$998,000           | \$950,000           | \$2,947,993                   | \$999,993   | \$1,045,596                             | \$1,163,101                     |
| Hampton 2    | \$1,392,888         | \$1,195,245         | \$887,041           | \$3,475,174                   | \$1,000,000                                       | \$1,438,484                             | \$1,163,101                     |
| Jasper       | \$1,019,330         | \$600,000           | \$1,000,000         | \$2,619,330                   | \$1,000,000                                       | \$1,064,926                             | \$1,163,101                     |
| Laurens 55   | \$200,000           | \$25,000            | \$25,000            | \$250,000                     | \$250,000   | \$1,045,596                             | \$1,163,101                     |
| Laurens 56   | \$250,000           | \$350,000           | \$100,000           | \$700,000                     | \$700,000   | \$1,045,596                             | \$1,163,101                     |
| Lee          | \$1,000,000         | \$1,000,000         | \$1,000,000         | \$3,000,000                   | \$1,000,000                                       | \$1,045,596                             | \$1,163,101                     |
| Lexington 2  | \$972,000           | \$648,000           | \$810,000           | \$2,430,000                   | \$972,000   | \$1,045,596                             | \$1,163,101                     |
| Lexington 3  | \$1,154,600         | \$1,411,000         | \$1,762,660         | \$4,328,260                   | \$1,000,000                                       | \$1,200,196                             | \$1,163,101                     |
| Lexington 4  | \$985,000           | \$395,000           | \$925,000           | \$2,305,000                   | \$985,000   | \$1,045,596                             | \$1,163,101                     |
| Marion       | \$1,000,000         | \$672,000           | \$680,000           | \$2,352,000                   | \$1,000,000                                       | \$1,045,596                             | \$1,163,101                     |
| Marlboro     | \$1,000,000         | \$1,000,000         | \$1,000,000         | \$3,000,000                   | \$1,000,000                                       | \$1,045,596                             | \$1,163,101                     |
| McCormick    | \$2,000,000         | \$875,000           | \$350,000           | \$3,225,000                   | \$1,000,000                                       | \$1,545,596                             | \$1,163,101                     |
| Orangeburg 3 | \$4,165,500         | \$1,000,000         | \$1,000,000         | \$6,165,500                   | \$1,000,000                                       | \$1,545,596                             | \$1,163,101                     |
| Orangeburg 4 | \$1,719,400         | \$369,200           | \$120,000           | \$2,208,600                   | \$1,000,000                                       | \$1,545,596                             | \$1,163,101                     |
| Orangeburg 5 | \$1,038,000         | \$400,000           | \$130,000           | \$1,568,000                   | \$1,000,000                                       | \$1,083,596                             | \$1,163,101                     |
| Richland 1   | \$957,100           | \$1,315,200         | \$979,620           | \$3,251,920                   | \$957,100   | \$1,045,596                             | \$1,163,101                     |

*Abbeville Capital Improvement Funds Interim Report*

December 29, 2017

| District      | Priority #1 Request | Priority #2 Request | Priority #3 Request | Total Requests - All Projects | SBE Initial Approvals (September through October) | SCDE Recommendation to SBE (11/14/2017) | SBE Final Approval (11/14/2017) |
|---------------|---------------------|---------------------|---------------------|-------------------------------|---|---|---------------------------------|
| Saluda        | \$1,837,500         | \$1,588,050         | \$1,013,813         | \$4,439,363                   | \$1,000,000                                       | \$1,545,596                             | \$1,163,101                     |
| Sumter        | \$1,636,375         | \$1,516,180         | \$1,115,038         | \$4,267,593                   | \$1,000,000                                       | \$1,545,596                             | \$1,163,101                     |
| Union         | \$919,000           | \$630,000           | \$880,000           | \$2,429,000                   | \$919,000   | \$1,045,596                             | \$1,163,101                     |
| Williamsburg  | \$1,242,462         | \$1,528,740         | \$1,000,000         | \$3,771,202                   | \$1,000,000                                       | \$1,288,058                             | \$1,163,101                     |
| <b>TOTALS</b> | <b>\$59,250,270</b> | <b>\$40,147,816</b> | <b>\$34,382,834</b> | <b>\$133,780,920</b>          | <b>\$45,230,262</b>                               | <b>\$55,828,859</b>                     | <b>\$55,828,859</b>             |

Since the SCDE recommended that priority consideration be given to projects that (1) address life safety such as sprinkler and alarm systems; (2) address handicap accessibility such as ramps, toilets, parking; (3) address energy efficiency such as windows, AC, water heaters; or (4) include matching funds such as state, federal or private/Foundation funding, all requests included some portion of a project that addressed these priority areas.

Table 4 details the type priority areas for which funds were awarded.

Table 4. *Number of Funded Projects by Priority Area*

| Priority Area   | Number Projects |
|---|-----------------|
| Accessibility Projects                                    | 1               |
| Accessibility and Energy Efficiency Projects              | 4               |
| Accessibility and Life Safety Projects                    | 3               |
| Accessibility, Energy Efficiency and Life Safety Projects | 5               |
| Energy Efficiency Projects                                | 19              |
| Energy Efficiency and Life Safety Projects                | 9               |
| Life Safety Projects                                      | 7               |
| <b>Total Projects</b>                                     | <b>48</b>       |

### Next Steps: Plan Approvals, Monitoring, and Reporting

All available funding has been distributed to eligible districts as of November 17, 2017. The SCDE is responsible for monitoring to ensure funds are expended in a manner consistent with Proviso 1A.82. Districts are required to sign Terms and Assurances as a condition for receipt of funds. The template Assurances document is included as Appendix A.

The SCDE Office of Finance, in addition to updating its Funding Manual, has provided instructions to districts on how to record budget and expenditure codes to assist in tracking and reporting activities. A template has been provided to districts and the first quarterly report on expenditures will be submitted by February 10, 2018.

The SCDE OSF is fast-tracking plan reviews to ensure fire and building code compliance and will collect district notifications regarding the extent to which South Carolina Energy Office funding is leveraged for eligible energy efficiency projects. The Office will also provide districts with technical assistance and a sample CIP template for submission of their five-year CIPs each February and has instructed districts on data to collect regarding specific projects for submission to the General Assembly. Districts have also been reminded that award recipients must permit SCDE staff and any auditors to have access to all records, documentation of expenditures, and financial statements applicable to this allocation during the project term and during the record retention period of six years following closeout.

### **Contacts**

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## **Appendix A: Terms and Conditions for *Abbeville* Funds**

|   |  |
|---|--|
|  <p>SOUTH CAROLINA<br/>DEPARTMENT OF EDUCATION</p> | <b>2017–18 Abbeville Capital Improvement Funds<br/>Agreement</b> |
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### **Assurances, Terms and Conditions for *Abbeville* Capital Improvement Funds**

As the duly authorized representative of \_\_\_\_\_, the signee \_\_\_\_\_ (print or type District name) certifies that on behalf of the district, he/she will abide by the following:

- A. Funds received are not flexible and are restricted to the purposes outlined in Proviso 1A.82 of the FY 2017–18 General Appropriation Act. Funds are to be expended only for the purposes and activities approved by the State Board of Education and South Carolina Department of Education (SCDE).
- B. Funds cannot be used for new construction projects but only used for facility renovations and updates that address life safety, handicap accessibility, energy efficiency, technology upgrades inside school facilities, and deferred maintenance. Funds can only be used on projects initiated on or after July 1 when state funding was made available.
- C. Funds cannot be used for salaries of new or existing staff for programs, general education personnel, fringe benefits, other administrative costs or entertainment-related, non-educational expenditures.
- D. Projects related to windows, heating, lighting, electrical transformers, air conditioning, etc., could qualify for energy conservation funding through the South Carolina Energy Office. The District must seek available energy funding, when appropriate, and provide documentation to the SCDE Office of Facilities that such funding was pursued and the resulting amount, if awarded, prior to initiation of such projects.
- E. The District agrees to develop a multi-year Comprehensive Permanent Improvement Plan or CIP, if one has not been developed. The District's top three capital projects submitted as part of the application process and the District's 2017 Facilities Assessments may serve as Year One of the CIP. Technical assistance on developing and refreshing a CIP is available from the Office of School Facilities.
- F. The District will submit quarterly and annual expenditure reports to the Office of Finance consistent with calendar quarters, using SCDE required forms. The District should be prepared to provide programmatic and/or financial data at any time during the timeframe funds are unspent, and for three years thereafter. The signee will approve all

expenditures, document receipt of goods and services, and record payments on the signee's accounting records prior to submission of quarterly expenditure reports to the SCDE for costs related to these funds.

- G. The District must take corrective action if the SCDE determines that the District has incurred an impermissible expenditure. The SCDE will notify the District in writing of the impermissible expenditure. The District will, within 30 days, provide a plan of actions to correct identified deficiencies regarding use of *Abbeville* Capital Improvement funds and will provide a timeline for those corrective actions to occur. In no event will a corrective action plan extend beyond June 30, 2018, for deficiencies identified in FY 2017–18. Possible actions the SCDE could take regarding identified deficiencies that are not resolved within the permitted timeframe include offset against general or other funds due to the District from the SCDE in order to satisfy any financial shortages. Additionally, the SCDE will provide notice to the District's school board members and the county's General Assembly legislative delegation of any financial irregularities and all corrective actions the SCDE requires be taken by the District.
- H. In case of an audit and/or investigation by the SCDE or other state or federal agency, the District will cooperate fully in such audits and/or investigations, which may include providing access to requested documents, receipts, and/or personnel.
- I. The District must submit an annual report detailing *Abbeville* fund renovation activities for the preceding year to the Office of School Facilities by June 30. The District will make every effort to initiate and complete work within reasonable timeframes and will submit, as required or instructed by the SCDE, all reports (programmatic, financial, or annual) in a timely manner and in a format prescribed by the SCDE.
- J. The District and/or its officers, employees, or agents agree to abide by all School Building Codes, Specifications, and Inspections pursuant to SC Code of Laws 59-23-210 through 59-23-250.
- K. The District understands and agrees that approval of these projects for funding does not equate to approval of plans from the SCDE Office of School Facilities; the regular process for submission of design documents, reviews, approvals, certificates of occupancy, etc. operate independently of this funding authorization.
- L. The District will comply with the Family Educational Rights and Privacy Act (20 U.S.C. § 1232g; 34 C.F.R. Part 99).
- M. The District shall retain records, including financial records and supporting documentation, for a minimum of six (6) years after the end date when the final expenditure report and all final reports have been submitted, unless informed otherwise or in the case of litigation.

N. The District and the SCDE agree that electronic signatures are the legally binding equivalent to handwritten signatures.

**District Authorized Representative**

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|------------|--------------|
| Name:      |              |
| E-mail:    |              |
| Telephone: | Fax:         |
| Signature: | Date Signed: |

|                                       |                                  |
|---------------------------------------|----------------------------------|
| Signature of District Superintendent: | Signature of Financial Official: |
| Date Signed:                          | Date Signed:                     |