

1978 S.C. Op. Atty. Gen. 131 (S.C.A.G.), 1978 S.C. Op. Atty. Gen. No. 78-103, 1978 WL 27421

Office of the Attorney General

State of South Carolina

Opinion No. 78-103

May 25, 1978

*1 The term “real dollars” means the cost of certain goods and services at a fixed point in time plus the inflationary adjustment since that time.

Deputy Superintendent
Department of Education

QUESTION:

What is the meaning of the term “real dollars” as used in Section 4(3) of the Education Finance Act?

STATUTE:

[Section 59–20–40\(3\)\(b\) of the 1976 Code](#), Section 4(3)(b) of the Education Finance Act.

DISCUSSION:

The Finance Act declares as its purpose the funding in every school district of a Defined Minimum Program (DMP). See [§ 59–20–30\(1\) of the Code](#). This funding is to take place over a five (5) year period by the establishment of an annual “base student cost” so that at the end of the period the base student cost will approximate the cost of the DMP. See [§ 59–20–40\(1\)\(b\) of the Code](#).

The Act recognizes the effect of the inflationary nature of the economy in this country. It attempts to fund based on a constant purchasing power and, therefore, makes adjustments for the declining buying power of the dollar over the five (5) year phase-in period. See page 28 of the Report of the Governor's Committee for the Equalization of Educational Finance (1976). [Section 59–20–40\(4\)\(b\) of the Code](#) states that the annual base student cost “shall be adjusted to incorporate the inflated cost of providing the Defined Minimum Program”. Also, the Act, in [§ 59–20–20\(6\)](#) refers to the “base student cost” as the funding level necessary to achieve the DMP “calculated in 1976 dollars”. For example, the base student cost to fully implement the DMP was calculated to be \$665 in terms of 1976 dollars. In terms of 1978 dollars (first of the five (5) years of implementation) full funding of the DMP has been calculated pursuant to [§ 59–20–40\(3\)\(b\)](#) to require a base student cost of \$791. In other words, in 1978 it cost \$791 to fund (buy) the same goods and services that could have been bought for \$665 in 1976.

[Section 59–20–40\(3\)\(b\)](#) states that for each year of the phase-in period the General Assembly is to specify the base student cost and the difference between current funding and full funding of the DMP. It further states:

“It is the intent of this act that the full implementation of the foundation program from present funding level in present financing plans, in terms of real dollars, be achieved in substantially equal annual intervals over a period of five years;

***.”

The fact that the effect of inflation is clearly recognized in other parts of the Act leads to the conclusion that by “real dollars” the Legislature meant dollars as adjusted by inflation. The Act should be read as a whole in determining the meaning of words used in a particular section. See [State v. Columbia Ry., Gas & Electric Co., 112 S.C. 528, 100 S.E. 355](#), and other cases cited at 17 West's South Carolina Digest, Statutes, § 205.

CONCLUSION:

*2 The term “real dollars” means the cost of certain goods and services at a fixed point in time plus the inflationary adjustment since that time.

John C. von Lehe
Assistant Attorney General

1978 S.C. Op. Atty. Gen. 131 (S.C.A.G.), 1978 S.C. Op. Atty. Gen. No. 78-103, 1978 WL 27421