



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0305 Amended by House Education and Public Works on April 24, 2024
Author: Young
Subject: Work Experience Credit for New Teachers
Requestor: House Education and Public Works
RFA Analyst(s): Bryant
Impact Date: April 29, 2024

Fiscal Impact Summary

This bill, as amended, provides that an individual's prior years of work experience may be awarded on an educator certificate if the prior experience is in, or related to, the content field of the certificate for which the individual is applying. Existing certificate holders may also receive credit for prior work experience in, or related to, the content field of their teaching certificate. If additional years of experience are awarded, the eligible individual may be entitled to a pay adjustment for the current school year to reflect the new experience step on the employing district's salary schedule. The bill specifies that additional years of experience will be awarded solely for the purpose of advancement on the State Minimum Teacher Salary Schedule.

This bill, as amended, also provides that a professional certificate issued by the State Board of Education is permanent unless revoked or suspended and is not subject to renewal. The bill further provides that a teacher who submits their contract acceptance before the statutory notification deadline may withdraw their acceptance by submitting a written notice to the school district within ten days after the publication of the employing district's salary schedule for the upcoming school year. The bill also revises the penalty for breach of contract, as well as the period for educator certificate suspension due to breach of contract, and makes such suspensions discretionary. The bill requires the S.C. Department of Education (SCDE), in collaboration with Education Oversight Committee (EOC), to use data collected under current procedures to report on the in-state and out-of-state college enrollment, college persistence, and postsecondary completion of the state's high school graduates. Additionally, the bill repeals certain reporting requirements for state high schools, state Institutions of Higher Learning (IHLs), and the State Superintendent of Education.

SCDE indicates that this bill, as amended, will increase the department's expenses by \$164,700 in FY 2024-25. Of this amount, \$60,400 is for salary and fringe benefits for 1.0 FTE to evaluate and process certification requests, \$3,500 is for equipment costs and setup, and \$100,800 is for reprogramming the educator information and case management system (SC Educator) to distinguish between teaching experience credit and non-teaching or related experience. Expenses will decrease to \$61,400 each year thereafter for the 1.0 FTE and ongoing equipment costs. SCDE reports that it will request a General Fund appropriation increase to fund the expenses.

The overall expenditure impact of this bill, as amended, on the state agency schools is undetermined. The Governor's School for Agriculture at John de la Howe, the Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, and the Wil Lou Gray Opportunity School previously indicated that the bill would have no expenditure impact since they can manage any additional costs with existing appropriations. The School for the Deaf and Blind previously reported that provisions of bill allowing individuals to receive credit for prior work experience would have an expenditure impact on the agency, but the cost is undetermined.

This bill, as amended, is not expected to have an expenditure impact on EOC. EOC previously indicated on similar legislation that the language in the bill requires the department to perform activities that will be conducted in the normal course of agency business.

This bill, as amended, is not expected to have an expenditure impact on IHLs. Based on responses from Coastal Carolina University and the University of South Carolina on similar legislation, we anticipate that repealing the reporting requirement will not result in any expenditure savings for IHLs.

SCDE previously indicated on similar legislation that the provision of the bill making a professional certificate issued by the State Board of Education permanent and not subject to renewal would impact revenue collected through certificate application fees for individuals who are currently required to reapply after the expiration of an educator certificate. Proviso 1.8, as passed by the House of Representatives and Senate for the FY 2024-25 budget, authorizes SCDE to retain revenue for teacher certification fees. Therefore, we anticipate that there will be a decrease in SCDE's Other Funds revenue. However, the department cannot quantify the potential reduction in revenue, as the number of educators who may reapply for certification due to an expired certificate will vary. The department further reported that revenue from certification application fees is used to support salaries for some certification staff employees and data system maintenance and development.

The expenditure impact of this bill on the local school districts is undetermined. The overall cost to the districts to provide additional compensation to eligible teachers will vary depending upon the number of teachers entitled to additional credit, the additional years of experience to which each teacher is entitled, and where each teacher falls on the salary schedule. SCDE previously indicated that at least 8,444 educators who obtained an alternative certification are likely to have eligible prior work experience. Using the FY 2024-25 proposed State Minimum Teacher Salary Schedule as a guide, the Revenue and Fiscal Affairs Office (RFA) estimates that the cost of one additional year of experience credit varies from \$250 for a beginning teacher with a bachelor's degree to \$1,500 for a teacher with a doctorate and seven years of experience credit.

Additionally, SCDE previously surveyed the seventy-three regular school districts and the three charter districts regarding any potential increase in expenditures to make a professional certificate issued by the State Board of Education permanent and to allow a teacher to withdraw their contract acceptance within ten days after the publication of their employing district's salary schedule. Of the eighteen responding districts, fourteen indicated that the bill would have no

expenditure impact. However, one district noted that allowing teachers to withdraw their contract acceptance within ten days after the publication of their employing district's salary schedule may place a burden on districts to fill these positions before the start of the school year, as some districts do not publish their approved salary schedules until mid to late June. Two districts anticipated that the bill may increase expenses but reported that the cost is undetermined. The remaining two districts indicated that expenses would increase by an amount ranging from \$250,000 to \$1,137,500 to provide additional professional development that teachers previously received through the certificate renewal process and for additional recruiting costs that may result from an increase in the number of teachers who withdraw their contract acceptance.

Explanation of Fiscal Impact

Amended by House Education and Public Works on April 24, 2024

State Expenditure

This bill, as amended, provides that an individual's years of prior work experience must be awarded on an educator certificate if the prior experience is in, or related to, the content field of the certificate for which the individual is applying. The bill specifies that one year of experience credit may be awarded for every year of full-time relevant work experience completed by the individual, and years of experience shall be awarded solely for the purpose of advancement on the State Minimum Teacher Salary Schedule. To be eligible for years of experience on the educator certificate, the individual must complete and submit a verification of relevant work experience form developed by SCDE with the application for an educator certificate.

Existing certificate holders may also receive credit for prior work experience in, or related to, the content field of their teaching certificate for the purposes of advancing on the State Minimum Teacher Salary Schedule if they complete and submit the verification of work experience form to SCDE. If additional years of experience are awarded, the eligible individual may be entitled to a pay adjustment for the current school year to reflect the new experience step on the employing district's salary schedule. However, the individual is not entitled to retroactive pay for the increased years of experience during prior years of teaching.

The bill, as amended, also provides that a professional certificate issued by the State Board of Education is permanent unless revoked or suspended and is not subject to renewal. The bill also requires SCDE, in collaboration with EOC, to use data collected under current procedures to report on the in-state and out-of-state college enrollment, college persistence, and postsecondary completion of the state's high school graduates. SCDE must work to streamline data collection timelines and processes to reduce the burden and increase the efficiency of such data collection and reporting.

The bill, as amended, further provides that a teacher who submits their contract acceptance before the statutory notification deadline may withdraw their acceptance by submitting a written notice to the school district within ten days after the publication of the employing district's salary schedule for the upcoming school year. Additionally, school districts may not report such withdrawals as a breach of contract. The bill also revises the penalty for breach of contract, as

well as the period for educator certificate suspension due to breach of contract, and makes such suspensions discretionary.

Lastly, the bill, as amended, repeals certain reporting requirements for high schools, IHLs, and the State Superintendent of Education. State high schools are no longer required to submit to the State Superintendent of Education a report detailing the number of high school graduates that entered the freshman class of an IHL, either in or out of the state, or a breakdown showing all courses passed and failed by those students. IHLs are no longer required to submit such information to the state high schools, and the State Superintendent of Education is no longer required to tabulate such reports and include them in the annual report to the General Assembly.

S.C. Department of Education. SCDE indicates that this bill, as amended, will increase the agency's expenses by \$164,700 in FY 2024-25. Of this amount, \$60,400 is for salary and fringe benefits for 1.0 FTE to evaluate and process certification requests, \$3,500 is for equipment costs and setup, and \$100,800 is for reprogramming SC Educator to distinguish between teaching experience credit and non-teaching or related experience. Expenses will decrease to \$61,400 each year thereafter for the 1.0 FTE and ongoing equipment costs. SCDE reports that it will request a General Fund appropriation increase to fund the expenses.

State Agency Schools. The overall expenditure impact of this bill, as amended, on the state agency schools is undetermined. The Governor's School for Agriculture at John de la Howe indicates that this bill will have no expenditure impact since the agency can manage any additional costs with existing appropriations. The Governor's School for Science and Mathematics indicates that this bill will have no expenditure impact since many of its instructors are not certified and the agency already gives its instructors credit for prior work experience in a related field. The Wil Lou Gray Opportunity School indicates that any additional costs will be managed with existing appropriations. The Governor's School for the Arts and Humanities previously indicated that the bill would have no expenditure impact since the agency currently hires teachers with a minimum of three years of experience, and therefore already accounts for additional work history in its budgeted expenses. The School for the Deaf and Blind previously reported that provisions of bill allowing individuals to receive credit for prior work experience would have an expenditure impact on the agency, but the cost is undetermined.

Education Oversight Committee. EOC previously indicated on similar legislation that the language in the bill requires the department to perform activities that will be conducted in the normal course of agency business. Therefore, this bill, as amended, is not expected to have an expenditure impact on EOC.

State Institutions of Higher Learning. Based on responses from Coastal Carolina University and the University of South Carolina on similar legislation, we anticipate that repealing the reporting requirement will not result in any expenditure savings for IHLs.

State Revenue

SCDE previously indicated on similar legislation that the provision of the bill making a professional certificate issued by the State Board of Education permanent and not subject to

renewal would impact revenue collected through certificate application fees for individuals who are currently required to reapply after the expiration of an educator certificate. Proviso 1.8, as passed by the House of Representatives and Senate for the FY 2024-25 budget, authorizes SCDE to retain revenue for teacher certification fees. Therefore, we anticipate that there will be a decrease in SCDE's Other Funds revenue. However, the department cannot quantify the potential reduction in revenue, as the number of educators who may reapply for certification due to an expired certificate will vary. The department further reported that revenue from certification application fees is used to support salaries for some certification staff employees and data system maintenance and development.

Local Expenditure

This bill provides that individuals may receive credit for prior work experience in, or related to, the content field of their teaching certificate. If additional years of experience are awarded, the eligible individual may be entitled to a pay adjustment for the current school year to reflect the new experience step on the employing district's salary schedule. The bill specifies that additional years of experience will be awarded solely for the purpose of advancement on the State Minimum Teacher Salary Schedule.

SCDE previously reported that it cannot determine the exact number of educators who will be eligible for experience credit for related work experience from available data. However, the agency anticipated that current CTE work-based and alternative route teachers and career changers now holding a professional certificate based on their successful completion of a traditional (e.g., MAT) or alternative route program (e.g., PACE, Teachers of Tomorrow, Advanced Fine Arts, etc.) are likely to have qualifying prior work experience. SCDE reported that 1,313 educators hold a current CTE work-based certificate, while 1,856 educators hold a current alternative route certificate and are pursuing a professional certificate. Additionally, 5,275 educators hold a current valid professional certificate based on their successful completion of an alternative route program. In total, SCDE estimated that at least 8,444 educators are likely to be eligible to receive credit for prior work experience. Based on the number of certified educators in South Carolina and those that SCDE determined are likely to have eligible prior work experience, the Office of Educator Services anticipates that several thousand educators will be eligible for additional experience credit.

Using the FY 2024-25 proposed State Minimum Teacher Salary Schedule as a guide, RFA estimates that the cost of one additional year of experience credit varies from \$250 for a beginning teacher with a bachelor's degree to \$1,500 for a teacher with a doctorate and seven years of experience credit. We estimate the cost of five years of additional experience credit for teachers at various places on the FY 2024-25 proposed State Minimum Teacher Salary Schedule as follows:

Type of Degree	Years of Teaching Experience	Years of Prior Work Experience Credit	Estimated Cost
Bachelor's Degree	0	5	\$2,000
Master's Degree	0	5	\$2,000
Doctorate Degree	0	5	\$2,500
Bachelor's Degree	5	5	\$3,000
Master's Degree	5	5	\$3,000
Doctorate Degree	5	5	\$5,750
Bachelor's Degree	10	5	\$2,500
Master's Degree	10	5	\$3,500
Doctorate Degree	10	5	\$6,250

The overall cost to the districts to provide additional compensation to eligible teachers will vary depending upon the number of teachers entitled to additional credit, the additional years of experience to which each teacher is entitled, and where each teacher falls on the salary schedule. Therefore, the expenditure impact of providing additional compensation to eligible teachers based on prior work experience on the local school districts is undetermined.

The bill, as amended, also provides that a professional certificate issued by the State Board of Education is permanent unless revoked or suspended and is not subject to renewal. The bill further provides that a teacher who submits their contract acceptance before the statutory notification deadline may withdraw their acceptance by submitting a written notice to the school district within ten days after the publication of the employing district's salary schedule for the upcoming school year. The bill also revises the penalty for breach of contract, as well as the period for educator certificate suspension due to breach of contract, and makes such suspensions discretionary. Additionally, the bill repeals certain reporting requirements for state high schools. SCDE previously surveyed the seventy-three regular school districts and the three charter districts regarding any potential increase in expenditures to make a professional certificate issued by the State Board of Education permanent and to allow a teacher to withdraw their contract acceptance within ten days after the publication of their employing district's salary schedule. Of the eighteen responding districts, fourteen indicated that the bill would have no expenditure impact. However, one district noted that allowing teachers to withdraw their contract acceptance within ten days after the publication of their employing district's salary schedule may place a burden on districts to fill these positions before the start of the school year, as some districts do not publish their approved salary schedules until mid to late June. Two districts anticipate that the bill may increase expenses but report that the cost is undetermined. The remaining two districts indicated that expenses would increase by an amount ranging from \$250,000 to \$1,137,500 to provide additional professional development that teachers previously received through the certificate renewal process and for additional recruiting costs that may result from an increase in the number of teachers who withdraw their contract acceptance.

Local Revenue

N/A

Introduced on January 10, 2023

State Expenditure

This bill provides that an individual's years of prior work experience must be awarded on an initial teaching certificate if the prior experience is in, or related to, the content field of the certificate for which the individual is applying. To be eligible for years of experience to be awarded on an initial teaching certificate, the individual must have at least five years of related occupational experience within the ten years prior to applying for an initial certificate, and complete and submit a verification of the prior work experience on a form developed by SCDE with the application for an initial certificate. Existing certificate holders may also receive credit for prior work experience in, or related to, the content field of their teaching certificate if they complete and submit the verification of work experience form to SCDE. If additional years of experience are awarded, the eligible individual is entitled to a pay adjustment for the current school year to reflect the new experience step on the employing district's salary schedule. However, the individual is not entitled to retroactive pay for the increased years of experience during prior years of teaching.

S.C. Department of Education. SCDE indicates that this bill will increase the agency's expenses by \$113,800 in FY 2023-24. Of this amount, \$60,400 is for 1.0 FTE to evaluate and process certification requests, \$3,000 is for equipment costs and setup, and \$50,400 is for reprogramming the educator information and case management system (SC Educator) to distinguish between teaching experience credit and non-teaching or related experience. Expenses will decrease to \$60,400 each year thereafter for the new FTE and \$1,000 in ongoing equipment costs. SCDE reports that it will request a General Fund appropriation increase to fund the expenses.

State Agency Schools. The overall expenditure impact of this bill on the state agency schools is undetermined. The Governor's School for Agriculture at John de la Howe indicates that this bill will have no expenditure impact. The Governor's School for the Arts and Humanities indicates that this bill will have no expenditure impact since the agency currently hires teachers with a minimum of three years of experience, and therefore already accounts for additional work history in its budgeted expenses. The Governor's School for Science and Mathematics indicates that this bill will have no expenditure impact since many of its instructors are not certified and the agency already gives its instructors credit for prior work experience in a related field. The Wil Lou Gray Opportunity School indicates that any additional costs can be managed within existing appropriations. The School for the Deaf and Blind anticipates that this bill will have an expenditure impact but reports that the cost is undetermined.

State Revenue

N/A

Local Expenditure

This bill provides that individuals may receive credit for prior work experience in, or related to, the content field of their teaching certificate. If additional years of experience are awarded, the eligible individual is entitled to a pay adjustment for the current school year to reflect the new experience step on the employing district's salary schedule.

SCDE reports that it cannot determine the exact number of educators who will be eligible for experience credit for related work experience from available data. However, the agency anticipates that current CTE work-based and alternative route teachers and career changers now holding a professional certificate based on their successful completion of a traditional (e.g., MAT) or alternative route program (e.g., PACE, Teachers of Tomorrow, Advanced Fine Arts, etc.) are likely to have qualifying prior work experience. SCDE reports that 1,313 educators hold a current CTE work-based certificate, while 1,856 educators hold a current alternative route certificate and are pursuing a professional certificate. Additionally, 5,275 educators hold a current valid professional certificate based on their successful completion of an alternative route program. In total, SCDE estimates that at least 8,444 educators are likely to be eligible to receive credit for prior work experience. Based on the number of certified educators in South Carolina and those that SCDE determine are likely to have eligible prior work experience, the Office of Educator Services anticipates that several thousand educators will be eligible for additional experience credit.

Using the FY 2022-23 state minimum salary schedule as a guide, the cost of one additional year of experience credit varies from \$119 for a beginning teacher with a bachelor’s degree to \$1,264 for a teacher with a doctorate and 10 years of experience credit. SCDE estimates the cost of 5 years of additional experience credit for teachers at various places on the minimum salary schedule as follows:

Type of Degree	Years of Teaching Experience	Years of Prior Work Experience Credit	Estimated Cost
Bachelor’s Degree	0	5	\$806
Master’s Degree	0	5	\$886
Doctorate Degree	0	5	\$1,794
Bachelor’s Degree	5	5	\$4,365
Master’s Degree	5	5	\$4,745
Doctorate Degree	5	5	\$6,326
Bachelor’s Degree	10	5	\$4,333
Master’s Degree	10	5	\$4,744
Doctorate Degree	10	5	\$6,326

The overall cost to the districts to provide additional compensation to eligible teachers will vary depending upon the number of teachers entitled to additional credit, the additional years of experience to which each teacher is entitled, and where each teacher falls on the salary schedule. Therefore, the expenditure impact of this bill on the local school districts is undetermined.

Local Revenue

N/A

Frank A. Rainwater, Executive Director