



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 4434 Amended by House Education and Public Works on January 30, 2018  
**Author:** Clary  
**Subject:** Dyslexia  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Powell  
**Impact Date:** February 13, 2018

**Estimate of Fiscal Impact**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>State Expenditure</b>			
General Fund	\$0	\$0	Undetermined
Other and Federal	\$0	\$0	\$0
Full-Time Equivalent Position(s)	0		
<b>State Revenue</b>			
General Fund	\$0	\$0	\$0
Other and Federal	\$0	\$0	\$0
<b>Local Expenditure</b>	\$0	Undetermined	Undetermined
<b>Local Revenue</b>	\$0	\$0	\$0

**Fiscal Impact Summary**

The amended bill will have no impact on the General Fund, Other Funds or Federal Funds expenditures or revenues in FY 2018-19 or FY 2019-20. The Department of Education (Department) indicates the required activities can be performed using existing resources and by leveraging the use of federal grant funds and onsite technical assistance from the United States Department of Education.

In FY 2020-21 and beyond, there will be an undetermined General Fund cost as additional children are identified as learning disabled and additional funding is required for the schools.

The amended bill will also have an undetermined local expenditure impact in FY 2019-20 and each year thereafter. The department estimates there will be a non-recurring implementation cost to school districts of \$280,000. The Department has indicated that it will work with districts to help mitigate these costs, contingent on the availability of funding.

In FY 2020-21 and beyond, there will be an undetermined local cost as additional children are identified as learning disabled and additional funding is required for the schools.

There will be no impact to local revenues.

## **Explanation of Fiscal Impact**

### **Amended by House Education and Public Works K-12 Subcommittee on January 30, 2018 State Expenditure**

The amendment makes substantial changes to the original bill. It removes the requirement that the Department develop a screening tool and instead requires the Department to establish and provide training and support for a statewide multi-tiered support system (MTSS) framework with three tiers of interventions. The MTSS framework will consist of a data based system to match instructional resources to educational needs, an ongoing system of student assessment, and a layered continuum of support. As part of this process, the Department will develop a universal screening process to screen for identifying students who may be at risk for problems in reading, math, writing, and social-emotional development. The screening would be used by local school districts through their existing response to intervention (RTI) framework.

Beginning in the 2019-20 school year, school districts are to use the universal screening process to screen each child from kindergarten through second grade at least three times a year. Also, the Department, a parent, guardian, counselor, teacher, or school psychologist may request to have a child screened. Each district will convene a school-based team to analyze screening data and progress-monitoring data to assist teachers and students. If the screening process indicates the student is at risk for problems in reading, math, writing, and social-emotional development, including dyslexia, the district will notify the parent or guardian and provide information regarding the problem, provide the student with appropriate intervention through its RTI process, and monitor the progress of the student using a tool designed for that purpose. Additionally, this bill requires the Department to provide professional development resources for educators for identification and intervention methods for students who are at risk, including students with dyslexia.

Furthermore, the amended bill requires each school district, using a reporting tool provided by the Department, to provide an annual report on the number of children screened and the number of children receiving intervention services, among other things, to the State Board of Education, the State Superintendent of Education, the Chair of the Senate Education Committee, and the Chair of the House Education and Public Works Committee.

The implementation of the MTSS at the state, district, and school levels, including the universal screening process, is a reorganization and standardization of the student support framework rather than the implementation of a new program or activity. As a result, the program will be implemented with existing staffing and training will be performed with existing professional development funds.

The amended bill also calls for tiered interventions and supports. These interventions are aligned with the federal Read to Succeed Act, allowing the Department to implement both programs together. For this reason, the Department reports that Tier One and Tier Two interventions can be supported using existing resources. With respect to Tier Three interventions, the Department has been approved to receive on-site technical assistance and support from the United States Department of Education's National Center for Intensive Interventions. This assistance is paid

for by the United States Department of Education, and will allow the Department to support the development of Tier Three interventions.

As to the reporting template for the longitudinal data required by the amended bill, the Department recently received a federal grant to support the SC Learning Disabilities Project, a joint venture with the University of South Carolina's Department of School Psychology, which will review the RTI process and provide technical assistance to school districts. The Department estimates a cost of \$125,000 associated with these activities, which will be funded by an existing federal grant.

Also, 70 percent of the funding for education through the Education Finance Act is from the General Fund. As students, whose learning disabilities would not otherwise have been identified, are identified through the screening tool, there will be additional costs to fund the education of these students. Section 59-20-40 requires the annual allocation for each school district to be determined, in part, by the base student cost multiplied by total weighted pupil units. Each student is provided a weight, dependent on the anticipated costs associated with that student's education. The Education Finance Act and Proviso 1.3 of the FY 2017-18 Appropriations Act assigns a weight of 1.00 for base students and 1.74 for a child with a learning disability. Therefore, for each child identified by the screening tool, who would not have otherwise been identified, the weighted pupil units could increase by as much as 0.74 pupil units, depending on the original pupil weight of the children identified. However, if the child is already in a higher weighted pupil category, the units may not be affected. The additional weighted pupil units would increase the overall allocation for the school district to be used for additional teachers and any other special instruction of the children. Overall, there is no way to determine how many children will be identified by the screening tool, who would not have otherwise been identified, nor how much of an impact identifying a child as learning disabled would have on the total weighted pupil units for each school district. Therefore, the expenditure impact to the General Fund is undetermined.

### **State Revenue**

N/A

### **Local Expenditure**

The RTI framework already exists at school districts, but the consistency of implementation has not been studied. Because of this, and because districts may need to make more or less adjustments to comply with the MTSS framework, the Department estimates that twenty-eight of the state's school districts incur non-recurring costs for additional supplies and materials to support the MTSS framework and screening tool at a cost of approximately \$10,000 per district, for a total of \$280,000. The Department has indicated that it will work with districts to help mitigate these costs, contingent on the availability of funding.

The amended bill requires school districts to collect data and provide an annual report of such data using a template provided by the Department. The Department did not provide an estimate for the cost of this data collection. Data collection and reporting is performed in the normal course of school district business, but as the complexity of the template is unknown at this time any impact associated with this is undetermined.

Additionally, local government funds 30 percent of the Education Finance Act program, which is calculated, in part, by multiplying the base student cost by the weighted pupil units in the school district. Because each child identified as learning disabled, who would not have been identified without the screening tool, may or may not have an impact on the total weighted pupil units for a school district, the local expenditure to fund the school districts' program is undetermined.

### **Local Revenue**

N/A

## **Explanation of Fiscal Impact**

### **Introduced on January 9, 2018**

#### **State Expenditure**

This bill requires the Department, in consultation with the South Carolina branch of the International Dyslexia Association, to identify, procure, and provide a universal screening tool to screen for characteristics of dyslexia. The screening would be used by local school districts through their existing response to intervention (RTI) framework.

Beginning in the 2019-20 school year, school districts are to use the universal screening tool to screen each child from kindergarten through second grade at least three times a year. Also, the Department, a parent, guardian, counselor, teacher, or school psychologist may request to have a child screened. If the screening indicates a student is dyslexic, the district will notify the parent or guardian and provide information on dyslexia, provide the student with dyslexia-specific intervention, and monitor the progress of the student. Each district will convene a school-based team to analyze screening data and progress-monitoring data to assist teachers and students. Additionally, this bill requires the Department to provide professional development resources for educators for identification and intervention methods for students with dyslexia. The State Board of Education also will promulgate regulations to establish criteria for students to be identified with an educational disability requiring special education.

Furthermore, this bill creates an eight member dyslexia advisory council which will advise the Department in matters related to dyslexia. The members shall serve without compensation, mileage, per diem, or subsistence allowances. The terms of the members will commence July 1, 2018. The council also will submit an annual report on the number of children screened and the number of children receiving dyslexia intervention services, among other things, to the Senate Education Committee and the House Education and Public Works Committee.

The Department anticipates the cost to provide the screening tool for the required three screenings would be \$6 per child, annually. In FY 2017-18, the Department's 45-Day average daily membership for students in kindergarten through second grade is 170,035. This yields a total cost of \$1,020,208 for screenings. The procurement process itself will have no cost to the agency, as it is within the normal scope of the agency's business.

Also, 70 percent of the funding for education through the Education Finance Act is from the General Fund. As students, who would not otherwise have been identified as dyslexic, are

identified through the screening tool, there will be additional costs to fund the education of these students. Section 59-20-40 requires the annual allocation for each school district to be determined, in part, by the base student cost multiplied by total weighted pupil units. Each student is provided a weight, dependent on the anticipated costs associated with that student's education. The Education Finance Act and Proviso 1.3 of the FY 2017-18 Appropriations Act assigns a weight of 1.00 for base students and 1.74 for a child with a learning disability. Dyslexia is considered a learning disability. Therefore, for each child identified by the screening tool, who would not have otherwise been identified, the weighted pupil units could increase by as much as 0.74 pupil units, depending on the original pupil weight of the children identified. However, if the child is already in a higher weighted pupil category, the units may not be affected. The additional weighted pupil units would increase the overall allocation for the school district to be used for additional teachers and any other special instruction of the children. Overall, there is no way to determine how many children will be identified by the screening tool, who would not have otherwise been identified, nor how much of an impact identifying a child as dyslexic would have on the total weighted pupil units for each school district. Therefore, the expenditure impact to the General Fund is undetermined.

Additionally, the Department would need to hire a school psychologist to assist in developing training and to provide support to the school districts to handle the increased requests for student evaluations. This position would require additional expenses of \$65,000 for salary, \$28,650 for employer fringe, and \$4,350 for travel, supplies, and technology expenses, for a total expenditure impact of \$98,000 to the General Fund in FY 2018-19.

Moreover, the school districts would be reimbursed \$150 for each substitute for the five teachers that are required to serve on the dyslexia advisory council, if substitutes are needed. Assuming the council meets four times within a school year and a substitute is needed, the total expenditure impact to the General Fund would be \$3,000 beginning in FY 2018-19. The staffing for the council will be provided by the Department. The additional responsibilities will be managed by existing employees and additional costs will be managed within existing appropriations.

Furthermore, teachers would need to attend two training sessions provided by the Department for professional training related to the administration and use of the screening tool and collecting and analyzing data. There are approximately 8,229 teachers that would need to receive the training. Each of the two required training sessions would be for groups of no more than thirty teachers, for a total of approximately 540 training sessions. Each training session would include the cost of an instructor, facility rental, and either teachers' stipends, or reimbursement to the school districts for substitute teachers. An instructor would be \$1,200 per session. If the training needs to be held at a rented facility, location rental would be \$500 per training session. Finally, the cost of either a teacher's stipend or one substitute, if substitutes were needed, would be \$150 per teacher per session. Therefore, the total non-recurring expenditure impact to the General Fund in FY 2019-20 could be as much as \$3,386,700 to provide professional development to teachers.

## **State Revenue**

N/A

**Local Expenditure**

This bill requires all children from kindergarten through second grade to be screened for dyslexia. Each school district will be responsible for maintaining the data collected from this screening in its RTI framework. School employees at 660 schools would have to receive initial training on the use of the RTI framework. The training is anticipated to take 3 days for each school at a cost of \$1,500 per day, resulting in a non-recurring local expenditure of \$2,979,000 in FY 2019-20. Additionally, the schools would have to upload and store the data for each child in its RTI framework. The anticipated cost of data storage is \$518,445, beginning in FY 2020-21.

Additionally, local government funds 30 percent of the Education Finance Act program, which is calculated, in part, by multiplying the base student cost by the weighted pupil units in the school district. Because each child identified as dyslexic, who would not have been identified without the screening tool, may or may not have an impact on the total weighted pupil units for a school district, the local expenditure to fund the school districts' program is undetermined.

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director