COMMITTEE REPORT

February 15, 2018

**S. 888**

Introduced by Senators Hembree, Gregory, Bennett, Grooms, Climer, Shealy, Peeler, Goldfinch, Massey, Talley, Verdin, Turner, Timmons, Alexander, Cash, Gambrell, Campbell, Senn, Young, Cromer, Davis, Rice, Martin and Corbin

S. Printed 2/15/18--S.

Read the first time January 11, 2018.

**THE COMMITTEE ON EDUCATION**

To whom was referred a Bill (S. 888) to amend the Code of Laws of South Carolina, 1976, by adding Section 59‑25‑47 so as to provide certain public school faculty members annually may receive payments, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Article 1, Chapter 25, Title 59 of the 1976 Code is amended by adding:

“Section 59‑25‑47. (A) A local school district board of trustees or, in the case of a charter school, the governing body of a charter school, is authorized to adopt a policy consistent with the school district or, in the case of a charter school, the school budget, providing that all certified and noncertified public school teachers identified in the Professional Certified Staff listing, certified special school classroom teachers, certified media specialists, certified guidance counselors, and career specialists who are employed by a school district or a charter school who earn, but do not use sick and annual leave in excess of ninety days, may be eligible to receive payment at the end of each fiscal year for these earned days in excess of ninety days for each excess day at a district’s or charter school’s established rate of substitute pay for their individual job classification, or another amount, subject to approval by the local school board, or, in the case of a charter school, the governing body of the charter school. This provision applies only to sick leave and annual leave in excess of ninety days that is accrued after July 1, 2018.

(B) Notwithstanding any provision contained in this section, this section does not and may not be construed to amend or to repeal:

(1) the rights of a school district, charter school, or legislative delegation to set or restrict any existing teacher incentive payment programs; or

(2) any existing teacher incentive payment programs provided by current law or any existing limitation on the fiscal autonomy of a school district or charter school that are more restrictive than any incentives provided in subsection (A).”

SECTION 2. This act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

HARVEY S. PEELER, JR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Introduced on January 11, 2018**

**Updated for Revised Agency Response**

**State Expenditure**

**Local Expenditure**

This bill states that, subject to the approval of the local school board, all certified and noncertified public school teachers, certified special school classroom teachers, certified media specialists, certified guidance counselors, and career specialists who are employed by a school district or a charter school who earn, but do not use sick and annual leave in excess of ninety days, are eligible to receive payment at the end of each fiscal year for these earned days in excess of ninety days. The leave would be paid out at a district's established rate of substitute pay for their individual job classification.

The bill is permissive and provides discretion to local school boards in determining eligibility. The school board may approve this plan of compensation for all eligible employees, groups of eligible employees, or eligible employees individually. The Department of Education was contacted regarding this bill and reached out to the local school districts and charter schools regarding this change. This information was not available at the time the original fiscal impact statement and the fiscal impact statement is being updated to include responses from the school districts. Some districts indicated that there will not be a fiscal impact either because they already have such a policy in place or because the district does not allow staff to accrue the amount of leave referenced in the legislation. Some districts that currently have policies allowing leave to be paid out do so at a rate lower than their substitute rate. For these districts, this bill would increase annual expenditures should they choose to continue with this practice. For districts that do not currently offer leave payouts, there will be a significant fiscal impact if this option is adopted by the local school board.

The certified substitute rate of the responding districts ranged from $60 per day to $118.35 per day. The response rate of the survey was 63 percent. Based on the data supplied by the responding districts and using that data to extrapolate a statewide impact, the Department of Education estimates that the local impact associated with this legislation could be up to $35,194,928, should this option be adopted by local school boards.

Due to the permissive nature of the provisions allowing local school boards to determine eligibility for the payout of excess leave, the local expenditure impact is undetermined.

This fiscal impact statement has been updated to include potential school district impacts, should the option in this bill be adopted by local school boards, based on a revised response from the Department of Education.

**Introduced on January 11, 2018**

**Local Expenditure**

This bill states that, subject to the approval of the local school board, all certified and noncertified public school teachers, certified special school classroom teachers, certified media specialists, certified guidance counselors, and career specialists who are employed by a school district or a charter school who earn, but do not use sick and annual leave in excess of ninety days, are eligible to receive payment at the end of each fiscal year for these earned days in excess of ninety days. The leave would be paid out at a district's established rate of substitute pay for their individual job classification.

The bill is permissive and provides discretion to local school boards in determining eligibility. The school board may approve this plan of compensation for all eligible employees, groups of eligible employees, or eligible employees individually. The Department of Education has been contacted regarding this bill and has reached out to the local school districts and charter schools for examples of the potential expenditure impact. If additional information becomes available, this impact will be updated to include this information for reference. Due to the permissive nature of the provisions allowing local school boards to determine eligibility for the payout of excess leave, the local expenditure impact is undetermined.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59‑25‑47 SO AS TO PROVIDE CERTAIN PUBLIC SCHOOL FACULTY MEMBERS ANNUALLY MAY RECEIVE PAYMENTS FOR UNUSED ANNUAL LEAVE AND SICK LEAVE IN EXCESS OF NINETY DAYS AT AN ESTABLISHED RATE OF SUBSTITUTE PAY FOR THEIR JOB CLASSIFICATION, TO PROVIDE THESE PAYMENTS ARE AVAILABLE TO TEACHERS IN PUBLIC SCHOOL DISTRICTS AND CHARTER SCHOOLS, AND TO PROVIDE THESE PROVISIONS DO NOT AMEND OR REPEAL EXISTING PROGRAMS THAT MAKE SIMILAR PAYMENTS BUT AT LOWER RATES, OR RELATED RIGHTS OF SCHOOL DISTRICTS OR LEGISLATIVE DELEGATIONS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 25, Title 59 of the 1976 Code is amended by adding:

“Section 59‑25‑47. (A) All certified and noncertified public school teachers identified in the Professional Certified Staff listing, certified special school classroom teachers, certified media specialists, certified guidance counselors, and career specialists who are employed by a school district or a charter school who earn, but do not use sick and annual leave in excess of ninety days, are eligible to receive payment at the end of each fiscal year for these earned days in excess of ninety days for each excess day at a district’s established rate of substitute pay for their individual job classification, subject to local school board approval.

(B) Notwithstanding any provision contained in this section, this section does not and may not be construed to amend or to repeal:

(1) the rights of a school district or legislative delegation to set or restrict any existing teacher incentive payment programs; or

(2) any existing teacher incentive payment programs provided by current law or any existing limitation on the fiscal autonomy of a school district that are more restrictive than any incentives provided in subsection (A).”

SECTION 2. This act takes effect upon approval by the Governor.

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