



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number:	H. 3403	Introduced on January 8, 2019
Author:	Collins	
Subject:	Competency-Based Schools	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Wren and A. Martin	
Impact Date:	March 25, 2019	

Fiscal Impact Summary

This bill will have no expenditure impact on the State Department of Education (SDE). However, SDE indicates that it would be best practice to provide support to the newly formed competency-based schools in the form of coaches, assessment development, and training. If implemented, this would increase General Fund expenses of SDE by \$906,720 for 2 FTEs, assessment development, and training for competency-based education.

This bill will have no expenditure impact on the Commission on Higher Education (CHE) since any expenses associated with developing policies can be absorbed within current appropriations.

This bill will have no expenditure impact on the State Board for Technical and Comprehensive Education (SBTCE) since the agency has policies in place for students who graduate from schools that implement innovative school models and use non-traditional diplomas and transcripts.

This bill will have an undetermined local expenditure impact on school districts. School districts are likely to incur expenses for instructional coaching, teacher professional development, tracking software, curriculum development, and assessments. However, these expenses will vary based upon the size of the school and district, current capacity, and existing implementation of competency-based learning practices.

Explanation of Fiscal Impact

Introduced on January 8, 2019

State Expenditure

This bill allows the State Board of Education to exempt a competency-based school from certain applicable state laws and regulations when the school is being launched by the district. A district that wishes to obtain an exemption must submit a waiver application to the State Board of Education in a format developed by SDE. A district must seek parental outreach and consultation using guidelines approved by the State Board of Education when submitting a waiver application for approval by its local board of trustees and the State Board of Education, or the application may not be considered. A district whose waiver application is approved may request additional exemptions and may request amendments to its current approved waiver on a rolling basis. A school created pursuant to this bill must admit all children eligible to attend the school, subject to space limitations and may not limit or deny admission or show preference in an admission decision to an individual or group of individuals. If a school is selected to become

a competency-based education school, each student enrolled in the school is considered to be a full-time equivalent student enrolled in the school while participating in the competency-based education system for the purpose of calculating state financial support, average daily membership, and attendance.

SDE must develop a process to ensure that schools and districts are not penalized for the purposes of accreditation. Also, SDE must establish procedures to ensure that a student who attends a competency-based school and subsequently transfers to another school that does not have a competency-based system is not penalized by being required to repeat coursework. SDE may provide a necessary accreditation exemption to a school that launches a competency-based education program. SDE must create evaluation criteria and guidelines for schools that are implementing competency-based education. A participating school must submit required data for a biennial cyclical review on a form developed by SDE. Additionally, during the cyclical review, SDE must notify any district and school if a goal or objective is not being met.

CHE and SBTCE must establish policies to provide fair and equitable access to institutions of higher education and technical colleges for students with competency-based credits or diplomas, scholarships, and financial aid for graduates of schools implementing innovative school models and using non-traditional diplomas and transcripts.

State Department of Education. This bill will have no expenditure impact on SDE. However, SDE indicates that it would be best practice to provide support to the newly formed competency-based schools in the form of coaches, assessment development, and training. If implemented, this would increase General Fund expenses of SDE by \$906,720 for 2 FTEs, assessment development, and training for competency-based education.

Commission on Higher Education. CHE anticipates that any expenses incurred as a result of developing the required policies can be managed within existing appropriations.

State Board for Technical and Comprehensive Education. SBTCE indicates that this bill will have no expenditure impact on the agency since it has policies in place for students who graduate from schools that implement innovative school models and use non-traditional diplomas and transcripts.

State Revenue
N/A

Local Expenditure

The bill allows local school boards discretion in determining whether or not to allow a school in their district to apply to be a competency-based school. Additionally, schools may determine how or if they will implement a competency-based system.

Schools that are granted a waiver for a competency-based program are likely to incur expenses for instructional coaching, teacher professional development, tracking software, curriculum development, and assessments. However, SDE indicates that this bill will have an undetermined expenditure impact on school districts since these expenses will vary based upon the size of the

school and district, current capacity, and existing implementation of competency-based learning practices.

Local Revenue

N/A



Frank A. Rainwater, Executive Director