



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3577 Introduced on January 15, 2019
Author: Allison
Subject: Educator Preparation Program
Requestor: House Education and Public Works
RFA Analyst(s): Wren and A. Martin
Impact Date: March 25, 2019

Fiscal Impact Summary

This bill will increase General Fund expenses of the State Department of Education (SDE) by a range of approximately \$440,000 to \$596,000 in FY 2019-20 for an educator preparation data system that will produce data for the required evaluation process.

Also, SDE indicates that it would be best practice to create a new office to handle the alternative educator preparation program approval process and required cyclical evaluations. If implemented, this would increase General Fund expenses of SDE by approximately \$429,000 for 4 FTEs, equipment, and operating expenses.

This bill will have no expenditure impact on the Commission on Higher Education (CHE) since the bill does not alter the responsibilities of the agency.

This bill will have no expenditure impact on the State Board for Technical and Comprehensive Education since the bill does not alter the responsibilities of the agency. Also, the agency does not offer educator preparation programs.

This bill will have no mandatory increase in expenses to colleges and universities due to the permissive nature of the bill. However, some colleges and universities have expressed interest in an alternative educator preparation program. If implemented, some entities indicate that expenses could be managed within existing faculty, staff, and course offerings, while other entities indicate the need for more information prior to making a determination on any potential expenses.

While the alternative educator preparation program is permissive, some colleges and universities have expressed interest in the program. If implemented, any increase in the number of students in the individual programs would result in an increase in Other Funds revenue at the participating colleges and universities.

Explanation of Fiscal Impact

Introduced on January 15, 2019

State Expenditure

This bill allows educator preparation programs housed within an institution of higher education (IHE) to submit a separate and distinct educator preparation program for alternative preparation to the State Board of Education for approval. These alternative preparation programs are not

required to be nationally accredited, but must be consistent with other alternative preparation programs. The bill further provides for the documented evidence that must be included in IHE-led alternative programs.

State Department of Education. SDE indicates that the agency does not have an adequate system in place now for the cyclical review process. Further, SDE indicates that the agency will need an educator preparation data system to produce data for the required evaluation process in a quick and accurate manner. This system will increase General Fund expenses of SDE by a range of approximately \$440,000 to \$596,000 in FY 2019-20.

Also, SDE indicates that it would be best practice to create a new office to handle the alternative educator preparation program approval process and required cyclical evaluations. If implemented, this would increase General Fund expenses of SDE by approximately \$429,000. Of this amount, approximately \$365,000 is for 4 FTEs, including a director position, \$14,000 is for equipment, and \$50,000 is for annual operating expenses.

Commission on Higher Education. This bill will have no expenditure impact on CHE since the bill does not alter the responsibilities of the agency.

This bill allows institutions of higher education to create an alternative educator preparation program, subject to approval by the State Board of Education. Since the bill is permissive, there are no mandatory expenses for colleges and universities. However, CHE surveyed the following public institutions of higher education to determine which colleges and universities may be interested in the alternative educator program and to get an estimate on the expenses associated with the program if implemented.

The University of South Carolina (USC) main campus, as well as USC Aiken and USC Upstate, indicate that the creation of an alternative route to certification will create no additional expenditures because it would be managed using existing faculty, staff, and course offerings. USC Beaufort indicates the bill would have no fiscal impact because the campus does not have the current resources to participate in an alternative preparation program.

Francis Marion University (FMU) indicates that although the program for alternative education is permissive, it intends to house a program in its School of Education. If implemented, the university anticipates the program will increase enrollment in graduate education degree programs. Any expenditures will be offset by the increase in student tuition.

The College of Charleston indicated that it will require additional information before being able to determine if it will be interested in the alternative educator preparation program. Therefore, the college is unable to provide an estimate on any potential expenses associated with the program.

Lander University indicated interest in the program. If implemented, any expenses associated with the program are unknown at this time.

State Board for Technical and Comprehensive Education. The bill will have no expenditure impact on the State Board for Technical and Comprehensive Education since the bill does not

alter the responsibilities of the agency. Also, the agency does not offer educator preparation programs.

State Revenue

FMU indicates that the creation of an alternative teacher certification program will increase enrollment in graduate education degree programs. If implemented, the university indicates that any increase in Other Funds revenue due to the increase in the number of students will be sufficient to offset the additional expenditures required to create the program.

USC indicates that if it implements the alternative educator program, the university could see an increase of fifteen students seeking an alternative route to certification due to this bill. Further, the average cost for tuition and required fees for full-time, in-state, undergraduate students of USC is \$12,262, according to Analysis of Student Tuition and Required Fees produced annually by CHE. Multiplying this average amount by the additional fifteen students yields an increase in Other Funds of \$183,930, if the program is implemented. Due to the permissive nature of the bill in regard to the start date of such programs, the fiscal year in which the university will realize any increase in revenue is undetermined.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director