



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0419	Amended by Senate Education on April 24, 2019
Author:	Hembree	
Subject:	S.C. Career Opportunity and Access for All Act	
Requestor:	Senate Education	
RFA Analyst(s):	Wren, Gallagher, Jolliff, A. Martin, and Miller	
Impact Date:	May 21, 2019 Updated for Additional Agency Response	

Fiscal Impact Summary

Expenditures

The amended bill will increase General Fund expenses of the Department of Commerce (Commerce) by \$100,000 for 1 FTE, travel expenses, and miscellaneous operating expenses. The amended bill will have no expenditure impact on the State Ethics Commission since school officials currently fall within the jurisdiction of the agency. This bill will have no expenditure impact on the Education Oversight Committee (EOC), the Department of Employment and Workforce (DEW), the Revenue and Fiscal Affairs Office (RFA), the State Board for Technical and Comprehensive Education (SBTCE), and the Office of the Governor since any expenses occurring as a result of the bill can be managed within existing appropriations.

We anticipate that the amended bill will increase General Fund expenses of the Commission on Higher Education (CHE) by \$87,000 for 1 FTE to assist with the requirements of the bill.

Sections 9 and 10 of the amended bill will reduce scholarship expenses by \$9,644,000 in FY 2022-23, \$15,743,000 in FY 2023-24, \$18,399,000 in FY 2024-25, and \$21,698,000 each year thereafter beginning in FY 2025-26 for changing the grade point average (GPA) requirements for the Palmetto Fellows, LIFE, and HOPE Scholarships. Conversely, these sections will increase scholarship expenses by as much as \$24,500 each year beginning in FY 2023-24 for the change to allow a Palmetto Fellows Scholarship to be used at two-year institutions. If disbursements increase above the amount appropriated in the Appropriations Act for Palmetto Fellows Scholarships, this increase would first be funded by excess lottery proceeds. Any amounts remaining after utilizing lottery proceeds would become an obligation of the General Fund. Additionally, these sections will further increase scholarship expenses by \$6,400,000 annually beginning in FY 2022-23 due to the change in GPA requirements to retain the LIFE Scholarship.

In total, Sections 9 and 10 could reduce scholarship expenses by \$3,244,000 in FY 2022-23, \$9,318,500 in FY 2023-24, \$11,974,500 in FY 2024-25, and \$15,273,500 each year thereafter beginning in FY 2025-26. However, other changes to scholarship provisions may affect these estimates, but data are not available to estimate the impact.

Section 34 of the amended bill will increase General Fund expenses by \$44,882,000 or \$58,909,000 to increase the minimum teacher salary from \$32,000 to \$35,000, depending upon whether the state splits the cost with local districts under the EFA formula or pays the full increase.

Section 4 of the amended bill is expected to increase General Fund expenses of the State Department of Education (SDE) by \$3,464,000 in FY 2019-20. Of this amount, \$3,364,000 is recurring for professional development, certification attainment, equipment for the required computed science courses, 3 FTEs, course materials, and design costs. Non-recurring funds of \$100,000 are needed every five years to implement the standards revisions requirement.

Sections 5, 6, and 7 of the amended bill are expected to reduce General Fund expenses of SDE by a range of \$1,250,000 to \$2,285,000. This reduction is due to the elimination of the development, administration, and scoring of the statewide assessment for social studies in grades three through eight, the elimination of the standards-based assessment for social studies in grades five and seven, and the elimination of the standards-based assessment in science for grade eight.

Section 10 of the amended bill could increase General Fund expenses of SDE by \$1,118,250 beginning in FY 2024-25 depending upon how the one unit of credit in mathematics or computer sciences and the one unit of credit in English/language arts are offered.

Section 15 will increase General Fund expenses of SDE by \$2,397,784 in FY 2019-20 for the first year and \$1,389,750 in FY 2020-21 and thereafter for reading proficiency screening and interventions.

Section 16 will increase General Fund expenses of SDE by \$9,591,138 in FY 2019-20 for screening tools, storage and reporting system training, initial training for teachers, professional development, and diagnostic assessments. Following implementation, recurring General Fund expenses of SDE will be \$5,559,000 in FY 2020-21 for additional screening and diagnostic tools.

Section 19 will increase General Fund expenses of SDE by \$2,782,592 in FY 2019-20 and FY 2020-21 for 1 new FTE, licenses for Lexile and Quantile reporting, programming, and extensive training.

Section 21 will increase non-recurring General Fund expenses of SDE by \$750,000 in FY 2019-20 to provide resources to parents on improving student growth.

Sections 29, 30, 31, and 32 of the amended bill may increase General Fund expenses of SDE by \$1,100,353 in FY 2019-20 and \$415,278 in FY 2020-21 for 4 new FTEs, procurement of an educator preparation data system, equipment, and operating expenses.

Section 37 of the amended bill will increase General Fund expenses of SDE by \$9,150 beginning in FY 2019-20 for a hearing officer and court reporter.

In summary, the amended bill will increase General Fund expenses of SDE by a range of \$17,810,017 to \$18,845,017 in FY 2019-20 and \$13,510,620 in FY 2020-21. Included in these figures are 8 FTEs for the agency. Additionally, General Fund expenses of SDE will increase by \$782,775 beginning in FY 2024-25.

Revenues

Sections 27 and 28 of the amended bill could increase Other Funds revenue of SDE by \$62,580 in FY 2019-20 for the fees submitted to SDE by non-certified educators.

Local Expenditures and Revenues

The overall local expenditure impact on school districts is undetermined. However, SDE indicates that Section 19 of the amended bill will increase expenses of school districts by \$2,101,250 beginning in FY 2019-20 to test at the high school level where state assessments are not required.

Local revenues from the State will increase by \$44,882,000 or \$58,909,000 to increase the minimum teacher salary from \$32,000 to \$35,000, depending upon whether the state splits the cost with local districts under the EFA formula or pays the full increase.

Sections 9, 10, and 40 have been updated to include additional responses or analysis.

Explanation of Fiscal Impact

Updated for Additional Agency Response on May 21, 2019

Amended by Senate Education on April 24, 2019

State Expenditure

The following sections will affect state expenditures as follows:

Section 3. This section requires the State Board of Education to include in its board two non-voting advisory members who are public school students. Also, beginning in 2021, and in consultation with the Education and Economic Act Coordinating Council and the State Superintendent of Education, the State Board of Education must annually, before December 1st, provide a comprehensive report to the Governor and the General Assembly. The report must identify key benchmarks within the 0-20 education and workforce pipeline for measuring progress of state agencies' and other publicly funded entities' efforts to meet the benchmarks. The State Board of Education through the State Superintendent of Education must provide recommendations regarding ways that state and local efforts can be improved. Additionally, the State Superintendent must recommend legislation it considers necessary.

State Department of Education. SDE indicates that any expenses associated with the two non-voting advisory members can be managed within current appropriations. Therefore, this section will have no expenditure impact on SDE.

Section 4. This section requires the State Board of Education to conduct, at least every five years, a cyclical review of grade appropriate standards for computer science, computational thinking, and computer coding for grades 9-12. No later than the 2020-21 school year, each public high school and public charter high school must offer at least one computer science course that meets certain criteria. Beginning in the 2020-21 school year, SDE must adhere to certain criteria.

State Department of Education. SDE indicates that this section will increase General Fund expenses by \$3,464,000 in FY 2019-20. Of this amount, \$3,364,000 is recurring, including \$3,000,000 for professional development, certification attainment, and equipment for the required computer science courses. The remaining \$364,000 in recurring funds is for 3 FTEs including a time-limited position, course materials, and design costs for the development of the required computer science courses for Virtual SC. Non-recurring funds of \$100,000 are needed every five years to implement the standards revision requirement change from seven to five years. Also, SDE indicates that this section could further increase recurring General Fund expenses of the agency by \$120,000 in FY 2020-21 for 2 FTEs, materials, and course development to meet expected course enrollment demands. However, this potential additional expense depends upon student enrollment demands and is undetermined at this time.

Department of Commerce. Commerce previously indicated that it could not absorb the expenses associated with the entire bill. Further, the agency indicated that the bill as a whole would increase General Fund expenses of the agency by \$100,000. Of this amount, \$70,000 is for 1 FTE for the Workforce Department, and \$30,000 is for travel and miscellaneous operating expenses. Therefore, we do not anticipate that this section will further increase expenditures.

Sections 5, 6, and 7. These sections remove social studies from the statewide assessment program for grades three through eight and end-of-course tests for courses selected by the State Board of Education and approved by the Education Oversight Committee (EOC). Also, these sections remove the standards-based assessment in social studies for students in grades five through seven. Further, these sections remove the standards-based assessment in science for eighth grade.

State Department of Education. SDE indicates that this bill will reduce General Fund expenses by a range of \$1,250,000 to \$2,285,000 beginning in FY 2019-20 for eliminating the development, administration, and scoring of the statewide assessment for social studies in grades three through eight, eliminating the standards-based assessment for social studies in grades five and seven, and eliminating the standards-based assessment in science for eighth grade. Section 5 of the bill, which is Section 59-18-310(B)(1), currently requires students beginning with the graduating class of 2010 to pass a high school credit course in United States history in which end-of-course examinations are administered to receive a high school diploma. Therefore, the range depends upon whether the scores from the United States history end-of-course assessment are included in the state report card and must be maintained. SDE indicates that if the end-of-course assessment is administered for diploma purposes but the scores are not included on the state report card, a high school assessment in social studies is not required per federal law. If the end-of-course assessment is administered and the scores are included on the state report card, the high school assessment in social studies is required by federal mandate.

Section 8. This section requires that beginning with FY 2018-19, with data information submitted by the Office of First Steps to School Readiness, SDE, and the Department of Health and Human Services, the EOC must provide certain information at the district and state level annually as a component of an annual Kindergarten Readiness Program Report. Further, beginning January 15, 2020, EOC must submit a Kindergarten Readiness Program Summary Report to the General Assembly. If funding is provided, a Kindergarten Readiness

Comprehensive Analysis Report at least every three years may be submitted to satisfy the reporting requirement.

Education Oversight Committee. EOC indicates that any expenses associated with the study can be absorbed within current appropriations. Therefore, this section will have no impact on EOC.

Sections 9 and 10. These sections extend the availability of the Palmetto Fellows Scholarship to eligible students attending a two-year or technical institution for a maximum of four continuous semesters. The student may continue to use the scholarship to attend an eligible four-year institution, subject to the maximum number of semesters for which the student may be eligible for the scholarship. Currently, awardees of the Palmetto Fellows Scholarship who chose to attend a two-year institution must forfeit their award. Furthermore, these students may not reapply for the scholarship if they later transfer to an eligible four-year institution. Palmetto Fellows Scholarship recipients may receive up to \$6,700 for the first academic year and up to \$10,000 beginning their second academic year. The actual award is limited to the cost of attendance minus all other scholarships and grants received by the student.

Presently, a Palmetto Fellows Scholarship recipient who chooses to attend a two-year institution will automatically qualify for the LIFE Scholarship. LIFE Scholarship recipients may receive up to \$5,000 their first academic year and up to \$7,500 beginning their second academic year. The actual award amount is limited to the cost of attendance minus all other scholarships and grants received by the student.

Adjusting for student population, the weighted average cost of attendance at a two-year in-state institution in FY 2017-18 was approximately \$4,600. The average LIFE scholarship award for recipients attending a two-year institution was \$4,200 in FY 2017-18. All other scholarships and grants are applied to a student's cost of attendance before determining the amount of his LIFE Scholarship award. The difference between the average cost of attendance and average scholarship amount awarded may be attributed to other scholarships and grants received by the student. The Palmetto Fellows Scholarship award amount is calculated in the same manner as the LIFE Scholarship. Hence, a student attending a two-year institution would receive, on average, the same amount for the Palmetto Fellows Scholarship as he would for the LIFE Scholarship. Therefore, this section will have no net impact on scholarship disbursement during the years in which the student attends a two-year institution.

If a student continues his education at a four-year institution, his scholarship amount would increase. The average Palmetto Fellows Scholarship award, excluding recipients at the Medical University of South Carolina (MUSC), was \$7,700 for FY 2017-18. This amount is \$3,500 more than the student received at his two-year institution. Therefore, this section will increase net scholarship distributions by \$3,500 for each student who moves his Palmetto Fellows Scholarship from a two-year to a four-year institution. CHE reports that over the past two years thirteen recipients have declined the Palmetto Fellows Scholarship for the purpose of attending a two-year institution. If this trend holds, we estimate an average of seven students per year would select this option. Because this section would apply only to students graduating beginning in FY 2021-22, we would first see this impact as early as FY 2023-24. Therefore, this section will

increase scholarship distributions by as much as \$24,500 each year beginning in FY 2023-24. If disbursements increase above the amount appropriated in the Appropriations Act for Palmetto Fellows Scholarships, this increase would first be funded by excess lottery proceeds. Any amounts remaining after utilizing excess lottery proceeds would become an obligation of the General Fund.

These sections also raise the high school GPA requirement for the Palmetto Fellows Scholarship from 3.5 to 4.0 for students in the top 6 percent of their class, and from 4.0 to 4.3 for students who qualify without class rank. Changes made to the eligibility requirements for Palmetto Fellows will also affect the distribution of the LIFE scholarships. A student who would no longer qualify for the Palmetto Fellows Scholarship due to the increased GPA requirement would automatically qualify for the LIFE Scholarship. In addition, these sections make further changes to the eligibility requirements for the LIFE and HOPE Scholarships. Specifically, these sections increase the GPA requirements for LIFE and HOPE from a 3.0 to a 3.3. For these reasons, CHE has provided the overall impact to scholarship disbursements for all three scholarships as a single figure. Increasing the GPA requirements for scholarships would cause a decrease in the amount of scholarship funds disbursed. These new GPA requirements apply to students graduating high school after FY 2020-21. Therefore, the effects of this change would first be noted during FY 2022-23 and would increase as more graduating cohorts are affected. Based on CHE's analysis, the changes to the GPA requirements would decrease scholarship disbursements by the following amounts:

- \$9,644,000 in FY 2022-23
- \$15,743,000 in FY 2023-24
- \$18,399,000 in FY 2024-25
- \$21,698,000 annually beginning in FY 2025-26

This section of the impact statement has been updated to include a response from CHE.

These sections also add requirements for retaining the Palmetto Fellow Scholarship beyond the student's freshman year. In order to retain the scholarship, the student must earn at least thirty credit hours each academic year and maintain at least a 3.0 cumulative GPA. These requirements are consistent with the requirements described in regulation, with the exception of how the student's cumulative GPA is calculated. Under current regulation, the GPA is based on credits earned at the institution where the student is currently enrolled. This section requires the GPA to be based on all credits earned by the student at all institutions of higher learning. CHE does not have sufficient data to determine the number of students who will be affected by this change. Therefore, the impact is undetermined. However, we anticipate that this will have a minimal impact on scholarship distributions. This section of the impact statement has been updated to include a response from CHE.

These sections of the bill also reduce the cumulative GPA required to retain the LIFE Scholarship from 3.0 to 2.8 at the end of the student's freshman year. For each year after the student's freshman year, the cumulative GPA requirement returns to the current minimum of 3.0. These new GPA requirements apply to students graduating after FY 2020-21. CHE indicates that this portion of the bill will increase scholarship expenses by \$6,400,000 beginning in FY

2022-23. This analysis does not take into consideration other changes proposed in this bill that would affect scholarship eligibility. This section of the impact statement has been updated to include a response from CHE.

In addition, these sections specify the ACT scoring requirements for the Palmetto Fellows and LIFE Scholarships. Current statute indicates a specific SAT score requirement and allows a student to substitute an equivalent ACT score in order to meet scholarship qualifications. However, regulations concerning scholarship qualifications specify the required ACT scores. While the scores listed in this section do not match the scoring requirements listed in regulations, the proposed scores are congruent with the 2018 ACT/SAT concordance produced by College Board. College Board produces the SAT and collaborates with the makers of the ACT and the NCAA Technical Advisory Board to develop the concordance for the comparison of SAT and ACT scores. The following table displays the current ACT scores required by regulations, and the ACT scoring requirements proposed by these sections of the bill:

ACT SCORE REQUIREMENTS		
Scholarship	Required by Current Regulation	Proposed Requirement
Palmetto Fellows, with class rank	27	25
Palmetto Fellows, without class rank	32	31
LIFE	24	22

CHE prediction models have been created to estimate scholarship expenditures based on sensitivity to changes in SAT requirements, as CHE has more dependable data on SAT scores of applicants than ACT scores. Therefore, the impact to scholarship expenditures due to the change in ACT requirements is not available at this time. This impact statement will be updated as necessary upon any additional information provided by CHE. This section of the impact statement has been updated to include a response from CHE.

In addition, these sections delay the distribution of the LIFE and Palmetto Fellows Scholarship stipends until the student's junior year. This change will apply to students graduating after FY 2020-21. Currently, scholarship recipients who major in mathematics or science may earn an additional stipend of \$2,500 beginning their sophomore year. In FY 2017-18, stipend awards to sophomores receiving the Palmetto Fellows or LIFE Scholarship totaled approximately \$6,669,800. However, other changes within the bill are expected to reduce the total number of students eligible for these scholarships, which consequently could reduce the number of stipends issued. CHE does not have sufficient data to estimate the number of math and science majors who would become ineligible for these scholarships. Therefore, the impact of the change in stipend eligibility is undetermined. Also, these sections change the minimum math and science credit hour requirements from fourteen hours in the first year to twenty hours within the first two years. CHE does not have sufficient data for a dependable analysis of these concurrent changes. Therefore, the impact to additional stipend disbursement is undetermined. This section of the impact statement has been updated to include a response from CHE.

Additionally, these sections require students to meet additional criteria in order to qualify for the LIFE Scholarship. The additional criteria requires students to earn at least one unit of credit in

mathematics or computer science and one unit of credit in English/language arts, which may be accomplished by dual credit during a senior year beginning July 1, 2024.

Commission on Higher Education. The agency previously indicated that it cannot absorb the expenses associated with the provisions of the bill. Therefore, the bill as a whole will increase General Fund expenses of CHE by \$87,500 for 1 FTE to assist with the requirements of the bill.

State Department of Education. SDE indicates that this section of the bill could increase General Fund expenses by \$1,118,250 beginning in FY 2024-25. This figure depends upon how the one unit of credit in mathematics or computer science and the one unit of credit in English/language arts are offered, assuming students take both courses for dual enrollment. This estimate also assumes there are approximately 50,000 graduates in the state each year, with 6 percent, or 3,000 students being eligible for the scholarship. Assuming all students choose to take both courses for dual enrollment credit at an average cost of \$300 per course, total expenses would be approximately \$1,800,000 beginning in FY 2024-25. The state would cover a portion of the cost via the EFA dual credit add-on weight of 0.15 for a potential cost of \$782,775.

Section 12. This section requires reading interventions to be evidence-based and follow the multi-tiered system of supports as defined in Section 59-33-510(3) and the Response to Intervention process as defined in Section 59-33-510(4).

State Department of Education. SDE indicates that this section of the bill will have no expenditure impact on the agency.

Section 13. This section requires the coursework for higher education degrees in reading-literacy to be founded on scientifically based reading practices and evidence-based interventions, including how to use the data to identify struggling readers and inform instruction.

Commission on Higher Education. The agency indicates that it cannot absorb the expenses associated with the provisions of the bill. Therefore, the bill as a whole will increase General Fund expenses of the Commission on Higher Education (CHE) by \$87,500 for 1 FTE to assist with the requirements of the bill.

Section 14. This section allows the PK-12 reading proficiency plan to include any combination of the current intervention methods for supplemental instruction for struggling readers.

State Department of Education. SDE indicates that this section of the bill will have no expenditure impact on the agency.

Section 15. This section amends requirements for assessments and screening to evaluate reading proficiency. It also requires the intensity and duration of reading intervention to be appropriate to meet specific needs of each student to ensure that the student is on track to be reading on grade level by the end of the third grade. In addition to offering reading camps for students enrolled in third grade, each district must offer a Summer Reading Camp as an intervention for any student enrolled in first or second grade who is substantially not demonstrating proficiency in reading at no cost to the student.

State Department of Education. SDE indicates that this section of the bill will increase General Fund expenses by \$2,397,784 in FY 2019-20 for screening and diagnostic tools for the required screening and interventions. Following implementation, recurring General Fund expenses will decrease to \$1,389,750 beginning in FY 2020-21 for additional screening and diagnostic tools.

Section 16. This section requires the State Board of Education to approve no more than five reliable and valid early literacy and numeracy screening instruments for selection and use by school districts in kindergarten through third grade. School districts must administer one or more instruments in the first thirty days of the school year and repeat, if indicated, at midyear and at the end of the school year. SDE must reimburse districts for the cost of the instrument or instruments selected upon receipt of assessment data. A school district may submit a waiver to use an alternative early literacy and numeracy assessment. SDE must implement an online reporting system to monitor the effectiveness of the screening assessment instruments and must require school districts to annually submit data requested by the department.

State Department of Education. SDE indicates that this section will increase General Fund expenses by \$9,591,138 in FY 2019-20 for screening tools, storage and reporting system training, initial training for teachers, professional development for teachers, and diagnostic assessments for the required screening and interventions. Following implementation, recurring General Fund expenses will decrease to \$5,559,000 beginning in FY 2020-21 for additional screening and diagnostic tools.

Section 17. This section revises the requirements to retain students who fail to demonstrate reading proficiency at the end of the third grade as indicated by scoring at the lowest achievement level on the state summative reading assessment in English/language arts, which indicates that the student needs substantial academic support to be prepared for the next grade level. In addition, intervention for students who are retained due to the provisions of this section must be appropriate to meet the specific needs of each student to ensure the student is on track to be reading at or above grade level by the end of the school year. This section requires districts to report to SDE the number of retention exemptions granted, the number of appeals made by a parent or guardian regarding student retention, the number of appeals granted, and the student's outcome in grades four through eight.

State Department of Education. SDE indicates that this section of the bill will have no expenditure impact on the agency.

Section 18. This section requires all reading coaches funded wholly or partially with state funds to serve as a stable resource for professional development throughout an elementary school to build master teachers of reading and to improve student reading achievement. The section further revises the responsibilities and professional development requires for reading coaches. Beginning with the 2019-20 school year, as a condition for receiving the state appropriations for reading coaches, SDE must screen and approve the hiring of all reading coaches in a school that has more than one-third of its third grade students scoring at the lowest achievement level on the statewide summative English/language arts assessment. Also, each reading coach employed in a district having more than one-third of its third grade students scoring at the lowest achievement

level and the principal of the elementary school in which the reading coach is assigned must attend professional development training provided by SDE. A school in which at least 60 percent of students scored at meets or exceeds expectations on the state summative assessment in English/language arts may submit a request to SDE for flexibility to utilize their allocation to provide literacy support to students. By August 1, 2019, and annually thereafter, the State Board of Education is authorized to approve guidelines for the professional development, coursework, certification, and endorsement requirements for K-12 teachers whose responsibilities relate to reading and literacy instruction, support, or intervention. Additionally, beginning July 1, 2020, and annually thereafter, CHE, in consultation with SDE, must conduct an analysis to determine the effectiveness of each teacher education program in preparing teachers to diagnose a child's reading problems. CHE must report its findings of the analysis and provide recommendations for improving teacher education programs to the Governor and the General Assembly.

State Department of Education. SDE indicates that any expenses associated with professional development can be managed within the agency's current appropriations. Therefore, this section will have no expenditure impact on the agency.

Commission on Higher Education. The agency indicates that it cannot absorb the expenses associated with the provisions of the bill. Therefore, the bill as a whole will increase General Fund expenses of CHE by \$87,500 for 1 FTE to assist with the requirements of the bill.

Section 19. This section requires SDE, beginning with the 2020-21 school year, to track student performance from kindergarten through grade twelve in reading and mathematics along a common, consistent scale that is nationally recognized and approved by the Education Oversight Committee (EOC). This section further outlines the requirements of SDE in providing resources to parents and teachers. Before the 2020-21 school year, SDE, local schools, and districts must identify and administer assessments that can be linked to common, consistent scales by grade level. Before January 1, 2021, SDE and SBTCE must establish Lexile and Quantile scores and high school equivalency assessment thresholds that serve as common minimum admission scores and must provide guarantees that students with sufficient scores may not be required to attend or enroll in reading or mathematics remediation at the postsecondary level.

Education Oversight Committee. The agency indicates that it can fulfill any responsibilities that may result from this section of the bill within current appropriations. Therefore, this section of the bill will have no expenditure impact on the agency.

State Department of Education. SDE indicates that this section will increase recurring General Fund expenses by \$2,782,592 beginning in FY 2019-20 for 1 new FTE, licenses for Lexile and Quantile reporting, programming for Lexile and Quantile reporting, and extensive training.

State Board for Technical and Comprehensive Education. SBTCE indicates that this section requires the agency to perform activities within the normal course of business. Therefore, this section will have no expenditure impact on the agency.

Section 20. This section amends the provisions requiring RFA to develop, implement, and maintain a universal identification system that includes information for measuring the continuous

improvement of the state public education system and the college and career readiness and success of its graduates. The section is amended to remove the reference to without the need for remediation with respect to reporting on students entering postsecondary education and to add reporting requirements for students who need remediation for entering postsecondary education.

Revenue and Fiscal Affairs Office. RFA anticipates that the provisions of this section can be accomplished within existing appropriations. Therefore, this section is not expected to have an expenditure impact on the agency.

Section 21. This section requires SDE, in collaboration with the Technical College System, CHE, DEW, and Commerce to develop a career pathways system to replace the current career cluster system on or before August 1, 2022. The career pathways system must include an expansive list of measures. After developing the career pathways system, SDE must develop a curriculum. This section further requires districts to assist students by establishing a foundation for career pathways by grade level.

State Department of Education. SDE indicates that this section of the bill could increase non-recurring General Fund expenses by \$750,000 in FY 2019-20 for providing the required resources to parents on improving student growth.

Department of Commerce. The agency previously indicated that it cannot absorb the expenses associated with the provisions of the bill. Therefore, the bill as a whole will increase General Fund expenses of Commerce by \$100,000. Of this amount, \$70,000 is for 1 FTE for the Workforce Department, and \$30,000 is for travel and miscellaneous operating expenses.

Department of Employment and Workforce. The agency previously indicated they expect to manage the responsibilities pursuant to this section with existing staff and within existing appropriations. Therefore, this section is not expected to impact expenditures for the agency.

Commission on Higher Education. The agency indicates that it cannot absorb the expenses associated with the provisions of the bill. Therefore, the bill as a whole will increase General Fund expenses of CHE by \$87,500 for 1 FTE to assist with the requirements of the bill.

State Board for Technical and Comprehensive Education. The agency indicates that any expenses associated with participation in the development of a career pathways system can be managed within current appropriations. Therefore, this section will have no expenditure impact on the agency.

Section 22. This section requires SDE to replace the current career cluster requirements and develop programs of study under each career pathway beginning with the 2020-21 school year and every five years thereafter. In developing programs of study, SDE must emphasize the high-skill and in-demand pathways that the state Workforce Innovation and Opportunity Act plan and Coordinating Council for Workforce Development have identified as critical to the state's workforce development system. Before August 1, 2021, SDE, in collaboration with the Education and Economic Development Act Coordinating Council, must develop a pathway certification process for high schools and postsecondary institutions.

State Department of Education. SDE indicates that this section of the bill will have no expenditure impact on the agency.

Department of Commerce. The agency previously indicated that it cannot absorb the expenses associated with the provisions of the bill. Therefore, the bill as a whole will increase General Fund expenses of Commerce by \$100,000. Of this amount, \$70,000 is for 1 FTE for the Workforce Department, and \$30,000 is for travel and miscellaneous operating expenses.

Section 23. This section of the bill requires school districts, beginning with the 2021-22 school year, to organize high school curricula around a minimum of three career pathways, promote increased awareness and career counseling, and review the pathways selected by the districts every two years.

State Department of Education. SDE indicates that this section of the bill will have no expenditure impact on the agency.

Section 24. This section requires SBTCE, before August 1, 2021, to establish common minimum admission scores for institutions within its jurisdiction that may differ based on areas of study for programs that award credit toward a degree, certificate, or diploma. Colleges must provide information regarding continuing education programs and other programs that do not award credit toward a degree, certificate, or diploma for individuals who do not meet the minimum scores.

State Board for Technical and Comprehensive Education. SBTCE indicates that this section requires the agency to perform activities within the normal course of business. Therefore, this section will have no expenditure impact on the agency.

Section 25. This section amends the requirements for tuition assistance to attend a technical college of this state or a public two-year institution of higher learning. A student enrolled in a non-credit program that awards a nationally recognized business or industry credential as defined by SBTCE will be eligible for tuition assistance, provided that the student has graduated from high school or earned an equivalent high school credential within seven years of first entering the ninth grade. In addition, students enrolled in a program awarding college credit must complete a Free Application for Federal Student Aid.

State Board for Technical and Comprehensive Education. SBTCE indicates that this section of the bill will have no expenditure impact on the agency. This section may shift a portion of student awards from credit to non-credit courses, but it will not affect overall expenses.

Section 26. This section requires SBTCE, in collaboration with the State Board of Education, to look at additional pathways of cooperation to better facilitate adult education in an efficient and cost effective manner. SBTCE must provide a report to the General Assembly by June 1, 2020, detailing their findings, including student participation, retention, and completion numbers.

State Board for Technical and Comprehensive Education. The agency indicates that any expenses associated with this section can be managed within current appropriations. Therefore, this section will have no expenditure impact on the agency.

State Department of Education. SDE indicates that this section will have no expenditure impact on the agency.

Sections 27 and 28. These sections direct SDE to establish a pilot program by May 1, 2020, that will permit schools that have received an overall rating of excellent on the annual report card for at least two consecutive years to hire non-certified teachers in a ratio of up to 10 percent of its entire teaching staff. The State Board of Education, through SDE, must approve the guidelines for the pilot program. Participation in the pilot program is optional, and the decision for participation rests solely with SDE and with the school principal upon approval of the district superintendent. Participating schools and districts are encouraged to assist SDE with establishing best practices. Also, SDE must establish a separate code in the professional coding system to capture non-certified teachers and must continue to report this information on the school report cards. Beginning November 1, 2021, SDE must submit an annual report to the General Assembly, which must include recommendations for improving, expanding, or continuing the pilot. At the end of the five-year pilot, the annual status report must include a recommendation regarding continuance of the program. Additionally, SDE must establish procedures for the registration and clearance of all non-certified educators working in any public school, to include a public charter school. Educators must submit required documentation and fees to SDE. Additionally, SDE must establish procedures for the registration and clearance of all non-certified educators working in any public school, to include a public charter school. Educators must submit required documentation and fees to SDE.

State Department of Education. SDE indicates that these sections will have no expenditure impact on the agency.

Section 29. This section allows educator preparation programs housed within an institute of higher education to submit a separate and distinct educator preparation program for alternative preparation to the State Board of Education for approval. SDE must report the number of individuals employed in the state, by district, with certificates issued by institution of higher education alternative programs to the State Board of Education and the General Assembly before March 31st annually.

State Department of Education. SDE indicates that while the language in this section of the bill does not require the creation of a new office, the agency believes a new office would best accomplish the requirements set forth in this section. Based on this, the agency indicates that this section will increase General Fund expenses by \$1,100,353 in FY 2019-20. Of this amount, \$365,278 is for 4 FTEs, including a new director for the new office. The remaining \$735,075 is for procurement of an educator preparation data system, equipment, and operating expenses. Additionally, this section will increase General Fund expenses by \$415,278 in FY 2020-21 and each year thereafter for personnel and operating expenses.

Commission on Higher Education. The agency indicates that it cannot absorb the expenses associated with the provisions of the bill. Therefore, the bill as a whole will increase General Fund expenses of CHE by \$87,500 for 1 FTE to assist with the requirements of the bill.

Section 30. This section requires the State Board of Education, through SDE, and the Commission on Higher Education (CHE) to develop and implement a plan for the cyclical evaluation process for all educator preparation providers and programs every seven years. The plan must include requirements for initial and continuing approval and must include evidence of annual successful teaching experience of educators, differentiated by program.

State Department of Education. The expenditure impact of this section is addressed in Section 29.

Commission on Higher Education. The agency indicates that it cannot absorb the expenses associated with the provisions of the bill. Therefore, the bill as a whole will increase General Fund expenses of CHE by \$87,500 for 1 FTE to assist with the requirements of the bill.

Section 31. This section directs the State Board of Education, with assistance from SDE, CHE, and RFA, to develop and annually produce a teacher preparation data dashboard. The dashboard must include data on an expansive list of measures. SDE, each educator preparation provider, and each school district must report all data as requested by the State Board of Education to complete the evaluation. The dashboard must be published on SDE's website.

State Department of Education. The expenditure impact of this section is addressed in Section 29.

Commission on Higher Education. The agency indicates that it cannot absorb the expenses associated with the provisions of the bill. Therefore, the bill as a whole will increase General Fund expenses of CHE by \$87,500 for 1 FTE to assist with the requirements of the bill.

Revenue and Fiscal Affairs Office. RFA anticipates that the provisions of this section can be accomplished within existing appropriations. Therefore, this section is not expected to have an expenditure impact on the agency.

Section 32. This section requires SDE to use the Longitudinal Data System established pursuant to Section 59-18-1950 to provide each college of education and state-approved educator preparation program with information regarding its graduates before December 1st annually. The information must include extensive criteria. Information provided to a college of education or educator preparation program pursuant to this section of the bill is not subject to the provisions of the Freedom of Information Act. Additionally, a college of education or educator preparation program receiving individualized information regarding its graduates must develop and use a system for identifying each individual educator graduate, maintain confidentiality of all information, and must not share this information with a third party without the written consent of the educator.

State Department of Education. The expenditure impact of this section is addressed in Section 29.

Revenue and Fiscal Affairs Office. RFA anticipates that the provisions of this section can be accomplished within existing appropriations. Therefore, this section is not expected to have an expenditure impact on the agency.

Commission on Higher Education. CHE indicates that any additional responsibilities related to this section can be incorporated within the agency's existing structure. Therefore, this section will have no expenditure impact on the agency.

Section 33. This section directs the Center for Educator Recruitment, Retention, and Advancement (CERRA) to use and update the teacher survey currently administered by SDE. The survey should assess teacher perceptions on a number of matters. The results of the survey must be published by SDE, CERRA, EOC, each school district, and each school in a conspicuous place on their respective websites.

State Department of Education. SDE indicates that this section of the bill will have no expenditure impact on the agency.

Education Oversight Committee. EOC indicates that any expenses resulting from posting the results of the survey on its website can be managed within existing appropriations. Therefore, this section will have no expenditure impact on the agency.

Section 34. This section requires the minimum teacher salary to be \$35,000 beginning with FY 2019-20. Salary increases must be based on funding provided by the General Assembly in the annual appropriations act and provided through adjustments in the salary schedule to educators identified by SDE as eligible to receive the EIA teacher salary supplement during FY 2018-19 as reported to RFA. This section also deletes current provisions regarding local effort, teacher pay increases, and the requirement that RFA project the southeastern average teacher salary. The General Assembly must establish the starting teacher salary each year in the annual appropriations bill. The salary schedule and Education Finance Act inflation factor must be determined in the annual General Appropriation Act.

State Department of Education. Based upon data provided by SDE, increasing the minimum teacher salary from \$32,000 to \$35,000 will increase expenses by \$44,882,000 or \$58,909,000, depending upon whether the EIA or EFA method is chosen. Under the EFA method, the state assumes 70 percent of the expenses, which is approximately \$44,882,000, including fringe. Under the EIA method, the state is responsible for all expenses, which is approximately \$58,909,000, including fringe.

Revenue and Fiscal Affairs Office. Eliminating the responsibilities for RFA to project the southeastern average teacher salary will not impact agency expenditures as staff time will be reallocated to other responsibilities. Therefore, this section will have no expenditure impact on the agency.

Section 35. This section allows the board of trustees of a local school district to authorize daily mileage reimbursement for a teacher who must travel more than twenty-five miles each way between his established domicile and school. This reimbursement may not exceed the existing federal reimbursement rate for mileage.

State Department of Education. SDE indicates that this section will have no expenditure impact on the agency.

Section 37. This section requires the State Board of Education to adopt a model code of ethics for local school board members before July 1, 2020. The model code of ethics must also include appropriate consequences for violations of provisions of the code of ethics. A local school board must adopt a local code of ethics applicable to the board within three months after adoption of the model code by the State Board of Education. A local school board may only adopt its local code of ethics or any changes to that local code at a regularly scheduled meeting. A local school board may not adopt or follow a code of ethics that prevents its members from discussing freely the policies and actions of the board outside of a board meeting. A local school board must submit a copy of its local code of ethics and subsequent revisions to SDE within thirty days of adoption.

State Department of Education. SDE previously indicated that this section would increase General Fund expenses by \$9,150 beginning in FY 2019-20 for a hearing officer and court reporter. The agency estimates one hearing per year. We will update this impact statement if the agency revises this response.

State Ethics Commission. Since trustees and school officials currently fall within the jurisdiction of SEC, this section of the bill will have no expenditure impact on the agency.

Section 38. This section establishes protocol and appropriate justification for the Governor to remove an elected or appointed official of the state, county, municipality, or a political subdivision from office.

Office of the Governor. The Office of the Governor indicates that this section of the bill requires the agency to perform activities that will be conducted within the normal course of business. Therefore, this section of the bill will have no expenditure impact on the agency.

Section 39. This section requires all reelected members of a school district board of trustees to successfully complete a training program on the powers, duties, and responsibilities of a board member. Also, this section adds nepotism and conflict of interest to the topics that must be included in the training program. The training program must be offered by a district or its designee and completed by each board member within one year after election, reelection, appointment, or reappointment. Additionally, this section requires the State Board of Education to adopt a model training program for training local school board members by December 31, 2019. The State Board of Education must review the training program every three years as it considers necessary and adopt revisions. A local school board must adopt a local training program applicable to that board within three months after adoption of the model training program by the State Board of Education. A local school board may only adopt its local training

program or any changes to the training program at a regularly scheduled meeting. In addition to meeting other requirements provided by law, a person serving on a school board must sign a statement asserting that he understands and is in compliance with the South Carolina Ethics law, the applicable local code of ethics, and the training required pursuant to this section. Additionally, this section deletes the requirement that SDE must reimburse a school district or county board of education conducting an orientation for a new board member. This section also deletes the requirement that SDE must keep a record of the school board of trustees who complete the orientation program for at least five years. This section also requires the local boards to certify compliance with this section by all board members at the beginning of each calendar year.

State Department of Education. SDE indicates that any expenses associated with the development of the model training program can be managed within current appropriations. Additionally, SDE indicates that the deletion of the requirement that SDE reimburse school districts for orientation for new board members will have no significant cost savings to the agency. Therefore, this section will have no expenditure impact on SDE.

State Revenue

The following sections will affect state revenues as follows:

Sections 27 and 28. These sections require SDE to establish procedures for the registration and clearance of all non-certified educators working in any public school, to include a public charter school, pursuant to the provisions of the pilot program for select schools. Educators must submit required documentation and fees to SDE.

State Department of Education. SDE indicates that there are currently 596 non-certified educators employed in the regular school districts. Although the bill does not provide the amount of the fee to be submitted by the non-certified educators, SDE indicates that the fee would be \$105, which aligns with other current fees for student applicants. Further, the fee would be used to support the Office of Educator Services. Therefore, assuming a similar number of non-certified educators in FY 2019-20, these sections would increase Other Funds revenue by \$62,580.

Local Expenditure

The following sections will affect local expenditures as follows:

Section 4. This section requires the State Board of Education to conduct a cyclical review of grade appropriate standards for computer science, computational thinking, and computer coding for grades 9-12 at least every five years. No later than the 2020-21 school year, each public high school and public charter high school must offer at least one computer science course that meets certain criteria. Beginning in the 2020-21 school year, SDE must adhere to certain criteria.

Local School Districts. SDE indicates that this section of the bill will increase expenses of local school districts by an undetermined amount in FY 2019-20. Further, some districts can absorb the expenses related to the provisions of this section of the bill, while other districts indicate they will need additional FTEs. The expenses related to additional FTEs vary by district.

Additionally, dual enrollment is not free, and the expense of either having a qualified teacher on staff or the cost of tuition at a local university or technical college would be an added expense. At current funding levels, the 0.15 weighting in the EFA does not cover the expense per pupil for dual enrollment.

Sections 5, 6 and 7. These sections remove social studies from the statewide assessment program for grades three through eight and end-of-course tests for courses selected by the State Board of Education and approved by the Education Oversight Committee (EOC). Also, these sections remove the standards-based assessment in social studies for students in grades five through seven. Further, these sections remove the standards-based assessment in science for eighth grade.

Local School Districts. SDE previously indicated that eliminating the development, administration, and scoring of the statewide assessment for social studies in grades three through eight and eliminating the standards-based assessment for social studies in grades five and seven would create cost savings for the agency and would have no impact on local school districts. Additionally, we do not anticipate that the elimination of the standards-based assessment in science for eighth grade will impact local school districts. Therefore, we do not expect these sections to have an expenditure impact on local school districts.

Section 10. This section changes the eligibility requirements for the additional stipend available to LIFE Scholarship recipients. Currently, scholarship recipients majoring in science or mathematics may earn an additional stipend beginning in their sophomore year. One requirement for stipend eligibility is that the student must complete a total of fourteen credit hours in mathematics courses or life and physical science courses during his freshmen year. This bill delays the stipend until the student's junior year. In addition, the bill changes the credit requirements to a combined total of twenty credit hours during his freshman and sophomore years. The provisions of this section do not apply to students in the senior class of the 2020-21 school year.

This section also requires students to meet additional criteria in order to qualify for the LIFE Scholarship. The additional criteria requires students to earn at least one unit of credit in mathematics or computer science and one unit of credit in English/language arts, which may be accomplished by dual credit during a senior year beginning July 1, 2024. Additionally, this section increases the minimum high school GPA requirement from 3.0 to 3.3 for the LIFE and HOPE Scholarships. This section of the bill also reduces the cumulative GPA required to retain the LIFE scholarship from 3.0 to 2.8 at the end of the student's freshman year. For each year after the student's freshman year, the cumulative GPA requirement returns to the current minimum of 3.0. These new GPA requirements apply to students graduating after FY 2020-21.

Additionally, this section specifies the minimum ACT score requirements for the LIFE Scholarship. Currently, a student may substitute an ACT score that is considered equivalent to the required SAT score.

Local School Districts. SDE indicates that these sections of the bill could increase expenses of local school districts by an undetermined amount beginning in FY 2024-25 due to several

factors. The increase in expenses depends upon how the one unit of credit in mathematics or computer science and the one unit of credit in English/language arts are offered. For this analysis, SDE assumes that students will choose to take both courses for dual enrollment. Further, there are approximately 50,000 graduates in the state each year, with 6 percent, or 3,000 students being eligible for this scholarship. Assuming all students choose to take both courses for dual enrollment credit at an average cost of \$300 per course, total expenses would be approximately \$1,800,000 beginning in FY 2024-25. The state would cover a portion of the cost via the EFA dual credit add-on weight of 0.15 for a potential cost of \$782,775. The cost to districts will depend on the cost of the courses, or if the districts offer the courses via another method, such as teacher led or online through VirtualSC. If the courses are offered as teacher led, some districts will need to hire additional teachers to handle the increased student demand. The number of additional teachers and expense of hiring additional teachers will vary by district.

Section 12. This section requires reading interventions to be evidence-based and follow the multi-tiered system of supports as defined in Section 59-33-510(3) and the Response to Intervention process as defined in Section 59-33-510(4).

Local School Districts. SDE indicates that this section of the bill will have no expenditure impact on local school districts.

Section 15. This section amends requirements for assessments and screening to evaluate reading proficiency. It also requires the intensity and duration of reading intervention to be appropriate to meet specific needs of each student to ensure that the student is on track to be reading on grade level by the end of the third grade. In addition to offering reading camps for students enrolled in third grade, each district must offer a Summer Reading Camp as an intervention for any student enrolled in first or second grade who is substantially not demonstrating proficiency in reading at no cost to the student.

Local School Districts. SDE indicates that this section of the bill will have an undetermined impact on school districts since some districts will need to hire additional FTEs to conduct the screening and interventions. The number of FTEs and the cost varies by district.

Section 16. This section requires the State Board of Education to approve no more than five reliable and valid early literacy and numeracy screening instruments for selection and use by school districts in kindergarten through third grade. School districts must administer one or more instruments in the first thirty days of the school year and repeat, if indicated, at midyear and at the end of the school year. SDE must reimburse districts for the cost of the instrument or instruments selected upon receipt of assessment data. A school district may submit a waiver to use an alternative early literacy and numeracy assessment. SDE must implement an online reporting system to monitor the effectiveness of the screening assessment instruments and must require school districts to annually submit data requested by the department.

Local School Districts. SDE indicates that this section of the bill will have an undetermined impact on school districts since some districts will need to hire additional FTEs to conduct the screening and interventions. The number of FTEs and the cost varies by district.

Section 17. This section revises the requirements to retain students who fail to demonstrate reading proficiency at the end of the third grade as indicated by scoring at the lowest achievement level on the state summative reading assessment in English/language arts, which indicates that the student needs substantial academic support to be prepared for the next grade level. In addition, intervention for students who are retained due to the provisions of this section must be appropriate to meet the specific needs of each student to ensure the student is on track to be reading at or above grade level by the end of the school year. This section requires districts to report to SDE the number of retention exemptions granted, the number of appeals made by a parent or guardian regarding student retention, the number of appeals granted, and the student's outcome in grades four through eight.

Local School Districts. SDE indicates that this section of the bill will have an undetermined expenditure impact on districts. District expenses will vary based upon the intensity and duration of the intervention provided to students.

Section 18. This section requires all reading coaches funded wholly or partially with state funds to serve as a stable resource for professional development throughout an elementary school to build master teachers of reading and to improve student reading achievement. The section further revises the responsibilities and professional development requires for reading coaches. Beginning with the 2019-20 school year, as a condition for receiving the state appropriations for reading coaches, SDE must screen and approve the hiring of all reading coaches in a school which has more than one-third of its third grade students scoring at the lowest achievement level on the statewide summative English/language arts assessment. Also, each reading coach employed in a district having more than one-third of its third grade students scoring at the lowest achievement level and the principal of the elementary school in which the reading coach is assigned must attend professional development training provided by SDE. A school in which at least 60 percent of students scored at meets or exceeds expectations on the state summative assessment in English/language arts may submit a request to SDE for flexibility to utilize their allocation to provide literacy support to students. By August 1, 2019, and annually thereafter, the State Board of Education is authorized to approve guidelines for the professional development, coursework, certification, and endorsement requirements for K-12 teachers whose responsibilities relate to reading and literacy instruction, support, or intervention. Additionally, beginning July 1, 2020, and annually thereafter, CHE, in consultation with SDE, must conduct an analysis to determine the effectiveness of each teacher education program in preparing teachers to diagnose a child's reading problems. CHE must report its findings of the analysis and provide recommendations for improving teacher education programs to the Governor and the General Assembly.

Local School Districts. SDE indicates that the increase in expenses to local school districts is undetermined since districts may incur expenses for professional development for teachers related to travel and substitutes. These expenses vary by district.

Section 19. This section requires SDE, beginning with the 2020-21 school year, to track student performance from kindergarten through grade twelve in reading and mathematics along a common, consistent scale that is nationally recognized and approved by EOC. This section further outlines the requirements of SDE in providing resources to parents and teachers. Before,

the 2020-21 school year, SDE, local schools, and districts must identify and administer assessments that can be linked to common, consistent scales by grade level. Before, January 1, 2021, SDE and SBTCE must establish Lexile and Quantile scores and high school equivalency assessment thresholds that serve as common minimum admission scores and must provide guarantees that students with sufficient scores may not be required to attend or enroll in reading or mathematics remediation at the postsecondary level.

Local School Districts. SDE indicates that this section will increase expenses of local districts by \$2,101,250 beginning in FY 2019-20 to test at the high school level where state assessments are not required.

Section 21. This section requires SDE, in collaboration with the Technical College System, the CHE, DEW, and Commerce to develop a career pathways system to replace the current career cluster system, on or before August 1, 2022. The career pathways system must include an expansive list of measures. After developing the career pathways system, SDE must develop a curriculum. This section further requires districts to assist students by establishing a foundation for career pathways by grade level.

Local School Districts. SDE indicates that this section will have no expenditure impact on local districts.

Section 22. This section requires SDE to replace the current career cluster requirements to develop programs of study under each career pathway beginning with the 2020-21 school year. In developing programs of study, SDE must emphasize the high-skill and in-demand pathways that the state Workforce Innovation and Opportunity Act plan and Coordinating Council for Workforce Development have identified as critical to the state's workforce development system. Before August 1, 2021, SDE, in collaboration with the Education and Economic Development Act Coordinating Council, must develop a pathway certification process for high schools and postsecondary institutions.

Local School Districts. SDE indicates that this section of the bill will have an undetermined expenditure impact on districts since expenses will vary depending upon the final program criteria that is developed. Also, some districts may incur expenses for facilities modification and equipment for those areas with high workforce needs.

Section 23. This section of the bill requires school districts, beginning with the 2021-22 school year, to organize high school curricula around a minimum of three career pathways, promote increased awareness and career counseling, and review the pathways selected by the districts every two years.

Local School Districts. SDE indicates that this section of the bill will have an undetermined expenditure impact on districts since expenses will vary depending upon the final program criteria that are developed. Also, some districts may incur expenses for facilities modification and equipment for those areas with high workforce needs.

Sections 27 and 28. These sections direct SDE to establish a pilot program by May 1, 2020, that will permit schools that have received an overall rating of excellent on the annual report card for at least two consecutive years to hire non-certified teachers in a ratio of up to 10 percent of its entire teacher staff. The State Board of Education, through SDE must approve the guidelines for the pilot program. Participation in the pilot program is optional, and the decision for participation rests solely with SDE and with the school principal upon approval of the district superintendent. Participating schools and districts are encouraged to assist SDE with establishing best practices. Also, SDE must establish a separate code in the professional coding system to capture non-certified teachers and must continue to report this information on the school report cards. Beginning November 1, 2021, SDE must submit an annual report to the General Assembly, which must include recommendations for improving, expanding, or continuing the pilot. At the end of the five-year pilot, the annual status report must include a recommendation regarding continuance of the program. Additionally, SDE must establish procedures for the registration and clearance of all non-certified educators working in any public school, to include a public charter school. Educators must submit required documentation and fees to SDE.

Local School Districts. SDE indicates that the language in these sections would cause local school districts to receive less funding in EIA teacher salary supplement funds since non-certified teachers do not generate this funding. The expenditure impact will vary and will depend upon the number of non-certified teachers by district and their years of service.

Section 33. This section directs the Center for Educator Recruitment, Retention, and Advancement (CERRA) to use and update the teacher survey currently administered by SDE. The survey should assess teacher perceptions on a number of matters. The results of the survey must be published by SDE, CERRA, the Education Oversight Committee (EOC), each school district, and each school in a conspicuous place on the respective websites.

Local School Districts. SDE indicates that this section will have no expenditure impact on local school districts.

Section 34. This section requires the minimum teacher salary to be \$35,000 beginning with FY 2019-20. Salary increases must be based on funding provided by the General Assembly in the annual appropriations act and provided through adjustments in the salary schedule to educators identified by SDE as eligible to receive the EIA teacher salary supplement during FY 2018-19 as reported to RFA. This section also deletes current provisions regarding local effort, teacher pay increases, and the requirement that RFA project the southeastern average teacher salary. The General Assembly must establish the starting teacher salary each year in the annual appropriations bill. The salary schedule and Education Finance Act inflation factor must be determined in the annual General Appropriation Act.

Local School Districts. SDE indicates that this section of the bill will have an undetermined impact on local school districts since the increase in expenses will depend upon how the increase is funded and any amount a district currently is paying above the minimum.

Section 35. This section allows the board of trustees of a local school district to authorize daily mileage reimbursement for a teacher who must travel more than twenty-five miles each way between his established domicile and school. This reimbursement may not exceed the existing federal reimbursement rate for mileage.

Local School Districts. SDE indicates that this section of the bill will have an undetermined expenditure impact on districts since districts can decide whether to pay commuting mileage.

Section 36. This section requires each school district board of trustees, by October 1, 2019, to establish a policy to provide all full-time teachers who are assigned to a classroom a thirty-minute duty-free time during each school day. The thirty-minute duty-free time may be during the lunch period or at other times during the regular school day. Implementation of this section may not include an option for additional pay in lieu of duty-free time.

Local School Districts. SDE indicates that this section of the bill will not affect most districts as long as the break is an unencumbered thirty-minute break during the day. Further, most districts typically allow teachers to have a break every day.

Section 37. This section requires the State Board of Education to adopt a model code of ethics for local school board members before July 1, 2020. The model code of ethics must also include appropriate consequences for violations of provisions of the code of ethics. A local school board must adopt a local code of ethics applicable to the board within three months after adoption of the model code by the State Board of Education. A local school board may only adopt its local code of ethics or any changes to that local code at a regularly scheduled meeting. A local school board may not adopt or follow a code of ethics that prevents its members from discussing freely the policies and actions of the board outside of a board meeting. A local school board must submit a copy of its local code of ethics and subsequent revisions to SDE within thirty days of adoption.

Local School Districts. SDE indicates that this bill will have no expenditure impact on local districts.

Section 39. This section requires all reelected members of a school district board of trustees to successfully complete a training program on the powers, duties, and responsibilities of a board member. Also, this section adds nepotism and conflict of interest to the topics that must be included in the training program. The training program must be offered by a district or its designee and completed by each board member within one year after election, reelection, appointment, or reappointment. Additionally, this section requires the State Board of Education to adopt a model training program for training local school board members by December 31, 2019. The State Board of Education must review the training program every three years as it considers necessary and adopt revisions. A local school board must adopt a local training program applicable to that board within three months after adoption of the model training program by the State Board of Education. A local school board may only adopt its local training program or any changes to the training program at a regularly scheduled meeting. In addition to meeting other requirements provided by law, a person serving on a school board must sign a statement asserting that he understands and is in compliance with the South Carolina Ethics law,

the applicable local code of ethics, and the training required pursuant to this section. Additionally, this section deletes the requirement that SDE must reimburse a school district or county board of education conducting an orientation for a new board member. This section also deletes the requirement that SDE must keep a record of the school board of trustees who complete the orientation program for at least five years. This section also requires the local boards to certify compliance with this section by all board members at the beginning of each calendar year.

Local School Districts. SDE indicates that this section of the bill will have an undetermined expenditure impact on local districts since expenses will vary based upon the cost and location of the training opportunities for local school boards.

Section 40. This section allows a district school board or charter school sponsor to establish a policy to require all high school students without a scheduled class to remain at their assigned school until the end of the regular school day beginning with the 2019-20 school year. The section further provides a list of exemptions to the policy. Also, a district board or charter sponsor may require a uniform district-wide policy or include provisions allowing each high school under its governance to establish a policy that is unique to its students' needs.

Local School Districts. SDE indicates that this section of the bill is permissive and will have an undetermined expenditure impact on local school districts. Expenses to supervise students will vary by district and will depend upon the size of the district and the number of affected students. This section of the impact statement has been updated to include a response from SDE.

Local Revenue

The following section will affect local revenues as follows:

Section 34. This section requires the minimum teacher salary to be \$35,000 beginning with FY 2019-20. Salary increases must be based on funding provided by the General Assembly in the annual appropriations act and provided through adjustments in the salary schedule to educators identified by SDE as eligible to receive the EIA teacher salary supplement during FY 2018-19 as reported to RFA. This section also deletes current provisions regarding local effort, teacher pay increases, and the requirement that RFA project the southeastern average teacher salary. The General Assembly must establish the starting teacher salary each year in the annual appropriations bill. The salary schedule and Education Finance Act inflation factor must be determined in the annual General Appropriation Act.

Based upon data provided by SDE, increasing the minimum teacher salary from \$32,000 to \$35,000 will increase local revenue from the State by \$44,882,000 or \$58,909,000, depending upon whether the EIA or EFA method is chosen. Under the EFA method, the state assumes 70 percent of the expenses, which is approximately \$44,882,000, including fringe. Under the EIA method, the state is responsible for all expenses, which is approximately \$58,909,000, including fringe.

Prior versions of this impact statement can be found on our website.



Frank A. Rainwater, Executive Director