



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3590 Amended by Senate Education on January 26, 2022
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Subject: Teachers
Requestor: Senate Education
RFA Analyst(s): Wren
Impact Date: January 31, 2022

Fiscal Impact Summary

This amended bill requires SCDE to establish a pilot program by May 1, 2023, to permit a school to hire noncertified teachers in a ratio of up to ten percent of its entire teaching staff if the school has received an overall rating of “Excellent” on its annual report card for at least two consecutive years or is located in a critical geographic area.

The overall expenditure impact of the amended bill on SCDE is undetermined. However, the agency indicates that its General Fund expenses would increase by at least \$109,700 in FY 2022-23 for 2.0 FTEs and equipment for the registration process. Expenses would decrease to approximately \$103,700 each year thereafter for the FTEs. Additionally, the existing educator information system must be modified in order to issue a new credential for noncertified teachers and to create case management and workflow processes. SCDE indicates that the cost to modify the existing system is unknown. Further, SCDE anticipates being able to manage the revocation requirements for noncertified teachers with existing staff. However, any potential expenditure impact will depend upon the number of noncertified teachers that commit an offense covered by the Code of Conduct as promulgated by the State Board of Education in the future. If the agency experiences a significant increase in cases in the future, General Fund expenses of SCDE could increase by as much as \$211,500 for 2.0 FTEs to manage the increase in workload.

This bill will have no expenditure impact on the state agency schools since the schools either only hire certified teachers or can adhere to the provisions of the bill within existing appropriations.

This bill will have no expenditure impact on the State Law Enforcement Division (SLED), as the agency can manage any increase in criminal records checks within existing appropriations.

The overall revenue impact of this bill on Other Funds of SLED is undetermined and will be based on the difference between the current cost of the criminal records search and the cost pursuant to the search required under this bill, as well as the number of noncertified teachers districts choose to hire. Up to \$4,461,000 of revenue generated by the state criminal records checks must be deposited to the General Fund. Any revenue over that amount is retained by SLED. In FY 2020-21, SLED generated \$11,400,000, and we anticipate any increase would be retained by the agency.

The bill also adds a fee for noncertified teachers that must be remitted to SCDE for the registration and clearance process. However, the bill does not specify the amount of the fee. Proviso 1.10 of the FY 2021-22 Appropriations Act authorizes the agency to retain revenue for registration fees for non-SDE employees and teacher certification fees. Therefore, there will be an increase in SCDE's Other Funds revenue for these fees. However, the amount of the increase is undetermined and will depend upon the number of registrations for noncertified teachers and the amount of the registration fee.

The overall expenditure impact on local school districts is pending. We anticipate that the amended bill may increase expenses for local school districts to train noncertified teachers to enter the classroom. However, this portion of the amended bill is pending, contingent upon a response. Also, it is unclear how many districts will choose to hire noncertified teachers pursuant to the provisions of the bill. The impact will vary by district and depends upon the number of noncertified teachers districts choose to hire. Although the number of noncertified teachers fluctuates, there are currently 1,368 noncertified teachers in the 2021-22 school year. Of this amount, 879 noncertified educators teach in a qualifying school. Further, of the 1,268 total local schools in school year 2021-22, 125 would qualify based on the required report card rating, and 841 would qualify based on the critical geographic area requirement. Additionally, districts will not generate state teacher salary funding for noncertified teachers. The potential salary impact for local districts will depend on the number of noncertified teachers each district chooses to hire.

Explanation of Fiscal Impact

Amended by Senate Education on January 26, 2022

State Expenditure

The amended bill requires SCDE to establish a pilot program by May 1, 2023, to permit a qualifying school to hire noncertified teachers in a ratio of up to ten percent of its entire teaching staff. A qualifying school must have received an overall rating of "Excellent" on its annual report card for at least two consecutive years or must be located in a critical geographic area as defined in Section 59-26-20(j). The State Board of Education, through SCDE, must include the following guidelines, at a minimum, for the pilot program:

- A noncertified teacher must possess a baccalaureate or graduate degree in the subject he is hired to teach and must have at least five years of relevant workplace experience;
- Procedures are provided for noncertified teachers to participate in the evaluation process pursuant to Section 59-26-30(B)(4) and (5); and
- Training is required to ensure that noncertified teachers are prepared to enter the classroom.

While participation in the pilot program is optional, the decision to participate rests solely with SCDE and the school principal, upon approval of the district superintendent. Schools and districts that participate in the program are encouraged to collaborate on recruitment, training, and implementation of the program and to assist SCDE with establishing best practices.

SCDE must establish a separate code in the professional coding system to capture noncertified teachers and must continue to report this information on school report cards. SCDE must also submit an annual report, beginning November 1, 2024, to the General Assembly that includes recommendations for improving, expanding, or continuing the program. At the end of the five-year program, the annual report must include a recommendation on the continuance of the program.

The amended bill also requires SCDE to establish procedures for the registration and clearance of all noncertified educators. Educators must submit required documentation and fees to SCDE, which must include a completed registration form, any associated fees, transcripts, and specified background documents. Further, an educator whose state educator certificate has been suspended or revoked may not be employed as a noncertified teacher. The State Board of Education is authorized to revoke a noncertified teacher's registration if the teacher commits an offense covered by the Code of Conduct.

State Department of Education. The overall expenditure impact on SCDE is undetermined. The existing educator information system must be modified by software developers in order to issue a new credential for noncertified teachers. SCDE indicates that the cost to modify the existing system is unknown.

SCDE also indicates that its General Fund expenses will increase by at least \$109,700 in FY 2022-23. Of this amount, \$103,700 is recurring for 2.0 FTEs to process noncertified teacher registrations, including the evaluation of candidate documentation, review of criminal history record information, and the issuance of registrations. The remaining \$6,000 in nonrecurring expenses is for equipment for the new FTEs.

SCDE further indicates that its Office of General Counsel currently oversees the disciplinary process for misconduct complaints against certified educators and anticipates being able to manage the revocation requirements for noncertified teachers. However, any potential expenditure impact will depend upon the number of noncertified teachers that commit an offense covered by the Code of Conduct as promulgated by the State Board of Education in the future. If the agency experiences a significant increase in cases in the future, General Fund expenses of SCDE could increase by as much as \$211,500 for 2.0 FTEs to manage the increase in workload.

State Agency Schools. This bill is not expected to have an expenditure impact on the state agency schools. The schools previously provided the following information:

- The Governor's School for the Arts and Humanities indicated that the bill would have no expenditure impact since the agency could adhere to provisions of the bill within its current budget.
- The Wil Lou Gray Opportunity School indicated that the bill would have no expenditure impact since the agency only hires certified teachers.
- The School for the Deaf and Blind indicated that the bill would have no expenditure impact since any expenses for noncertified teachers could be managed within current appropriations.

- The Governor’s School for Science and Mathematics indicated that the bill would have no expenditure impact on the agency.
- The Governor’s School for Agriculture at John de la Howe indicated that the school currently has no noncertified teachers. The agency also indicated that if the need arises to hire noncertified teachers, any expenses for the noncertified teachers could be managed within existing appropriations.

Therefore, this bill is not expected to have an expenditure impact on the state agency schools. We will update this impact statement if the agencies revise their responses.

State Law Enforcement Division. SLED previously indicated that this bill would have no expenditure impact on the agency, as it can manage any increase in criminal records checks within existing appropriations. We will update this impact statement if the agency revises this response.

State Revenue

The amended bill requires noncertified educators to submit fees to SCDE as part of the registration and clearance process to become a noncertified teacher. However, the bill does not specify the amount of the fee. Proviso 1.10 of the FY 2021-22 Appropriations Act authorizes the agency to retain revenue for registration fees for non-SDE employees and teacher certification fees. Therefore, Other Funds revenue of the agency will increase due to these fees. However, the amount of the increase is undetermined and will depend upon the number of registrations for noncertified teachers and the amount of the registration fee.

The amended bill also requires all noncertified educators to undergo a SLED background check, which must be submitted during the registration process. We anticipate that the amended bill may increase the number of background checks that SLED will be required to perform. SLED previously indicated that the total cost for a criminal records check is \$51.75, of which \$25 is retained by SLED. The current vendor, Identogo, receives \$13.50, and the remainder of the fee, \$13.25, is remitted to the Federal Bureau of Investigation (FBI). SLED further indicated that these fees may increase slightly as the state is currently operating under a six-month emergency contract extension with the vendor. Pursuant to Section 23-3-115(A), revenue generated from state criminal records checks performed by SLED up to an amount of \$4,461,000 must be deposited in the General Fund. Any revenue over that amount is retained by SLED.

The overall revenue impact of this bill on Other Funds of SLED is undetermined as the number of noncertified teachers fluctuates each year. However, SCDE indicates there are currently 1,368 noncertified teachers this school year. Further, SLED previously indicated that the agency generated \$11,400,000 in revenue from criminal records checks in FY 2020-21. The revenue impact on Other Funds of SLED will depend on the number of noncertified teachers hired each year and the amount of fees collected for the criminal records checks.

Local Expenditure

As stated above, the amended bill allows qualifying schools to hire noncertified teachers in a ratio of up to ten percent of its entire teaching staff. Additionally, schools and districts that

participate in the pilot program are encouraged to collaborate on recruitment, training, and implementation of the program and to assist SCDE with establishing best practices.

SCDE indicates there are 1,268 schools in the 2021-22 school year. Of this number, 125 schools would qualify for the pilot program based upon an “Excellent” rating on the 2018 and 2019 report cards. Also, 841 schools would qualify based on the critical geographic area requirement for FY 2021-22. However, this number will fluctuate based on consecutive report card ratings and geographic area requirements.

While we anticipate that the bill may increase expenses for local school districts to train noncertified teachers to enter the classroom, the overall expenditure impact on the districts is pending, contingent upon a response.

Also, it is undetermined how many districts will choose to hire noncertified teachers pursuant to the provisions of the bill. The impact will vary by district and depends upon the number of noncertified teachers districts choose to hire. Although the number of noncertified teachers fluctuates, there are currently 1,368 noncertified teachers in the 2021-22 school year. Of this amount, 879 noncertified educators teach in a qualifying school. This includes the following position codes: special education, prekindergarten, kindergarten, classroom teachers, and retired teachers.

Additionally, districts will not generate state teacher salary funding for noncertified teachers. The potential salary impact for local districts will depend on the number of noncertified teachers each district chooses to hire.

Local Revenue

N/A

Amended by the House of Representatives on April 6, 2021

State Expenditure

This bill requires districts that employ noncertified teachers to individually register each noncertified teacher with SCDE. Districts must also provide SCDE with the name of each noncertified teacher, the school where the teacher is employed, and the subject area the teacher was hired to teach. SCDE must report this information to the General Assembly at the completion of the school year. Additionally, a district that terminates a registered noncertified teacher from employment must notify SCDE of the reason for termination within ten days after the termination. Further, all noncertified teachers must undergo a state criminal records check by SLED and a national criminal records check supported by fingerprints and conducted by the Federal Bureau of Investigation before being hired. Currently, all school district employees must undergo a name-based state criminal record search conducted by the local district using records maintained by SLED pursuant to Section 59-19-117.

State Department of Education. The overall expenditure impact on SCDE is undetermined. The existing educator information system must be modified by software developers in order to

issue a new credential for noncertified teachers and to create case management and workflow processes. SCDE indicates that the cost to modify the existing system is unknown.

SCDE also indicates that its General Fund expenses will increase by at least \$109,700 in FY 2022-23. Of this amount, \$103,700 is recurring for 2.0 FTEs to process noncertified teacher registrations, including the evaluation of candidate documentation, review of criminal history record information, issuance of registrations, and the processing of disciplinary reviews and actions. The remaining \$6,000 in nonrecurring expenses is for equipment for the new FTEs.

SCDE further indicates that its Office of General Counsel currently oversees the disciplinary process for misconduct complaints against certified educators and anticipates being able to manage the termination requirements for noncertified teachers. However, any potential expenditure impact will depend upon the number of cases involving noncertified teachers that are reported to the agency. If the Office of General Counsel experiences a significant increase in cases, General Fund expenses of the agency could increase by as much as \$211,500 for 2.0 FTEs to manage the increase in workload.

State Agency Schools. This bill will have no expenditure impact on the state agency schools. The Governor's School for the Arts and Humanities indicates that the bill will have no expenditure impact since the agency can adhere to provisions of the bill within its current budget. The Wil Lou Gray Opportunity School indicates that this bill will have no expenditure impact on the agency since it only hires certified teachers. The School for the Deaf and Blind indicates that the bill will have no expenditure impact since any expenses for noncertified teachers can be managed within current appropriations. The Governor's School for Science and Mathematics previously indicated that the bill would have no expenditure impact on the agency. The Governor's School for Agriculture at John de la Howe previously indicated that the school currently has no noncertified teachers. The agency also previously indicated that if the need arises to hire noncertified teachers for up to twenty-five percent of its teaching staff, or two teachers, any expenses for the two noncertified teachers could be managed within existing appropriations. Further, we anticipate that the additional reporting requirements can be managed within existing appropriations for each state agency school. Therefore, this bill will have no expenditure impact on the state agency schools.

State Law Enforcement Division. SLED indicates that this bill will have no expenditure impact on the agency as it can manage any increase in criminal records checks within existing appropriations.

State Revenue

The amended bill requires all noncertified teachers employed by school districts to undergo a state criminal records check by SLED and a national criminal records check supported by fingerprints and conducted by the Federal Bureau of Investigation before being hired.

We anticipate that the amended bill may increase the number of state criminal records checks that SLED will be required to perform. SLED indicates that the total cost for a criminal records check is \$51.75, of which \$25 is retained by SLED. The current vendor, Identogo, receives

\$13.50, and the remainder of the fee, \$13.25, is remitted to the Federal Bureau of Investigation (FBI). SLED further indicates that these fees may increase slightly as the state is currently operating under a six-month emergency contract extension with the vendor. Pursuant to Section 23-3-115(A), revenue generated from state criminal records checks performed by SLED up to an amount of \$4,461,000 must be deposited in the General Fund. Any revenue over that amount is retained by SLED.

The overall revenue impact of this bill on Other Funds of SLED is undetermined as the number of noncertified teachers fluctuates each year. However, SCDE indicates there are currently 1,368 noncertified teachers this school year. Further, SLED indicates that the agency generated \$11,400,000 in revenue from criminal records checks in FY 2020-21. The revenue impact on Other Funds of SLED will depend on the number of noncertified teachers hired each year and the amount of fees collected for the criminal records checks.

Local Expenditure

This bill allows school districts to hire noncertified teachers in a ratio of up to twenty-five percent of a school or career center's teaching staff if a certified teacher is not available. The following requirements must be met:

- The noncertified teachers must possess a baccalaureate or graduate degree from a regionally accredited college or university in the subject area they are hired to teach and must have at least five years of relevant workplace experience.
- No individual who has an active suspension or revocation of their educator certificate may qualify as a noncertified teacher.
- An individual may only serve as a noncertified teacher for two school years. After that time, the individual must demonstrate enrollment in an approved traditional or alternative route educator preparation program to continue employment.
- All noncertified teachers must undergo a state criminal records check by SLED and a national criminal records check supported by fingerprints and conducted by the FBI before being hired by a district. Eligible applicants who have prior arrests, convictions, or both, must undergo a review by the State Board of Education and be approved before a clearance letter can be issued to them. Also, an individual registering as a noncertified teacher must be checked against the national database of educator disciplinary actions.

For the purposes of this bill, the term noncertified teacher does not include applicants who met eligibility requirements for the Career and Technology work-based certification in the specified fields. A district that terminates a registered noncertified teacher from employment must notify SCDE of the termination and the reason for the termination within ten days. Additionally, districts must also provide SCDE with the name of each noncertified teacher, school where the teacher is employed, and the subject area the teacher was hired to teach.

The overall expenditure impact of this bill on local school districts is undetermined since the bill allows districts the option to hire noncertified teachers in a ratio of up to twenty-five percent of a school or career center's teaching staff. The impact will vary by district and depends upon the

number of noncertified teachers districts choose to hire. Although the number of noncertified teachers fluctuates, there are currently 1,368 noncertified teachers in the 2021-22 school year. This includes the following position codes: special education, prekindergarten, kindergarten, classroom teachers, and retired teachers. Additionally, the bill does not specify whether the local district, the noncertified teacher, or SLED will be responsible for the cost of the criminal records check. Based upon data previously received from SLED, the total cost for a criminal records check is \$51.75. If local districts are responsible for the cost of the records check, district expenses may increase by an undetermined amount. Currently, Section 59-19-117 requires a criminal record search for all district employees. Districts are permitted to decide if the district will cover the cost or if it is the applicant's responsibility. The cost of the records check may be offset by the existing expenditures, depending on which party is responsible. Additionally, districts will not generate state teacher salary funding for noncertified teachers. The potential salary impact for local districts will depend on the number of noncertified teachers each district chooses to hire.

Local Revenue

N/A

Updated for Additional Agency Response on March 9, 2021

Introduced on January 12, 2021

State Expenditure

This bill requires districts that employ noncertified teachers to individually register each noncertified teacher with SCDE. A district that terminates a registered noncertified teacher from employment must notify SCDE of the reason for termination within thirty days after the termination.

State Department of Education. SCDE indicates that any expenses associated with modifying the educator information system to allow for the registration of noncertified teachers can be managed within current appropriations. Therefore, this bill will have no expenditure impact on the agency.

State Agency Schools. This bill will have no expenditure impact on the state agency schools. The Governor's School for Science and Mathematics indicates that this bill will have no expenditure impact on the agency since most of its noncertified teachers have a doctorate degree. The Governor's School for the Arts and Humanities indicates that the bill will have no expenditure impact since the agency can adhere to provisions of the bill within its current budget. The Governor's School for Agriculture at John de la Howe indicates that the school currently has no noncertified teachers. Further, the agency indicates that if the need arises to hire noncertified teachers for up to twenty-five percent of its teaching staff, or two teachers, any expenses for the two noncertified teachers could be managed within existing appropriations. The Wil Lou Gray Opportunity School indicates that this bill will have no expenditure impact on the agency since it only hires certified teachers. The School for the Deaf and Blind indicates that the bill will have no expenditure impact since any expenses for noncertified teachers can be managed within current appropriations. Therefore, this bill will have no expenditure impact on the state agency

schools. This section of the impact statement has been updated to include a response from the School for the Deaf and Blind.

State Revenue

N/A

Local Expenditure

This bill allows a school district to hire noncertified teachers in a ratio of up to twenty-five percent of a school or career center's teaching staff if the school or career center has vacant teaching positions five business days before the beginning of the school year. The noncertified teachers must possess a baccalaureate or graduate degree in the subject area and must have at least five years of relevant workplace experience as determined by the local school board. Further, the bill requires districts to individually register each noncertified teacher with SCDE. A district that terminates a registered noncertified teacher from employment must notify SCDE of the reason for termination within thirty days after the termination.

SCDE indicates that the overall expenditure impact on local school districts is undetermined. Since districts will not generate teacher salary funding for noncertified teachers, the impact will vary by district and depends upon the number of noncertified teachers by district. SCDE further indicates that while the number of noncertified teachers fluctuates, there are 1,024 noncertified teachers. This includes the following position codes: special education, prekindergarten, kindergarten, classroom teachers, and retired teachers.

Local Revenue

N/A

Introduced on January 12, 2021

State Expenditure

This bill requires districts that employ noncertified teachers to individually register each noncertified teacher with SCDE. A district that terminates a registered noncertified teacher from employment must notify SCDE of the reason for termination within thirty days after the termination.

State Department of Education. SCDE indicates that any expenses associated with modifying the educator information system to allow for the registration of noncertified teachers can be managed within current appropriations. Therefore, this bill will have no expenditure impact on the agency.

State Agency Schools. The overall expenditure impact of this bill on the state agency schools is pending, contingent upon a response from the School for the Deaf and Blind. However, the Governor's School for Science and Mathematics indicates that this bill will have no expenditure impact on the agency since most of its noncertified teachers have a doctorate degree. The Governor's School for the Arts and Humanities indicates that the bill will have no expenditure impact since the agency can adhere to provisions of the bill within its current budget. The

Governor's School for Agriculture at John de la Howe indicates that the school currently has no noncertified teachers. Further, the agency indicates that if the need arises to hire noncertified teachers for up to twenty-five percent of its teaching staff, or two teachers, any expenses for the two noncertified teachers could be managed within existing appropriations. The Wil Lou Gray Opportunity School indicates that this bill will have no expenditure impact on the agency since it only hires certified teachers.

State Revenue

N/A

Local Expenditure

This bill allows a school district to hire noncertified teachers in a ratio of up to twenty-five percent of a school or career center's teaching staff if the school or career center has vacant teaching positions five business days before the beginning of the school year. The noncertified teachers must possess a baccalaureate or graduate degree in the subject area and must have at least five years of relevant workplace experience as determined by the local school board. Further, the bill requires districts to individually register each noncertified teacher with SCDE. A district that terminates a registered noncertified teacher from employment must notify SCDE of the reason for termination within thirty days after the termination.

SCDE indicates that the overall expenditure impact on local school districts is undetermined. Since districts will not generate teacher salary funding for noncertified teachers, the impact will vary by district and depends upon the number of noncertified teachers by district. SCDE further indicates that while the number of noncertified teachers fluctuates, there are 1,024 noncertified teachers. This includes the following position codes: special education, prekindergarten, kindergarten, classroom teachers, and retired teachers.

Local Revenue

N/A



Frank A. Rainwater, Executive Director