



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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**Bill Number:** H. 3613 Amended by House Education and Public Works on February 2, 2021  
**Author:** Lucas and Allison  
**Subject:** Early Assessment Screenings  
**Requestor:** Senate Education  
**RFA Analyst(s):** Wren and A. Martin  
**Impact Date:** March 22, 2021

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### **Fiscal Impact Summary**

#### ***State Expenditures***

Sections 1 and 3 of the amended bill increase the number of students required to be screened under the universal screening process. These sections require the State Department of Education (SDE) to reimburse districts for the cost of the instrument selected. SDE anticipates that these sections will increase General Fund expenses by at least \$1,696,000 in FY 2021-22. This includes \$1,596,000 in recurring expenses to reimburse districts for screening all 228,000 kindergarten through third grade students at an average cost of \$7 per student. Although one of the eight current screening tools is free, SDE anticipates that all districts will select a paid tool if reimbursement is available. The remaining \$100,000 of expenditures is for non-recurring expenses to train districts on the additional screenings and interventions. Further, the agency anticipates using an existing data system for collecting and reporting data on screenings from districts, and therefore, there will be no expenses for data collection.

Section 2 will increase General Fund expenses of SDE by up to \$10,000 for per diem and mileage reimbursement for the South Carolina Reading Panel members.

Section 7 of the amended bill will increase expenses of the School for the Deaf and Blind by a range of \$100,000 to \$200,000 beginning in FY 2021-22 depending upon whether the thirty minutes of supplemental instruction must be conducted on a weekly or a daily basis.

Section 8 expands the current third grade summer reading program by requiring districts to also offer summer reading camps to students in first and second grades who are not substantially demonstrating proficiency in reading. SDE anticipates that a total of 42,000 students could be eligible for the summer reading camps next year. This figure is based upon the assumption that an additional 38,000 students will be eligible based upon the provisions of this section of the bill. The language in the bill does not specify whether SDE or local school districts will be responsible for the increase in expenses due to the expanded summer reading camps. Unless additional funds are appropriated for this purpose, we anticipate that local school districts will need to cover the additional expenses.

Section 10 of the amended bill will increase General Fund expenses of SDE by an undetermined amount to cover the fees for the required courses for teachers. Currently, teachers are responsible for the costs associated with renewal credits. SDE anticipates that this bill will shift this cost from teachers to the agency. The expenditure impact will vary each year and will further depend upon the number of teachers required to take the course annually.

Section 10 will also increase General Fund expenses of the Commission on Higher Education (CHE) by \$25,000 in FY 2021-22 for the services of an out-of-state vendor to evaluate the effectiveness of each teacher education program as it relates to preparing teachers to diagnose a child's reading problems and provide interventions that are scientifically-based and evidence-based.

### ***Local Expenditures***

Sections 1 and 3 shift expenses from the local school districts to SDE for the universal screening process for all kindergarten through third grade students. District savings for the screening tools will vary but will average approximately \$7 per student screened. However, SDE indicates that some school districts will need to hire additional FTEs to conduct the additional screenings and interventions. Also, districts may incur expenses for professional development for teachers related to travel and substitutes, which may affect the overall savings. Therefore, the expenditure impact on school districts overall for these changes is undetermined.

Section 8 of the amended bill may increase local expenditures for summer reading camps since the bill expands the current third grade summer reading camps to include students in first and second grades. SDE anticipates that a total of 42,000 students could be eligible for the summer reading camps next year. This figure is based upon the assumption that an additional 38,000 students will be eligible based upon the provisions of this section of the bill. Unless additional funds are appropriated for this purpose, we anticipate that local school districts will be responsible for the additional expenses. Depending upon the number of participating students, local districts may incur additional expenses to expand the current reading camps to accommodate the increase in students.

SDE indicates Section 10 of the amended bill may increase local school district expenses by an undetermined amount since districts may incur expenses for professional development for teachers related to travel and substitutes. Additionally, the impact will vary based upon how districts structure the courses and professional development. If districts offer the credit as professional development, there may be expenses for instructors. If districts contract with a local college or university, the configuration of the contract and associated expenses will vary by district.

## **Explanation of Fiscal Impact**

**Amended by House Education and Public Works on February 2, 2021**

### **State Expenditure**

The following sections will affect state expenditures:

**Sections 1 and 3.** Section 1 requires SDE 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. SDE must use the same process as required by Section 59-18-310 to ensure that the instruments are valid and reliable assessments that provide diagnostic information in a timely manner. School districts must administer one or more instruments in the first thirty days of the school year and repeat, if and only if, the student demonstrates literacy and numeracy deficiencies at midyear and at the end of the school year to determine student progression. 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 screening assessment. SDE must promulgate regulations describing the criteria for granting a waiver. 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. The data must be reported annually and on a grade-level basis to the Speaker of the House, the President of the Senate, and the Governor. Additionally, Section 3 requires that all screening tools, including those listed in Section 59-155-155, must be able to identify students with dyslexia or other reading disorders.

**State Department of Education.** The agency indicates that these sections will increase General Fund expenses by at least \$1,696,000 in FY 2021-22 to reimburse districts for the universal screenings. This includes \$1,596,000 in recurring expenses to screen all 228,000 kindergarten through third grade students at an average cost of \$7 per student. SDE also indicates that only one of the eight screening tools is free and that only five of the regular school districts use the free screening tool as the paid screening tools produce better data. The agency anticipates that all districts will select a paid tool if reimbursement is available. The remaining \$100,000 is for non-recurring expenses to train districts on the additional screenings and interventions. Further, the agency anticipates using an existing data system for collecting and reporting data on screenings from districts. Therefore, there are no additional expenditures for data collection.

**State Agency Schools.** The Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, the Governor's School for Agriculture at John de la Howe, and the Wil Lou Gray Opportunity School do not serve students in elementary school. We anticipate that any expenditure on the School for the Deaf and Blind can be managed within current appropriations. Therefore, this section of the bill is not expected to have an expenditure impact on state agency schools.

**Section 2.** This section creates the South Carolina Reading Panel, which must be supported and staffed by SDE. The panel must support and assist SDE with implementation of this bill. The panel must be comprised of ten members appointed by the State Board of Education upon the recommendations of the State Superintendent of Education. The panel members must include individuals having the highest expertise on reading instruction. At least three members must be from public or private institutions of higher education, nominated by CHE. At least one of these members must be from a historically black college or university, and at least one member must be from a public institution of higher learning. At least three members must be responsible for their district reading plans or have exceptional reading expertise. At least three members of the panel must be current classroom teachers with direct instructional responsibilities with students,

with one teacher each from elementary, middle, and high school settings. One of these teachers must be employed by a Title I school. Members may receive no compensation, but may receive per diem and mileage. This section further outlines the duties and requirements of the panel.

**State Department of Education.** SDE assumes that the agency will be responsible for the per diem and mileage for the South Carolina Reading Panel members and estimates that General Fund expenses of the agency will increase by up to \$10,000. However, actual expenses will depend upon the traveling distances and the number of times the panel meets annually.

**Section 5.** 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). This section further replaces language related to the reading assessment on the Palmetto Assessment of State Standards with a reading assessment in English/language arts, to determine students eligible for retention pursuant to Section 59-155-160(A).

**State Department of Education.** SDE indicates that the required changes to testing can be managed within current appropriations. Therefore, this section will have no expenditure impact on the agency.

**Section 6.** This section requires the coursework for higher education degrees and professional development in reading and 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.

**State Department of Education.** SDE indicates that this section does not alter the responsibilities or duties of the agency. Therefore, this section will have no expenditure impact on the agency.

**Commission on Higher Education.** CHE indicates that this section does not alter the responsibilities or duties of the agency. Therefore, this section will have no expenditure impact on the agency.

**Section 7.** This section requires districts to provide appropriate in-class intervention and at least thirty minutes of supplemental intervention by certified teachers who have met the necessary professional development requirements until all pre-kindergarten through twelfth grade students can comprehend and write text at grade level.

**State Department of Education.** SDE indicates that this section does not alter the responsibilities or duties of the agency. Therefore, this section will have no expenditure impact on the agency.

**State Agency Schools.** The School for the Deaf and Blind indicates that this section will increase expenses of the agency by a range of \$100,000 to \$200,000 beginning in FY 2021-22 depending upon whether the thirty minutes of supplemental intervention must be done on a

weekly or daily basis. If the supplemental intervention must be conducted on a weekly basis, the agency will need two certified teachers at a cost of \$100,000 including fringe. If the supplemental intervention must be conducted on a daily basis, the agency will need \$200,000, which includes fringe for four certified teachers. Further the agency indicates that due to the nature of its students' sensory disabilities, the acquisition of grade level reading comprehension and writing is significantly impacted. The Governor's School for Science and Mathematics indicates that all of the school's students are currently at grade level. The Governor's School for the Arts and Humanities and the Wil Lou Gray Opportunity School indicate that they can adhere to the provisions of the bill within current appropriations.

**Section 8.** This section expands summer reading camps to include students in the first and second grades who are not demonstrating proficiency in reading, based upon the universal screening process, and if indicated, diagnostic assessments and teacher observations. Students who score at the lowest achievement level and are eligible for retention may enroll in summer reading camps.

**State Department of Education.** SDE indicates that approximately 4,000 students qualified for summer reading camps this year and approximately 9,000 students attended the summer reading camps. SDE does not have data on the district expenses for reading camps. SDE anticipates that a total of 42,000 students could be eligible for reading camps next year under this bill. This figure is based upon the assumption that an additional 38,000 students will be eligible based upon the provisions of this section of the bill. The language in the bill does not specify whether SDE or local school districts will be responsible for the increase in expenses due to the expanded summer reading camp. Unless additional funds are appropriated for this purpose, we anticipate that local school districts will be responsible for any additional expenses.

**Section 9.** 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 assessment in English/language arts, which indicates that the student needs substantial academic support to be prepared for the next grade level. This section takes effect beginning with the 2023-24 school year.

**State Department of Education.** SDE indicates that this section of the bill does not alter the responsibilities or duties of the agency. Therefore, this section will have no expenditure impact on the agency.

**State Agency Schools.** The Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, the Governor's School for Agriculture at John de la Howe, and the Wil Lou Gray Opportunity School do not serve students in elementary school. We anticipate that any expenditure on the School for the Deaf and Blind can be managed within current appropriations. Therefore, this section of the bill is not expected to have an expenditure impact on state agency schools.

**Section 10.** This section makes extensive changes to requirements for SDE's support of schools with students not meeting reading requirements. Also, local school districts, working in

collaboration with SDE must offer certain courses at no charge to educators. Additionally, beginning July 1, 2022, and annually thereafter, CHE, in consultation with the Learning Disorders Task Force, must conduct an analysis to determine the effectiveness of each teacher education program in preparing teachers to diagnose a child's reading problems and to provide small group and individual student interventions that are scientifically based and evidence-based. CHE must report its findings of the analysis and provide recommendations for improving teacher education programs to SDE and the General Assembly.

**State Department of Education.** SDE indicates that this section will have an undetermined impact on the agency. Currently, teachers pay a fee of \$85 per course for renewal credit and approximately \$250 for graduate credits through VirtualSC. The fee covers the cost of the instructor and technology license fee. SDE anticipates that under the provisions of the bill as amended, the agency will be required to cover the educator costs for these courses. Further, SDE indicates that the expenses will vary each year and will depend upon the number of teachers required to take the course annually.

**State Agency Schools.** The Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, the Governor's School for Agriculture at John de la Howe, and the Wil Lou Gray Opportunity School do not serve students in elementary school. We anticipate that any expenditure on the School for the Deaf and Blind can be managed within current appropriations. Therefore, this section of the bill is not expected to have an expenditure impact on state agency schools.

**Commission on Higher Education.** CHE indicates that this section will increase General Fund expenses of the agency by \$25,000 in FY 2021-22 for the services of an out-of-state third-party vendor.

### **State Revenue**

N/A

### **Local Expenditure**

The following sections will affect local expenditures:

**Sections 1 and 3.** These sections require SDE 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. SDE must use the same process as required by Section 59-18-310 to ensure that the instruments are valid and reliable assessments that provide diagnostic information in a timely manner. School districts must administer one or more instruments in the first thirty days of the school year and repeat, if and only if, the student demonstrates literacy and numeracy deficiencies at midyear and at the end of the school year to determine student progression. 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 screening assessment. SDE must promulgate regulations describing the criteria for granting a waiver. 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. The data must be reported annually and on a grade-level basis to the Speaker of the House, the President of the Senate, and the Governor. Additionally, these sections require that all screening tools, including those listed in Section 59-155-155, must be able to identify students with dyslexia or other reading disorders.

**Local School Districts.** SDE indicates that the overall expenditure impact of these sections on local school districts is undetermined. Some districts will need to hire additional FTEs to conduct the additional screenings and interventions. The number of FTEs and the cost varies by district. Also, districts may incur expenses for professional development for teachers related to travel and substitutes. These expenses will also vary by district. Additionally, these sections shift expenses from the local districts to SDE for the universal screening process for all kindergarten through third grade students. SDE will now be required to reimburse districts at an average cost of \$7 per student. The cost savings to school districts will vary based upon the number of students screened.

**Section 5.** 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). This section further replaces language related to the reading assessment on the Palmetto Assessment of State Standards with a reading assessment in English/language arts, to determine students eligible for retention pursuant to Section 59-155-160(A).

**Local School Districts.** SDE indicates that this section of the bill may increase expenses of local school districts by an undetermined amount since a larger number of students would be eligible for retention. Expenses will vary by district but may increase the need for additional teachers to teach the additional students that will be retained.

**Section 7.** This section requires districts to provide appropriate in-class intervention and at least thirty minutes of supplemental intervention by certified teachers who have met the necessary professional development requirements until all pre-kindergarten through twelfth grade students can comprehend and write text at grade level.

**Local School Districts.** SDE indicates that this section will have an undetermined impact on local school districts since some districts will need to hire additional FTEs to ensure students receive appropriate interventions. The number of interventionists varies by district.

**Section 8.** This section expands summer reading camps to include students in the first and second grades who are not demonstrating proficiency in reading, based upon the universal screening process, and if indicated, diagnostic assessments and teacher observations. Students who score at the lowest achievement level and are eligible for retention may enroll in summer reading camps.

SDE indicates that approximately 4,000 students qualified for summer reading camps this year and approximately 9,000 students attended summer reading camps. SDE does not have data on the district expenses for reading camps. SDE anticipates that a total of 42,000 students could be

eligible for reading camps next year. This figure is based upon the assumption that an additional 38,000 students will be eligible based upon the provisions of this section of the bill. The bill does not specify whether SDE or local school districts will be responsible for the increase in expenses due to the expanded summer reading camp. Unless additional funds are appropriated for this purpose, we anticipate that local school districts will be responsible for any increase in expenses. The number of eligible students that may choose to participate in the expanded summer reading camp is unknown. Therefore, the expenditure impact of this portion of the bill is undetermined since it is unclear if districts will be able to absorb expenses for the increase in the number of students that attend the expanded summer reading camps.

**Section 9.** 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 assessment in English/language arts, which indicates that the student needs substantial academic support to be prepared for the next grade level. Districts are encouraged to develop policies for intensive support and retention of students in kindergarten through grade two if it is determined to be in the student's best interest. Additionally, this section allows a parent or legal guardian to appeal the decision to retain a student to the district superintendent if there is a compelling reason why the student should not be retained. Further, this section requires districts to report to SDE the number of appeals made, the number of appeals granted, and the student's academic outcome in fourth grade. Also, each district superintendent must submit a report annually to the district board, SDE, and the General Assembly on the number of retention exemptions granted, the total number of students retained in kindergarten through third grade, the number of appeals made and granted, and the student's outcome in grades four through eight. This section takes effect beginning with the 2023-24 school year.

**Local School Districts.** SDE indicates that this section 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 10.** This section revises the responsibilities and professional development requirements for reading coaches. Also, local school districts, working in collaboration with SDE must offer certain courses at no charge to educators. Additionally, teachers, administrators, and other certified faculty and staff are exempt from having to earn the required literacy teacher add-on endorsement to maintain certification only if they are not educating or serving students in a school or other educational setting.

**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. Additionally, the impact will vary based upon how districts structure the courses and professional development. If districts offer the credit as professional development, there may be expenses for instructors. If districts contract with a local college or university, the configuration of the contract and associated expenses will vary by district.

**Section 11.** This section as amended requires local school districts to use the universal screening process pursuant to Section 59-155-155(B).

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

### **Local Revenue**

N/A

**Introduced on January 12, 2021**

### **State Expenditure**

The following sections will affect state expenditures:

**Sections 1 and 3.** Section 1 requires SDE 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. SDE must use the same process as required by Section 59-18-310 to ensure that the instruments are valid and reliable assessments that provide diagnostic information in a timely manner. School districts must administer one or more instruments in the first thirty days of the school year and repeat, if and only if, the student demonstrates literacy and numeracy deficiencies at midyear and at the end of the school year to determine student progression. 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 screening assessment. The State Board of Education must promulgate regulations describing the criteria for granting a waiver. 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. The data must be reported annually and on a grade-level basis to the Speaker of the House, the President of the Senate, and the Governor. Additionally, Section 3 requires that all screening tools, including those listed in Section 59-155-155, must be able to identify students with dyslexia or other reading disorders.

**State Department of Education.** The agency indicates that these sections will increase General Fund expenses by at least \$1,696,000 in FY 2021-22 to reimburse districts for the universal screenings. This includes \$1,596,000 in recurring expenses to screen all 228,000 kindergarten through third grade students at an average cost of \$7 per student. SDE also indicates that only one of the eight screening tools is free and that only five of the regular school districts use the free screening tool as the paid screening tools produce better data. The agency anticipates that all districts will select a paid tool if reimbursement is available. The remaining \$100,000 is for non-recurring expenses to train districts on the additional screenings and interventions. Further, the agency anticipates using an existing data system for collecting and reporting data on screenings from districts. Therefore, there are no additional expenditures for data collection.

**State Agency Schools.** The Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, the Governor's School for Agriculture at John de la Howe, and the Wil Lou Gray Opportunity School do not serve students in elementary school. We

anticipate that any expenditure on the School for the Deaf and Blind can be managed within current appropriations. Therefore, this section of the bill is not expected to have an expenditure impact on state agency schools.

**Section 2.** This section creates the South Carolina Reading Panel, which must be supported and staffed by SDE. The panel must support and assist SDE with implementation of this bill. The panel must be comprised of ten members appointed by the State Board of Education upon the recommendations of the State Superintendent of Education. The panel members must include individuals having the highest expertise on reading instruction, with three members from public or private institutions of higher education, nominated by CHE, and three members who are responsible for their district reading plans or have exceptional reading expertise. At least three members of the panel must be classroom teachers. Members may receive no compensation, but may receive per diem and mileage. This section further outlines the duties and requirements of the panel.

**State Department of Education.** SDE assumes that the agency will be responsible for the per diem and mileage for the South Carolina Reading Panel members and estimates that General Fund expenses of the agency will increase by up to \$10,000. However, actual expenses will depend upon the traveling distances and the number of times the panel meets annually.

**Section 5.** 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). This section further replaces language related to the reading assessment on the Palmetto Assessment of State Standards with a reading assessment in English/language arts, to determine students eligible for retention pursuant to Section 59-155-160(A).

**State Department of Education.** SDE indicates that the required changes to testing can be managed within current appropriations. Therefore, this section will have no expenditure impact on the agency.

**Section 6.** This section requires the coursework for higher education degrees and professional development in reading and 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.

**State Department of Education.** SDE indicates that this section of the bill does not alter the responsibilities or duties of the agency. Therefore, this section will have no expenditure impact on the agency.

**Commission on Higher Education.** CHE indicates that this section of the bill does not alter the responsibilities or duties of the agency. Therefore, this section will have no expenditure impact on the agency.

**Section 7.** This section requires districts to provide appropriate in-class intervention and at least thirty minutes of supplemental intervention by certified teachers who have met the necessary professional development requirements until all pre-kindergarten through twelfth grade students can comprehend and write text at grade level.

**State Department of Education.** SDE indicates that this section of the bill does not alter the responsibilities or duties of the agency. Therefore, this section will have no expenditure impact on the agency.

**State Agency Schools.** The School for the Deaf and Blind indicates that this section of the bill will increase expenses of the agency by a range of \$100,000 to \$200,000 beginning in FY 2021-22 depending upon whether the thirty minutes of supplemental intervention must be done on a weekly or daily basis. If the supplemental intervention must be conducted on a weekly basis, the agency will need two certified teachers at a cost of \$100,000 including fringe. If the supplemental intervention must be conducted on a daily basis, the agency will need \$200,000, which includes fringe for four certified teachers. Further the agency indicates that due to the nature of its students' sensory disabilities, the acquisition of grade level reading comprehension and writing is significantly impacted. The Governor's School for Science and Mathematics indicates that all of the school's students are currently at grade level. The Governor's School for the Arts and Humanities and the Wil Lou Gray Opportunity School indicate that they can adhere to the provisions of the bill within current appropriations.

**Section 8.** This section expands summer reading camps to include students in the first and second grades who are not demonstrating proficiency in reading, based upon the universal screening process, and if indicated, diagnostic assessments and teacher observations. Students who score at the lowest achievement level and are eligible for retention may enroll in summer reading camps.

**State Department of Education.** SDE indicates that approximately 4,000 students qualified for summer reading camps this year and approximately 9,000 students attended the summer reading camps. SDE does not have data on the district expenses for reading camps. SDE anticipates that a total of 42,000 students could be eligible for reading camps next year under this bill. This figure is based upon the assumption that an additional 38,000 students will be eligible based upon the provisions of this section of the bill. The language in the bill does not specify whether SDE or local school districts will be responsible for the increase in expenses due to the expanded summer reading camp. Unless additional funds are appropriated for this purpose, we anticipate that local school districts will be responsible for any additional expenses.

**Section 9.** 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 assessment in English/language arts, which indicates that the student needs substantial academic support to be prepared for the next grade level. This section takes effect beginning with the 2023-24 school year.

**State Department of Education.** SDE indicates that this section of the bill does not alter the responsibilities or duties of the agency. Therefore, this section will have no expenditure impact on the agency.

**State Agency Schools.** The Governor’s School for the Arts and Humanities, the Governor’s School for Science and Mathematics, the Governor’s School for Agriculture at John de la Howe, and the Wil Lou Gray Opportunity School do not serve students in elementary school. We anticipate that any expenditure on the School for the Deaf and Blind can be managed within current appropriations. Therefore, this section of the bill is not expected to have an expenditure impact on state agency schools.

**Section 10.** This section makes extensive changes to requirements for SDE’s support of schools with students not meeting reading requirements. Also, beginning July 1, 2022, and annually thereafter, CHE, in consultation with the Learning Disorders Task Force, must conduct an analysis to determine the effectiveness of each teacher education program in preparing teachers to diagnose a child’s reading problems and to provide small group and individual student interventions that are scientifically based and evidence-based. CHE must report its findings of the analysis and provide recommendations for improving teacher education programs to SDE and the General Assembly.

**State Department of Education.** SDE indicates that any expenses incurred as a result of this section can be managed within existing appropriations. Therefore, this section will have no expenditure impact on the agency.

**State Agency Schools.** The Governor’s School for the Arts and Humanities, the Governor’s School for Science and Mathematics, the Governor’s School for Agriculture at John de la Howe, and the Wil Lou Gray Opportunity School do not serve students in elementary school. We anticipate that any expenditure on the School for the Deaf and Blind can be managed within current appropriations. Therefore, this section of the bill is not expected to have an expenditure impact on state agency schools.

**Commission on Higher Education.** CHE indicates that this section of the bill will increase General Fund expenses of the agency by \$25,000 in FY 2021-22 for the services of an out-of-state third-party vendor.

#### **State Revenue**

N/A

#### **Local Expenditure**

The following sections will affect local expenditures:

**Sections 1 and 3.** These sections require SDE 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. SDE must use the same process as required by Section 59-18-310 to ensure that the instruments are valid and reliable assessments that provide diagnostic

information in a timely manner. School districts must administer one or more instruments in the first thirty days of the school year and repeat, if and only if, the student demonstrates literacy and numeracy deficiencies at midyear and at the end of the school year to determine student progression. 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 screening assessment. The State Board of Education must promulgate regulations describing the criteria for granting a waiver. 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. The data must be reported annually and on a grade-level basis to the Speaker of the House, the President of the Senate, and the Governor. Additionally, these sections require that all screening tools, including those listed in Section 59-155-155, must be able to identify students with dyslexia or other reading disorders.

**Local School Districts.** SDE indicates that the overall expenditure impact of these sections on local school districts is undetermined. Some districts will need to hire additional FTEs to conduct the additional screenings and interventions. The number of FTEs and the cost varies by district. Also, districts may incur expenses for professional development for teachers related to travel and substitutes. These expenses will also vary by district. Additionally, these sections shift expenses from the local districts to SDE for the universal screening process for all kindergarten through third grade students. SDE will now be required to reimburse districts at an average cost of \$7 per student. The cost savings to school districts will vary based upon the number of students screened.

**Section 5.** 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). This section further replaces language related to the reading assessment on the Palmetto Assessment of State Standards with a reading assessment in English/language arts, to determine students eligible for retention pursuant to Section 59-155-160(A).

**Local School Districts.** SDE indicates that this section of the bill may increase expenses of local school districts by an undetermined amount since a larger number of students would be eligible for retention. Expenses will vary by district but may increase the need for additional teachers to teach the additional students that will be retained.

**Section 7.** This section requires districts to provide appropriate in-class intervention and at least thirty minutes of supplemental intervention by certified teachers who have met the necessary professional development requirements until all pre-kindergarten through twelfth grade students can comprehend and write text at grade level.

**Local School Districts.** SDE indicates that this section of the bill will have an undetermined impact on local school districts since some districts will need to hire additional FTEs to ensure students receive appropriate interventions. The number of interventionists varies by district.

**Section 8.** This section expands summer reading camps to include students in the first and second grades who are not demonstrating proficiency in reading, based upon the universal screening process, and if indicated, diagnostic assessments and teacher observations. Students who score at the lowest achievement level and are eligible for retention may enroll in summer reading camps.

SDE indicates that approximately 4,000 students qualified for summer reading camps this year and approximately 9,000 students attended summer reading camps. SDE does not have data on the district expenses for reading camps. SDE anticipates that a total of 42,000 students could be eligible for reading camps next year. This figure is based upon the assumption that an additional 38,000 students will be eligible based upon the provisions of this section of the bill. The bill does not specify whether SDE or local school districts will be responsible for the increase in expenses due to the expanded summer reading camp. Unless additional funds are appropriated for this purpose, we anticipate that local school districts will be responsible for any increase in expenses. The number of eligible students that may choose to participate in the expanded summer reading camp is unknown. Therefore, the expenditure impact of this portion of the bill is undetermined since it is unclear if districts will be able to absorb expenses for the increase in the number of students that attend the expanded summer reading camps.

**Section 9.** 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 assessment in English/language arts, which indicates that the student needs substantial academic support to be prepared for the next grade level. Districts are encouraged to develop policies for intensive support and retention of students in kindergarten through grade two if it is determined to be in the student's best interest. Additionally, this section allows a parent or legal guardian to appeal the decision to retain a student to the district superintendent if there is a compelling reason why the student should not be retained. Further, this section requires districts to report to SDE the number of appeals made, the number of appeals granted, and the student's academic outcome in fourth grade. Also, each district superintendent must submit a report annually to the district board, SDE, and the General Assembly on the number of retention exemptions granted, the total number of students retained in kindergarten through third grade, the number of appeals made and granted, and the student's outcome in grades four through eight. This section takes effect beginning with the 2023-24 school year.

**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 10.** This section revises the responsibilities and professional development requirements for reading coaches. Also, teachers, administrators, and other certified faculty and staff are exempt from having to earn the required literacy teacher add-on endorsement to maintain certification only if they are not educating or serving students in a school or other educational setting.

**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.

**Local Revenue**

N/A



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