



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 3883	Introduced on February 11, 2021
Author:	Collins	
Subject:	Education: Competency-Based Education	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Wren and A. Martin	
Impact Date:	March 5, 2021	

Fiscal Impact Summary

This bill allows the State Board of Education to exempt a competency-based school from state laws, policies, and regulations that hinder the implementation of certain competency-based practices. The bill further requires the State Department of Education (SDE) to develop a waiver application for districts and schools seeking to implement competency-based education and provides additional requirements for SDE, local districts, and schools.

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

This bill is not expected to have an expenditure impact on the state agency schools. The state agency schools currently offer specialized instruction within the arts and humanities, science and mathematics, an alternate high school credential, and educational services for the deaf and blind.

The Commission on Higher Education (CHE) previously indicated that any expenses associated with developing policies could be managed within current appropriations. Therefore, the bill is not expected to have any expenditure impact on the commission.

The State Board for Technical and Comprehensive Education (SBTCE) previously indicated that the agency has policies in place for students who graduate from schools that implement innovative school models and use non-traditional diplomas and transcripts. Therefore, the bill is not expected to have an expenditure impact on the agency.

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

Explanation of Fiscal Impact

Introduced on February 11, 2021

State Expenditure

This bill allows the State Board of Education to exempt a competency-based school from state laws, policies, and regulations that hinder the implementation of certain competency-based practices. A district or school seeking an exemption must submit a waiver application to the State Board of Education in a format developed by SDE. A district must seek parental outreach and consultation using guidelines approved by the State Board of Education when submitting a waiver application for approval by its local board of trustees and the State Board of Education, or the application may not be considered. A district whose waiver application is approved may request additional exemptions and may request amendments to its current approved waiver on a rolling basis. A competency-based system must align with the Profile of the South Carolina Graduate and include certain principles.

A school operating under a waiver pursuant to this bill must admit all children eligible to attend the school, subject to space limitations, and may not limit or deny admission or show preference in an admission decision to an individual or group of individuals. If a school operates under a waiver pursuant to this bill, each student enrolled in the school is considered to be a full-time equivalent student enrolled in the school while participating in the competency-based education system for the purpose of calculating state financial support, average daily membership, and attendance. Additionally, if a school operates under a waiver pursuant to the provisions of this bill, each student must be enrolled in the state's student information system.

SDE must establish procedures to ensure that a student who transfers from a school that is operating under a waiver to another school is not penalized by being required to repeat coursework that has been successfully mastered. SDE may also provide a necessary accreditation exemption to a school that launches a competency-based education program. SDE must also create evaluation criteria and guidelines for schools that are operating under a waiver pursuant to this bill. A participating school must submit required data for a biennial cyclical review on a form developed by SDE. Additionally, during the cyclical review, SDE must notify any district and school if a goal or objective is not being met.

CHE and SBTCE must establish policies to provide fair and equitable access to institutions of higher education and technical colleges for graduates of schools implementing innovative school models and using non-traditional diplomas and transcripts. These policies must also provide fair and equitable access to scholarships and financial aid for these graduates.

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

State Agency Schools. This bill is not expected to have an expenditure impact on the state agency schools. The state agency schools currently offer specialized instruction within the arts and humanities, science and mathematics, an alternate high school credential, and educational services for the deaf and blind. We will update this impact statement if we receive additional information from the state agency schools.

Commission on Higher Education. CHE previously indicated on similar legislation that any expenses incurred as a result of developing the required policies could be managed within existing appropriations. Therefore, this bill is not expected to have an expenditure impact on the commission. We will update this impact statement if the commission provides a different response.

State Board for Technical and Comprehensive Education. SBTCE previously indicated on similar legislation that the agency has policies in place for students who graduate from schools that implement innovative school models and use non-traditional diplomas and transcripts. Therefore, the bill is not expected to have an expenditure impact on the agency. We will update this impact statement if the agency provides a different response.

State Revenue

N/A

Local Expenditure

The bill allows local school boards discretion in determining whether or not to allow a school in their district to apply for a waiver to become a competency-based school. Additionally, districts must seek parental outreach and consultation using guidelines approved by the State Board of Education when submitting a waiver application for approval by its local board of trustees and the State Board of Education, or the application may not be considered. A district whose waiver application is approved may request additional exemptions and may request amendments to its current approved waiver on a rolling basis.

A school operating under a waiver pursuant to this bill must admit all children eligible to attend the school, subject to space limitations, and may not limit or deny admission or show preference in an admission decision to an individual or group of individuals. If a school operates under a waiver pursuant to this bill, each student enrolled in the school is considered to be a full-time equivalent student enrolled in the school while participating in the competency-based education system for the purpose of calculating state financial support, average daily membership, and attendance. Additionally, if a school operates under a waiver pursuant to the provisions of this bill, each student must be enrolled in the state's student information system. Participating schools must submit required data for a biennial cyclical review on a form developed by SDE.

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

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

Local Revenue

N/A



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