



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.

Bill Number: H. 3728 Introduced on January 18, 2023
Author: Felder
Subject: Transparency and Integrity in Education Act
Requestor: House Education and Public Works
RFA Analyst(s): Wren
Impact Date: February 6, 2023 - Updated for Additional Agency Response

Fiscal Impact Summary

This bill enacts the South Carolina Transparency and Integrity in Education Act. The bill provides requirements that local education agencies must follow in developing curriculum, providing public access to information on that curriculum, and methods for reporting violations. The bill further tasks the S.C. Department of Education (SCDE) with additional responsibilities for coordination and enforcement related to these issues.

This bill will have an undetermined expenditure impact on SCDE overall. The agency indicates that it can manage the additional responsibilities to create the complaint form, to create the model lesson plans, to develop the Pledge of Parental Expectations, and for reporting requirements with existing staff and current appropriations. However, the bill may result in an increase in the number of hearings from complaints that are brought before the State Board of Education, and as a result, the board may need an additional hearing officer to assist with complaints. The expenditure impact of this portion of the bill is undetermined and will depend on the number of additional complaints that may be brought before the board.

The expenditure impact of this bill on the state agency schools is expected to vary. The Governor's School for the Arts and Humanities and the Governor's School for Agriculture at John de la Howe indicate that the bill will have no expenditure impact since they can adhere to the provisions of the bill within existing appropriations. The Governor's School for Science and Mathematics indicates the potential need to hire 1.0 FTE to handle inquiries regarding curriculum depending on how many inquiries are received. The Wil Lou Gray Opportunity School and the School for the Deaf and Blind previously indicated on similar legislation that the legislation would have no expenditure impact.

The expenditure impact of this bill on local school districts is undetermined and is expected to vary from no impact to up to \$3,000,000 per district. SCDE surveyed the seventy-three regular districts and the three charter districts and received responses from twenty-six districts. Fifteen of the responding districts indicate that the bill will have no impact. The remaining eleven districts indicate that the bill could increase expenses by a range of \$500 to \$3,000,000 per district. This range includes costs for printing the Pledge of Parental Expectations, website development, additional FTEs to manage the complaint process, and for legal services to defend allegations. The number of new personnel also ranges from two up to eighteen per district for

content experts across all grade levels to effectively manage possible complaints, develop correction actions and processes, and for coordination with parents. Due to the varying responses, the expenditure impact on local school districts is undetermined.

The revenue impact on the state agency schools and local school districts for the withholding of 5 percent of State Aid to Classroom funds due to noncompliance is undetermined as it is unknown how many districts will not comply with the provisions of the bill. For reference, based on preliminary data for FY 2022-23, 5 percent of State Aid to Classrooms funding ranges from \$104,600 to \$18,500,000 per district.

This impact statement has been updated to include responses from SCDE and the local school districts.

Explanation of Fiscal Impact

**Updated for Additional Agency Response on February 6, 2023
Introduced on January 18, 2023**

State Expenditure

This bill enacts the South Carolina Transparency and Integrity in Education Act and provides requirements that local education agencies must follow in developing curriculum, providing access to information on that curriculum, and methods for reporting violations. Local education agency is defined as a local education agency, the sponsor of a public charter school, the Governor's School for the Arts and Humanities, the Governor's School for Agriculture at John de la Howe, the Governor's School for Science and Mathematics, the Wil Lou Gray Opportunity School, and the School for the Deaf and Blind.

The bill also requires SCDE to create and make accessible model lesson plans for local education agencies to utilize in all grades and subject areas. Additionally, SCDE must create a complaint form that contains certain information for local education agencies to post on their website for use when an individual files a complaint alleging violations of the provisions of this bill.

The bill requires each local education agency to provide specified information on its website announcing the rights of parents to review curriculum and other material, information regarding violations and complaints related to the provisions of this bill, the aforementioned complaint form, and instructions for filing an appeal with SCDE.

Additionally, the bill further requires each local education agency to provide a report containing certain information regarding the aforementioned complaints to SCDE before July 1, 2025, and annually thereafter. SCDE must then provide a report summarizing this information to the General Assembly before July 1, 2025, and each year thereafter. Before the 2029-30 school year, each local education agency must compile and provide records of specified information that encompass the previous five school years in the above noted annual report. Before the 2024-25 school year, SCDE must create, and each local education agency must adopt, a policy for procedures used to report and investigate an alleged violation of this bill.

The bill also outlines the appeal process with the State Board of Education and allows SCDE to withhold up to 5 percent of a local education agency's funds appropriated as part of the State Aid to Classrooms if it is determined that the local education agency knowingly violated or failed to adhere to the corrective action plans pursuant to the provisions of the bill.

The State Superintendent of Education must plan for a thirty-day public review of materials recommended by the instructional materials review panels before taking the recommendations to the State Board of Education. Public review sites must be geographically distributed around the state and must be advertised in the newspaper, on the website of SCDE, and on social media sites used by SCDE.

Further, the bill requires schools to provide each parent who enrolls a child in the school a printed Pledge of Parental Expectations that must be developed by SCDE. Schools must encourage parents to sign the pledge and emphasize its importance during any orientation or open house events. Upon approval by the Governor, the bill will be applicable beginning with the 2024-25 school year.

S.C. Department of Education. The overall expenditure impact on SCDE is undetermined. However, the agency indicates that it can manage the additional responsibilities to create the complaint form, to create the model lesson plans, to develop the Pledge of Parental Expectations, and for reporting requirements with existing staff and current appropriations. The bill may result in an increase in the number of hearings from complaints that are brought before the State Board of Education. As a result, the board may need an additional hearing officer to assist with complaints. However, the expenditure impact of this portion of the bill is undetermined and will depend on the number of additional complaints that may be brought before the board. *This portion of the impact statement has been updated to include a response from the agency.*

State Agency Schools. The expenditure impact on the state agency schools is expected to vary. The Governor's School for the Arts and Humanities and the Governor's School for Agriculture at John de la Howe indicate that the bill will have no expenditure impact since the agencies can adhere to the provisions of the bill within existing appropriations. The Governor's School for Science and Mathematics indicates that the expenditure impact of the bill is undetermined since it is unknown how many inquiries the agency may receive regarding curriculum. Further, the agency indicates that if it experiences a large volume of inquiries, the agency may need to hire 1.0 FTE to handle the workload. The Wil Lou Gray Opportunity School and the School for the Deaf and Blind previously indicated on similar legislation that they could adhere to the provisions of the bill within existing appropriations. We will update this impact statement if these two agencies revise their responses.

State Revenue

As mentioned above, the bill allows SCDE to withhold up to 5 percent of a local education agency's funds appropriated as part of the State Aid to Classrooms if it is determined that the local education agency knowingly violated or failed to adhere to the corrective action plans pursuant to the provisions of the bill. The revenue impact is undetermined as it is unknown if any of the state agency schools will not comply with the provisions of the bill. For reference,

based on preliminary data for FY 2022-23, 5 percent of State Aid to Classrooms funding ranges from \$104,600 to \$18,500,000 per district.

Local Expenditure

As noted above, this bill enacts the South Carolina Transparency and Integrity in Education Act and requires each local education agency to post certain information on its website and to report specified information to SCDE. Additionally, the bill requires schools to provide each parent a printed Pledge of Parental Expectations, encourage parents to sign the pledge, and emphasize the importance of the pledge during any orientation or open house events.

SCDE surveyed the seventy-three regular districts and the three charter districts and received responses from twenty-six districts. Fifteen of the responding districts indicate that the bill will have no impact. The remaining eleven districts indicate that the bill could increase expenses by a range of \$500 to \$3,000,000 per district. This range includes costs for printing the Pledge of Parental Expectations, website development, additional FTEs to manage the complaint process, and for legal services to defend allegations. The number of new personnel also ranges from two up to eighteen per district for content experts across all grade levels to effectively manage possible complaints, develop correction actions and processes, and for coordination with parents. Due to the varying responses, the expenditure impact on local school districts is undetermined. *This section of the impact statement has been updated to include responses from the local school districts.*

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S.C. Department of Education. The expenditure impact of this bill on SCDE is pending, contingent upon a response from the agency.

State Agency Schools. The expenditure impact on the state agency schools is expected to vary. The Governor's School for the Arts and Humanities and the Governor's School for Agriculture at John de la Howe indicate that the bill will have no expenditure impact since the agencies can adhere to the provisions of the bill within existing appropriations. The Governor's School for Science and Mathematics indicates that the expenditure impact of the bill is undetermined since it is unknown how many inquiries the agency may receive regarding curriculum. Further, the agency indicates that if it experiences a large volume of inquiries, the agency may need to hire 1.0 FTE to handle the workload. The Wil Lou Gray Opportunity School and the School for the Deaf and Blind previously indicated on similar legislation that they could adhere to the provisions of the bill within existing appropriations. We will update this impact statement if these two agencies revise their responses.

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The expenditure impact of this bill on the local school districts is pending, contingent upon responses from the districts.

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Frank A. Rainwater, Executive Director