



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:	S. 0124	Introduced on January 10, 2023
Author:	Hembree	
Subject:	Noncertified Teacher Pilot Program	
Requestor:	Senate Education	
RFA Analyst(s):	Bryant	
Impact Date:	February 28, 2023 - Updated for Additional Agency Response	

Fiscal Impact Summary

This bill requires the S.C. Department of Education (SCDE) to establish a pilot program by May 1, 2024, that will permit public school districts 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”, “Below Average”, or “Unsatisfactory” on its annual report card for at least two consecutive years or is located in a critical geographic area.

The expenditure impact of this bill on SCDE is undetermined. However, the agency indicates that its General Fund expenses would increase by at least \$109,700 in FY 2023-24 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.

This bill will have no expenditure impact on the state agency schools since the schools either only hire certified teachers or can manage 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.

Based upon a three-year historical average, SLED was able to retain an average of \$10,375,000 from background checks for its \$25 portion of the fee. Assuming a similar pattern in future years and since this amount is over the \$4,461,000 amount that is allocated to the General Fund pursuant to proviso, we anticipate that Other Funds of SLED will increase by an undetermined amount in FY 2023-24 as a result of the potential increase in background checks. There would be no increase to the General Fund for this portion of the bill.

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 2022-23 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 of this bill on local school districts is undetermined and will depend on the number of districts that choose to participate in the pilot program and the number of noncertified teachers that districts choose to hire. Some districts that choose to participate in the program may experience an increase in expenses for training noncertified teachers to enter the classroom. Additionally, districts will not generate state teacher salary funding for noncertified teachers. Although the number of noncertified teachers fluctuates, there were 1,368 noncertified teachers in the 2021-22 school year. Of this amount, 879 noncertified educators taught in a qualifying school. In school year 2022-23, there are 1,370 total local schools. Of those 1,370 local schools, 458 schools would qualify based on the required report card ratings, and 809 schools would qualify based on the critical geographic area requirement.

This impact statement has been updated to include a response from SCDE.

Explanation of Fiscal Impact

Introduced on January 10, 2023

State Expenditure

This bill requires SCDE to establish a pilot program by May 1, 2024, 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", "Below Average", or "Unsatisfactory" 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 approve guidelines for the pilot program that, at a minimum, include the following:

- a noncertified teacher must possess a suitable baccalaureate or graduate degree in the position he is hired to teach and must have at least five years of relevant workplace experience,
- procedures are provided for requiring noncertified teachers to participate in the evaluation process pursuant to Section 59-26-30(B)(4) and (5),
- initial and ongoing training and support requirements, and
- a noncertified teacher must demonstrate enrollment in a certification program within three years of employment, including any state-approved alternative or traditional route program.

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, 2025, 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 bill also requires SCDE to establish procedures for the registration and clearance of all noncertified teachers. Teachers must submit the required documentation and fees to SCDE, which must include, but are not limited to, a completed registration form, any associated fees, transcripts, and specified background documents. Further, an individual 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.

S.C. 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 and registration 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 2023-24. 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, the issuance of registrations, and processing of disciplinary reviews and actions. The remaining \$6,000 in nonrecurring expenses is for equipment for the new FTEs. *This section of the impact statement has been updated to include a response from SCDE.*

State Agency Schools. The Governor's School for Agriculture at John de la Howe indicates that the school currently has no noncertified teachers, and that if the need arises to hire noncertified teachers, any expenses can be managed within existing appropriations. The Governor's School for the Arts and Humanities indicates that the bill will have no expenditure impact since the agency can manage the provisions of the bill within existing appropriations. The Wil Lou Gray Opportunity School indicates that the school only hires certified teachers. The Governor's School for Science and Mathematics and the School for the Deaf and Blind previously indicated on similar legislation that they either only hire certified teachers or can adhere to the provisions of the bill within existing appropriations. Therefore, we do not expect that this bill will 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 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

This 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 2022-23 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 bill also requires all noncertified educators to undergo a SLED background check, which must be submitted during the registration process. We anticipate that the 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 search is \$51.75, of which \$25 is retained by SLED. The vendor, Identogo, receives \$13.50, and the remainder of the fee, \$13.25, is remitted to the FBI. Pursuant to Section 23-3-115(A), revenue generated by 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 previously indicated there were 1,368 noncertified teachers in the 2021-22 school year. Based upon a three-year historical average, SLED was able to retain an average of \$10,375,000 from background checks for its \$25 portion of the fee. Assuming a similar pattern in future years and since this amount is over the \$4,461,000 amount that is allocated to the General Fund, we anticipate that Other Funds of SLED will increase by an undetermined amount in FY 2023-24 as a result of the potential increase in background checks. There would be no increase to the General Fund for this portion of the bill.

Local Expenditure

As stated above, this 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.

Data published by SCDE indicates there are 1,370 total local schools in the 2022-23 school year. Of this number, 458 schools would qualify for the pilot program based upon an “Excellent”, “Below Average”, or “Unsatisfactory” rating on the 2019 and 2021 report cards. Please note that there are no report card ratings from 2020, as the U.S. Department of Education waived federal accountability requirements due to COVID-19. Also, 809 schools would qualify based on the critical geographic area requirement for FY 2022-23. However, this number will fluctuate based on consecutive report card ratings and geographic area requirements.

The expenditure impact on local school districts to provide the necessary training for noncertified teachers to enter the classroom is undetermined. While some participating schools and districts may collaborate on training, the expenditure impact will depend upon the number of noncertified teachers and the number of qualifying schools that choose to participate in the pilot program. We will update this impact statement if the districts revise this response.

Also, it is undetermined how many districts will choose to hire noncertified teachers pursuant to the provisions of the bill. The expenditure impact will vary by district and depends upon the

number of noncertified teachers that the districts choose to hire. Although the number of noncertified teachers fluctuates, there were 1,368 noncertified teachers in the 2021-22 school year. Of this amount, 879 noncertified educators taught 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

Introduced on January 10, 2023

State Expenditure

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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, 2025, 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.

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

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Local Revenue

N/A



Frank A. Rainwater, Executive Director