



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0126	Introduced on January 10, 2023
Author:	Hembree	
Subject:	Charter School Accountability Act	
Requestor:	Senate Education	
RFA Analyst(s):	Bryant	
Impact Date:	March 10, 2023	

Fiscal Impact Summary

This bill makes changes to the South Carolina Charter Schools Act of 1996 and renames it as the Charter School Accountability Act. The bill revises the definition of a “sponsor” as it relates to charter schools and requires sponsors to adopt and implement policies, procedures, and practices that ensure good governance and accountability and are consistent with the charter school sponsor’s powers and duties as a Local Education Agency (LEA). The bill also replaces references to the South Carolina Public Charter School District with a sponsor or charter school governing board. Additionally, the bill revises the criteria for the voluntary termination of sponsor contracts by charter schools and provides procedures and requirements for charter schools to transfer to other sponsors. The bill further amends certain duties of the S.C. Department of Education (SCDE) to include provisions concerning charter school sponsors and requires the State Board of Education to develop an application process for new sponsors and charter schools.

The expenditure impact of this bill on the SCDE is pending, contingent upon a response.

This bill will have no expenditure impact on the three charter school districts since the districts indicate that they can manage the provisions of the bill within existing appropriations.

This bill will have no expenditure impact on the Administrative Law Court (ALC). The agency indicates that it will be able to review charter transfer decisions and sanctions against sponsors using existing resources and staff.

Explanation of Fiscal Impact

Introduced on January 10, 2023

State Expenditure

This bill makes changes to the South Carolina Charter Schools Act of 1996 and renames it as the Charter School Accountability Act. The bill revises the definition of a “sponsor”, as it relates to charter schools, to specify that only public or independent institutions of higher learning registered with SCDE as of July 1, 2022, or approved by an application process developed by the State Board of Education after July 1, 2022, may serve as charter school sponsors.

The bill requires charter school sponsors to adopt and implement policies, procedures, and practices that ensure good governance and accountability and are consistent with sponsor's powers and duties as an LEA. A charter school sponsor must submit a report on the performance of each of its sponsored charter schools and its own performance as a sponsor to the State Board of Education each year prior to June 30th.

The bill also removes references to the South Carolina Public Charter School District and replaces it with a sponsor or charter school governing board and makes certain provisions related to the removal of a member of a sponsor or charter school governing board applicable to all sponsor and charter school governing boards. Any vacancies in the membership of any governing board as a result of removal by the Governor must be filled in the manner provided in the bylaws of the charter school or its sponsor.

Additionally, the bill revises the criteria for the voluntary termination of sponsor contracts by charter schools and provides procedures and requirements for charter schools to transfer to other sponsors. A charter school may voluntarily terminate its charter and contract with its sponsor before the expiration of the ten-year term of the contract by a majority vote of the charter school board. For a charter school to transfer its charter to another sponsor, it must obtain the approval of its current sponsor and the proposed new sponsor pursuant to certain specified procedures. The final decision of the current sponsor is appealable to the ALC.

The bill further amends certain duties of the SCDE to include provisions concerning charter school sponsors. SCDE must fulfill all the duties of the State Education Agency (SEA) for each sponsor and provide technical assistance, oversight, and guidance to sponsors to ensure their compliance with LEA responsibilities. Sanctions issued by the SCDE against a sponsor may be appealed to the ALC and must be stayed pending resolution of the appeal. SCDE must also annually review the policies, procedures, and performance of each sponsor to ensure compliance with state and federal laws and regulations.

Lastly, the bill requires the State Board of Education to develop an application process for new sponsors and charter schools to include a timeline for the submission of applications that will allow for final decisions to be issued consistent with budget and funding needs.

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

Charter School Districts. The South Carolina Public Charter School District indicates it will require 1.0 additional FTE with annual salary and fringe benefits of \$91,000 beginning in FY 2023-24 to assist the agency in meeting the compliance requirements outlined in the bill. However, the agency anticipates that the cost of hiring a compliance coordinator will be managed within existing appropriations. The Charter Institute at Erskine indicates this bill will have no expenditure impact since the agency can manage the provisions of the bill with existing appropriations. Limestone Charter Association indicates this bill will have no expenditure impact. The agency reports that it is currently implementing policies, procedures, and practices that ensure good governance and accountability and that it is consistent with those standards as

an LEA. Limestone Charter Association anticipates that it will manage any additional costs with existing appropriations.

Administrative Law Court. This bill will have no expenditure impact on the ALC. The agency indicates that it will be able to review charter transfer decisions and sanctions against sponsors using existing resources and staff.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



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