



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0418 Signed by Governor on March 11, 2024
 Author: Hembree
 Subject: Read to Succeed Endorsements
 Requestor: Senate
 RFA Analyst(s): Bryant
 Impact Date: May 16, 2024

Fiscal Impact Summary

This bill replaces references to the South Carolina Read to Succeed Office with the South Carolina Department of Education (SCDE) and requires the department to implement a comprehensive, systematic approach to reading which will ensure that classroom teachers use scientifically-based reading instruction and interventions in certain grades. This bill also alters certain duties and responsibilities of SCDE, the State Superintendent of Education, and the local school districts relating to the Read to Succeed program. Any district failing to provide certain data to SCDE will have 10 percent of their State Aid to Classroom funding withheld until the data is provided.

SCDE previously indicated that the provisions of the bill will increase General Fund expenses of the department by an amount up to \$50,069,292 annually for professional development training in the science of reading to educators, administering universal screeners, managing the increase in students participating in summer reading camps, and for 2.0 FTEs. However, the amount will depend on the number of teachers that will need professional development and the number of students that will be served in summer reading camps. The expenses are based on the following costs:

Summer Reading Camp Expenses

SCDE estimates that expanding the number of eligible summer reading camp participants to include all first through third grade students who score Does Not Meet Expectations or at the lowest achievement level on the state summative reading assessment will increase expenses by an amount up to \$44,699,200 per year once this provision has been fully implemented. See below for the cost by fiscal year:

Fiscal Year	Number of Additional Students	First Grade	Second Grade	Third Grade	Total
2024-25	8,400	n/a	n/a	\$10,315,200	\$10,315,200
2025-26	22,400	\$17,192,000	n/a	\$10,315,200	\$27,507,200
2026-27	36,400	\$17,192,000	\$17,192,000	\$10,315,200	\$44,699,200

The department reports that the additional funding will be used to hire more summer reading camp teachers and school staff, potentially expand to multiple or additional campuses, and pay for transportation, food, and instructional costs. This amount will depend on the number of students that will be served in summer reading camps. Additionally, the department anticipates that as younger students who receive the early intervention of summer reading camps matriculate, fewer students are expected to attend summer reading camp in subsequent grades. Therefore, SCDE expects the additional funding required to support summer reading camp participation to decrease over time.

Professional Development – Science of Reading Expenses

SCDE indicates that providing the required professional development courses will cost approximately \$4,375,000 per year beginning in FY 2025-26. The department estimates that 1,750 new teachers will require professional development training in the science of reading each year at a cost of \$2,500 per teacher. This amount will depend upon the number of teachers that will need professional development training. However, the department expects this number to decrease as colleges begin to teach science of reading-aligned courses and new teachers enter the field with this knowledge.

Professional Development – Praxis Reading Assessment Expenses

Additionally, SCDE reports that it will cost approximately \$156 for each in-service teacher using a board-approved test to exempt certain requirements related to professional development, coursework, certification, and endorsements. This amount reflects the cost of one administration of the Praxis reading assessment. The department anticipates that this provision of the bill could impact 2,500 teachers, resulting in an estimated cost of \$390,000 per year beginning in FY 2025-26.

Universal Screening Expenses

This bill requires all students in kindergarten through eighth grade to be administered a universal screener three times per school year, and for SCDE to reimburse districts for the cost of the screenings. SCDE reports that pursuant to Proviso 1.76, the state currently provides funding for formative assessments in grades one through eight in the amount of \$3,100,000 per year. If the current assessments satisfy the requirements of the bill for grades one through eight, any additional costs associated with administering the universal screeners will be for kindergarten only. SCDE indicates that administering the universal screeners to kindergarten students will increase costs by approximately \$392,000 per year beginning in FY 2025-26.

FTE Expenses

SCDE further indicates that the requirements of the bill will increase the department's expenses by \$213,092 per year beginning in FY 2024-25 for 2.0 FTEs including annual salary and fringe benefits to manage the additional duties specified in the bill. The department reports that any additional expenses for these FTEs, including operating and equipment costs, can be managed with existing appropriations.

This bill is not expected to have an expenditure impact on the state agency schools. The Governor's School for the Arts and Humanities, the Governor's School for Science and

Mathematics, the Wil Lou Gray Opportunity School, and the School for the Deaf and Blind previously indicated that they will manage the provisions of the bill with existing appropriations. Based on these responses, we anticipate that the Governor’s School for Agriculture at John de la Howe will also manage the provisions of the bill with existing appropriations.

The overall expenditure impact of this bill on the local school districts is undetermined. SCDE previously surveyed the seventy-three regular school districts and three charter school districts and received responses from fifteen districts. Four of the responding districts indicate that the provisions of the bill will have no expenditure impact. The eleven remaining responding districts anticipate that satisfying the requirements of the bill will increase costs by an amount ranging from \$160,000 to \$5,640,000 per year for training and professional development, hiring new staff, and developing new curriculum and instructional materials aligned to the science of reading. Most of the responding districts anticipate that expanding the number of students eligible to attend summer reading camps will require additional funding and resources. Additionally, the districts report that expenses will increase if SCDE does not cover the costs of administering the universal screeners and providing professional development and training as specified in the bill. Several districts also note that they currently rely on ESSER funds to cover some of the costs associated with the Read to Succeed program and may require additional funding once ESSER funds have been exhausted. Please note that the range listed above includes the cost to include kindergarten through third grade students in summer reading camps. The bill includes only first through third grade students.

Further, any district failing to provide certain data to SCDE will have 10 percent of their State Aid to Classroom funding withheld until the data is provided. For reference, 10 percent of State Aid to Classroom funding for FY 2023-24 ranges from approximately \$242,000 to \$39,921,000 per district. However, the revenue impact on local school districts is undetermined and will depend on the number of schools that violate this provision.

Explanation of Fiscal Impact

Signed by Governor on March 11, 2024

State Expenditure

This bill replaces references to the South Carolina Read to Succeed Office with SCDE and requires the department to implement a comprehensive, systematic approach to reading which will ensure that classroom teachers use scientifically-based reading instruction and interventions in certain grades.

The bill alters certain duties and responsibilities of SCDE and local school districts relating to the Read to Succeed program. Districts must provide SCDE with data relating to the yearly success rate of summer reading camps, including the number of third graders promoted using a good cause exemption and the number of first and second graders who are projected to score Does Not Meet and Approaches Expectations or at the lowest levels of the statewide summative reading assessment. Districts that do not provide these reports will be ineligible to receive state funding for summer reading camps the following fiscal year but must continue to operate the camps as required under the Read to Succeed Act.

The bill requires SCDE to develop and implement a state reading proficiency plan, which must be approved by the State Board of Education each year. The plan must be based on research and evidence-based practices and aligned to the science of reading, structured literacy, and foundational literacy skills. Each district must also prepare an annual reading proficiency plan for pre-kindergarten through fifth grade. Additionally, each school serving students in kindergarten through fifth grade must prepare, submit to the district, and post on its website prior to the start of each year an implementation plan aligned with the district's reading proficiency plan. Schools identified by SCDE as serving students in sixth through eighth grade with 50 percent or more of its students scoring at the lowest achievement level on the statewide summative assessment must also prepare, submit, and post an implementation plan.

The bill also requires the State Superintendent of Education to ensure that every student entering publicly funded pre-kindergarten and kindergarten is administered a board-approved readiness assessment within the first forty-five days of school. A district superintendent or charter school authorizer may submit a request to SCDE to waive the minimum 180-day school attendance requirement for kindergarten and South Carolina Child Early Reading Development and Education Program (CERDEP) students for the purpose of scheduling readiness assessments. If approved, a school may administer the assessments to kindergarten and CERDEP students during a shortened school day within the first five days of the academic year.

Beginning with the 2025-26 school year, the board must approve and periodically reevaluate no more than five universal screeners for selection and use by districts for kindergarten through fifth grade. An approved universal screener must provide screening and diagnostic capabilities for monitoring student progress in reading, measure foundational literacy skills, identify students who have a reading deficiency, and meet the criteria of a nationally normed formative assessment. Districts must administer a universal screener three times per school year, and after each administration, must notify a parent or guardian within fifteen days regarding the performance of their student and whether the student must be considered for retention. Districts must also create an individualized reading plan for students demonstrating literacy deficiencies and not meeting grade-level proficiencies. SCDE will provide technical support to districts and classroom teachers in administering the universal reading screeners and must require districts to annually submit data as requested. The department will reimburse districts for the cost of the screener upon receipt of the requested data as funding allows. Additionally, SCDE must annually report, on a grade level basis, data received from the districts and implement an online reporting system to monitor the effectiveness of the screeners. The reporting system must track, screen, and monitor the reading progression of students in kindergarten through third grade towards reading proficiency and include a statewide reporting mechanism to identify students with a reading deficiency, including students with characteristics of dyslexia.

This bill also modifies exemptions to the mandatory retention policies for third grade students. Beginning with the 2024-25 school year, a student who fails to demonstrate reading proficiency at the end of third grade by scoring Does Not Meet Expectations or at the lowest achievement level on the state summative reading assessment must be retained. A student who successfully participates in a summer reading camp at the conclusion of third grade and achieves Approaches Expectations or at least a level above the lowest level on the state summative assessment or a

norm referenced alternative assessment approved by the board may be exempt from mandatory retention. Additional support in foundational literacy skills must be provided to retained students and students in kindergarten through second grade who are not demonstrating reading proficiency. However, this additional support may not result in a student losing access to regular instruction in subject areas identified in the defined program for kindergarten through fifth grade as established by the board. Districts will also be encouraged to retain students in kindergarten through second grade who are not demonstrating grade-level reading proficiency. Beginning with the 2025-26 school year, districts must include first grade students who are not exhibiting grade level reading proficiency in the summer reading camps. Beginning with the 2026-27 school year, second grade students who are not exhibiting grade level reading proficiency must also be included in the summer reading camps. Students in any other grade who are not exhibiting reading proficiency may be included in summer reading camps at the discretion of the districts.

This bill requires SCDE to deliver professional development that has demonstrated success in establishing deep knowledge of foundational literacy skills grounded in the science of reading and promoting student reading achievement. Each district must participate in the implementation of this foundational literacy skills training with the goal of state-wide implementation to include all kindergarten through third grade teachers certified in early childhood, elementary, or special education, and elementary administrators. This training must be offered at no cost to the district or teacher. Successful completion of the training will satisfy the requirements of the literacy endorsement.

The bill also amends certain requirements relating to pre-service and in-service teacher education programs. The board is authorized to approve guidelines on an annual basis for professional development, coursework, certification, and endorsement requirements for teachers of early childhood and elementary education whose responsibilities substantially relate to reading and literacy instruction, support, or interventions. The guidelines must include the issuance of appropriate credit to individuals who have completed an intensive and prolonged professional development program. Districts must work with SCDE to offer the required professional development, coursework, certification, and endorsements at no charge to teachers, and in-service hours earned through professional development must be used for the renewal of teaching certificates in all subject areas.

Additionally, beginning September 1, 2026, early childhood, elementary, and special education teacher candidates seeking their initial certification in South Carolina must earn a passing score on a test of reading instruction and intervention and data-based decision-making principles as approved by the board. The board must approve guidelines and procedures to allow in-service educators the option of utilizing the test to exempt requirements established by the board related to professional development, coursework, certification, and endorsements. As part of this process, the board must set a minimum cut score that an in-service educator must achieve to take advantage of this provision of the bill. Contingent upon funding by the General Assembly, the test will be provided at no cost to the teacher.

The bill also requires SCDE to publish annual guidelines and procedures used in evaluating all courses offered to teachers leading to the literacy teacher endorsement by August 1. Prior to August 1, 2026, and every five years thereafter, SCDE must conduct an evaluation of the approved courses. The evaluation must include survey data from prior course participants, and SCDE must remove any courses receiving an unsatisfactory evaluation from the list of approved courses and professional development.

Beginning with the 2025-26 school year, the board must create a statewide adoption list of no more than five nationally normed formative assessments for use in kindergarten through eighth grade, which must be reevaluated at least every four years. Districts must ensure that all students in kindergarten through eighth grade are assessed using a state-approved formative assessment tool during the fall, winter, and spring each year. Districts must provide all formative assessment data and scores from the prior school year to SCDE, and SCDE shall compile the information and submit a comprehensive report to the General Assembly by June 1 each year. Any district failing to provide this data to the department will have 10 percent of their State Aid to Classroom funding withheld until the data is provided.

S.C. Department of Education. SCDE previously indicated that the provisions of the bill will increase General Fund expenses of the department by an amount up to \$50,069,292 per year for professional development training in the science of reading to educators, administering universal screeners, managing the increase in students participating in summer reading camp, and for 2.0 FTEs. However, the amount will depend on the number of teachers that will need professional development and the number of students that will be served in summer reading camps. These estimates are based on the following costs:

Summer Reading Camp Expenses

This bill increases the number and grade level of eligible students for summer reading camps. Currently, districts are required to offer summer reading camps for third grade students who score below the Not Met 1 cutoff on the state-approved assessment or have a good cause exemption to the mandatory retention policy. SCDE reports that the department currently receives funding for summer reading camps in the amount of \$1,228 per attendee, and 5 to 10 percent of all third graders typically score below the cutoff each year. In FY 2022-23, 5,634 third grade students scored below the cutoff. SCDE estimates that expanding the number of eligible summer camp participants to include all first, second, and third grade students who score Does Not Meet Expectations or at the lowest achievement level on the state summative reading assessment will increase expenses as follows:

Fiscal Year	Number of Additional Students	First Grade	Second Grade	Third Grade	Total
2024-25	8,400	n/a	n/a	\$10,315,200	\$10,315,200
2025-26	22,400	\$17,192,000	n/a	\$10,315,200	\$27,507,200
2026-27	36,400	\$17,192,000	\$17,192,000	\$10,315,200	\$44,699,200

However, the total amount will depend on the actual number of students that will be served in summer reading camps. The department reports that the additional funding will be used to hire more summer reading camp teachers and school staff, potentially expand to multiple or additional campuses, and pay for transportation, food, and instructional costs. Additionally, the department anticipates that as younger students who receive the early intervention of summer reading camp matriculate, fewer students are expected to attend summer reading camps in subsequent grades. Therefore, SCDE expects the additional funding required to support summer reading camp participation to decrease over time.

Professional Development – Science of Reading Expenses

SCDE indicates that satisfying the professional development requirements specified in the bill will cost approximately \$4,375,000 per year beginning in FY 2025-26. The department anticipates that 1,750 new teachers will require professional development training in the science of reading each year at a cost of \$2,500 per teacher. This amount will depend upon the number of teachers that will need professional development. However, the department expects this number to decrease as colleges begin to teach science of reading-aligned courses and new teachers enter the field with this knowledge.

Professional Development – Praxis Reading Assessment Expenses

Additionally, the bill specifies that in-service educators may use a board-approved test to exempt requirements related to professional development, coursework, certification, and endorsements. The bill further specifies that contingent upon funding by the General Assembly, the test will be provided at no cost to the teacher. SCDE indicates that it will cost approximately \$156 for each in-service teacher seeking certification through a subject-area assessment in reading. This amount reflects the cost of one administration of the Praxis reading assessment. The department anticipates that this provision of the bill could impact 2,500 teachers, resulting in an estimated cost of \$390,000 per year beginning in FY 2025-26.

Universal Screening Expenses

This bill requires all students in kindergarten through eighth grade to be administered a universal screener three times per school year, and for SCDE to reimburse districts for the cost of the screenings. Pursuant to Proviso 1.76, the state currently provides funding for formative assessments in grades one through eight in the amount of \$3,100,000 per year. If the current assessments satisfy the requirements of the bill for grades one through eight, any additional costs will be for kindergarten only. SCDE indicates that administering the required universal screeners to kindergarten students will increase expenses by approximately \$392,000 per year beginning in FY 2025-26.

FTE Expenses

SCDE further indicates that the provisions of the bill will increase the department's expenses by \$213,092 per year beginning in FY 2024-25 for 2.0 FTEs including annual salary and fringe benefits to manage the additional duties specified in the bill.

The department indicates that a data manager will be needed to conduct the following tasks:

- provide technical assistance and support to districts and classroom teachers in administering universal reading screeners and in understanding the results so that teachers can provide appropriate, scientifically-based interventions;
- analyze data from the districts to determine whether the screening instruments are accurately identifying students in need;
- support the implementation of an online reporting system to monitor the effectiveness of universal reading screeners.

The department also anticipates the need for a course manager to perform the following tasks:

- update Read to Succeed competency requirements;
- revise course approval guidelines;
- contact approved providers to gather survey data from past participants, determine which courses are being taught, and ensure courses align with updated competency requirements;
- serve as a point of contact to advise colleges, districts, and independent providers on the course application process;
- revise new and existing courses for possible approval;
- coordinate the course evaluation process and timeline; and
- maintain an online list of approved courses.

SCDE indicates that additional operating costs for these 2.0 FTEs, including equipment costs, can be managed with existing appropriations.

State Agency Schools. The Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, the School for the Deaf and Blind, and the Wil Lou Gray Opportunity School previously indicated they will manage the provisions of the bill within existing appropriations. Based upon these responses, we do not anticipate that this bill will have an expenditure impact on the Governor's School for Agriculture at John de la Howe.

State Revenue

N/A

Local Expenditure

This bill alters certain duties and responsibilities of the local school districts relating to the Read to Succeed program. Districts must provide SCDE with data relating to the yearly success rate of summer reading camps, including the number of third graders promoted using a good cause exemption and the number of first and second graders who are projected to score Does Not Meet and Approaches Expectations or at the lowest levels of the statewide summative reading assessment. Districts that do not provide these reports will be ineligible to receive state funding for summer reading camps the following fiscal year but must continue to operate the camps as required under the Read to Succeed Act.

The bill requires each district to prepare an annual reading proficiency plan for pre-kindergarten through fifth grade. Additionally, each school serving students in kindergarten through fifth grade must prepare, submit to the district, and post on its website prior to the start of each year an implementation plan aligned with the district's reading proficiency plan. Schools identified by SCDE as serving students in sixth through eighth grade with 50 percent or more of its students

scoring at the lowest achievement level on the statewide summative assessment must also prepare, submit, and post an implementation plan.

The bill requires every student entering publicly funded pre-kindergarten and kindergarten to be administered a board-approved readiness assessment within the first forty-five days of school. A district superintendent or charter school authorizer may submit a request to SCDE to waive the minimum 180-day school attendance requirement for kindergarten and South Carolina Early Child Early Reading Development and Education Program (CERDEP) students for the purpose of scheduling readiness assessments. If approved, a school may administer the assessments to kindergarten and CERDEP students during a shortened school day within the first five days of the academic year.

The bill also requires districts to administer a board-approved universal screener three times per school year to kindergarten through fifth grade students. After each administration, the district must notify a parent or guardian within fifteen days regarding the performance of their student and whether the student must be considered for retention. Districts must also create an individualized reading plan for students demonstrating literacy deficiencies and not meeting grade-level proficiencies. SCDE will reimburse districts for the cost of the screener upon receipt of the requested data as funding allows.

This bill also modifies exemptions to the mandatory retention policies for third grade students. Beginning with the 2024-25 school year, a student must be retained if the student fails to demonstrate reading proficiency at the end of third grade by scoring Does Not Meet Expectations or at the lowest achievement level on the state summative reading assessment. A student who successfully participates in a summer reading camp at the conclusion of third grade and achieves Approaches Expectations or at least a level above the lowest level on the state summative assessment or a norm referenced alternative assessment approved by the board may be exempt from mandatory retention. Additional support in foundational literacy skills must also be provided to retained students and students in kindergarten through second grade who are not demonstrating reading proficiency. However, this additional support may not result in a student losing access to regular instruction in subject areas identified in the defined program for kindergarten through fifth grade as established by the board. Districts will also be encouraged to retain students in kindergarten through second grade who are not demonstrating grade-level reading proficiency. Beginning with the 2025-26 school year, districts must include first grade students who are not exhibiting grade level reading proficiency in the summer reading camps. Beginning with the 2026-27 school year, second grade students who are not exhibiting grade level reading proficiency must also be included in the summer reading camps. Students in any other grade who are not exhibiting reading proficiency may be included in summer reading camps at the discretion of the districts.

Each district must participate in the implementation of the foundational literacy skills training delivered by SCDE, with the goal of state-wide implementation to include all kindergarten through third grade teachers certified in early childhood, elementary, or special education, and elementary administrators. This training must be offered at no cost to the district or teacher. Successful completion of the training will satisfy the requirements of the literacy endorsement.

The bill also amends certain requirements relating to pre-service and in-service teacher education programs. Districts must work with SCDE to offer the required professional development, coursework, certification, and endorsements at no charge to teachers, and in-service hours earned through professional development must be used for the renewal of teaching certificates in all subject areas.

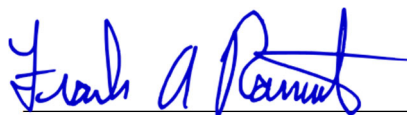
Additionally, beginning September 1, 2026, early childhood, elementary, and special education teacher candidates seeking their initial certification in South Carolina must earn a passing score on a test of reading instruction and intervention and data-based decision-making principles as approved by the board. Contingent upon funding by the General Assembly, the test will be provided at no cost to the teacher.

Districts must ensure that all students in kindergarten through eighth grade are assessed using a state-approved formative assessment tool during the fall, winter, and spring each year. Districts must provide all formative assessment data and scores from the prior school year to SCDE each year, and any district failing to provide this data to the department will have 10 percent of their State Aid to Classroom funding withheld until the data is provided. For reference, 10 percent of State Aid to Classroom funding for FY 2023-24 ranges from approximately \$242,000 to \$39,921,000 per district.

The overall expenditure impact of this bill on the local school districts is undetermined. SCDE previously surveyed the seventy-three regular school districts and three charter school districts and received responses from fifteen districts. Four of the responding districts indicate that the provisions of the bill will have no expenditure impact. The eleven remaining responding districts anticipate that satisfying the requirements of the bill will increase costs by an amount ranging from \$160,000 to \$5,640,000 per year for training and professional development, hiring new staff, and developing new curriculum and instructional materials aligned to the science of reading. Most of the responding districts anticipate that expanding the number of students eligible to attend summer reading camp will require additional funding and resources. Additionally, the districts report that expenses will increase if SCDE does not cover the costs of administering the universal screeners and providing professional development and training as specified in the bill. Several districts also note that they currently rely on ESSER funds to cover some of the costs associated with the Read to Succeed program and may require additional funding once ESSER funds have been exhausted. Please note that the range listed above includes the cost to include kindergarten through third grade students in summer reading camps. The bill includes only first through third grade students.

Local Revenue

Any district failing to provide certain data to SCDE will have 10 percent of their State Aid to Classroom funding withheld until the data is provided. For reference, 10 percent of State Aid to Classroom funding for FY 2023-24 ranges from approximately \$242,000 to \$39,921,000 per district. However, the revenue impact on local school districts is undetermined and will depend on the number of schools that violate this provision.



Frank A. Rainwater, Executive Director