



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-0640 • RFA.SC.GOV/IMPACTS

| | | |
|------------------------|---|--|
| Bill Number: | S. 0419 | Amended by Senate Education on December 12, 2019 |
| Author: | Hembree | |
| Subject: | SC Career Opportunity and Access for All Act | |
| Requestor: | Senate Education | |
| RFA Analyst(s): | Wren, Gallagher, Griffith, Jolliff, A. Martin, and Miller | |
| Impact Date: | February 25, 2020 Updated for Revised Agency Response | |

Fiscal Impact Summary

This impact statement has been updated as follows: Section 12 of the local expenditure section has been updated to revise a previous response from SDE. Sections 15 and 16 of the state expenditure and local expenditure sections have been updated to revise previous responses from SDE. Section 35 of the state expenditure section has been updated to include a response from the institutions of higher education.

Expenditures

The following sections affect overall state expenditures:

Sections 19 and 20 of the amended bill will reduce scholarship expenses by \$10,243,557 in FY 2022-23 and approximately an additional \$4,000,000 each year until FY 2025-26 when the reduction reaches \$20,230,559 for changing the grade point average (GPA) requirements for the Palmetto Fellows, LIFE, and HOPE Scholarships. Conversely, these sections will increase scholarship expenses by as much as \$24,500 each year beginning in FY 2023-24 for the change to allow a Palmetto Fellows Scholarship to be used at two-year institutions. If disbursements increase above the amount appropriated in the Appropriations Act for Palmetto Fellows Scholarships, this increase would first be funded by excess lottery proceeds. Any amounts remaining after utilizing lottery proceeds would become an obligation of the General Fund. Additionally, these sections will further increase scholarship expenses by \$6,400,000 annually beginning in FY 2022-23 due to the change in GPA requirements to retain the LIFE Scholarship.

In total, Sections 19 and 20 could reduce scholarship expenses by \$3,843,557 in FY 2022-23, \$8,290,671 in FY 2023-24, \$11,243,142 in FY 2024-25, and \$13,806,059 each year thereafter beginning in FY 2025-26. However, other changes to scholarship provisions may affect these estimates. Data are not available to estimate the impact of these combined variables.

Section 37 as amended deletes the requirements for teachers to be certified to receive state funding on the teacher salary schedule as published in the appropriations act. Without further legislative direction in the appropriations act, the State Department of Education (SDE) believes this change will require state funding for non-certified teachers and would increase General Fund expenses by approximately \$65,000,000 in FY 2020-21.

Section 46 of the amended bill will increase General Fund expenses by \$55,000,000 or \$82,000,000 to increase the statutory school term from 190 to 195 days, depending upon whether

the state splits the cost with local districts under the EFA formula or pays the full increase. Any impact associated with this section is contingent upon funding in the annual appropriations act.

The following sections affect expenditures for the State Department of Education:

Section 3 of the amended bill will increase General Fund expenses of the State Department of Education (SDE) by \$3,464,000 in FY 2020-21. Of this amount, \$3,364,000 is recurring for professional development, 3 FTEs, course materials, and design costs. Non-recurring funds of \$100,000 are needed every five years to implement the standards revisions requirement.

During FY 2019-20, a proviso suspended the inclusion of specific assessments for social studies and science, which reduced SDE's expenditures by \$812,244. Sections 4, 5, and 6 of the amended bill would codify these changes. In future years, SDE expects similar savings resulting from these sections.

Section 7 of the amended bill will increase General Fund expenses of SDE by \$2,187,500 in FY 2020-21 and \$187,500 each year thereafter for the development of a student assessment profile system.

Sections 15 and 16 of the amended bill increase the number of students required to be screened under the universal screening process and require the State Department of Education (SDE) to reimburse districts for the cost of the instrument selected. SDE anticipates that these sections will increase General Fund expenses by at least \$1,696,000 in FY 2020-21. This includes \$1,596,000 in recurring expenses to reimburse districts for screening all 228,000 kindergarten through third grade students at an average cost of \$7 per student. Although one of the eight current screening tools is free, SDE anticipates that all districts will select a paid tool if reimbursement is available. The remaining \$100,000 of expenditures is for non-recurring expenses to train districts on the additional screenings and interventions.

Further, based upon the latest analysis from SDE, the agency anticipates using an existing data system for collecting and reporting data on screenings from districts instead of purchasing a new system. Therefore, there will be no expenses for data collection.

Additionally, these sections expand the current third grade summer reading program by requiring districts to also offer summer reading camps to students in first and second grades who are not substantially demonstrating proficiency in reading. Since these sections expand the current third grade summer reading camps to include students in first and second grades, SDE anticipates that approximately 42,000 students could be eligible for the summer reading camps next year. This figure includes growth in the number of eligible third grade students and the number of first and second grade students who will now be eligible for the expanded summer reading camp. The language in the bill does not specify whether SDE or local school districts will be responsible for the increase in expenses due to the expanded summer reading camps. Unless additional funds are appropriated for this purpose, we anticipate that local school districts will need to cover the additional expenses.

Section 23 of the amended bill will increase non-recurring General Fund expenses of SDE by \$750,000 in FY 2020-21 to provide resources to parents on improving student growth.

Section 30 of the amended bill will increase General Fund expenses of SDE by a range of \$63,860 to \$70,340 in FY 2020-21. Of this amount, \$45,660 is recurring for 1 FTE to handle the additional workflow associated with the application and clearance process for part-time educator candidates. Non-recurring funds of \$2,000 are needed for office equipment for the new FTE, and the remainder of \$16,200 to \$22,680 is for recoding of the current certification system and depends upon the number of hours required to complete the task.

Sections 32, 33, 34, and 35 of the amended bill may increase General Fund expenses of SDE by \$1,100,353 in FY 2020-21 and \$415,278 each year thereafter for 4 FTEs, procurement of an educator preparation data system, equipment, and operating expenses.

Section 40 of the amended bill will increase recurring General Fund expenses of SDE by \$9,150 in FY 2020-21 for a hearing officer and court reporter.

In summary, the overall expenditure impact to SDE is undetermined. However, the agency anticipates that the amended bill will increase General Fund expenses of SDE by at least a range of \$8,458,619 to \$8,465,099 in FY 2020-21. Expenses thereafter are expected to total at least \$4,796,194. Included in these figures are 8 FTEs for SDE.

The following sections affect expenditures for other state agencies:

The amended bill will increase General Fund expenses of the Department of Commerce (Commerce) by \$100,000 for 1 FTE, travel expenses, and miscellaneous operating expenses beginning in FY 2020-21.

The amended bill will increase General Fund expenses of the Commission on Higher Education (CHE) by at least \$112,000 in FY 2020-21. Of this amount, \$87,000 is recurring for 1 FTE to assist with the increased workload due to the increase in the number of scholarship recipients and the enhanced data collection requirements. The remaining \$25,000 is non-recurring for an out-of-state third-party vendor to assist with the coursework for higher education degrees in reading and literacy.

Section 35, which requires a college of education or educator preparation program to develop and use a unique system for identifying each individual educator graduate, is undetermined since the institutions are uncertain as to how a unique identification system will be established. The establishment of this unique identifier will require the collaboration of all institutions of higher education, as well as other agencies. Due to this uncertainty, they are unable to determine a cost estimate.

The amended bill will have no expenditure impact on the State Ethics Commission since it does not train local board members regarding ethics codes adopted locally by the school board. Also, the amended bill will have no expenditure impact on the Education Oversight Committee (EOC), the Department of Employment and Workforce (DEW), the Revenue and Fiscal Affairs Office

(RFA), the State Board for Technical and Comprehensive Education (SBTCE), the Legislative Audit Council (LAC), and the Office of the Governor since any expenses occurring as a result of the bill can be managed within current appropriations.

Revenues

Sections 27 and 31 of the amended bill could increase Other Funds revenue of SDE by \$62,580 for the fees submitted to SDE by non-certified educators.

Local Expenditures and Revenues

The overall local expenditure impact on school districts is undetermined. The following is a summary of sections affecting local expenditures and revenues:

Section 37 as amended deletes the requirements for teachers to be certified to receive state funding on the teacher salary schedule as published in the appropriations act. Without further legislative direction in the appropriations act, SDE believes this change will require non-certified teachers to be paid on the state minimum salary schedule and would increase General Fund expenses by approximately \$65,000,000 in FY 2020-21, which would increase local revenue by a corresponding amount in FY 2020-21. Further, local expenditures would increase by an undetermined amount. The amount needed to meet district minimum salary schedules varies by school district and will depend upon the salary schedules in effect in FY 2020-21.

The increase in local expenditures due to Section 39 of the amended bill, which requires all kindergarten through fifth grade classroom teachers to receive a thirty-minute duty-free planning period is undetermined. Based upon a survey of school districts for similar legislation which required a thirty-minute duty-free period for all teachers and librarians, estimated costs range from \$0 to \$5,100,000, which is \$0 to \$322 per student. Of the thirty-four districts that responded, twelve of the responding districts indicate that they currently have planning periods in place that meet the criteria of the duty-free planning period. The remaining twenty-two responding districts indicate the need to hire additional teachers, instructional aides, or substitutes to ensure coverage during duty-free planning times. These twenty-two districts expect expenses to increase by \$19,465,929. While, these figures represent all classroom teachers and full-time librarians for kindergarten through twelfth grade, whereas this section of the amended bill represents only kindergarten through fifth grade classroom teachers, we feel that the impact will be similar and vary widely by district. Given the wide variance in responses by school districts, the overall expenditure impact on local school districts is undetermined.

Section 46 of the amended bill will increase local expenditures by an undetermined amount to increase the statutory school term from 190 to 195 days. The impact on each district will depend upon how the additional number of school days is funded and any amount a district currently is paying above the minimum. Additionally, Section 46 will increase local revenue from the State by \$55,000,000 or \$82,000,000, depending upon whether the state splits the cost with local districts under the EFA formula or pays the full increase. Further, any impact pursuant to this section of the amended bill is contingent upon funding in the annual appropriations act.

Explanation of Fiscal Impact

Updated for Revised Agency Response on February 25, 2020

Amended by Senate Education on December 12, 2019

State Expenditure

The following sections will affect state expenditures as follows:

Section 2. This section requires the State Board of Education to include on its board three non-voting advisory members who are appointed by the Governor. Two of the non-voting advisory members must be public school students and one must be a former State Teacher of the Year. In consultation with the Education and Economic Development Act Coordinating Council and the State Superintendent of Education, the State Board of Education must annually, before December 1st, provide a comprehensive report to the Governor and the General Assembly. The report must identify key benchmarks within the zero-to-twenty education and workforce pipeline for measuring progress of state agencies' and other publicly funded entities' efforts to meet the benchmarks. The State Board of Education through the State Superintendent of Education must provide recommendations regarding ways that state and local efforts can be improved. Additionally, the State Superintendent must recommend legislation he considers necessary. This section takes effect on January 1, 2022.

State Department of Education. SDE indicates that any expenses associated with the non-voting advisory members and the additional report can be managed within current appropriations. Therefore, this section will have no expenditure impact on the agency.

Section 3. This section requires the State Board of Education to conduct, at least every five years, a cyclical review of grade appropriate standards for computer science, computational thinking, and computer coding for grades 9-12. Each public high school and public charter high school must offer at least one computer science course that meets certain criteria by August 1, 2021. Also, SDE must adhere to certain criteria. Additionally, Commerce must identify high-demand career fields. This section takes effect August 1, 2021.

State Department of Education. SDE indicates that this section will increase General Fund expenses by \$3,464,000 in FY 2020-21. Of this amount, \$3,364,000 is recurring, including \$3,000,000 for professional development, certification attainment, and equipment for the required computer science courses. The remaining \$364,000 in recurring funds is for 3 FTEs including a time-limited position, course materials, and design costs for the development of the required computer science courses for Virtual SC. Non-recurring funds of \$100,000 are needed every five years to implement the standards revision requirement change from seven to five years. Also, SDE indicates that this section could further increase recurring General Fund expenses of the agency by \$120,000 beginning in FY 2021-22 for 2 FTEs, materials, and course development to meet expected course enrollment demands. However, this potential additional expense depends upon student enrollment demands and is undetermined at this time.

Department of Commerce. The agency indicates that it cannot absorb the expenses associated with the provisions of the bill. Therefore, the bill as a whole will increase recurring General

Fund expenses of the agency by \$100,000 in FY 2020-21. Of this amount, \$70,000 is for 1 FTE for the Workforce Department, and \$30,000 is for travel and miscellaneous operating expenses.

Sections 4, 5, and 6. These sections remove social studies from the statewide assessment program for grades three through eight and end-of-course tests for courses selected by the State Board of Education and approved by the EOC. Also, these sections remove the standards-based assessment in social studies for students in grades five and seven. Further, these sections remove the standards-based assessment in science for eighth grade.

State Department of Education. SDE indicates that during FY 2019-20, a proviso suspended the inclusion of specific assessments for social studies and science, which reduced agency expenditures by \$812,244. Sections 4, 5, and 6 of the amended bill would codify these changes. In future years, the agency expects similar savings resulting from these sections.

Section 7. This section requires SDE to track student performance from kindergarten through grade twelve in reading and mathematics along a common, consistent scale that is nationally recognized and approved by EOC. This section further outlines the requirements of SDE in providing resources to parents and teachers. SDE, local schools, and districts must identify and administer assessments that can be linked to common, consistent scales by grade level. Effective January 1, 2022, SDE and the SBTCE must establish high school equivalency assessment thresholds that serve as common minimum admission scores and must provide guarantees that students with sufficient scores may not be required to attend or enroll in reading or mathematics remediation at the postsecondary level.

Education Oversight Committee. The agency indicates that it can fulfill any responsibilities that may result from this section of the bill within current appropriations. Therefore, this section of the bill will have no expenditure impact on the agency.

State Department of Education. The agency indicates that it will need to develop a student assessment profile system that contains every student's complete assessment record, has the ability to transfer assessment records amongst districts, and has the ability to provide direct parental access to student assessment records. SDE further indicates that the creation and implementation of this system will increase General Fund expenses of the agency by \$2,187,500 in FY 2020-21. Of this amount, \$2,000,000 is non-recurring for one-time development costs. The remaining \$187,500 is recurring for the annual maintenance of the student assessment profile. SDE anticipates that the system would be available for the 2021-22 school year.

South Carolina Board for Technical and Comprehensive Education. SBTCE indicates that this section requires the agency to perform activities within the normal course of business. Therefore, this section will have no expenditure impact on the agency.

Section 8. This section amends the provisions requiring RFA to develop, implement, and maintain a universal identification system that includes information for measuring the continuous improvement of state public education system and the college and career readiness and success of its graduates. The section is amended to add reporting on students who graduate from public high schools in the state and enter postsecondary education with the need for remediation.

Revenue and Fiscal Affairs Office. This section does not affect the requirements of the system and will not impact expenditures for the agency.

Section 9. This section requires that EOC must use data information submitted by the Office of First Steps to School Readiness, SDE, and the Department of Health and Human Services to provide certain information at the district and state level annually as a component of an annual Kindergarten Readiness Program Report. Further, EOC must submit a Kindergarten Readiness Program Summary Report to the General Assembly. If funding is provided, a Kindergarten Readiness Comprehensive Analysis Report at least every three years may be submitted to satisfy the reporting requirement. This section takes effect January 15, 2021

Education Oversight Committee. EOC indicates that any expenses associated with the study can be absorbed within current appropriations. Therefore, this section will have no impact on the agency.

Section 10. This section requires each high school to offer one-half credit course in personal finance as an elective that students may use to complete graduation requirements. SDE must develop the curriculum for the coursework before July 1, 2021.

State Department of Education. SDE indicates that any expenses resulting from this section of the bill can be managed within current appropriations and will have no expenditure impact on the agency.

Section 12. This section requires reading interventions to be evidence-based and follow the multi-tiered system of supports as defined in Section 59-33-510(3) and the Response to Intervention process as defined in Section 59-33-510(4). This section further replaces language related to the reading assessment on the Palmetto Assessment of State Standards with a reading assessment in English/language arts, to determine students eligible for retention pursuant to Section 59-155-160(A).

State Department of Education. SDE indicates that this section of the bill does not change testing requirements. Therefore, this section will have no expenditure impact on the agency.

Section 13. This section requires the coursework for higher education degrees in reading and literacy to be founded on scientifically based reading practices and evidence-based interventions, including how to use the data to identify struggling readers and inform instruction.

State Department of Education. SDE indicates that this section will have no expenditure impact on the agency.

Commission on Higher Education. CHE indicates that this section of the bill will have no expenditure impact on the agency.

Section 14. This section allows the PK-12 reading proficiency plan to include any combination of the current intervention methods for supplemental instruction for struggling readers.

State Department of Education. SDE indicates that this section of the bill will have no expenditure impact on the agency.

Sections 15 and 16. These sections require current assessments and screenings that evaluate reading proficiency to be based upon the universal screening process. It also requires the intensity and duration of reading intervention to be appropriate to meet specific needs of each student to ensure that the student is on track to be reading on grade level by the end of the third grade. In addition to currently screening all kindergarten and first grade students and second grade students as necessary, these sections require districts to screen all second and third grade students. Also, in addition to offering reading camps for students enrolled in third grade, each district must offer a summer reading camp as an intervention for any student enrolled in first or second grade who is substantially not demonstrating proficiency in reading, based upon the universal screening process, and if indicated, diagnostic assessments and teacher observations. These sections also allow a district superintendent or charter school authorizer to submit a request to SDE to waive the minimum 180-day school attendance requirement for kindergarten students for the purpose of scheduling a readiness assessment. Further, these sections require the State Board of Education to approve no more than five reliable and valid early literacy and numeracy screening instruments for selection and use by school districts in kindergarten through third grade. School districts must administer one or more instruments in the first thirty days of the school year and repeat, if indicated, at midyear and at the end of the school year. Contingent upon funding provided by the General Assembly, SDE must reimburse districts for the cost of the instrument or instruments selected upon receipt of assessment data. A school district may submit a waiver to use an alternative early literacy and numeracy assessment. SDE must implement an online reporting system to monitor the effectiveness of the screening assessment instruments and must require school districts to annually submit data requested by the department.

State Department of Education. The agency indicates that these sections will increase General Fund expenses of SDE by at least \$1,696,000 in FY 2020-21 to reimburse districts for the universal screenings. This includes \$1,596,000 in recurring expenses to screen all 228,000 kindergarten through third grade students at an average cost of \$7 per student. SDE also indicates that only one of the eight screening tools is free and that only five of the regular school districts use the free screening tool. Additionally, SDE indicates that the paid screening tools produce better data. The agency anticipates that all districts will select a paid tool if reimbursement is available. The remaining \$100,000 is for non-recurring expenses to train districts on the additional screenings and interventions.

Further, based upon the latest analysis from SDE, the agency anticipates using an existing data system for collecting and reporting data on screenings from districts instead of purchasing a new system. Therefore, there are no additional expenditures for data collection.

These sections also expand summer reading camps to include students in the first and second grades who are not demonstrating proficiency in reading, based upon the universal screening process. Students who score at the lowest achievement level and are eligible for retention may enroll in summer reading camps. SDE indicates that approximately 4,000 students qualified for

summer reading camps this year and approximately 9,000 students attended the summer reading camps. SDE does not have data on the district expenses for reading camps. SDE anticipates that approximately 42,000 students could be eligible for reading camps next year under this bill. This figure is based upon growth in the number of eligible third grade students as well as the number of first and second grade students who will now be eligible for the expanded summer reading camp. The language in the bill does not specify whether SDE or local school districts will be responsible for the increase in expenses due to the expanded summer reading camp. Unless additional funds are appropriated for this purpose, we anticipate that local school districts will be responsible for any additional expenses. These sections of the impact statement have been updated to revise a previous response from SDE.

Section 17. This section revises the requirements to retain students who fail to demonstrate reading proficiency at the end of the third grade as indicated by scoring at the lowest achievement level on the state summative reading assessment in English/language arts, which indicates that the student needs substantial academic support to be prepared for the next grade level. In addition, intervention for students who are retained due to the provisions of this section must be appropriate to meet the specific needs of each student to ensure the student is on track to be reading at or above grade level by the end of the school year. This section requires districts to report to SDE the number of retention exemptions granted, the number of appeals made by a parent or guardian regarding student retention, the number of appeals granted, and the student's outcome in grades four through eight.

State Department of Education. SDE indicates that this section of the bill will have no expenditure impact on the agency.

Section 18. This section requires all reading coaches funded wholly or partially with state funds to serve as a stable resource for professional development throughout an elementary school to build master teachers of reading and to improve student reading achievement. The section further revises the responsibilities and professional development requirements for reading coaches. As a condition for receiving the state appropriations for reading coaches, SDE must screen and approve the hiring of all reading coaches in a school that has more than one-third of its third-grade students scoring at the lowest achievement level on the statewide summative English/language arts assessment. Also, each reading coach employed in a district having more than one-third of its third-grade students scoring at the lowest achievement level and the principal of the elementary school in which the reading coach is assigned must attend professional development training provided by SDE. A school in which at least 60 percent of students scored at meets or exceeds expectations on the state summative assessment in English/language arts may submit a request to SDE for flexibility to utilize their allocation to provide literacy support to students. By August 1, 2020, and annually thereafter, the State Board of Education is authorized to approve guidelines for the professional development, coursework, certification, and endorsement requirements for K-12 teachers whose responsibilities relate to reading and literacy instruction, support, or intervention. Additionally, beginning July 1, 2021, and annually thereafter, CHE, in consultation with SDE, must conduct an analysis to determine the effectiveness of each teacher education program in preparing teachers to diagnose a child's reading problems. CHE must report its findings of the analysis and provide recommendations for improving teacher education programs to the Governor and the General Assembly.

State Department of Education. SDE indicates that any expenses associated with this section can be managed within the agency's current appropriations. Therefore, this section will have no expenditure impact on the agency.

Commission on Higher Education. CHE indicates that this section of the bill will increase General Fund expenses of the agency by \$25,000 in FY 2020-21 for the services of an out-of-state third-party vendor.

Sections 19 and 20. These sections extend the availability of the Palmetto Fellows Scholarship to eligible students attending a two-year or technical institution for a maximum of four continuous semesters. The student may continue to use the scholarship to attend an eligible four-year institution, subject to the maximum number of semesters for which the student may be eligible for the scholarship. Currently, awardees of the Palmetto Fellows Scholarship who chose to attend a two-year institution must forfeit their award. Furthermore, these students may not reapply for the scholarship if they later transfer to an eligible four-year institution. Palmetto Fellows Scholarship recipients may receive up to \$6,700 for the first academic year and up to \$10,000 beginning their second academic year. The actual award is limited to the cost of attendance minus all other scholarships and grants received by the student.

Presently, a Palmetto Fellows Scholarship recipient who chooses to attend a two-year institution will automatically qualify for the LIFE Scholarship. LIFE Scholarship recipients may receive up to \$5,000 their first academic year and up to \$7,500 beginning their second academic year. The actual award amount is limited to the cost of attendance minus all other scholarships and grants received by the student.

Adjusting for student population, the weighted average cost of attendance at a two-year in-state institution in FY 2017-18 was approximately \$4,600. The average LIFE scholarship award for recipients attending a two-year institution was \$4,200 in FY 2017-18. All other scholarships and grants are applied to a student's cost of attendance before determining the amount of his LIFE Scholarship award. The difference between the average cost of attendance and average scholarship amount awarded may be attributed to other scholarships and grants received by the student. The Palmetto Fellows Scholarship award amount is calculated in the same manner as the LIFE Scholarship. Hence, a student attending a two-year institution would receive, on average, the same amount for the Palmetto Fellows Scholarship as he would for the LIFE Scholarship. Therefore, this section will have no net impact on scholarship disbursement during the years in which the student attends a two-year institution.

If a student continues his education at a four-year institution, his scholarship amount would increase. The average Palmetto Fellows Scholarship award, excluding recipients at the Medical University of South Carolina (MUSC), was \$7,700 for FY 2017-18. This amount is \$3,500 more than the student received at his two-year institution. Therefore, this section will increase net scholarship distributions by \$3,500 for each student who moves his Palmetto Fellows Scholarship from a two-year to a four-year institution. CHE reports that over the past two years thirteen recipients have declined the Palmetto Fellows Scholarship for the purpose of attending a two-year institution. If this trend holds, we estimate an average of seven students per year would

select this option. Because this section would apply only to students graduating beginning in FY 2021-22, we would first see this impact as early as FY 2023-24. Therefore, this section will increase scholarship distributions by as much as \$24,500 each year beginning in FY 2023-24. If disbursements increase above the amount appropriated in the Appropriations Act for Palmetto Fellows Scholarships, this increase would first be funded by excess lottery proceeds. Any amounts remaining after utilizing excess lottery proceeds would become an obligation of the General Fund.

These sections also raise the high school GPA requirement for the Palmetto Fellows Scholarship from 3.5 to 4.0 for students in the top 6 percent of their class, and from 4.0 to 4.3 for students who qualify without class rank. Changes made to the eligibility requirements for Palmetto Fellows will also affect the distribution of the LIFE scholarships. A student who would no longer qualify for the Palmetto Fellows Scholarship due to the increased GPA requirement would automatically qualify for the LIFE Scholarship. In addition, these sections make further changes to the eligibility requirements for the LIFE and HOPE Scholarships. Specifically, these sections increase the GPA requirements for LIFE and HOPE from a 3.0 to a 3.3. For these reasons, CHE has provided the overall impact to scholarship disbursements for all three scholarships as a single figure. Increasing the GPA requirements for scholarships would cause a decrease in the amount of scholarship funds disbursed. These new GPA requirements apply to students graduating high school after FY 2020-21. Therefore, the effects of this change would first be noted during FY 2022-23 and would increase as more graduating cohorts are affected. Based on CHE's analysis, the changes to the GPA requirements would decrease scholarship disbursements by the following amounts:

- \$10,243,557 in FY 2022-23
- \$14,715,171 in FY 2023-24
- \$17,667,642 in FY 2024-25
- \$20,230,559 annually beginning in FY 2025-26

These sections also add requirements for retaining the Palmetto Fellows Scholarship beyond the student's freshman year. In order to retain the scholarship, the student must earn at least thirty credit hours each academic year and maintain at least a 3.0 cumulative GPA. These requirements are consistent with the requirements described in regulation, with the exception of how the student's cumulative GPA is calculated. Under current regulation, the GPA is based on credits earned at the institution where the student is currently enrolled. This section requires the GPA to be based on all credits earned by the student at all institutions of higher learning. CHE does not have sufficient data to determine the number of students who will be affected by this change. Therefore, the impact is undetermined. However, we anticipate that this will have a minimal impact on scholarship distributions.

These sections of the bill also reduce the cumulative GPA required to retain the LIFE Scholarship from 3.0 to 2.8 at the end of the student's freshman year. For each year after the student's freshman year, the cumulative GPA requirement returns to the current minimum of 3.0. These new GPA requirements apply to students graduating after FY 2020-21. CHE indicates that this portion of the bill will increase scholarship expenses by \$6,400,000 beginning in FY

2022-23. This analysis does not take into consideration other changes proposed in this bill that would affect scholarship eligibility.

In addition, these sections specify the ACT scoring requirements for the Palmetto Fellows and LIFE Scholarships. Current statute indicates a specific SAT score requirement and allows a student to substitute an equivalent ACT score in order to meet scholarship qualifications. However, regulations concerning scholarship qualifications specify the required ACT scores. While the scores listed in this section do not match the scoring requirements listed in regulations, the proposed scores are congruent with the 2018 ACT/SAT concordance produced by College Board. College Board produces the SAT and collaborates with the makers of the ACT and the NCAA Technical Advisory Board to develop the concordance for the comparison of SAT and ACT scores. The following table displays the current ACT scores required by regulations, and the ACT scoring requirements proposed by these sections of the bill:

| ACT SCORE REQUIREMENTS | | |
|--------------------------------------|--------------------------------|----------------------|
| Scholarship | Required by Current Regulation | Proposed Requirement |
| Palmetto Fellows, with class rank | 27 | 25 |
| Palmetto Fellows, without class rank | 32 | 31 |
| LIFE | 24 | 22 |

CHE prediction models have been created to estimate scholarship expenditures based on sensitivity to changes in SAT requirements, as CHE has more dependable data on SAT scores of applicants than ACT scores. Therefore, the impact to scholarship expenditures due to the change in ACT requirements is not available at this time.

Additionally, these sections require students to meet additional criteria in order to qualify for the LIFE Scholarship. The additional criteria requires students to earn at least one unit of credit in CHE’s “College Preparatory Course Prerequisite Requirements”, which may be accomplished by dual credit during a senior year. This will affect students graduating after 2020-21. This requirement is currently being met by most LIFE scholarship recipients. Therefore, this portion of the bill is not expected to impact scholarship distribution.

Commission on Higher Education. CHE indicates that these sections will increase General Fund expenses of the agency by \$87,000 for 1 FTE for the increased workload due to an increase in the number of scholarship recipients and the enhanced data collection requirements.

State Department of Education. SDE indicates that these sections of the bill will have an undetermined expenditure impact on the agency since students now only need one college preparatory prerequisite course to qualify for the scholarships. The available courses will vary by school district, and data is not available for SDE to determine which courses will be offered at a given district.

Section 21. This section requires SBTCE, in collaboration with the State Board of Education, to look at additional pathways of cooperation to better facilitate adult education in an efficient and

cost-effective manner. SBTCE must provide a report to the General Assembly by June 1, 2020, detailing their findings, including student participation, retention, and completion numbers.

State Board for Technical and Comprehensive Education. SBTCE indicates that any expenses associated with this section can be managed within current appropriations and will have no impact on the agency.

Section 23. This section requires SDE, in collaboration with the Technical College System, CHE, DEW, and Commerce to develop a career pathways system to replace the current career cluster system by August 1, 2023. The career pathways system must include an expansive list of measures. After developing the career pathways system, SDE must develop a curriculum. This section also requires districts to assist students by establishing a foundation for career pathways by grade level. Further, this section requires districts and charter authorizers to annually collect and provide data to SDE regarding the number of students in each of the pathways offered. SDE must provide this data on its website.

State Department of Education. SDE indicates that this section of the bill could increase non-recurring General Fund expenses of the agency by \$750,000 in FY 2020-21 for providing the required resources to parents on improving student growth.

Department of Commerce. The agency indicates that it cannot absorb the expenses associated with the provisions of the bill. Therefore, the bill as a whole will increase recurring General Fund expenses of the agency by \$100,000 in FY 2020-21. Of this amount, \$70,000 is for 1 FTE for the Workforce Department, and \$30,000 is for travel and miscellaneous operating expenses.

Department of Employment and Workforce. The agency indicates that they expect to manage the responsibilities pursuant to this section with existing staff and within existing appropriations. Therefore, this section of the bill will have no expenditure impact on the agency.

Commission on Higher Education. We anticipate that CHE will be able to manage the responsibilities of this section within current appropriations. Therefore, we do not expect this section of the bill to impact expenditures of the agency.

State Board for Technical and Comprehensive Education. The agency indicates that any expenses associated with participation in the development of a career pathways system can be managed within current appropriations. Therefore, this section will have no expenditure impact on the agency.

Section 24. This section requires SDE to replace the current career cluster requirements and develop programs of study under each career pathway every five years. In developing programs of study, SDE must emphasize the high-skill and in-demand pathways that the state Workforce Innovation and Opportunity Act plan and Coordinating Council for Workforce Development have identified as critical to the state's workforce development system. By August 1, 2022, SDE, in collaboration with the Education and Economic Development Act Coordinating Council, must develop a pathway certification process for high schools and postsecondary institutions.

State Department of Education. SDE indicates that this section of the bill will have no expenditure impact on the agency.

Section 25. This section of the bill requires school districts to organize high school curricula around a minimum of three career pathways, promote increased awareness and career counseling, and review the pathways selected by the districts every two years. This section takes effect on August 1, 2022.

State Department of Education. SDE indicates that this section of the bill will have no expenditure impact on the agency.

Sections 27 and 31. These sections direct SDE to establish a pilot program by May 1, 2021, that will permit schools that have received an overall rating of excellent on the annual report card for at least two consecutive years to hire non-certified teachers in a ratio of up to 10 percent of its entire teaching staff. The State Board of Education, through SDE, must approve the guidelines for the pilot program. Participation in the pilot program is optional, and the decision for participation rests solely with SDE and with the school principal upon approval of the district superintendent. Participating schools and districts are encouraged to assist SDE with establishing best practices. Also, SDE must establish a separate code in the professional coding system to capture non-certified teachers and must continue to report this information on the school report cards. Beginning November 1, 2022, SDE must submit an annual report to the General Assembly, which must include recommendations for improving, expanding, or continuing the pilot. At the end of the five-year pilot, the annual status report must include a recommendation regarding continuance of the program. Additionally, SDE must establish procedures for the registration and clearance of all non-certified educators working in any public school, to include a public charter school. Educators must submit required documentation and fees to SDE. Additionally, SDE must establish procedures for the registration and clearance of all non-certified educators working in any public school, to include a public charter school. Educators must submit required documentation and fees to SDE.

State Department of Education. SDE indicates that these sections will have no expenditure impact on the agency.

Section 28. This section adds alternative route providers and provides for the requirement that the State Board of Education prescribe and enforce rules for the examination and certification of teachers.

State Department of Education. SDE indicates that any expenses associated with this section of the bill can be managed within current appropriations. Therefore, this section will have no expenditure impact on the agency.

Section 29. This section adds alternative route providers and programs to the responsibilities of the State Board of Education to formulate and administer a system for the examination and certification for teachers.

State Department of Education. SDE indicates that any expenses associated with this section of the bill can be managed within current appropriations. Therefore, this section will have no expenditure impact on the agency.

Section 30. This section requires educator candidates to complete a pre-service application and clearance process before beginning any part-time clinical experience in a public school. Currently, only full-time candidates are required to complete this process. The application and clearance process must be in accordance with the State Board of Education guidelines. Also, an educator candidate that completes an educator preparation program must repeat the fingerprint-based criminal records check before certification if the criminal history reports on file were submitted more than eighteen months prior to meeting all certification requirements. Also, educators applying for recertification must repeat the fingerprint-based criminal records check.

State Department of Education. SDE indicates that this section of the bill will increase recurring expenses by \$45,660 in FY 2020-21 for 1 FTE to handle the additional workflow associated with the application and clearance process for part-time educator candidates. Non-recurring expenses will range from \$18,200 to \$24,680 in FY 2020-21. Of this amount, \$2,000 is for office equipment for the new FTE. The remaining range of \$16,200 to \$22,680 is for recoding of the current certification system and depends upon the number of hours required to complete the task. Additionally, SDE indicates that if the intent of this section of the bill is to require all certified educators to complete the fingerprint-based criminal records process in order to renew their certificates every five years, recurring expenses could increase by an additional \$45,660 in FY 2020-21 for 1 FTE to handle the recertification process. Also, non-recurring expenses will increase by an additional \$8,480 to \$18,200 in FY 2020-21. Of this amount, \$2,000 is for office equipment for the new FTE. The remaining range of \$6,480 to \$16,200 is for recoding of the certification system and depends upon the number of hours required to complete the task.

Section 31. The impact of this section is addressed in Section 27.

Section 32. This section allows educator preparation programs housed within an institute of higher education to submit a separate and distinct educator preparation program for alternative certification to the State Board of Education for approval. SDE must report the number of individuals employed in the state, by district, with certificates issued by institution of higher education alternative programs to the State Board of Education and the General Assembly before March 31st annually.

State Department of Education. SDE indicates that while the language in this section of the bill does not require the creation of a new office, the agency believes a new office would best accomplish the requirements set forth in this section. Based on this, the agency indicated that this section would increase General Fund expenses by \$1,100,353 in FY 2020-21. Of this amount, \$365,278 is for 4 FTEs, including a new director for the new office. The remaining \$735,075 is for procurement of an educator preparation data system, equipment, and operating expenses. General Fund expenses of the agency would decrease to \$415,278 each year thereafter for personnel and operating expenses.

Commission on Higher Education. This section of the bill will have no expenditure impact on the agency.

Section 33. This section requires the State Board of Education, through SDE, and the Commission on Higher Education (CHE) to develop and implement a plan for the cyclical evaluation process for all alternative route providers and programs every seven years. The plan must include requirements for initial and continuing approval and must include evidence of annual successful teaching experience of educators, differentiated by program.

State Department of Education. The expenditure impact of this section is addressed in Section 32.

Commission on Higher Education. This section of the bill will have no expenditure impact on the agency.

Section 34. This section directs the State Board of Education, with assistance from SDE, CHE, and RFA, to develop and annually publish an online report card known as the “South Carolina Teacher Preparation Report Card”. The report card must evaluate the ability of educator preparation programs, including alternative programs, to train new teachers for success in classrooms. The report card must include data on an expansive list of measures. SDE, each educator preparation program, and each school district must report any data as requested by the State Board of Education to complete the evaluation.

State Department of Education. The expenditure impact of this section is addressed in Section 32.

Commission on Higher Education. This section of the bill will have no expenditure impact on the agency.

Revenue and Fiscal Affairs Office. RFA anticipates that the provisions of this section can be accomplished within existing appropriations. Therefore, this section of the bill is not expected to have an expenditure impact on the agency.

Section 35. This section requires SDE to provide each college of education and state-approved educator preparation program with information regarding its graduates before December 1st annually using the longitudinal data system developed by RFA pursuant to Section 59-18-1950. The information must include extensive criteria. Also, a college of education or educator preparation program must develop and use a unique system for identifying individual educator graduates. Information provided to a college of education or educator preparation program pursuant to this section of the bill is not subject to the provisions of the Freedom of Information Act.

State Department of Education. The expenditure impact of this section is addressed in Section 32.

Revenue and Fiscal Affairs Office. The reporting requirements of this section can be accomplished with the longitudinal data system and staffing implemented by RFA pursuant to Section 59-18-1950. Therefore, this section of the bill is not expected to have an expenditure impact on the agency.

Commission on Higher Education. This section requires an institution of higher learning which receives such information to develop a unique system for identifying each individual educator graduate.

Institutions of Higher Education. The institutions of higher education are unclear as to how a unique identification system will be established. The establishment of this unique identifier will require the collaboration of all institutions of higher education, as well as other agencies. Due to this uncertainty, they are unable to determine a cost estimate. Therefore, the expenditure impact to institutions of higher education is undetermined. This section of the impact statement has been updated to include a response from the institutions of higher education.

Section 36. This section directs the Center for Educator Recruitment, Retention, and Advancement (CERRA) to use and update the teacher survey currently administered by SDE. The survey should assess teacher perceptions on a number of matters. The results of the survey must be published by SDE, CERRA, EOC, each school district, and each school in a conspicuous place on their respective websites.

State Department of Education. SDE indicates that this section will have no expenditure impact on the agency.

Education Oversight Committee. EOC indicates that any expenses resulting from posting the results of the survey on its website can be managed within existing appropriations. Therefore, this section will have no expenditure impact on the agency.

Section 37. This section requires the minimum teacher salary to be \$35,000 beginning with FY 2019-20. Salary increases must be based on funding provided by the General Assembly in the annual appropriations act and provided through adjustments in the salary schedule to educators identified by SDE as eligible to receive the EIA teacher salary supplement during FY 2018-19 as reported to RFA. This section also deletes current provisions regarding local effort, criteria regarding teacher pay increases, and the requirement that RFA project the southeastern average teacher salary. The General Assembly must establish the starting teacher salary each year in the annual appropriations bill. The salary schedule and Education Finance Act inflation factor must be determined in the annual General Appropriations Act.

State Department of Education. SDE indicates that, without additional direction, deleting the criteria for teachers to be certified will require non-certified teachers to be paid on the state minimum salary schedule set in the appropriations act. This would increase General Fund expenses by approximately \$65,000,000, including fringe in FY 2020-21 since non-certified teachers will be eligible to receive state funds for teacher salaries.

Revenue and Fiscal Affairs Office. Eliminating the responsibilities for RFA to project the southeastern average teacher salary will not impact agency expenditures as staff time will be reallocated to other responsibilities. Therefore, this section will have no expenditure impact on the agency.

Section 38. This section allows the board of trustees of a local school district to authorize daily mileage reimbursement for a teacher who must travel more than twenty-five miles each way between his established domicile and school. This reimbursement may not exceed the existing federal reimbursement rate for mileage.

State Department of Education. SDE indicates that this section will have no expenditure impact on the agency.

Section 39. This section requires the State Board of Education to adopt a policy that each local school board must use to develop and implement a plan to provide each kindergarten through fifth grade classroom teacher with at least thirty minutes of duty-free time on each regular school day. The local school board must adopt a duty-free policy at a regularly scheduled meeting with three months of the State Board of Education's adoption of statewide policy. The local school board must submit its duty-free policy and any revisions to SDE within thirty days of adoption. This section takes effect August 1, 2020.

State Department of Education. SDE indicates that this section will have no expenditure impact on the agency.

Section 40. This section requires the State Board of Education to adopt a model code of ethics for local school board members before July 1, 2021. The model code of ethics must also include appropriate consequences for violations of provisions of the code of ethics. A local school board must adopt a local code of ethics applicable to the board within three months after adoption of the model code by the State Board of Education. A local school board may only adopt its local code of ethics or any changes to that local code at a regularly scheduled meeting. A local school board may not adopt or follow a code of ethics that prevents its members from discussing freely the policies and actions of the board outside of a board meeting. A local school board must submit a copy of its local code of ethics and subsequent revisions to SDE within thirty days of adoption.

State Department of Education. SDE indicates that this section will increase General Fund expenses by \$9,150 in FY 2020-21 for a hearing officer and court reporter. The agency estimates one hearing per year.

State Ethics Commission. The State Ethics Commission indicates that it provides training on the Ethics Reform Act to elected officials, but will not be able to train local board members regarding ethics adopted locally by the board. Therefore, this section of the bill will have no expenditure impact on the agency.

Section 41. This section requires all re-elected members of a school district board of trustees to successfully complete a training program on the powers, duties, and responsibilities of a board

member. Also, this section adds nepotism and conflict of interest to the topics that must be included in the training program. The training program must be offered by a district or its designee and completed by each board member within one year after election, re-election, appointment, or reappointment. Further, this program must be offered by a district or its designee and completed by each board member within one year after the effective date of this section of the bill. Additionally, this section requires the State Board of Education to adopt a model training program for training local school board members by December 31, 2020. The State Board of Education must review the training program every three years as it considers necessary and adopt revisions. A local school board must adopt a local training program applicable to that board within three months after adoption of the model training program by the State Board of Education. A local school board may only adopt its local training program or any changes to the training program at a regularly scheduled meeting. In addition to meeting other requirements provided by law, a person serving on a school board must sign a statement asserting that he understands and is in compliance with the South Carolina Ethics law, the applicable local code of ethics, and the training required pursuant to this section. Additionally, this section deletes the requirement that SDE must reimburse a school district or county board of education conducting an orientation for a new board member. This section also deletes the requirement that SDE must keep a record of the school board of trustees who complete the orientation program for at least five years. This section also requires the local boards to certify compliance with this section by all board members at the beginning of each calendar year.

State Department of Education. SDE indicates that any expenses associated with the development of the model training program can be managed within current appropriations. Additionally, SDE indicates that the deletion of the requirement that SDE reimburse school districts for orientation for new board members will have no significant cost savings to the agency. Therefore, this section will have no expenditure impact on SDE.

State Ethics Commission. The State Ethics Commission indicates that it provides training on the Ethics Reform Act to elected officials but will not be able to train local board members regarding ethics codes adopted locally by the board. Therefore, this section of the bill will have no expenditure impact on the agency.

Section 43. This section requires certain school districts located in a multi-district county to consolidate on or before August 1, 2022. The provisions apply to districts with a forty-five-day average daily membership for the 2018-19 school year of less than 1,500 and located within a Tier IV county pursuant to Section 12-6-3360(B). Districts that submit a preliminary plan for consolidation by August 1, 2020, will be eligible to receive funds appropriated by the General Assembly for the purpose of consolidating with other districts within the county. The funds may be used for costs directly related to the consolidation including but not limited to salary adjustments, facilities, debt mitigation, millage rate adjustments, transportation, technology and other factors the district demonstrates are necessary to complete consolidation. After August 1, 2022, districts that have not implemented a consolidation will be merged with one or more districts in the same county and will not be eligible for funds appropriated for consolidation. SDE will direct the merger and report to the General Assembly any legislative actions necessary to accomplish the merger. Further, if a district received funds for consolidation but did not implement the consolidation, SDE is to direct that the district remit

payment back to SDE in the amount equal to the funds received. After August 1, 2020, districts eligible for consolidation under the provisions may not incur new bonded indebtedness, spend reserve funds, dispose of assets, or increase salaries without prior approval of SDE. If no funds are appropriated, SDE must submit a report to the General Assembly by January 10, 2020, outlining the districts affected and information on shared services, district efficiency reviews, and any other relevant information.

State Department of Education. SDE indicates that any expenses associated with reviewing and approving district consolidation plans and the required reporting requirements can be managed within the agency's current appropriations. Therefore, this section of the bill will have no expenditure impact on the agency.

Section 44. This section of the bill allows any local school district to be eligible to receive appropriated funds for the purpose of consolidating with other districts within its county if the district maintains an average daily membership that is less than 1,500 based on annual student counts received by SDE. These districts must follow the same guidelines related to the submission of a consolidation plan, timeline, and use of funds as previously stated in Section 43 of this bill.

State Department of Education. SDE indicates that any expenses associated with reviewing and approving district consolidation plans and the required reporting requirements can be managed within the agency's current appropriations. Therefore, this section of the bill will have no expenditure impact on the agency.

Section 46. This section amends the statutory school term from 190 to 195 days. The additional five days may be used for teacher planning but must not include mandatory professional development, meetings, or parent conferences. This section also modifies the opening date for students by requiring that school not start prior to the second Monday in August instead of the third Monday. The section is effective contingent upon funding in the annual appropriations act.

State Department of Education. SDE indicates that this section will increase General Fund expenses by approximately \$55,000,000 or \$82,000,000 depending upon whether the EFA or EIA method is chosen. Under the EFA method, the state assumes 70 percent of the expenses, which is approximately \$55,000,000, including fringe. Under the EIA method, the state is responsible for all expenses, which is approximately \$82,000,000, including fringe. However, any expenses are contingent upon funding in the annual appropriations act.

Section 47. This section establishes protocol and appropriate justification for the Governor to remove a local school board member or trustee from office.

Office of the Governor. The Office of the Governor previously indicated that this section of the bill requires the agency to perform activities that will be conducted within the normal course of business. Therefore, we expect this section of the bill will have no expenditure impact on the agency.

Section 48. This section repeals Article 15, Chapter 18, Title 59, which relates to intervention and assistance.

State Department of Education. SDE indicates that the repeal of Article 15, Chapter 18, Title 59 will have no expenditure impact on the agency. Later sections of this bill add back language relating to intervention and assistance.

Section 49. This section is addressed by code section below:

Section 59-18-1620

This section requires the State Department of Education (SDE) to implement a tiered system to provide technical and other assistance, professional development, and to monitor schools and districts. By December 31st annually, the State Superintendent of Education (State Superintendent) must provide a report to the General Assembly on the tiered system's progress, which must document the impact of assistance on student academic achievement, college and career readiness, and high school graduation rates.

State Department of Education. SDE indicates that a tiered system currently exists to provide assistance to schools and districts. Also, any expenses associated with monitoring professional development, monitoring local school board operations, and providing a summary of improvements can be managed within current appropriations for EAA Technical Assistance. Therefore, this section will have no expenditure impact on SDE.

Section 59-18-1625

This section requires SDE to place a school or district that has been designated as underperforming into a tiered status to provide technical assistance. Upon receiving notification from SDE that a district has been placed in a tiered status, the district superintendent along with school and community stakeholders must review and revise the school or district's strategic plan with assistance of the School Improvement Council. The strategic plan must include a turnaround plan. The turnaround plan must be based on data or needs assessments to identify improvement strategies, must include certain specific measurable items necessary to improve student progress, and must include broad-based community input. The turnaround plan must be submitted to SDE for review and approval. After initial approval by SDE, the district superintendent and the local board of trustees must annually submit updates to SDE regarding the implementation of the turnaround or revised strategic plan. The revised strategic plan must then be posted on the websites of SDE, the district, and the school. SDE must monitor the district's implementation of the revised strategic plan and must relay the district's progress to the State Board of Education once a quarter.

State Department of Education. SDE indicates that a tiered system currently exists to provide assistance to schools and districts. Also, any expenses associated with the review and approval of turnaround plans can be managed within current appropriations. Therefore, this section will have no expenditure impact on the agency.

Section 59-18-1630

This section requires SDE to notify the appropriate legislative delegation of any school receiving an overall unsatisfactory rating on the annual report card. This section further provides for the steps to be taken by the local school board and district superintendent with jurisdiction over a school that has received an unsatisfactory rating on the annual report card.

State Department of Education. SDE indicates that the requirements of this section can be managed within current appropriations and will have no expenditure impact on the agency.

Section 59-18-1635

This section allows the State Superintendent to seek a state-of-education emergency declaration for a school that is chronically underperforming, has systemic educational failures, has been denied accreditation, or has insufficient turnaround plan results. Once the State Superintendent determines that a state-of-education declaration is justified, the State Board of Education must meet to approve or disapprove of the declaration. Upon approval of a state-of-education emergency declaration, the State Superintendent must notify the district superintendent, local school board, local legislative delegation, and Governor and must also assume management of the school. The district superintendent and members of the local district board may appeal the State Board of Education's approval of the declaration to the Administrative Law Court within ten business days of receipt of the notice of the declaration. Once a school that is subject to a state-of-education emergency declaration has met targets identified in the revised strategic plan for improvement for a minimum of three consecutive years, the State Superintendent must submit such documentation to the State Board of Education. SDE, in consultation with the district and local board of trustees, must develop a transition plan and timeline for returning management of the school to the district upon an affirmative vote by the State Board of Education to end the state-of-education emergency declaration.

State Department of Education. SDE indicates that there will likely be no expenditure impact for the State Board of Education to approve or disapprove a declaration since the State Superintendent may coordinate a declaration with a scheduled State Board of Education meeting. In the event that a special State Board of Education meeting must be held to discuss a declaration, the State Board of Education would be responsible for per diem and travel expenses for members. Per diem is \$35 per member, and mileage reimbursement is \$0.58 per mile. Additionally, SDE would incur an unknown amount of expenses to assume management of a school that has been issued a state-of-education emergency declaration. Although these expenses are unknown, SDE anticipates that the expenses will be minimal since the school would continue to use local, state, and federal funds to operate. Therefore, we anticipate that any expenses incurred as a result of SDE managing the daily operations of a district will be managed within the agency's current appropriations.

Section 59-18-1640

This section allows the State Superintendent to seek a state-of-education emergency declaration for a district that is identified as underperforming for three consecutive years, has systemic educational failures, has been denied accreditation, has insufficient turnaround plan results, or is classified as being in a fiscal emergency status. Once the State Superintendent determines that a state-of-education declaration is justified, the State Board of Education must meet to approve or

disapprove of the declaration. Upon approval of a state-of-education emergency declaration, the State Superintendent must notify the district superintendent, local school board, local legislative delegation, and Governor and must also assume management of the district. The district superintendent and members of the local district board may appeal the State Board of Education's approval of the declaration to the Administrative Law Court within ten business days of receipt of the notice of the declaration. Upon approval by the State Board of Education of a state-of-education emergency declaration, the local district board of trustees is dissolved. The State Superintendent must assume authority and responsibilities of the district superintendent and the local board of trustees until district management is transitioned to an appointed interim local district board of trustees.

Once a district that is subject to a state-of-education emergency declaration has met targets identified in the revised strategic plan for improvement for a minimum of three consecutive years, the State Superintendent must submit such documentation to the State Board of Education. The State Board of Education must approve that an interim local district board of trustees be appointed. The interim local district board of trustees must consist of five members with one member appointed by the Governor, one member appointed by the local legislative delegation, and three members appointed by the State Superintendent in consultation with the local legislative delegation. All appointees must be residents of the school district for which the interim appointments are being made. The appointing authority must take certain factors into account, so as to represent all segments of the population of the affected district. The interim local school board must serve for a minimum of three years.

SDE, in consultation with the district and interim board, must develop a transition plan and timeline for returning management of the district to a local board of trustees upon an affirmative vote by the State Board of Education to end the state-of-education emergency declaration. Local district board of trustee's members will be elected or appointed pursuant to statutory requirements, beginning with the next regularly scheduled election. The state-of-education emergency declaration must expire, and the powers and duties of the district superintendent and local district school board of trustees are restored upon the swearing in of a new local district board of trustees. A district in a state-of-education emergency declaration must have its fiscal authority relating to taxing authority and levying millage transferred to its county council until the declaration is lifted, notwithstanding any other provision of law.

State Department of Education. SDE indicates that there will likely be no expenditure impact for the State Board of Education to approve or disapprove a declaration since the State Superintendent may coordinate a declaration with a scheduled State Board of Education meeting. In the event that a special State Board of Education meeting must be held to discuss a declaration, the State Board of Education would be responsible for per diem and travel expenses for members. Per diem is \$35 per member, and mileage reimbursement is \$0.58 per mile. Additionally, SDE would incur an unknown amount of expenses to assume management of a district that has been issued a state-of-education emergency declaration. SDE indicates that expenses to contract the daily operations will vary by district and will depend upon the work being performed. Although these expenses are unknown, SDE anticipates that the expenses will be minimal since the district would continue to use local, state, and federal funds to operate.

Therefore, we anticipate that any expenses incurred as a result of SDE managing the daily operations of a district will be managed within the agency's current appropriations.

Section 50. This section requires charter schools that are sponsored by institutions of higher learning to be included in the overall performance ratings of each school.

State Department of Education. SDE indicates that this section will have no expenditure impact since charter schools that are sponsored by a registered institution of higher learning are currently included in school performance ratings.

Section 51. This section repeals Section 59-59-30, which requires the South Carolina Education and Economic Development Act to be fully implemented by July 1, 2012, and requires SDE to provide administrative support and staffing to the council to carry out its responsibilities.

State Department of Education. SDE indicates that the repeal of this section will have no expenditure impact or cost savings to the agency.

Section 52. This section requires LAC, on or before August 1, 2021, to study and publish a report identifying and detailing federal funding streams for programs and grants in elementary and secondary education in total and breaking out the cost of overhead, compliance, and reporting incurred by SDE, school districts, and local schools. The study must focus on Title I, Title II, and Title IV as related to the Elementary and Secondary Education Act of 1965, Individuals with Disabilities Education Act of 2004, Head Start and Early Childhood Education, and teacher quality improvement programs.

Legislative Audit Council. LAC previously indicated that any expenses associated with the requirements of this section could be managed within the agency's current appropriations. Therefore, we anticipate this bill will have no expenditure impact on LAC.

State Revenue

The following sections will affect state revenues as follows:

Sections 27 and 31. These sections require SDE to establish procedures for the registration and clearance of all non-certified educators working in any public school, to include a public charter school, pursuant to the provisions of the pilot program for select schools. Educators must submit required documentation and fees to SDE.

State Department of Education. SDE indicates that there were 596 non-certified educators employed in the regular school districts in school year 2018-19. Although these sections do not provide the amount of the fee to be submitted by the non-certified educators, SDE indicates that the fee would be \$105, which aligns with other current fees for student applicants. Further, the fee would be used to support the Office of Educator Services. Therefore, assuming a similar number of non-certified educators, these sections would increase Other Funds revenue by \$62,580 in FY 2020-21.

Local Expenditure

The following sections affect local expenditures as follows:

Section 3. This section requires the State Board of Education to conduct, at least every five years, a cyclical review of grade appropriate standards for computer science, computational thinking, and computer coding for grades 9-12. Each public high school and public charter high school must offer at least one computer science course that meets certain criteria by August 1, 2021. Additionally, SDE must adhere to certain criteria. The remainder of this section takes effect August 1, 2021.

Local School Districts. SDE indicates that this section of the bill will increase expenses of local school districts by an undetermined amount. Further, some districts can absorb the expenses related to the provisions of this section of the bill, while other districts indicate they will need additional FTEs. The expenses related to additional FTEs vary by district. Additionally, dual enrollment is not free, and the expense of either having a qualified teacher on staff or the cost of tuition at a local university or technical college would be an added expense. At current funding levels, the 0.15 weighting in the EFA does not cover the expense per pupil for dual enrollment.

Sections 4, 5, and 6. These sections remove social studies from the statewide assessment program for grades three through eight and end-of-course tests for courses selected by the State Board of Education and approved by the EOC. Also, these sections remove the standards-based assessment in social studies for students in grades five and seven. Further, these sections remove the standards-based assessment in science for eighth grade.

Local School Districts. SDE indicates that any reduction in expenses will be realized by the agency. Therefore, these sections of the bill will have no expenditure impact on local school districts.

Section 7. This section requires SDE to track student performance from kindergarten through grade twelve in reading and mathematics along a common, consistent scale that is nationally recognized and approved by EOC. This section further outlines the requirements of SDE in providing resources to parents and teachers. SDE, local schools, and districts must identify and administer assessments that can be linked to common, consistent scales by grade level. Effective January 1, 2022, SDE and the SBTCE must establish high school equivalency assessment thresholds that serve as common minimum admission scores and must provide guarantees that students with sufficient scores may not be required to attend or enroll in reading or mathematics remediation at the postsecondary level.

Local School Districts. SDE indicates that Lexile and Quantile scores are provided for English 1 and Algebra 1 end-of-course tests. Districts began receiving high school Lexile and Quantile scores on data files in the fall of 2017. Also, SDE indicates that the agency is phasing out the English 1 end-of-course tests and replacing it with an English 2 end-of-course test. Field testing to link the English 2 scores to the Lexile scale will be conducted in the spring of 2020 so that scores can be provided beginning in the fall of 2021. Therefore, SDE indicates that this section of the bill will have no expenditure impact on local school districts.

Section 10. This section requires each high school to offer one-half credit course in personal finance as an elective that students may use to complete graduation requirements. SDE must develop the curriculum for the coursework before July 1, 2021.

Local School Districts. SDE indicates that this section of the bill will have no expenditure impact on local school districts.

Section 12. This section requires reading interventions to be evidence-based and follow the multi-tiered system of supports as defined in Section 59-33-510(3) and the Response to Intervention process as defined in Section 59-33-510(4). This section further replaces language related to the reading assessment on the Palmetto Assessment of State Standards with a reading assessment in English/language arts, to determine students eligible for retention pursuant to Section 59-155-160(A).

Local School Districts. SDE indicates that this section of the bill will increase expenses of local school districts by an undetermined amount since a larger number of students will be eligible for retention. Expenses will vary by district but may increase the need for additional third grade teachers to teach the additional students that will be retained. This section of the impact statement has been updated to revise a previous response from SDE.

Sections 15 and 16. These sections require current assessments and screenings that evaluate reading proficiency to be based upon the universal screening process. It also requires the intensity and duration of reading intervention to be appropriate to meet specific needs of each student to ensure that the student is on track to be reading on grade level by the end of the third grade. In addition to currently screening all kindergarten and first grade students and second grade students as necessary, these sections require districts to screen all second and third grade students. Also, in addition to offering reading camps for students enrolled in third grade, each district must offer a summer reading camp as an intervention for any student enrolled in first or second grade who is substantially not demonstrating proficiency in reading, based upon the universal screening process, and if indicated, diagnostic assessments and teacher observations. These sections also allow a district superintendent or charter school authorizer to submit a request to SDE to waive the minimum 180-day school attendance requirement for kindergarten students for the purpose of scheduling a readiness assessment. Further, these sections require the State Board of Education to approve no more than five reliable and valid early literacy and numeracy screening instruments for selection and use by school districts in kindergarten through third grade. School districts must administer one or more instruments in the first thirty days of the school year and repeat, if indicated, at midyear and at the end of the school year. Contingent upon funding provided by the General Assembly, SDE must reimburse districts for the cost of the instrument or instruments selected upon receipt of assessment data. A school district may submit a waiver to use an alternative early literacy and numeracy assessment. SDE must implement an online reporting system to monitor the effectiveness of the screening assessment instruments and must require school districts to annually submit data requested by the department.

Local School Districts. SDE indicates that the overall expenditure impact of these sections on local school districts is undetermined. Some districts will need to hire additional FTEs to

conduct the additional screenings and interventions. The number of FTEs and the cost varies by district. Also, districts may incur expenses for professional development for teachers related to travel and substitutes. These expenses will also vary by district. Additionally, these sections shift expenses from the local districts to SDE for the universal screening process for all kindergarten through third grade students. SDE will now be required to reimburse districts at an average cost of \$7 per student. The cost savings to school districts will vary based upon the number of students screened.

Further, these sections expand the current third grade summer reading program by requiring districts to also offer summer reading camps to students in first and second grades who are not substantially demonstrating proficiency in reading. SDE indicates that approximately 4,000 students qualified for summer reading camps this year and approximately 9,000 students attended summer reading camps. SDE does not have data on the district expenses for reading camps. SDE anticipates that approximately 42,000 students could be eligible for reading camps next year. This figure includes growth in the number of eligible third grade students as well as the number of first and second grade students who will now be eligible for the expanded summer reading camp. The bill does not specify whether SDE or local school districts will be responsible for the increase in expenses due to the expanded summer reading camp. Unless additional funds are appropriated for this purpose, we anticipate that local school districts will be responsible for any increase in expenses. The number of eligible students that may choose to participate in the expanded summer reading camp is unknown. Therefore, the expenditure impact of this portion of the bill is undetermined since it is unclear if districts will be able to absorb expenses for the increase in the number of students that attend the expanded summer reading camps. These sections of the impact statement have been updated to revise a previous response from SDE.

Section 17. This section revises the requirements to retain students who fail to demonstrate reading proficiency at the end of the third grade as indicated by scoring at the lowest achievement level on the state summative reading assessment in English/language arts, which indicates that the student needs substantial academic support to be prepared for the next grade level. In addition, intervention for students who are retained due to the provisions of this section must be appropriate to meet the specific needs of each student to ensure the student is on track to be reading at or above grade level by the end of the school year. This section requires districts to report to SDE the number of retention exemptions granted, the number of appeals made by a parent or guardian regarding student retention, the number of appeals granted, and the student's outcome in grades four through eight.

Local School Districts. SDE indicates that this section of the bill will have an undetermined expenditure impact on districts. District expenses will vary based upon the intensity and duration of the intervention provided to students.

Section 18. This section requires all reading coaches funded wholly or partially with state funds to serve as a stable resource for professional development throughout an elementary school to build master teachers of reading and to improve student reading achievement. The section further revises the responsibilities and professional development requirements for reading coaches. As a condition for receiving the state appropriations for reading coaches, SDE must

screen and approve the hiring of all reading coaches in a school that has more than one-third of its third-grade students scoring at the lowest achievement level on the statewide summative English/language arts assessment. Also, each reading coach employed in a district having more than one-third of its third-grade students scoring at the lowest achievement level and the principal of the elementary school in which the reading coach is assigned must attend professional development training provided by SDE. A school in which at least 60 percent of students scored at meets or exceeds expectations on the state summative assessment in English/language arts may submit a request to SDE for flexibility to utilize their allocation to provide literacy support to students. By August 1, 2020, and annually thereafter, the State Board of Education is authorized to approve guidelines for the professional development, coursework, certification, and endorsement requirements for K-12 teachers whose responsibilities relate to reading and literacy instruction, support, or intervention. Additionally, beginning July 1, 2021, and annually thereafter, CHE, in consultation with SDE, must conduct an analysis to determine the effectiveness of each teacher education program in preparing teachers to diagnose a child's reading problems. CHE must report its findings of the analysis and provide recommendations for improving teacher education programs to the Governor and the General Assembly.

Local School Districts. SDE indicates that the increase in expenses to local school districts is undetermined since districts may incur expenses for professional development for teachers related to travel and substitutes. These expenses vary by district.

Section 23. This section requires SDE, in collaboration with the Technical College System, CHE, DEW, and Commerce to develop a career pathways system to replace the current career cluster system by August 1, 2023. The career pathways system must include an expansive list of measures. After developing the career pathways system, SDE must develop a curriculum. This section further requires districts to assist students by establishing a foundation for career pathways by grade level.

Local School Districts. SDE indicates that this section of the bill will have no expenditure impact on local districts.

Section 24. This section requires SDE to replace the current career cluster requirements and develop programs of study under each career pathway every five years. In developing programs of study, SDE must emphasize the high-skill and in-demand pathways that the state Workforce Innovation and Opportunity Act plan and Coordinating Council for Workforce Development have identified as critical to the state's workforce development system. By August 1, 2022, SDE, in collaboration with the Education and Economic Development Act Coordinating Council, must develop a pathway certification process for high schools and postsecondary institutions.

Local School Districts. SDE indicates that this section of the bill will have an undetermined expenditure impact on districts since expenses will vary depending upon the final program criteria that is developed. Also, some districts may incur expenses for facilities modification and equipment for those areas with high workforce needs.

Section 25. This section of the bill requires school districts to organize high school curricula around a minimum of three career pathways, promote increased awareness and career counseling, and review the pathways selected by the districts every two years. This section takes effect on August 1, 2022.

Local School Districts. SDE indicates that this section of the bill will have an undetermined expenditure impact on districts since expenses will vary depending upon the final program criteria that are developed. Also, some districts may incur expenses for facilities modification and equipment for those areas with high workforce needs.

Sections 27 and 31. These sections direct SDE to establish a pilot program by May 1, 2021, that will permit schools that have received an overall rating of excellent on the annual report card for at least two consecutive years to hire non-certified teachers in a ratio of up to 10 percent of its entire teaching staff. The State Board of Education, through SDE, must approve the guidelines for the pilot program. Participation in the pilot program is optional, and the decision for participation rests solely with SDE and with the school principal upon approval of the district superintendent. Participating schools and districts are encouraged to assist SDE with establishing best practices. Also, SDE must establish a separate code in the professional coding system to capture non-certified teachers and must continue to report this information on the school report cards. Beginning November 1, 2022, SDE must submit an annual report to the General Assembly, which must include recommendations for improving, expanding, or continuing the pilot. At the end of the five-year pilot, the annual status report must include a recommendation regarding continuance of the program. Additionally, SDE must establish procedures for the registration and clearance of all non-certified educators working in any public school, to include a public charter school. Educators must submit required documentation and fees to SDE. Additionally, SDE must establish procedures for the registration and clearance of all non-certified educators working in any public school, to include a public charter school. Educators must submit required documentation and fees to SDE.

Local School Districts. SDE indicates that the language in these sections may cause local school districts to receive less funding in EIA teacher salary supplement funds since non-certified teachers do not generate this funding. The expenditure impact will vary and will depend upon the number of non-certified teachers employed by district and their years of service. Therefore, the expenditure impact is undetermined.

Section 36. This section directs the Center for Educator Recruitment, Retention, and Advancement (CERRA) to use and update the teacher survey currently administered by SDE. The survey should assess teacher perceptions on a number of matters. The results of the survey must be published by SDE, CERRA, the EOC, each school district, and each school in a conspicuous place on the respective websites.

Local School Districts. SDE indicates that this section will have no expenditure impact on local school districts.

Section 37. This section requires the minimum teacher salary to be \$35,000 beginning with FY 2019-20. Salary increases must be based on funding provided by the General Assembly in the

annual appropriations act and provided through adjustments in the salary schedule to educators identified by SDE as eligible to receive the EIA teacher salary supplement during FY 2018-19 as reported to RFA. This section also deletes current provisions regarding local effort, criteria regarding teacher pay increases, and the requirement that RFA project the southeastern average teacher salary. The General Assembly must establish the starting teacher salary each year in the annual appropriations bill. The salary schedule and Education Finance Act inflation factor must be determined in the annual General Appropriations Act.

Local School Districts. SDE indicates that, without additional direction, deleting the criteria for teachers to be certified will require non-certified teachers to be paid on the state minimum salary schedule set in the appropriations act and that local districts would be required to pay non-certified teachers on the district salary schedule if the district pays over the minimum. This would increase local expenditures by an undetermined amount since the amount needed to meet the district minimum salary schedules varies by school district and will depend upon the district salary schedules in effect in FY 2020-21.

Section 38. This section allows the board of trustees of a local school district to authorize daily mileage reimbursement for a teacher who must travel more than twenty-five miles each way between his established domicile and school. This reimbursement may not exceed the existing federal reimbursement rate for mileage.

Local School Districts. SDE indicates that this section of the bill will have an undetermined expenditure impact on districts since districts can decide whether to pay commuting mileage.

Section 39. This section requires the State Board of Education to adopt a policy that each local school board must use to develop and implement a plan to provide each kindergarten through fifth grade classroom teacher with at least thirty minutes of duty-free time on each regular school day. The local school board must adopt a duty-free policy at a regularly scheduled meeting with three months of the State Board of Education's adoption of statewide policy. The local school board must submit its duty-free policy and any revisions to SDE within thirty days of adoption. This section takes effect August 1, 2020.

Local School Districts. For similar legislation, which required a thirty-minute duty-free period for all teachers and librarians, SDE surveyed the seventy-nine regular school districts and received responses from thirty-four districts. These thirty-four school districts represent about 48 percent of the students in the regular school districts. The responding districts estimate that costs will range from \$0 to \$5,100,000, which is \$0 to \$322 per student. Twelve of the responding districts indicate that they currently have planning periods in place that meet the criteria of the duty-free planning period. The remaining twenty-two responding districts indicate the need to hire additional teachers, instructional aides, or substitutes to ensure coverage during duty-free planning times. The expenses from the responding districts total \$19,465,929. While, these figures represent all classroom teachers and full-time librarians for kindergarten through twelfth grade, whereas this section of the amended bill represents only kindergarten through fifth grade classroom teachers, we feel that the impact will be similar and vary widely by district. Given the wide variance in responses by school districts, the overall expenditure impact on local school districts is undetermined.

Section 40. This section requires the State Board of Education to adopt a model code of ethics for local school board members before July 1, 2021. The model code of ethics must also include appropriate consequences for violations of provisions of the code of ethics. A local school board must adopt a local code of ethics applicable to the board within three months after adoption of the model code by the State Board of Education. A local school board may only adopt its local code of ethics or any changes to that local code at a regularly scheduled meeting. A local school board may not adopt or follow a code of ethics that prevents its members from discussing freely the policies and actions of the board outside of a board meeting. A local school board must submit a copy of its local code of ethics and subsequent revisions to SDE within thirty days of adoption.

Local School Districts. SDE indicates that this section will have no expenditure impact on local school districts.

Section 41. This section requires all re-elected members of a school district board of trustees to successfully complete a training program on the powers, duties, and responsibilities of a board member. Also, this section adds nepotism and conflict of interest to the topics that must be included in the training program. The training program must be offered by a district or its designee and completed by each board member within one year after election, re-election, appointment, or reappointment. Further, this program must be offered by a district or its designee and completed by each board member within one year after the effective date of this section of the bill. Additionally, this section requires the State Board of Education to adopt a model training program for training local school board members by December 31, 2020. The State Board of Education must review the training program every three years as it considers necessary and adopt revisions. A local school board must adopt a local training program applicable to that board within three months after adoption of the model training program by the State Board of Education. A local school board may only adopt its local training program or any changes to the training program at a regularly scheduled meeting. In addition to meeting other requirements provided by law, a person serving on a school board must sign a statement asserting that he understands and is in compliance with the South Carolina Ethics law, the applicable local code of ethics, and the training required pursuant to this section. Additionally, this section deletes the requirement that SDE must reimburse a school district or county board of education conducting an orientation for a new board member. This section also deletes the requirement that SDE must keep a record of the school board of trustees who complete the orientation program for at least five years. This section also requires the local boards to certify compliance with this section by all board members at the beginning of each calendar year.

Local School Districts. SDE indicates that this section of the bill will have an undetermined expenditure impact on local districts since expenses will vary based upon the cost and location of the training opportunities for local school boards.

Section 42. This section allows a district school board or charter school sponsor to establish a policy to require all high school students without a scheduled class to remain at their assigned school until the end of the regular school day. The section further provides a list of exemptions to the policy. Also, a district board or charter sponsor may require a uniform district-wide policy

or include provisions allowing each high school under its governance to establish a policy that is unique to its students' needs. This section takes effect August 1, 2020.

Local School Districts. SDE indicates that this section of the bill will have an undetermined expenditure impact on local school districts. Expenses to supervise students will vary by district and will depend upon the size of the district and the number of affected students.

Section 43. This section requires certain school districts located in a multi-district county to consolidate on or before August 1, 2022. The provisions apply to districts with a forty-five-day average daily membership for the 2018-19 school year of less than 1,500 and located within a Tier IV county pursuant to Section 12-6-3360(B). Districts that submit a preliminary plan for consolidation by August 1, 2020, will be eligible to receive funds appropriated by the General Assembly for the purpose of consolidating with other districts within the county. The funds may be used for costs directly related to the consolidation including but not limited to salary adjustments, facilities, debt mitigation, millage rate adjustments, transportation, technology and other factors the district demonstrates are necessary to complete consolidation. After August 1, 2022, districts that have not implemented a consolidation will be merged with one or more districts in the same county and will not be eligible for funds appropriated for consolidation. SDE will direct the merger and report to the General Assembly any legislative actions necessary to accomplish the merger. Further, if a district received funds for consolidation but did not implement the consolidation, SDE is to direct that the district remit payment back to SDE in the amount equal to the funds received. After August 1, 2020, districts eligible for consolidation under the provisions may not incur new bonded indebtedness, spend reserve funds, dispose of assets, or increase salaries without prior approval of SDE. If no funds are appropriated, SDE must submit a report to the General Assembly by January 10, 2020, outlining the districts affected and information on shared services, district efficiency reviews, and any other relevant information.

Local School Districts. This section could reduce expenditures once school districts consolidate. Any cost savings will be realized beginning in FY 2022-23 and are undetermined. The amount of cost savings will depend upon how school districts choose to implement consolidation plans. We would expect that over time districts may be able to save on administrative expenses such as human resources, accounting, procurement, transportation, school bus services, and maintenance.

Section 44. This section of the bill allows any local school district to be eligible to receive appropriated funds for the purpose of consolidating with other districts within its county if the district maintains an average daily membership that is less than 1,500 based on annual student counts received by SDE. These districts must follow the same guidelines related to the submission of a consolidation plan, timeline, and use of funds as previously stated in Section 43 of this bill.

Local School Districts. This section could reduce expenditures once school districts consolidate. The amount of cost savings will depend upon how school districts choose to implement consolidation plans. We would expect that over time districts may be able to save on

administrative expenses such as human resources, accounting, procurement, transportation, school bus services, and maintenance.

Section 46. This section amends the statutory school term from 190 to 195 days. The additional five days may be used for teacher planning but must not include mandatory professional development, meetings, or parent conferences. This section also modifies the opening date for students by requiring that school not start prior to the second Monday in August instead of the third Monday. The section is effective contingent upon funding in the annual appropriations act.

Local School Districts. SDE indicates that this section of the bill will have an undetermined impact on local school districts since the increase in expenses will depend upon how the additional number of school days is funded and any amount a district currently is paying above the minimum. However, any impact is contingent upon funding in the annual appropriations act.

Section 48. This section repeals Article 15, Chapter 18, Title 59, which relates to intervention and assistance.

Local School Districts. SDE indicates that repealing Article 15, Chapter 18, Title 59 will have no expenditure impact on local school districts. Later sections of this bill add back language relating to intervention and assistance.

Section 49. This section is addressed by code section below:

Section 59-18-1625

This section requires SDE to place a school or district that has been designated as underperforming into a tiered status to provide technical assistance. Upon receiving notification from SDE that a district has been placed in a tiered status, the district superintendent along with school and community stakeholders must review and revise the school or district's strategic plan with assistance of the School Improvement Council. The strategic plan must include a turnaround plan. The turnaround plan must be based on data or needs assessments to identify improvement strategies, must include certain specific measurable items necessary to improve student progress, and must include broad-based community input. The turnaround plan must be submitted to SDE for review and approval. After initial approval by SDE, the district superintendent and the local board of trustees must annually submit updates to SDE regarding the implementation of the turnaround or revised strategic plan. The revised strategic plan must then be posted on the websites of SDE, the district, and the school. SDE must monitor the district's implementation of the revised strategic plan and must relay the district's progress to the State Board of Education once a quarter.

Local School Districts. SDE indicates that this section will have an undetermined expenditure impact on local school districts since expenses to develop and solicit community input on a turnaround plan will vary by district. Also, expenses to notify parents of children enrolled in a school that receives an underperforming rating will vary by district depending upon the chosen communication method. Although expenses are unknown, SDE anticipates that any expenses incurred will be minimal and can be managed within the districts' current budgets.

Section 59-18-1630

This section requires SDE to notify the appropriate legislative delegation of any school receiving an overall unsatisfactory rating on the annual report card. This section further provides for the steps to be taken by the local school board and district superintendent with jurisdiction over a school that has received an unsatisfactory rating on the annual report card.

Local School Districts. SDE indicates that this section will have an undetermined expenditure impact on local school districts. Expenses to notify parents of children enrolled in schools receiving an unsatisfactory rating on the annual report card will vary by district and will depend upon the number of schools receiving an unsatisfactory rating. Also, expenses to organize and hold a public meeting to explain an unsatisfactory rating are undetermined and will vary by district. Although expenses are unknown for this section, SDE anticipates that any expenses incurred will be minimal and can be managed within the districts' current budgets.

Section 59-18-1635

This section allows the State Superintendent to seek a state-of-education emergency declaration for a school that is chronically underperforming, has systemic educational failures, has been denied accreditation, or has insufficient turnaround plan results. Once the State Superintendent determines that a state-of-education declaration is justified, the State Board of Education must meet to approve or disapprove of the declaration. Upon approval of a state-of-education emergency declaration, the State Superintendent must notify the district superintendent, local school board, local legislative delegation, and Governor and must also assume management of the school. The district superintendent and members of the local district board may appeal the State Board of Education's approval of the declaration to the Administrative Law Court within ten business days of receipt of the notice of the declaration. Once a school that is subject to a state-of-education emergency declaration has met targets identified in the revised strategic plan for improvement for a minimum of three consecutive years, the State Superintendent must submit such documentation to the State Board of Education. SDE, in consultation with the district and local board of trustees, must develop a transition plan and timeline for returning management of the school to the district upon an affirmative vote by the State Board of Education to end the state-of-education emergency declaration.

Local School Districts. SDE indicates that this section could have an undetermined expenditure impact on local school districts if districts appeal the State Board of Education's declaration decision. Legal expenses would vary and will depend upon the number of appeals, attorney costs, and the length of time of the appeal process.

Section 59-18-1640

This section allows the State Superintendent to seek a state-of-education emergency declaration for a district that is identified as underperforming for three consecutive years, has systemic educational failures, has been denied accreditation, has insufficient turnaround plan results, or is classified as being in a fiscal emergency status. Once the State Superintendent determines that a state-of-education declaration is justified, the State Board of Education must meet to approve or disapprove of the declaration. Upon approval of a state-of-education emergency declaration, the State Superintendent must notify the district superintendent, local school board, local legislative delegation, and Governor and must also assume management of the district. The district

superintendent and members of the local district board may appeal the State Board of Education's approval of the declaration to the Administrative Law Court within ten business days of receipt of the notice of the declaration. Upon approval by the State Board of Education of a state-of-education emergency declaration, the local district board of trustees is dissolved. The State Superintendent must assume authority and responsibilities of the district superintendent and the local board of trustees until district management is transitioned to an appointed interim local district board of trustees.

Once a district that is subject to a state-of-education emergency declaration has met targets identified in the revised strategic plan for improvement for a minimum of three consecutive years, the State Superintendent must submit such documentation to the State Board of Education. The State Board of Education must approve that an interim local district board of trustees be appointed. The interim local district board of trustees must consist of five members with one member appointed by the Governor, one member appointed by the local legislative delegation, and three members appointed by the State Superintendent in consultation with the local legislative delegation. All appointees must be residents of the school district for which the interim appointments are being made. The appointing authority must take certain factors into account, so as to represent all segments of the population of the affected district. The interim local school board must serve for a minimum of three years.

SDE, in consultation with the district and interim board, must develop a transition plan and timeline for returning management of the district to a local board of trustees upon an affirmative vote by the State Board of Education to end the state-of-education emergency declaration. Local district board of trustee's members will be elected or appointed pursuant to statutory requirements, beginning with the next regularly scheduled election. The state-of-education emergency declaration must expire, and the powers and duties of the district superintendent and local district school board of trustees are restored upon the swearing in of a new local district board of trustees. A district in a state-of-education emergency declaration must have its fiscal authority relating to taxing authority and levying millage transferred to its county council until the declaration is lifted, notwithstanding any other provision of law.

Local School Districts. SDE indicates that this section could have an undetermined expenditure impact on local school districts if districts appeal the State Board of Education's declaration decision. Legal expenses would vary and will depend upon the number of appeals, attorney costs, and the length of time of the appeal process.

Local Revenue

The following sections will affect local revenues as follows:

Section 37. This section requires the minimum teacher salary to be \$35,000 beginning with FY 2019-20. Salary increases must be based on funding provided by the General Assembly in the annual appropriations act and provided through adjustments in the salary schedule to educators identified by SDE as eligible to receive the EIA teacher salary supplement during FY 2018-19 as reported to RFA. This section also deletes current provisions regarding local effort, criteria regarding teacher pay increases, and the requirement that RFA project the southeastern average teacher salary. The General Assembly must establish the starting teacher salary each year in the

annual appropriations bill. The salary schedule and Education Finance Act inflation factor must be determined in the annual General Appropriations Act.

Local School Districts. SDE indicates that this section will increase local revenue from the State by an undetermined amount in FY 2020-21. Without further direction, districts will receive funding from the state to pay non-certified teachers on the salary schedule in the appropriations act. This amount is estimated to be at least \$65,000,000 in FY 2020-21. The amount of revenue from the State is dependent upon district minimum salary schedules and varies by district.

Section 43. This section requires certain school districts located in a multi-district county to consolidate on or before August 1, 2022. The provisions apply to districts with a forty-five-day average daily membership for the 2018-19 school year of less than 1,500 and located within a Tier IV county pursuant to Section 12-6-3360(B). Districts that submit a preliminary plan for consolidation by August 1, 2020, will be eligible to receive funds appropriated by the General Assembly for the purpose of consolidating with other districts within the county. The funds may be used for costs directly related to the consolidation including but not limited to salary adjustments, facilities, debt mitigation, millage rate adjustments, transportation, technology and other factors the district demonstrates are necessary to complete consolidation.

After August 1, 2022, districts that have not implemented a consolidation will be merged with one or more districts in the same county and will not be eligible for funds appropriated for consolidation. SDE will direct the merger and report to the General Assembly any legislative actions necessary to accomplish the merger. Further, if a district received funds for consolidation but did not implement the consolidation, SDE is to direct that the district remit payment back to SDE in the amount equal to the funds received. After August 1, 2020, districts eligible for consolidation under the provisions may not incur new bonded indebtedness, spend reserve funds, dispose of assets, or increase salaries without prior approval of SDE. If no funds are appropriated, SDE must submit a report to the General Assembly by January 10, 2020, outlining the districts affected and information on shared services, district efficiency reviews, and any other relevant information.

Local School Districts. Local property taxes and other revenues may be affected depending on how the transition is implemented. The consolidation may affect millage rates, the millage increase limitations, and credit ratings for bond issuances depending upon how the transition to a single district for leadership, fiscal authority, and organization occurs.

Section 44. This section of the bill allows any local school district to be eligible to receive appropriated funds for the purpose of consolidating with other districts within its county if the district maintains an average daily membership that is less than 1,500 based on annual student counts received by SDE. These districts must follow the same guidelines related to the submission of a consolidation plan, timeline, and use of funds as previously stated in Section 43 of this bill.

Local School Districts. Local property taxes and other revenues may be affected depending on how the transition is implemented. The consolidation may affect millage rates, the millage increase limitations, and credit ratings for bond issuances depending upon how the transition to a single district for leadership, fiscal authority, and organization occurs.

Section 46. This section amends the statutory school term from 190 to 195 days. The additional five days may be used for teacher planning but must not include mandatory professional development, meetings, or parent conferences. This section also modifies the opening date for students by requiring that school not start prior to the second Monday in August instead of the third Monday. The section is effective contingent upon funding in the annual appropriations act.

Local School Districts. SDE indicates that this section will increase local revenue from the State by \$55,000,000 or \$82,000,000 depending upon whether the EFA or EIA method is chosen. Under the EFA method, the state assumes 70 percent of the expenses, which is approximately \$55,000,000, including fringe. Under the EIA method, the state is responsible for all expenses, which is approximately \$82,000,000, including fringe. However, any impact is contingent upon funding in the annual appropriations act.

Please see our website for prior versions of this impact statement.



Frank A. Rainwater, Executive Director