



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 4434 Introduced on January 9, 2018  
**Author:** Clary  
**Subject:** Dyslexia  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Powell  
**Impact Date:** February 13, 2018

**Estimate of Fiscal Impact**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>State Expenditure</b>			
General Fund	\$101,000	\$4,507,908	Undetermined
Other and Federal	\$0	\$0	\$0
Full-Time Equivalent Position(s)	1.00		
<b>State Revenue</b>			
General Fund	\$0	\$0	\$0
Other and Federal	\$0	\$0	\$0
<b>Local Expenditure</b>	\$0	Undetermined	Undetermined
<b>Local Revenue</b>	\$0	\$0	\$0

**Fiscal Impact Summary**

This bill will have an impact on the General Fund of \$101,000 in FY 2018-19, \$4,507,908 in FY 2019-20, and an undetermined General Fund impact in each year thereafter.

Beginning in FY 2018-19, there will be recurring costs of \$3,000 for reimbursing school districts for the cost of substitutes for teachers serving on the dyslexia advisory council and \$98,000 for a full time school psychologist at the Department of Education (Department). Beginning in FY 2019-20, there will be recurring costs of \$1,020,208 for annual screening of students. There will also be non-recurring costs of \$3,386,700 for teacher professional development in FY 2019-20. In FY 2020-21 and beyond, there will be an undetermined cost as additional children are identified as dyslexic and additional funding is required for the schools.

This bill will also have an undetermined local expenditure impact in FY 2019-20 and each year thereafter. This includes non-recurring expenses in FY 2019-20 of \$2,979,000 for school employee professional development and recurring expenses of \$518,445 beginning in FY 2020-21 for storing data. This bill may also have an undetermined local expenditure impact for additional computers and laptops for various school districts as needed. In FY 2020-21 and beyond, there will be an undetermined cost as additional children are identified as dyslexic and additional funding is required for the schools.

There will be no impact on General Fund revenue. There will be no impact on Other Funds or Federal Funds expenditures or revenue.

## **Explanation of Fiscal Impact**

**Introduced on January 9, 2018**

### **State Expenditure**

This bill requires the Department, in consultation with the South Carolina branch of the International Dyslexia Association, to identify, procure, and provide a universal screening tool to screen for characteristics of dyslexia. The screening would be used by local school districts through their existing response to intervention (RTI) framework.

Beginning in the 2019-20 school year, school districts are to use the universal screening tool to screen each child from kindergarten through second grade at least three times a year. Also, the Department, a parent, guardian, counselor, teacher, or school psychologist may request to have a child screened. If the screening indicates a student is dyslexic, the district will notify the parent or guardian and provide information on dyslexia, provide the student with dyslexia-specific intervention, and monitor the progress of the student. Each district will convene a school-based team to analyze screening data and progress-monitoring data to assist teachers and students. Additionally, this bill requires the Department to provide professional development resources for educators for identification and intervention methods for students with dyslexia. The State Board of Education also will promulgate regulations to establish criteria for students to be identified with an educational disability requiring special education.

Furthermore, this bill creates an eight member dyslexia advisory council which will advise the Department in matters related to dyslexia. The members shall serve without compensation, mileage, per diem, or subsistence allowances. The terms of the members will commence July 1, 2018. The council also will submit an annual report on the number of children screened and the number of children receiving dyslexia intervention services, among other things, to the Senate Education Committee and the House Education and Public Works Committee.

The Department anticipates the cost to provide the screening tool for the required three screenings would be \$6 per child, annually. In FY 2017-18, the Department's 45-Day average daily membership for students in kindergarten through second grade is 170,035. This yields a total cost of \$1,020,208 for screenings. The procurement process itself will have no cost to the agency, as it is within the normal scope of the agency's business.

Also, 70 percent of the funding for education through the Education Finance Act is from the General Fund. As students, who would not otherwise have been identified as dyslexic, are identified through the screening tool, there will be additional costs to fund the education of these students. Section 59-20-40 requires the annual allocation for each school district to be determined, in part, by the base student cost multiplied by total weighted pupil units. Each student is provided a weight, dependent on the anticipated costs associated with that student's education. The Education Finance Act and Proviso 1.3 of the FY 2017-18 Appropriations Act assigns a weight of 1.00 for base students and 1.74 for a child with a learning disability. Dyslexia is considered a learning disability. Therefore, for each child identified by the screening tool, who would not have otherwise been identified, the weighted pupil units could increase by as much as 0.74 pupil units, depending on the original pupil weight of the children identified. However, if the child is already in a higher weighted pupil category, the units may not be

affected. The additional weighted pupil units would increase the overall allocation for the school district to be used for additional teachers and any other special instruction of the children.

Overall, there is no way to determine how many children will be identified by the screening tool, who would not have otherwise been identified, nor how much of an impact identifying a child as dyslexic would have on the total weighted pupil units for each school district. Therefore, the expenditure impact to the General Fund is undetermined.

Additionally, the Department would need to hire a school psychologist to assist in developing training and to provide support to the school districts to handle the increased requests for student evaluations. This position would require additional expenses of \$65,000 for salary, \$28,650 for employer fringe, and \$4,350 for travel, supplies, and technology expenses, for a total expenditure impact of \$98,000 to the General Fund in FY 2018-19.

Moreover, the school districts would be reimbursed \$150 for each substitute for the five teachers that are required to serve on the dyslexia advisory council, if substitutes are needed. Assuming the council meets four times within a school year and a substitute is needed, the total expenditure impact to the General Fund would be \$3,000 beginning in FY 2018-19. The staffing for the council will be provided by the Department. The additional responsibilities will be managed by existing employees and additional costs will be managed within existing appropriations.

Furthermore, teachers would need to attend two training sessions provided by the Department for professional training related to the administration and use of the screening tool and collecting and analyzing data. There are approximately 8,229 teachers that would need to receive the training. Each of the two required training sessions would be for groups of no more than thirty teachers, for a total of approximately 540 training sessions. Each training session would include the cost of an instructor, facility rental, and either teachers' stipends, or reimbursement to the school districts for substitute teachers. An instructor would be \$1,200 per session. If the training needs to be held at a rented facility, location rental would be \$500 per training session. Finally, the cost of either a teacher's stipend or one substitute, if substitutes were needed, would be \$150 per teacher per session. Therefore, the total non-recurring expenditure impact to the General Fund in FY 2019-20 could be as much as \$3,386,700 to provide professional development to teachers.

### **State Revenue**

N/A

### **Local Expenditure**

This bill requires all children from kindergarten through second grade to be screened for dyslexia. Each school district will be responsible for maintaining the data collected from this screening in its RTI framework. School employees at 660 schools would have to receive initial training on the use of the RTI framework. The training is anticipated to take 3 days for each school at a cost of \$1,500 per day, resulting in a non-recurring local expenditure of \$2,979,000 in FY 2019-20. Additionally, the schools would have to upload and store the data for each child in its RTI framework. The anticipated cost of data storage is \$518,445, beginning in FY 2020-21.

Additionally, local government funds 30 percent of the Education Finance Act program, which is calculated, in part, by multiplying the base student cost by the weighted pupil units in the school district. Because each child identified as dyslexic, who would not have been identified without the screening tool, may or may not have an impact on the total weighted pupil units for a school district, the local expenditure to fund the school districts' program is undetermined.

**Local Revenue**

N/A



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