



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4596 Introduced on January 10, 2018
Author: Collins
Subject: Competency-Based Schools
Requestor: House Education and Public Works
RFA Analyst(s): Powell
Impact Date: February 15, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	See Below	See Below
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	Undetermined	Undetermined
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill allows the State Board of Education to exempt schools with competency based education programs from certain requirements for the purposes of accountability and accreditation. The Department of Education (department) indicates that it is possible to implement the requirements of the bill within its existing appropriations. However, the department also indicated that they would consider it a best practice to provide support to the newly formed competency based schools in the form of coaches, a statewide learning management system, and a performance based assessment system. If implemented, this would increase General Fund expenditures by \$6,981,200 and require two FTEs.

The impact on local school districts is undetermined, due to the permissive nature of this bill regarding implementation and because the potential participation level is unknown.

Explanation of Fiscal Impact

Introduced on January 10, 2018

State Expenditure

This bill allows the State Board of Education to exempt schools with competency based education programs from certain requirements for the purposes of accountability and accreditation. Competency based education schools are designed to improve educational outcomes for students by advancing their mastery of concepts and skills via learning outcomes that emphasize competencies. These competencies must include measureable and transferrable student learning objectives and may be mastered along a personalized and flexible pathway before the student advances.

The department, in support of the State Board of Education, is directed to establish a waiver process for competency based schools. In order to establish waiver criteria, the department must develop a list of competencies and waiver documentation requirements. This activity can be managed within the department's existing appropriations.

If a school is selected to become a competency based education school, the students enrolled in the school are considered full-time equivalent students for the purpose of calculating state financial support, average daily membership, and attendance while participating in the competency-based education program. As these students are already in the education system, and this bill does not mandate a change in student weightings, we do not anticipate an impact associated with this designation.

The department is directed to develop separate evaluation criteria and guidelines for schools implementing competency based education and to conduct a biennial review of such schools. If the biennial review shows that the goals or objectives of the competency based school are not being met, the exemptions granted for that school may be revoked. The department is also directed to develop a process to ensure that schools and districts are not penalized for the purposes of accreditation and to ensure that students are not penalized when transferring between schools with and without competency based systems. The department indicates it is possible to manage these activities within its existing appropriations; however, it further recommended what it considers a set of best practices to assist in the biennial review and provide support to school districts. If these items are implemented, it would reduce the impact on local school districts that choose to implement competency based education programs. For your information, we are including a discussion of these below.

The department has indicated that they would consider it a best practice to provide professional development and training opportunities to competency based schools, a learning management system which would enhance communication between students, schools, and parents and a performance based assessment system. If training is provided, the department would recommend using ten temporary or contracted learning coaches, at an expenditure of \$103,360 per coach plus \$1,500 per month per coach in travel expenses. This results in a total potential General Fund expenditure increase of \$1,213,600 in FY 2018-19 and each year thereafter for competency based learning coaches. The department also estimates that a statewide learning management system would require the support of two FTEs, requiring recurring expenditures beginning in FY 2018-19 of \$217,600, plus an additional recurring expenditure of \$6.50 to \$10.00 per child, depending on the number of users and type of system selected. Such a system could be implemented locally or at the district level, and statewide implementation will increase recurring expenditures by approximately \$5,217,600 beginning in FY 2018-19. The implementation of a performance based assessment system, including performance task development and scoring, would increase expenditures by \$550,000 beginning in FY 2018-19. The total potential General Fund expenditure increase resulting from these interventions would be \$6,981,200.

State Revenue

N/A

Local Expenditure

The bill allows local school boards discretion in determining whether or not to allow a school in their district to apply to be a competency based school. Additionally, schools may determine how or if they would implement a competency based system. Schools that are granted a waiver for a competency based program are likely to incur expenses for instructional coaching, teacher professional development, tracking software, curriculum development, and assessments. If any of these services are provided by the department at a statewide level, the expenditure impact to school districts would be mitigated. However, due to the permissive nature of this bill regarding implementation and because the potential school participation level is unknown, the local expenditure impact is undetermined.

Local Revenue

N/A



Frank A. Rainwater, Executive Director