



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3883	Amended by the House of Representatives on April 6, 2021
Author:	Collins	
Subject:	Education: Competency-Based Education	
Requestor:	Senate Education	
RFA Analyst(s):	Wren	
Impact Date:	April 7, 2022	

Fiscal Impact Summary

This amended bill allows the State Board of Education to exempt a competency-based school from state laws, policies, and regulations that hinder the implementation of certain competency-based practices. The amended bill also requires the State Department of Education (SCDE) to develop a waiver application for districts and schools seeking to implement competency-based education and provides additional requirements for SCDE, local districts, and schools. Further, SCDE must adopt, establish and promulgate rules and regulations as necessary to carry out the provisions of the bill.

This amended bill will have no expenditure impact on SCDE. However, SCDE indicates that it would be a best practice to provide support to the new competency-based schools in the form of coaches, assessment development, and training. If implemented, this would increase General Fund expenses of the agency by \$906,720 for 2.0 FTEs, assessment development, and training for competency-based education.

This amended bill is not expected to have an expenditure impact on the state agency schools. Three of the five state agency schools indicate that the amended bill will have no expenditure impact since the agencies can adhere to the provisions of the bill within existing appropriations. Based on responses from the responding state agency schools and since these schools provide specialized instruction, we do not anticipate that the amended bill will have an expenditure impact on the remaining two schools.

The Commission on Higher Education (CHE) indicates that any expenses associated with developing policies can be managed within current appropriations. Therefore, the amended bill will have no expenditure impact on the commission.

The State Board for Technical and Comprehensive Education (SBTCE) previously indicated that the agency has policies in place for students who graduate from schools that implement innovative school models and use non-traditional diplomas and transcripts. Therefore, the amended bill is not expected to have an expenditure impact on the agency.

This amended bill will have an undetermined expenditure impact on local school districts. SCDE indicates that if districts implement competency-based education programs they are likely

to incur expenses for instructional coaching, teacher professional development, tracking software, curriculum development, and assessments. However, these expenses will vary based upon the size of the school and district, current capacity, and existing implementation of competency-based learning practices.

Explanation of Fiscal Impact

Amended by the House of Representatives on April 6, 2021

State Expenditure

This amended bill allows the State Board of Education to exempt a competency-based school from state laws, policies, and regulations that hinder the implementation of certain competency-based practices. A district or school seeking an exemption must submit a waiver application to the State Board of Education in a format developed by SCDE. A district must seek parental outreach and consultation using guidelines approved by the State Board of Education when submitting a waiver application for approval by its local board of trustees and the State Board of Education, or the application may not be considered. A district whose waiver application is approved may request additional exemptions and may request amendments to its current approved waiver on a rolling basis. A competency-based system must align with the Profile of the South Carolina Graduate and include certain principles.

A school operating under a waiver pursuant to this bill must admit all children eligible to attend the school, subject to space limitations, and may not limit or deny admission or show preference in an admission decision to an individual or group of individuals. If a school operates under a waiver pursuant to this bill, each student enrolled in the school is considered to be a full-time equivalent student enrolled in the school while participating in the competency-based education system for the purpose of calculating state financial support, average daily membership, and attendance. Additionally, if a school operates under a waiver pursuant to the provisions of this bill, each student must be enrolled in the state's student information system.

SCDE must establish procedures to ensure that a student who transfers from a school that is operating under a waiver to another school is not penalized by being required to repeat coursework that has been successfully mastered. SCDE may also provide a necessary accreditation exemption to a school that launches a competency-based education program. SCDE must also create evaluation criteria and guidelines for schools that are operating under a waiver pursuant to this bill. A participating school must submit required data for a biennial cyclical review on a form developed by SCDE. Additionally, during the cyclical review, SCDE must notify any district and school if a goal or objective is not being met. SCDE must adopt, establish, and promulgate rules and regulations to carry out the intent and purpose of the bill.

The amended bill further allows a local school district board of trustees to offer the required instructional days at any time during the school year, consistent with the law. The instructional day calculation for secondary students must exclude lunch, and the instructional day calculation for elementary students may include lunch.

CHE and SBTCE must establish policies to provide fair and equitable access to institutions of higher education and technical colleges for graduates of schools implementing innovative school models and using non-traditional diplomas and transcripts. These policies must also provide fair and equitable access to scholarships and financial aid for these graduates.

State Department of Education. This bill will have no expenditure impact on SCDE. However, SCDE indicates that it would be best practice to provide support to the new competency-based schools in the form of coaches, assessment development, and training. If implemented, this would increase General Fund expenses of the agency by \$906,720 for 2.0 FTEs, assessment development, and training for competency-based education.

State Agency Schools. The Governor’s School for the Arts and Humanities, the Governor’s School for Science and Mathematics, and the Wil Lou Gray Opportunity School indicate that this amended bill will have no expenditure impact since the agencies can adhere to the provisions of the bill within existing appropriations. Based on these responses and since the state agency schools offer specialized instruction, we do not anticipate that the amended bill will have an expenditure impact on the School for the Deaf and Blind or the Governor’s School for Agriculture at John de la Howe. We will update this impact statement if these agencies provide a different response for the amended bill.

Commission on Higher Education. CHE indicates that it will be difficult to establish policies until some of the non-traditional diplomas and transcripts are in place. However, the agency anticipates that any expenses incurred as a result of developing the required policies can be managed within existing appropriations. Therefore, this amended bill is not expected to have an expenditure impact on the commission.

State Board for Technical and Comprehensive Education. SBTCE previously indicated on similar legislation that the agency has policies in place for students who graduate from schools that implement innovative school models and use non-traditional diplomas and transcripts. Therefore, the amended bill is not expected to have an expenditure impact on the agency. We will update this impact statement if the agency provides a different response for the amended bill.

State Revenue

N/A

Local Expenditure

The amended bill allows local school boards discretion in determining whether or not to allow a school in their district to apply for a waiver to become a competency-based school. Additionally, districts must seek parental outreach and consultation using guidelines approved by the State Board of Education when submitting a waiver application for approval by its local board of trustees and the State Board of Education, or the application may not be considered. A district whose waiver application is approved may request additional exemptions and may request amendments to its current approved waiver on a rolling basis.

A school operating under a waiver pursuant to this bill must admit all children eligible to attend the school, subject to space limitations, and may not limit or deny admission or show preference in an admission decision to an individual or group of individuals. If a school operates under a waiver pursuant to this bill, each student enrolled in the school is considered to be a full-time equivalent student enrolled in the school while participating in the competency-based education system for the purpose of calculating state financial support, average daily membership, and attendance. Additionally, if a school operates under a waiver pursuant to the provisions of the amended bill, each student must be enrolled in the state's student information system. Participating schools must submit required data for a biennial cyclical review on a form developed by SCDE.

The amended bill further allows a local school district board of trustees to offer the required instructional days at any time during the school year, consistent with the law. The instructional day calculation for secondary students must exclude lunch, and the instructional day calculation for elementary students may include lunch.

SCDE indicates that 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. Further, SCDE indicates that this bill will have an undetermined expenditure impact on school districts since these expenses will vary based upon the size of the school and district, current capacity, and existing implementation of competency-based learning practices.

Local Revenue

N/A

Introduced on February 11, 2021

State Expenditure

This bill allows the State Board of Education to exempt a competency-based school from state laws, policies, and regulations that hinder the implementation of certain competency-based practices. A district or school seeking an exemption must submit a waiver application to the State Board of Education in a format developed by SCDE. A district must seek parental outreach and consultation using guidelines approved by the State Board of Education when submitting a waiver application for approval by its local board of trustees and the State Board of Education, or the application may not be considered. A district whose waiver application is approved may request additional exemptions and may request amendments to its current approved waiver on a rolling basis. A competency-based system must align with the Profile of the South Carolina Graduate and include certain principles.

A school operating under a waiver pursuant to this bill must admit all children eligible to attend the school, subject to space limitations, and may not limit or deny admission or show preference in an admission decision to an individual or group of individuals. If a school operates under a waiver pursuant to this bill, each student enrolled in the school is considered to be a full-time equivalent student enrolled in the school while participating in the competency-based education system for the purpose of calculating state financial support, average daily membership, and

attendance. Additionally, if a school operates under a waiver pursuant to the provisions of this bill, each student must be enrolled in the state's student information system.

SCDE must establish procedures to ensure that a student who transfers from a school that is operating under a waiver to another school is not penalized by being required to repeat coursework that has been successfully mastered. SCDE may also provide a necessary accreditation exemption to a school that launches a competency-based education program. SCDE must also create evaluation criteria and guidelines for schools that are operating under a waiver pursuant to this bill. A participating school must submit required data for a biennial cyclical review on a form developed by SCDE. Additionally, during the cyclical review, SCDE must notify any district and school if a goal or objective is not being met.

CHE and SBTCE must establish policies to provide fair and equitable access to institutions of higher education and technical colleges for graduates of schools implementing innovative school models and using non-traditional diplomas and transcripts. These policies must also provide fair and equitable access to scholarships and financial aid for these graduates.

State Department of Education. This bill will have no expenditure impact on SCDE. However, SCDE indicates that it would be best practice to provide support to the newly formed competency-based schools in the form of coaches, assessment development, and training. If implemented, this would increase General Fund expenses of the agency by \$906,720 for 2 FTEs, assessment development, and training for competency-based education.

State Agency Schools. This bill is not expected to have an expenditure impact on the state agency schools. The state agency schools currently offer specialized instruction within the arts and humanities, science and mathematics, an alternate high school credential, and educational services for the deaf and blind. We will update this impact statement if we receive additional information from the state agency schools.

Commission on Higher Education. CHE previously indicated on similar legislation that any expenses incurred as a result of developing the required policies could be managed within existing appropriations. Therefore, this bill is not expected to have an expenditure impact on the commission. We will update this impact statement if the commission provides a different response.

State Board for Technical and Comprehensive Education. SBTCE previously indicated on similar legislation that the agency has policies in place for students who graduate from schools that implement innovative school models and use non-traditional diplomas and transcripts. Therefore, the bill is not expected to have an expenditure impact on the agency. We will update this impact statement if the agency provides a different response.

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 for a waiver to become a competency-based school. Additionally, districts must seek parental outreach and consultation using guidelines approved by the State Board of Education when submitting a waiver application for approval by its local board of trustees and the State Board of Education, or the application may not be considered. A district whose waiver application is approved may request additional exemptions and may request amendments to its current approved waiver on a rolling basis.

A school operating under a waiver pursuant to this bill must admit all children eligible to attend the school, subject to space limitations, and may not limit or deny admission or show preference in an admission decision to an individual or group of individuals. If a school operates under a waiver pursuant to this bill, each student enrolled in the school is considered to be a full-time equivalent student enrolled in the school while participating in the competency-based education system for the purpose of calculating state financial support, average daily membership, and attendance. Additionally, if a school operates under a waiver pursuant to the provisions of this bill, each student must be enrolled in the state's student information system. Participating schools must submit required data for a biennial cyclical review on a form developed by SCDE.

SCDE indicates that 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. Further, SCDE indicates that this bill will have an undetermined expenditure impact on school districts since these expenses will vary based upon the size of the school and district, current capacity, and existing implementation of competency-based learning practices.

Local Revenue

N/A



Frank A. Rainwater, Executive Director