



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0704 Amended by the Senate on March 31, 2021  
**Author:** Hembree  
**Subject:** SCRS, Earning Limitations  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Wren and Miller  
**Impact Date:** April 12, 2021

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### **Fiscal Impact Summary**

This joint resolution requires every school district to offer five-day in-person instruction no later than April 12, 2021, and suspends the earnings limitation under certain terms and for certain members of the S.C. Retirement System. The joint resolution also requires school districts to provide additional compensation to teachers who are simultaneously providing instruction in-person and virtually.

This joint resolution will have no expenditure impact on the State Department of Education (SDE) since the agency can accomplish the reporting requirements within the normal course of business.

The overall expenditure impact on the state agency schools is undetermined. While all of the state agency schools currently offer five-day in-person instruction, the Governor's School for the Arts and Humanities currently has thirty-five teachers that fall within the dual-modality instructional model as some students in the arts-related disciplines selected to remain virtual. Since the joint resolution does not specify the amount of the additional compensation that must be paid to teachers that simultaneously provide instruction in-person and virtually, the expenditure impact on the state agency schools is undetermined.

The expenditure impact on the South Carolina Retirement System (SCRS), managed by the Public Employee Benefit Authority (PEBA), is expected to be no more than \$235,000 for FY 2021-22, to increase the retirement allowance for the duration of the state's public health response to COVID-19 related to public schools.

The overall expenditure impact on the local school districts is undetermined. However, the transition to five-day in-person instruction for the seven districts that did not offer five-day in-person instruction as of April 12, 2021, will have no expenditure impact since expenses can be managed between the use of the Elementary and Secondary School Emergency Relief (ESSER) Funds or within the existing budgets of the districts. Further, the Palmetto State Teachers Association surveyed its members regarding dual-modality instruction and received 1,505 responses. Fifty percent of the responding members indicate they are providing instruction simultaneously in-person and virtually. Since this data does not represent the entire local school district teacher population and the joint resolution does not specify the amount of the additional

compensation that must be paid to teachers who are providing dual-modality instruction, the expenditure impact on local school districts is undetermined. We will update this impact statement if the local school districts provide additional information on the number of teachers that fall within the dual-modality instructional model.

## **Explanation of Fiscal Impact**

### **Amended by the Senate on March 31, 2021**

#### **State Expenditure**

This joint resolution requires each school district to offer five-day in-person classroom instruction to students no later than April 12, 2021, for the 2020-21 school year. Also, the earnings limitation pursuant to Section 9-1-1790 does not apply to a retired member of the S.C. Retirement System if the member retired on or before April 1, 2019, and returns to otherwise covered employment in the K-12 public education system to participate in the state's public health response to the COVID-19 virus. Additionally, a retired member who meets these qualifications may be hired and return to employment by the system and earn up to \$50,000 annually without affecting the monthly retirement allowance that the member is receiving from the system.

The joint resolution also prohibits school districts from assigning a teacher to deliver instruction to students simultaneously in-person and virtually, also known as dual-modality instruction, unless it is necessary due to extreme and unavoidable circumstances. In the event that a school district determines it is necessary for a teacher to deliver dual-modality instruction, the school district must provide additional compensation to the teacher. School districts must provide SDE with the name of any teacher who is assigned to dual-modality instruction, the school where the teacher is employed, and the subject area in which the teacher was hired to teach. SDE must report this information to the General Assembly at the completion of the school year.

**State Department of Education.** SDE indicates that the agency can accomplish the reporting requirements within the normal course of business. Therefore, this joint resolution will have no expenditure impact on SDE.

**State Agency Schools.** The overall expenditure impact on the state agency schools is undetermined. While all of the state agency schools are currently offering five-day in-person instruction, the Governor's School for the Arts and Humanities indicates that it currently has thirty-five teachers within the dual-modality instructional model since some students in the arts-related disciplines selected to remain virtual. Since the joint resolution does not specify the amount of additional compensation that must be paid to teachers that simultaneously provide instruction in-person and virtually, the expenditure impact on the state agency schools is undetermined.

**Public Employee Benefit Authority.** The expenditure impact of this joint resolution on SCRS is estimated to be between \$155,000 and \$235,000. According to the actuarial analysis there are 13 working retirees who would be eligible to receive additional retirement benefits based on the

qualifications outlined in this joint resolution. PEBA estimates that this will result in additional benefits paid from SCRS of between \$155,000 to \$235,000 to cover the additional retirement benefits for these working retirees during the state's public health response to the COVID-19 virus.

### **State Revenue**

N/A

### **Local Expenditure**

This joint resolution requires each school district to offer five-day in-person classroom instruction to students no later than April 12, 2021, for the 2020-21 school year. Also, the joint resolution prohibits school districts from assigning a teacher to deliver instruction to students simultaneously in-person and virtually, also known as dual-modality instruction, unless it is necessary due to extreme and unavoidable circumstances. In the event that a school district determines it is necessary for a teacher to deliver dual-modality instruction, the school district must provide additional compensation to the teacher. School districts must provide SDE with the name of any teacher who is assigned to dual-modality instruction, the school where the teacher is employed, and the subject area in which the teacher was hired to teach.

SDE indicates that seventy-two school districts either currently offer or will offer five-day in-person instruction beginning April 12, 2021. Four districts will move to five-day in-person instruction on April 19, one district will move to five-day in-person instruction on April 26, one district will move to five-day in-person instruction on May 3, and one district does not have a date to implement five day in-person instruction for all students. Currently, this district offers five-day in-person instruction for students in kindergarten through eighth grade and four-day in-person instruction for high school students. Further, SDE indicates that any expenses associated with transitioning to five-day in-person instruction can be managed between the use of ESSER Funds or within the existing budgets of the districts. Therefore, this transition is not expected to have an expenditure impact on the local school districts.

Also, SDE provided information from the Palmetto State Teachers Association regarding dual-modality instruction. The Palmetto State Teachers Association surveyed its members and received 1,505 responses. Fifty percent of the responding members indicate they are providing instruction simultaneously in-person and virtually. Since this data does not represent the entire local school district teacher population and the joint resolution does not specify the amount of additional compensation that must be paid to teachers who are providing dual-modality instruction, the expenditure impact of this portion of the joint resolution is undetermined. We will update this impact statement if the local school districts provide additional information on the number of teachers that fall within the dual-modality instructional model.

### **Local Revenue**

N/A



Frank A. Rainwater, Executive Director