



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. 3295	Introduced on January 10, 2023
Author:	Collins	
Subject:	Competency-Based Education	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Bryant	
Impact Date:	March 21, 2023	- Updated for Additional Agency Response

Fiscal Impact Summary

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. The bill also requires the S.C. 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. Additionally, SCDE must adopt, establish, and promulgate rules and regulations as necessary to carry out the provisions of the bill. Further, the Commission on Higher Education (CHE) and the State Board for Technical and Comprehensive Education (Tech Board) 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.

This 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 bill will have no expenditure impact on the state agency schools, as the agencies have indicated that they can adhere to the provisions of the bill within existing appropriations.

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.

This bill will have no expenditure impact on the Tech Board, as the board currently has policies in place for students who graduate from innovative school models using non-traditional diplomas and transcripts.

This bill will have an undetermined impact on the local school districts. 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. Additionally, SCDE reports that although the cost of the new competency-based assessments will vary based upon the number of assessments given, the agency currently estimates a cost of approximately \$13 per student for each assessment.

This impact statement has been updated to include responses from SCDE and the local school districts.

Explanation of Fiscal Impact

**Updated for Additional Agency Response on March 21, 2023
Introduced on January 10, 2023**

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 in writing if the department determines that 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 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 the Tech Board 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.

S.C. 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. *This section of the impact statement has been updated to include a response from SCDE.*

State Agency Schools. The Governor’s School for the Arts and Humanities, the Governor’s School for Science and Mathematics, the Governor’s School for Agriculture at John de la Howe, the School for the Deaf and Blind, and the Wil Lou Gray Opportunity School indicate that this bill will have no expenditure impact since the agencies can adhere to the provisions of the bill within existing appropriations

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.

State Board for Technical and Comprehensive Education. This bill will have no expenditure impact on the Tech Board, as the board currently has policies in place for students who graduate from innovative school models using non-traditional diplomas and transcripts.

State Revenue

N/A

Local Expenditure

This 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 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 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. Additionally, SCDE reports that although the cost of the new competency-based assessments will vary based upon the number of assessments given, the agency currently estimates a cost of approximately \$13 per student for each assessment. *This section of the impact statement has been updated to include a response from the local school districts.*

Local Revenue

N/A

Introduced on January 10, 2023

State Expenditure

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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 in writing if the department determines that 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.

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CHE and the Tech Board 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.

S.C. Department of Education. The expenditure impact of this bill on SCDE is pending, contingent upon a response.

State Agency Schools. The Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, the Governor's School for Agriculture at John de la Howe, the School for the Deaf and Blind, and the Wil Lou Gray Opportunity School indicate that this bill will have no expenditure impact since the agencies can adhere to the provisions of the bill within existing appropriations

Commission on Higher Education. The expenditure impact of this bill on CHE is pending, contingent upon a response.

State Board for Technical and Comprehensive Education. This bill will have no expenditure impact on the Tech Board, as the board currently has policies in place for students who graduate from innovative school models using non-traditional diplomas and transcripts.

State Revenue

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Local Expenditure

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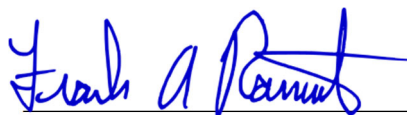
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The bill further allows a local school district board of trustees to offer the required instructional days at any time during the school year, consistent with the law. The instructional day calculation for secondary students must exclude lunch, and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

The expenditure impact of this bill on the local school districts is pending, contingent upon a response.

Local Revenue

N/A



Frank A. Rainwater, Executive Director