



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. 3592	Introduced on January 12, 2021
Author:	Allison	
Subject:	Statewide Assessment Program	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Wren	
Impact Date:	January 25, 2021	

Fiscal Impact Summary

Section 1 of the bill is expected to reduce General Fund expenses of the State Department of Education (SDE) by an estimated \$1,075,010 in FY 2020-21 and each year thereafter for the elimination of specific assessments in social studies and the elimination of the end-of-course examination in United States history.

Section 2 of the bill will increase General Fund expenses of SDE by at least \$1,544,753 beginning in FY 2021-22 to administer the ACT with the writing assessment to all eleventh-grade students. Additionally, SDE indicates that Section 2 of the bill could further increase General Fund expenses of the agency by \$2,300,000 depending upon the intent of the bill. If the intent is to include the social studies passages and only measure ELA achievements, this portion of the bill will have no expenditure impact on the agency since grade level social studies and science items that measure ELA standards will be included in field testing that will take place in the spring of 2021. If both ELA and social studies achievements will be measured with the inclusion of the social studies passages, SDE indicates that agency expenditures will increase by \$2,300,000 to redesign the tests. The additional items would be written to be field tested in the spring of 2023 and operationalized in the spring of 2024 at the earliest.

The Governor's School for the Arts and Humanities indicates that assuming the school is responsible for the cost of the test, expenses will increase by \$8,400, which is \$70 per test for approximately 120 students. The Governor's School for Agriculture at John de la Howe and the Governor's School for Science and Mathematics indicate that the bill will not impact their expenditures.

The bill is not expected to have an expenditure impact on local school districts. SDE surveyed the regular school districts and the charter school districts. The responses indicate that some districts may elect to provide additional professional development for teachers and test preparatory opportunities for students pursuant to Section 2 of the bill at their discretion.

Explanation of Fiscal Impact

Introduced on January 12, 2021

State Expenditure

The impact on state expenditures is listed by section below:

Section 1:

This section removes social studies from the statewide assessment program for grades three through eight and end-of-course tests for courses selected by the State Board of Education and approved by the Education Oversight Committee for federal accountability. Also, this section removes the requirement that students must be administered an end-of-course examination in United States history in order to receive a high school diploma. This section also requires formative assessments to include Lexile or Quantile scores as appropriate.

Additionally, students in kindergarten through third grade may not be administered more than one state or locally procured formative assessment unless the additional assessment is administered to meet the requirements of Chapter 155 of Title 59. Also, students in fourth through twelfth grade may not be administered more than one state or locally procured formative assessment without prior approval of the State Board of Education. The board must promulgate regulations establishing the requirements of and process for seeking an additional formative assessment. The provisions of the bill do not apply to screening tools required by Article 5, Chapter 33, Title 59.

State Department of Education. Based upon expenditure data provided by SDE, we estimate that the reduction in expenses in FY 2020-21 for elimination of social studies in grades five and seven is approximately \$675,010. In future years, the agency expects similar savings resulting from this part of the bill. Further, eliminating the administration of the end-of-course examination in United States history will reduce expenses by \$400,000. Therefore, we estimate that these provisions will reduce General Fund expenses of the agency by \$1,075,010 in FY 2021-22 and each year thereafter. Additionally, SDE indicates that assessments currently provide Lexile and Quantile scores before they can be on the approved list of formative assessments so there will not be an impact for this requirement.

Further, this section requires schools to notify parents and guardians of students who are being administered a formative assessment. At least one week prior to the assessment, schools must notify parents and guardians regarding the date of the assessment, the name of the assessment, the purpose of the assessment, and the data that will be gathered regarding the student. Schools must then provide the results of the assessment to parents and guardians no more than one week after the administration of the assessment.

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, and the Wil Lou Gray Opportunity School do not serve students in grades three through eight. We anticipate that any expenditure on the School for the Deaf and Blind for grades three through eight can be managed within current appropriations. Also, we anticipate that any expenses

associated with the notification process for parents and guardians related to assessments could be managed within current appropriations. Therefore, this section of the bill is not expected to have an expenditure impact on state agency schools.

Section 2:

This section requires all students to be administered the ACT with the writing assessment. This requirement begins with students in the eleventh grade in school year 2021-22 and is for at least the next five subsequent years. For the 2026-27 school year, SDE must procure a college readiness assessment provider that includes sections in mathematics, English, writing, and science.

State Department of Education. SDE indicates that students currently have the option to take the SAT or ACT at an average annual cost of \$1,600,000 annually. Further, administering the ACT to all eleventh-grade students with the writing assessment will increase General Fund expenses of the agency by \$1,544,753 in FY 2021-22. This estimate is based upon the 2020-21 student enrollment counts.

State Agency Schools. The Governor's School for the Arts and Humanities indicates that administering the ACT with the writing assessment to all students will increase expenses by \$8,400, which is \$70 per test for approximately 120 students, if the school is responsible for the cost of the test. The Governor's School for Agriculture at John de la Howe and the Governor's School for Science and Mathematics indicate that the provisions of the bill will not affect their expenditures.

Additionally, Section 2 requires SDE to work with its assessment vendor to embed assessment items on the SC Ready reading and writing assessments that address the appropriate grade-level social studies standards, beginning with the 2022-23 school year.

State Department of Education. SDE indicates that this portion of the bill could increase General Fund expenses of the agency by \$2,300,000 depending upon whether the intent of the bill is to include the social studies passages and only measure ELA achievements or if both ELA and social studies achievements will be measured with the inclusion of the social studies passages. If only ELA achievements will be measured, this portion of the bill will have no expenditure impact on the agency since grade level social studies and science items that measure ELA standards will be included in field testing that will take place in the spring of 2021. If social studies achievements will be measured, SDE indicates that agency expenditures will increase by \$2,300,000 to redesign the tests. The additional items would be written to be field tested in the spring of 2023 and operationalized in the spring of 2024 at the earliest. SDE further notes that ELA and social studies standards development would need to be on the same schedule since tests are redesigned and redeveloped each time standards change.

State Revenue

N/A

Local Expenditure

The impact on local expenditures is listed by section below:

Section 1:

This section removes social studies from the statewide assessment program for grades three through eight and end-of-course tests for courses selected by the State Board of Education and approved by the Education Oversight Committee for federal accountability. Additionally, this section removes the requirement that students must be administered an end-of-course examination in United States history in order to receive a high school diploma.

Further, this section requires schools to notify parents and guardians of students who are being administered a formative assessment. At least one week prior to the assessment, schools must notify parents and guardians regarding the date of the assessment, the name of the assessment, the purpose of the assessment, and the data that will be gathered regarding the student. Schools must then provide the results of the assessment to parents and guardians no more than one week after the administration of the assessment.

Local School Districts. SDE surveyed the seventy-nine regular school districts and the two charter school districts. None of the responding districts indicate that this section of the bill would increase district expenses.

Section 2:

This section requires all students to be administered the ACT with the writing assessment. This requirement begins with students in the eleventh grade in school year 2021-22 and is for at least the next five subsequent years. For the 2026-27 school year, SDE must procure a college readiness assessment provider that includes sections in mathematics, English, writing, and science. Also, this section bill requires SDE to work with its assessment vendor to embed assessment items on the SC Ready reading and writing assessments that address the appropriate grade-level social studies standards, beginning with the 2021-22 school year.

Local School Districts. SDE surveyed the seventy-nine regular school districts and the two charter school districts. The responses indicate that some districts may elect to provide additional professional development for teachers and test preparatory opportunities for students. These expenditures will vary and are at the district's discretion.

Local Revenue

N/A



Frank A. Rainwater, Executive Director