



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4343 Introduced on May 5, 2021
Author: Taylor
Subject: Academic Integrity Act
Requestor: House Education and Public Works
RFA Analyst(s): Wren
Impact Date: February 15, 2022 Updated for Additional Agency Response and Updated to Include Additional Data

Fiscal Impact Summary

This bill requires a public school district to include certain information on its website regarding instructional materials and curriculum and prohibits teaching, using, or providing the 1619 Project. The bill also adds reporting requirements for districts and the State Department of Education (SCDE) related to instructional materials, complaints received by districts regarding curricula, and grants from the U.S. Department of Education related to history of civics education. Additionally, the bill allows SCDE to withhold a portion of Education Finance Act funding for noncompliance of the provisions of the bill. Further, the bill requires the state agency special districts to surrender a portion of their state General Fund appropriations for noncompliance.

This bill will increase General Fund expenses of SCDE by \$101,500 beginning in FY 2022-23 for 1.0 FTE to monitor the local school districts for compliance, for collection and processing of data, and for the additional reporting requirements specified in the bill.

The expenditure impact of this bill on the state agency schools is undetermined. However, the bill will have no expenditure impact on the Governor's School for the Arts and Humanities or the Wil Lou Gray Opportunity School since they can adhere to the provisions of the bill within existing appropriations. The Governor's School for Agriculture previously indicated on similar legislation that any expenses for necessary textbook changes could be managed within existing appropriations. The Governor's School for Science and Mathematics indicates that the expenditure impact is undetermined since it is unknown how many inquiries the agency may receive regarding curriculum. If the agency experiences a large volume of inquiries, it may need to hire 0.5 FTE to handle the workload. Additionally, the School for the Deaf and Blind is not included in the definition of a public school, but indicates that the bill will have no expenditure impact since the agency can adhere to the provisions of the bill within existing appropriations.

The overall expenditure impact of this bill on the local school districts is undetermined due to the limited number of responses from the districts. SCDE surveyed the seventy-seven regular districts and the two charter districts and received responses from twenty-seven districts. Twenty districts indicate that the bill will have no expenditure impact. Three districts indicate that the bill could have an expenditure impact to maintain a list of instructional materials and curricula

on each school's website and to maintain a database of questions and concerns regarding curricula. However, these districts could not quantify the cost. The remaining four responding districts indicate that the bill could increase district expenses by a range of \$2,000 to \$180,000 for personnel costs to review all instructional materials for compliance, training costs to ensure teachers and administrators understand the current laws, and administrative costs to review and investigate any questions regarding instructional materials.

The revenue impact on the General Fund of the state agency schools is undetermined as it is unknown how many agencies will not comply with the provisions of the bill. Further, the revenue impact on local school districts for the withholding of one percent of Education Finance Act funds due to noncompliance is undetermined as it is unknown how many districts will not comply with the provisions of the bill.

This impact statement has been updated to include responses for SCDE, the School for the Deaf and Blind, the Governor's School for Agriculture at John de la Howe, and the local school districts. Additionally, this impact statement has been updated to include additional data in the state revenue section.

Explanation of Fiscal Impact

Updated for Additional Agency Response and Updated to Include Additional Data on February 14, 2022

Introduced on May 5, 2021

State Expenditure

This bill requires each public school to include and maintain a link on the homepage of its website that provides a detailed list of instructional materials and curricula used in the school beginning with the 2022-23 school year. SCDE must withhold one percent of a district's Education Finance Act funds for each class for which the district fails to maintain a list of such instructional materials within five business days after the beginning of the course. A public school is defined as a school, career and technical education center, vocational center that is under the authority of a local public school board or charter school authorizer, the Governor's School for the Arts and Humanities, the Governor's School for Agriculture at John de la Howe, the Governor's School for Science and Mathematics, and the Wil Lou Gray Opportunity School. These state agency school districts must surrender to the State Treasurer an amount equivalent to one percent of state General Fund appropriations for each class for which it fails to update its instructional materials list before July 1, 2023, and annually thereafter.

Each public school, as defined above, must also include and maintain a list on its website that provides a phone number and email address for parents, legal guardians, and the public to contact appropriate personnel at the school, district office, and SCDE regarding the instructional materials and curricula. Each school website must also contain an electronic form, created by the school or district, for submission of complaints regarding instructional materials and curricula to both the school and district. Each school must report the number of complaints regarding curricula and instructional materials to SCDE before August 1, 2023, and annually

thereafter. SCDE must report the number of such complaints to the General Assembly before September 1, 2023, and annually thereafter.

A public school, as previously defined, is also prohibited from teaching, using, or providing for use the 1619 Project as part of any curriculum, course materials, or instruction in any course. The 1619 Project is defined as the 1619 Project initiative of the New York Times. SCDE must withhold one percent of a district's Education Finance Act funds for each class that uses the 1619 Project instructional materials or curriculum. Before July 1, 2023, and annually thereafter, the state agency special school districts, as aforementioned, must surrender an amount equal to one percent of its state General Fund appropriation for each class that uses the 1619 Project instructional materials or curriculum.

Additionally, the bill requires a public school that receives a grant for the U.S. Department of Education after March 1, 2021, related to history or civics education to provide certain information to SCDE no later than thirty days of being notified that the grant will be or was rewarded. By August 1, 2022, and annually thereafter, SCDE must provide a report to the General Assembly of all schools or school personnel who received a grant pursuant to the provisions of this bill. SCDE must also make this information available to the public. Further, upon receipt of such a grant, a school must inform parents and legal guardians of the curriculum and instructional materials to be used. No state or local funds may be used in conjunction with any grant funds received pursuant to this bill.

State Department of Education. SCDE indicates that this bill will increase General Fund expenses of the agency by \$101,500 beginning in FY 2022-23 for 1.0 FTE, an Education Associate, to monitor the local school districts for compliance, for collection and processing of data, and for monthly and annual reporting of data internally and to the General Assembly. *This section of the impact statement has been updated to include a response from the agency.*

State Agency Schools. The overall expenditure impact on the state agency schools is undetermined. However, the Governor's School for the Arts and Humanities and the Wil Lou Gray Opportunity School indicate that the bill will have no expenditure impact since the agencies can adhere to the provisions of the bill within existing appropriations. The Governor's School for Agriculture previously indicated on similar legislation that any expenses for necessary textbook changes could be managed within existing appropriations. The Governor's School for Science and Mathematics indicates that the expenditure impact is undetermined since it is unknown how many inquiries the agency may receive regarding curriculum. If the agency experiences a large volume of inquiries, it may need to hire 0.5 FTE to handle the workload. Additionally, the School for the Deaf and Blind is not mentioned in the definition of a public school, but indicates that the bill will have no expenditure impact since it can adhere to the provisions of the bill within existing appropriations. We will update this impact statement if the Governor's School for Agriculture at John de la Howe revises its response. *This section of the impact statement has been updated to include a response for the School for the Deaf and Blind and the Governor's School for Agriculture at John de la Howe.*

State Revenue

This bill requires state agency school districts to surrender one percent of their state General Fund appropriations to the State Treasurer for noncompliance of the provisions of the bill. For FY 2021-22, one percent of General Fund appropriations to all state agency schools totaled \$519,312. The revenue impact on state General Fund appropriations that must be surrendered to the State Treasurer's Office is undetermined as the number of state agency special school districts that will not comply with the provisions of the bill is unknown. *This section of the impact statement has been updated to include data on one percent of General Fund appropriations for the state agency schools.*

Local Expenditure

As noted above, this bill requires a public school district to include certain information on its website regarding instructional materials and curriculum. Districts must review materials for each course offered and update the website before the course may be offered. Districts must also report on the number of complaints received regarding curriculum. Additionally, districts must report certain information to SCDE, parents, and legal guardians regarding grants awarded for history or civics instructional materials.

SCDE surveyed the seventy-seven regular districts and the two charter districts and received responses from twenty-seven districts. Twenty of the responding districts indicate that the bill will have no expenditure impact. Three districts indicate that the bill could have an expenditure impact to maintain a list of instructional materials and curricula on each school's website and to maintain a database of questions and concerns regarding curricula. However, these districts could not quantify the cost. The remaining four responding districts indicate that the bill could increase district expenses by a range of \$2,000 to \$180,000 for personnel costs to review all instructional materials for compliance, training costs to ensure teachers and administrators understand current laws, and administrative costs to review and investigate any questions regarding instructional materials. Due to the limited number of district responses, the expenditure impact of this bill on local school districts is undetermined. *This section of the impact statement has been updated to include a response from the local school districts.*

Local Revenue

The revenue impact on local school districts for the withholding of one percent of Education Finance Act funds due to noncompliance with the bill's requirements is undetermined as it is unknown how many districts will not comply with the provisions of the bill.

Introduced on May 5, 2021

State Expenditure

This bill requires each public school to include and maintain a link on the homepage of its website that provides a detailed list of instructional materials and curricula used in the school beginning with the 2022-23 school year. SCDE must withhold one percent of a district's Education Finance Act funds for each class for which the district fails to maintain a list of such instructional materials within five business days after the beginning of the course. A public school is defined as a school, career and technical education center, vocational center that is under the authority of a local public school board or charter school authorizer, the Governor's

School for the Arts and Humanities, the Governor’s School for Agriculture at John de la Howe, the Governor’s School for Science and Mathematics, and the Wil Lou Gray Opportunity School. These state agency school districts must surrender to the State Treasurer an amount equivalent to one percent of state General Fund appropriations for each class for which it fails to update its instructional materials list before July 1, 2023, and annually thereafter.

Each public school, as defined above, must also include and maintain a list on its website that provides a phone number and email address for parents, legal guardians, and the public to contact appropriate personnel at the school, district office, and SCDE regarding the instructional materials and curricula. Each school website must also contain an electronic form, created by the school or district, for submission of complaints regarding instructional materials and curricula to both the school and district. Each school must report the number of complaints regarding curricula and instructional materials to SCDE before August 1, 2023, and annually thereafter. SCDE must report the number of such complaints to the General Assembly before September 1, 2023, and annually thereafter.

A public school, as previously defined, is also prohibited from teaching, using, or providing for use the 1619 Project as part of any curriculum, course materials, or instruction in any course. The 1619 Project is defined as the 1619 Project initiative of the New York Times. SCDE must withhold one percent of a district’s Education Finance Act funds for each class that uses the 1619 Project instructional materials or curriculum. Before July 1, 2023, and annually thereafter, the state agency special school districts, as aforementioned, must surrender an amount equal to one percent of its state General Fund appropriation for each class that uses the 1619 Project instructional materials or curriculum.

Additionally, the bill requires a public school that receives a grant for the U.S. Department of Education after March 1, 2021, related to history or civics education to provide certain information to SCDE no later than thirty days of being notified that the grant will be or was rewarded. By August 1, 2022, and annually thereafter, SCDE must provide a report to the General Assembly of all schools or school personnel who received a grant pursuant to the provisions of this bill. SCDE must also make this information available to the public. Further, upon receipt of such a grant, a school must inform parents and legal guardians of the curriculum and instructional materials to be used. No state or local funds may be used in conjunction with any grant funds received pursuant to this bill.

State 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 Science and Mathematics indicates that the expenditure impact is undetermined since it is unknown how many inquiries the agency may receive regarding curriculum. If the agency experiences a large volume of inquiries, it may need to hire 0.5 FTE to handle the workload. The Governor’s School for the Arts and Humanities indicates that the bill will have no expenditure impact on the agency since it can adhere to the provisions of the bill within existing appropriations. The Wil Lou Gray Opportunity School indicates that the bill will have no expenditure impact on the agency since it can adhere to the

requirements of the bill within existing appropriations. The expenditure impact on the Governor's School for Agriculture at John de la Howe is pending, contingent upon a response from the agency. Additionally, the School for the Deaf and Blind is not mentioned in the definition of a public school. However, we have requested a response from the School for the Deaf and Blind on the potential expenditure impact of the bill.

State Revenue

This bill requires state agency school districts to surrender one percent of their state General Fund appropriations to the State Treasurer for noncompliance of the provisions of the bill. The revenue impact on state General Fund appropriations that must be surrendered to the State Treasurer's Office is undetermined as the number of state agency special school districts that will not comply with the provisions of the bill is unknown.

Local Expenditure

As noted above, this bill requires a public school district to include certain information on its website regarding instructional materials and curriculum. Districts must review materials for each course offered and update the website before the course may be offered. Districts must also report on the number of complaints received regarding curriculum. Additionally, districts must report certain information to SCDE, parents, and legal guardians regarding grants awarded for history or civics instructional materials.

While these requirements may increase expenditures, the overall expenditure impact on the regular school districts and the charter districts is pending, contingent upon a response.

Local Revenue

The revenue impact on local school districts for the withholding of one percent of Education Finance Act funds due to noncompliance with the bill's requirements is undetermined as it is unknown how many districts will not comply with the provisions of the bill.



Frank A. Rainwater, Executive Director