COMMITTEE REPORT

February 15, 2018

**H. 4596**

Introduced by Reps. Collins, Allison, Felder, Govan, Taylor, Bradley, Knight, West and Erickson

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Read the first time January 10, 2018.

**THE COMMITTEE ON EDUCATION AND PUBLIC WORKS**

To whom was referred a Bill (H. 4596) to amend the Code of Laws of South Carolina, 1976, by adding Section 59‑19‑360 so as to provide a process for the exemption of competency, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

MERITA A. ALLISON for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Introduced on January 10, 2018**

**State Expenditure**

This bill allows the State Board of Education to exempt schools with competency based education programs from certain requirements for the purposes of accountability and accreditation. Competency based education schools are designed to improve educational outcomes for students by advancing their mastery of concepts and skills via learning outcomes that emphasize competencies. These competencies must include measureable and transferrable student learning objectives and may be mastered along a personalized and flexible pathway before the student advances.

The department, in support of the State Board of Education, is directed to establish a waiver process for competency based schools. In order to establish waiver criteria, the department must develop a list of competencies and waiver documentation requirements. This activity can be managed within the department’s existing appropriations.

If a school is selected to become a competency based education school, the students enrolled in the school are considered full-time equivalent students for the purpose of calculating state financial support, average daily membership, and attendance while participating in the competency-based education program. As these students are already in the education system, and this bill does not mandate a change in student weightings, we do not anticipate an impact associated with this designation.

The department is directed to develop separate evaluation criteria and guidelines for schools implementing competency based education and to conduct a biennial review of such schools. If the biennial review shows that the goals or objectives of the competency based school are not being met, the exemptions granted for that school may be revoked. The department is also directed to develop a process to ensure that schools and districts are not penalized for the purposes of accreditation and to ensure that students are not penalized when transferring between schools with and without competency based systems. The department indicates it is possible to manage these activities within its existing appropriations; however, it further recommended what it considers a set of best practices to assist in the biennial review and provide support to school districts. If these items are implemented, it would reduce the impact on local school districts that choose to implement competency based education programs. For your information, we are including a discussion of these below.

The department has indicated that they would consider it a best practice to provide professional development and training opportunities to competency based schools, a learning management system which would enhance communication between students, schools, and parents and a performance based assessment system. If training is provided, the department would recommend using ten temporary or contracted learning coaches, at an expenditure of $103,360 per coach plus $1,500 per month per coach in travel expenses. This results in a total potential general fund expenditure increase of $1,213,600 in FY 2018-19 and each year thereafter for competency based learning coaches. The department also estimates that a statewide learning management system would require the support of two FTEs, requiring recurring expenditures beginning in FY 2018-19 of $217,600, plus an additional recurring expenditure of $6.50 to $10.00 per child, depending on the number of users and type of system selected. Such a system could be implemented locally or at the district level, and statewide implementation will increase recurring expenditures by approximately $5,217,600 beginning in FY 2018-19. The implementation of a performance based assessment system, including performance task development and scoring, would increase expenditures by $550,000 beginning in FY 2018-19. The total potential general fund expenditure increase resulting from these interventions would be $6,981,200.

**Local Expenditure**

The bill is allows local school boards discretion in determining whether or not to allow a school in their district to apply to be a competency based school. Additionally, schools may determine how or if they would implement a competency based system. 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. If any of these services are provided by the department at a statewide level, the expenditure impact to school districts would be mitigated. However, due to the permissive nature of this bill regarding implementation and because the potential school participation level is unknown, the local expenditure impact is undetermined.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59‑19‑360 SO AS TO PROVIDE A PROCESS FOR THE EXEMPTION OF COMPETENCY‑BASED SCHOOLS FROM CERTAIN APPLICABLE LAWS AND REGULATIONS, AND PROVIDE RELATED REQUIREMENTS FOR COMPETENCY‑BASED SCHOOLS, THE STATE DEPARTMENT OF EDUCATION, AND THE COMMISSION ON HIGHER EDUCATION.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 19, Title 59 of the 1976 Code is amended by adding:

“Section 59‑19‑360. (A)(1) When a competency‑based school is being launched by a district, the State Board of Education may exempt the school from certain applicable state laws and regulations. A district that wishes to obtain an exemption shall submit a waiver application to the State Board of Education in a format developed by the State Department of Education. To be considered, a waiver application must:

(a) be approved by the local school district board of trustees;

(b) be aligned to the district strategic plan; and

(c) provide for the implementation of competency‑based education for all students in the school, which may be implemented in phases over a period of five or fewer years.

(2) 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.

(3) A district whose waiver application is approved may request additional exemptions and may request amendments to its current approved waiver on a rolling basis.

(B) A competency‑based education school is designed to improve educational outcomes for students by advancing their mastery of concepts and skills through the following core principles:

(1) Learning outcomes must emphasize competencies that include:

(a) application and creation of World Class Knowledge; and

(b) the development and application of the World Class Skills and Life and Career Characteristics identified in the Profile of the South Carolina Graduate.

(2) Competencies must include explicit, measureable, and transferable student learning objectives that provide transparency and guide students as the students pursue their own inquiries, understanding, and ownership of learning.

(3) A student shall master competencies along a personalized and flexible pathway before he may advance. A student may demonstrate his mastery of competencies through his performance of the competencies, application of the competencies, or both.

(4) An assessment must be meaningful and used to personalize learning experiences with a student.

(5) A student must receive timely and personalized support based on his individual learning needs.

(C) A local school board of trustees and the State Board of Education may not exempt a school from:

(1) federal and state laws and constitutional provisions prohibiting discrimination on the basis of disability, race, creed, color, national origin, religion, ancestry, or need for special education services;

(2) health, safety, civil rights, and disability rights requirements as applied to other public schools operating in the district; or

(3) state and federal assessment requirements.

(D) A school created pursuant to this section shall 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.

(E) If a school is selected to become a competency‑based education school, 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, and for accountability purposes, to be a full‑time equivalent student enrolled in the school while participating in the competency‑based education system. The department shall develop a process to ensure that schools and districts are not penalized for the purposes of accreditation.

(F) If a school is selected to become a competency‑based education school, each student must remain enrolled in the state’s student information system.

(G) The State Department of Education shall establish procedures to ensure that a student who attends a school that establishes a competency‑based education system and subsequently transfers to another school within the district or to another district that does not have a competency‑based system is not penalized by being required to repeat coursework that he successfully has mastered. The department may provide a necessary accreditation exemption to a school that launches a competency‑based education program.

(H)(1) The State Department of Education shall create evaluation criteria and guidelines for schools that are implementing competency‑based education. A participating school shall submit required data for a biennial cyclical review on a form developed by the department. The review must begin at the conclusion of the second academic year of the school’s implementation of the program.

(2) If upon the cyclical review the department determines that a goal or objective is not being met, the department shall notify the district and school in writing. The district and school have sixty days to respond, after which the department may recommend revocation of the flexibility provisions to the State Board of Education.

(I) The Commission on Higher Education and State Board for Technical and Comprehensive Education shall establish policies to provide fair and equitable access to institutions of higher education and technical colleges for students with competency‑based credits or diplomas, scholarships, and financial aid for graduates of schools implementing innovative school models and using nontraditional diplomas and transcripts.”

SECTION 2. This act takes effect upon approval by the Governor.

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