



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 5099 Introduced on February 5, 2020  
**Author:** Mace  
**Subject:** Teacher Employment Contracts  
**Requestor:** House Judiciary  
**RFA Analyst(s):** Wren  
**Impact Date:** March 17, 2020

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### **Fiscal Impact Summary**

The overall expenditure impact of this bill on the State Department of Education (SDE) is undetermined. However, the bill will increase expenses of the agency by \$12,000 in FY 2020-21 to update the current data system to no longer collect information on the status of teacher contracts. The bill could also cause a decline in the number of breach of contract hearings, which would create a cost savings for the agency. SDE indicates that there were thirty-six breach of contract cases in FY 2018-19. However, since the number of cases varies annually, the cost savings is unknown. Therefore, the overall expenditure impact on SDE is undetermined.

SDE surveyed the local school districts regarding the expenditure impact of this bill and received responses from eighteen districts. While the majority of the responding districts indicate that this bill will have no expenditure impact, several districts indicate that the bill may cause districts to expend more funds on legal fees since districts will no longer have a full understanding of a potential employee's past performance or issues surrounding contractual employment. Districts also express concerns that this bill may result in more mid-year vacancies and staffing issues since teachers would be allowed to leave at any time during the school year. Given these unknowns, the expenditure impact of this bill on local school districts is undetermined.

Also, while this bill could increase the number of court cases against school districts due to violation of teacher rights, the number of new court cases which may be heard is unknown as there is no available data to estimate the potential caseload. Therefore, the expenditure impact on the court system is undetermined.

### **Explanation of Fiscal Impact**

**Introduced on February 5, 2020**

#### **State Expenditure**

This bill specifies that:

- 1) A school district may not impose any penalty on a teacher who terminates an induction contract, annual contract, or continuous contract for employment in another district, which includes limitations or prohibitions on such employment, damages, or other restraints or penalties.
- 2) A school district may not divulge or ask if a teacher terminated an induction contract, annual contract, or continuous contract with a district; consider whether a teacher terminated an induction contract, annual contract or continuous contract with a district

when evaluating a teacher or making a hiring or retention decision about a teacher; or retaliate against a teacher who attempts to terminate or terminates an induction contract, annual contract, or continuous contract with a district.

Further, information in the employment records of a teacher indicating that he has terminated such contracts is not subject to disclosure under the Freedom of Information Act and must be redacted before any records are made available to the public. A district that violates the provisions of this bill is subject to civil penalties. Additionally, a teacher whose rights under this bill are violated by a school district may bring a cause of action in circuit court against the district.

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### **State Revenue**

N/A

### **Local Expenditure**

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**Local Revenue**

N/A



Frank A. Rainwater, Executive Director