



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3198 Introduced on January 8, 2019
Author: Govan
Subject: Attendance Requirement
Requestor: House Education and Public Works
RFA Analyst(s): Wren
Impact Date: March 25, 2019

Fiscal Impact Summary

This bill will have no expenditure impact on the State Department of Education (SDE) since it does not alter the responsibilities of the agency.

Since 70 percent of the funding through the Education Finance Act is from the General Fund, this bill will increase General Fund expenditures by \$9,224,608 to account for the additional pupils required to attend school. This figure assumes the base student cost (BSC) of \$2,480 is maintained. The bill may reduce expenditures for adult education over time if more students complete high school, but we are unable to estimate the potential cost savings.

Since 30 percent of the funding through the Education Finance Act is from the local school districts, this bill will increase local expenditures by \$2,468,592 to account for the additional pupils required to attend school.

Explanation of Fiscal Impact

Introduced on January 8, 2019

State Expenditure

This bill increases the age from seventeen to eighteen for which a parent or guardian must require a child to attend school.

SDE indicates that this bill will have no expenditure impact on the agency since it does not alter the responsibilities of the agency.

Additionally, SDE does not maintain statistics regarding the number of students who drop out of school for this reason. However, during the 2016-17 school year, 2,539 students in the eleventh or twelfth grade dropped out of school. SDE estimates that all, or nearly all, of these students, would have been required to remain in school under the requirements of this bill.

Since 70 percent of the funding through the Education Finance Act is from the General Fund, there will be additional expenses to fund the education of these students. The Education Finance Act and Proviso 1.3 of the FY 2018-19 Appropriations Act assign a weight of 1.00 for base students. Based upon the overall student population, these students may be in a higher weight category, such as vocational or special education, or receiving an add-on weight. SDE estimates that 25 percent, or 635, of these students are likely to qualify as students with learning disabilities at a weight of 1.74. Based upon the student population, we estimate that of the

remaining 1,904 students, 838 will receive a high school weight of 1.0 and 1,066 students will receive a vocational weight of 1.29. This results in an increase in weighted pupil units of 3,318. Assuming the current capped BSC of \$2,480, as of the FY 2018-19 45-day count is maintained, the resulting additional expenses for these students will be \$8,228,640. Of this amount, 70 percent, or \$5,760,048, represents an impact to the General Fund, and 30 percent, or \$2,468,592, will be the responsibility of the local school districts.

We also expect that these students would qualify for add-on weights. Based upon the overall student population in all grades, we estimate that 381 students will receive the academic assistance add-on weight of 0.15, 508 students will receive the limited English proficiency add-on weight of 0.20, and 508 students will receive the pupils in poverty add-on weight of 0.20. Per Proviso 1.3 of the FY 2018-19 Appropriations Act, no local match is required for the add-on weights. This will result in an increase of 1,397 weighted pupil units at an impact to the General Fund of \$3,464,560.

In summary, this bill is expected to increase General Fund expenses by \$5,760,048 for additional pupils with regular weights and \$3,464,560 for additional pupils with add-on weights, for a total expense of \$9,224,608.

Over time, this bill could reduce expenditures for adult education programs since some students will be required to complete education at the high school level and will not require instruction from adult education programs. However, we are unable to estimate how many students will be affected or the potential future cost savings.

State Revenue

N/A

Local Expenditure

This bill increases the age from seventeen to eighteen for which a parent or guardian must require a child to attend school.

Since 30 percent of the funding through the Education Finance Act is from the local school districts, increased expenditures required for 3,318 weighted pupil units at the current capped BSC of \$2,480, as of the FY 2018-19 45-day count, will be \$2,468,592 statewide.

Additionally, over time, this bill could reduce expenditures for local adult education programs since some students will be required to complete educational requirements at the high school level and will not require instruction from adult education programs. However, we are unable to estimate how many students will be affected or the potential future cost savings.

Local Revenue

N/A



Frank A. Rainwater, Executive Director