



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number:	H. 3757	Amended by the House of Representatives on May 2, 2019
Author:	Lucas	
Subject:	Workforce and Education Data Oversight Committee	
Requestor:	Senate Labor, Commerce, and Industry	
RFA Analyst(s):	Jolliff, A. Martin, Miller, Mitchell, and Wren	
Impact Date:	June 5, 2019	

Fiscal Impact Summary

Revenue and Fiscal Affairs (RFA) anticipates the bill will require additional General Fund expenditures of \$131,000 beginning in FY 2019-20 for one new FTE and operating expenditures to fulfill the data and analysis requirements of the bill.

The bill is not expected to impact expenditures for the Office of First Steps to School Readiness, the Commission on Higher Education, the Department of Education, the Department of Social Services, the Technical College System, the Department of Commerce, the Department of Employment and Workforce, the Education Oversight Committee, and other agencies that are required to submit workforce data to RFA.

Further, the bill provides a broad perspective regarding the purview of the Workforce and Education Data Oversight Committee (WEDOC) and does not specify the data elements that will be required. As a result, the agencies required to provide data and support for the committee noted that the bill is not expected to impact agency expenditures to the extent that the data exists and the agencies can manage the requests with existing resources. The responding agencies expressed that the anticipated fiscal impact is contingent upon this assumption. If the WEDOC's requests are expansive, existing staff and resources may not be sufficient to accomplish the requirements of the bill.

The bill as amended also makes changes to elaborate on the responsibilities of the Coordinating Council for Workforce Development (Coordinating Council) and align the responsibilities with the goals of the WEDOC. These changes are not expected to impact expenditures for any agency.

Explanation of Fiscal Impact

Amended by the House of Representatives on May 2, 2019

State Expenditure

Section 1. This bill establishes the Workforce and Education Data Oversight Committee and specifies the responsibilities and objectives of the committee. The WEDOC is to support the mission of the Coordinating Council.

The WEDOC is comprised of eight members as follows:

- the Secretary of the Department of Commerce;

- the State Superintendent of Education;
- the Executive Director of the State Board for Technical and Comprehensive Education;
- the Executive Director of the Department of Employment and Workforce;
- the Executive Director of the Commission on Higher Education;
- the president or provost of a research university, currently serving on the Coordinating Council, who is selected by the presidents of the research universities;
- the president or provost of a four-year college or university, currently serving on the Coordinating Council, who is selected by the presidents of the four-year universities; and
- the president of a technical college, currently serving on the Coordinating Council, who is appointed by the Chairman of the State Board for Technical and Comprehensive Education.

The WEDOC, working in conjunction with RFA, is directed to:

- organize the data needed to achieve the objectives of the Coordinating Council;
- generate timely and accurate information and reports about student progress and outcomes over time;
- work with state agencies and other entities to develop and implement appropriate policies and procedures concerning data quality, integrity, transparency, security and confidentiality; and
- coordinate the provision and delivery of data to ensure that research project timelines and deliverables to stakeholders are met.

The WEDOC is to oversee the collection, use, and linking of data as necessary. RFA is permitted to hire staff to administer the responsibilities and ensure compliance with statutory, regulatory, and other obligations. The bill specifies that the WEDOC and RFA must evaluate privacy risks, security risks, compliance obligations, and financial obligations and implement processes to ensure compliance with statutory, regulatory, and other obligations. All information disseminated must conform to state and federal privacy, security, and data breach laws and regulations. RFA, with the consent of the WEDOC, is permitted to promulgate regulations to formalize the process to collect, use, secure, analyze, and generate reports on the data overseen by the committee.

The Office of First Steps to School Readiness, the Department of Education, the Commission on Higher Education, the Department of Social Services, the Technical College System, the Department of Commerce, the Department of Employment and Workforce, the Education Oversight Committee, and other agencies of the state, as considered necessary by the General Assembly, that collect relevant data related to educational and workforce outcomes are required to submit that data to RFA in a timely manner upon the development of the oversight requirements of the bill. The bill further specifies that the data submitted to RFA under the bill remains under the ownership and direction of the agency submitting the data and may only be used for the purposes specified unless the agency that submitted the data consents to additional use.

The Commission on Higher Education, the Department of Education, the Department of Social Services, the Education Oversight Committee, the Office of First Steps, and the State Board of Technical and Comprehensive Education do not expect the bill to impact agency expenditures.

RFA currently receives data from the Department of Employment and Workforce that is expected to meet the requirements of the bill and not require additional expenditures.

The Department of Commerce expects that the requirements of the bill, including providing data and providing support to the WEDOC, can be accomplished with existing staff and resources.

RFA expects to need one FTE to manage and analyze the data related to the objective of the WEDOC at an annual cost of approximately \$78,000 for salary and fringe. Additional operating costs for equipment needs for the new FTE and other expenses are expected to total \$53,000 annually. In total, RFA anticipates the bill will require additional General Fund expenditures of \$131,000 beginning in FY 2019-20.

However, the bill provides a broad perspective regarding the purview of the WEDOC and does not specify the data elements that will be required. As a result, the agencies required to provide data and support for the committee noted that the bill is not expected to impact agency expenditures to the extent that the data exists, and the agencies can manage the requests with existing resources. The responding agencies expressed that the anticipated fiscal impact is contingent upon this assumption. If the WEDOC's requests are expansive, existing staff and resources may not be sufficient to accomplish the requirements of the bill.

Section 2. This section of the bill amends the membership and responsibilities of the Coordinating Council. With respect to the members of the council, the bill removes the option for the Superintendent of Education, Executive Director of the State Board for Technical and Comprehensive Education, Executive Director of the Department of Employment and Workforce, and the Executive Director of the Commission on Higher Education to appoint a designee to serve on the council. The bill changes the members appointed by the State Superintendent of Education from one member to three members including a school district superintendent, a school counselor, and a career and technology education director. The bill eliminates the requirement for a member of the business community appointed by the President of the Chamber of Commerce and instead requires two representatives appointed by the Governor from the business community who have professional expertise in economic development and workforce issues. Finally, the bill adds a person appointed by the Chairman of the House Education and Public Works Committee and a person appointed by the Chairman of the Senate Education Committee.

The section amends the responsibilities of the council to include facilitating and coordinating the development of a unified, statewide workforce plan with specific requirements for goals, metrics, and longitudinal measurements of outcomes. The council is required to advise appropriate agencies and governing boards to ensure implementation of the South Carolina Education and Economic Development Act. Further, the council is to utilize longitudinal data and analysis to develop a method for identifying and addressing long-term workforce needs and make evidence-based recommendations to the General Assembly. These changes align the responsibilities of the Coordinating Council with the goals of the WEDOC and are not expected to impact expenditures for any agency. Additionally, the Department of Education is added to the list of agencies required to provide staff for the Coordinating Council. The department expects to accomplish this task with existing staff and resources and does not anticipate an impact on expenditures.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

Introduced on January 24, 2019**State Expenditure**

Section 1. This bill establishes the Workforce and Education Data Oversight Committee (WEDOC) and specifies the responsibilities and objectives of the committee. The WEDOC is to support the mission of the Coordinating Council for Workforce Development.

The WEDOC is comprised of ten members as follows:

- the Secretary of the Department of Commerce;
- the State Superintendent of Education;
- the Executive Director of the State Board for Technical and Comprehensive Education;
- the Executive Director of the Department of Employment and Workforce;
- the Executive Director of the Commission on Higher Education;
- the president or provost of a research university, currently serving on the Coordinating Council for Workforce Development, who is selected by the presidents of the research universities;
- the president or provost of a four-year college or university, currently serving on the Coordinating Council for Workforce Development, who is selected by the presidents of the four-year universities;
- the president of a technical college, currently serving on the Coordinating Council for Workforce Development (Coordinating Council), who is appointed by the Chairman of the State Board for Technical and Comprehensive Education;
- a person appointed by the Superintendent of Education, currently serving on the Coordinating Council for Workforce Development, who has particularized expertise regarding Chapter 59, Title 59, the South Carolina Education and Economic Development Act; and
- a representative from the business community appointed by the Governor upon recommendation of the South Carolina Chamber of Commerce, provided that the recommendation does not require membership in such organization.

The WEDOC, working in conjunction with RFA, is directed to:

- organize the data needed to achieve the objectives of the Coordinating Council;
- generate timely and accurate information and reports about student progress and outcomes over time;
- work with state agencies and other entities to develop and implement appropriate policies and procedures concerning data quality, integrity, transparency, security and confidentiality; and

- coordinate the provision and delivery of data to ensure that research project timelines and deliverables to stakeholders are met.

The WEDOC is to oversee the collection, use, and linking of data as necessary. RFA is permitted to hire staff to administer the responsibilities and ensure compliance with statutory, regulatory, and other obligations. The bill specifies that the WEDOC and RFA must evaluate privacy risks, security risks, compliance obligations, and financial obligations and implement processes to ensure compliance with statutory, regulatory, and other obligations. All information disseminated must conform to state and federal privacy, security, and data breach laws and regulations. RFA, with the consent of the WEDOC, is permitted to promulgate regulations to formalize the process to collect, use, secure, analyze, and generate reports on the data overseen by the committee.

The Office of First Steps to School Readiness, the Department of Education, the Commission on Higher Education, the Department of Social Services, the Technical College System, the Department of Commerce, the Department of Employment and Workforce, the Education Oversight Committee, and other agencies of the state, as considered necessary by the General Assembly, that collect relevant data related to educational and workforce outcomes are required to submit that data to RFA in a timely manner upon the development of the oversight requirements of the bill. The bill further specifies that the data submitted to RFA under the bill remains under the ownership and direction of the agency submitting the data and may only be used for the purposes specified unless the agency that submitted the data consents to additional use.

The Commission on Higher Education, the Department of Education, the Department of Social Services, the Education Oversight Committee, the Office of First Steps, and the State Board of Technical and Comprehensive Education do not expect the bill to impact agency expenditures. RFA currently receives data from the Department of Employment and Workforce that is expected to meet the requirements of the bill and not require additional expenditures.

The Department of Commerce expects that the requirements of the bill, including providing data and providing support to the WEDOC, can be accomplished with existing staff and resources.

RFA expects to need one FTE to manage and analyze the data related to the objective of the WEDOC at an annual cost of approximately \$78,000 for salary and fringe. Additional operating costs for equipment needs for the new FTE and other expenses are expected to total \$53,000 annually. In total, RFA anticipates the bill will require additional General Fund expenditures of \$131,000 beginning in FY 2019-20.

However, the bill provides a broad perspective regarding the purview of the WEDOC and does not specify the data elements that will be required. As a result, the agencies required to provide data and support for the committee noted that the bill is not expected to impact agency expenditures to the extent that the data exists, and the agencies can manage the requests with existing resources. The responding agencies expressed that the anticipated fiscal impact is contingent upon this assumption. If the WEDOC's requests are expansive, existing staff and resources may not be sufficient to accomplish the requirements of the bill.

Section 2. This section of the bill amends the membership of the Coordinating Council for Workforce Development by removing the option for members to appoint a designee to serve on the council. The section further amends the responsibilities of the council by eliminating the reference that the workforce focus is on persons over age twenty-one. These changes are not expected to affect expenditures for any agency.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director