



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0015	Introduced on January 8, 2019
Author:	Rankin	
Subject:	Graduation Requirements	
Requestor:	Senate Education	
RFA Analyst(s):	Wren	
Impact Date:	February 20, 2019	

Fiscal Impact Summary

This bill will increase non-recurring General Fund expenses of the State Department of Education (SDE) by \$5,095,000 in FY 2019-20 to employ experts to develop the required curriculum, to develop an end-of-course examination, to provide awareness on the public finance course, and for materials. Non-recurring General Fund expenses will increase by \$1,900,000 in FY 2020-21 and \$450,000 in FY 2021-22 to further develop and revise the end-of-course examination. Recurring General Fund expenses could increase by \$1,000,000 beginning in FY 2020-21 for test administration. Recurring expenses are dependent upon whether the end-of-course examination is teacher-administered.

The local expenditure impact on school districts is undetermined since it is unknown which districts will cover expenses for teachers to receive additional college coursework to become certified to teach the required personal finance course.

Explanation of Fiscal Impact

Introduced on January 8, 2019

State Expenditure

This bill requires high school students to complete a one-half credit course of study in personal finance as a requirement for high school graduation in place of existing economics coursework requirements beginning with the 2020-21 school year. The coursework must include an end-of-course examination. SDE must develop the curriculum for this coursework before July 1, 2020.

SDE indicates that the agency purchased textbooks for economics for the 2016-2017 school year at a cost of \$2,700,000 for approximately 27,000 editions. These books are expected to be used for a six-year period with minimal expenditures for replacements between 2017 and 2022. As a result, changing to a personal finance course would require additional unexpected expenditures and could not be offset by reducing economics book purchases until the six-year cycle is complete. Further, SDE anticipates that this bill will increase General Fund expenses of the agency by approximately \$4,350,000 for materials and textbooks for the required personal finance course. This estimate assumes \$130 per teacher for materials and \$120 per student edition for an approximate 65,000 students. The number of students is based upon the FY 2017-18 enrollment numbers for the incoming ninth grade class of FY 2020-21. The textbooks would be funded on a six-year cycle.

SDE indicates that this bill will increase General Fund expenses by \$75,000 in FY 2019-20 to employ experts in the field to develop the curriculum for the personal finance course. The provisions of this bill require an end-of-course examination for the personal finance course. The required expenditures for administering the test will depend upon whether the State Board of Education or the U.S. Department of Education determines that the course is a prerequisite for subsequent courses or requires a statewide assessment. If the course is not a prerequisite for other courses and a statewide assessment is not mandated by the State Board of Education or the U.S. Department of Education, then the end-of-course examination can be administered by the teacher. SDE indicates there will be no increase to General Fund expenditures if the end-of-course examination is a teacher-administered exam. However, if an end-of-course statewide assessment is mandated, SDE anticipates non-recurring General Fund expenses will total \$3,000,000 over a three-year period for development and field tests. Of this amount, \$650,000 will occur in FY 2019-20, \$1,900,000 will occur in FY 2020-21, and \$450,000 will occur in FY 2021-22. Recurring General Fund expenses could total \$1,000,000 for annual test administration beginning in FY 2020-21.

Further, SDE indicates that General Fund expenses will increase by \$20,000 in FY 2019-20 to provide awareness and to educate students, parents, and other stakeholders on the required personal finance course.

State Revenue

N/A

Local Expenditure

This bill requires high school students to complete a one-half credit course of study in personal finance as a requirement for high school graduation in place of existing economics coursework requirements beginning with the 2020-21 school year. The coursework must include an end-of-course examination.

SDE indicates that required economics courses are generally taught by social studies teachers. Therefore, existing teachers would need an additional twelve to fifteen hours of college course credit to be properly certified to teach personal finance. SDE estimates that the expenses for the additional college courses could be up to \$2,083,000. These expenses are usually borne by the teachers, but some districts may contract with a university to provide a course for district employees at no cost or limited cost to educators if a number of teachers need additional preparation. Since district assistance is voluntary, the expenditure impact on school districts is undetermined.

Local Revenue

N/A



Frank A. Rainwater, Executive Director