



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3588	Introduced on January 12, 2021
Author:	Allison	
Subject:	LIFE scholarships	
Requestor:	House Education and Public Works	
RFA Analyst(s):	A. Martin and Wren	
Impact Date:	February 5, 2021	

Fiscal Impact Summary

This bill makes changes to the requirements for the LIFE Scholarship by requiring certain credits to be completed in the student's senior year of high school and adding specifications for ACT scoring requirements. The full expenditure impact of this bill is pending, contingent upon a response from the Commission on Higher Education (CHE).

The Department of Education (SDE) indicates that this bill could increase General Fund expenses by \$3,920,175 beginning in FY 2023-24 depending upon the method in which the required senior credits in mathematics or computer science and English/language arts are offered by local districts. This estimate assumes 15,000 potential Life Scholarship recipients each year and also assumes that all 15,000 students will take both courses for dual enrollment credit. The average cost per dual enrollment course is \$300 per student. If all 15,000 students took both courses for dual enrollment credit, the total expense would be \$9,000,000 (15,000 students x \$600 per student for both courses). The state would cover a portion of the cost via the EFA dual enrollment credit add-on weight of .15 for a potential expense of \$3,920,175 (15,000 students x \$2,489 FY 2020-21 base student cost x 70 percent for the state portion x .15 dual enrollment add-on weight). Local districts would be responsible for the remainder of \$5,079,825 if all 15,000 students took both courses for dual enrollment credit.

The overall expenditure impact on the state agency schools is undetermined. The Governor's School for Science and Mathematics, the Wil Lou Gray Opportunity School, and the School for the Deaf and Blind indicate that this bill will have no expenditure impact since the requirements of the bill can be managed within each agency's current appropriations. The Governor's School for the Arts and Humanities indicates that this bill may increase expenditures for additional teachers. However, the agency is unable to determine the number of additional teachers needed at this time. Therefore, the overall expenditure impact on the state agency schools is undetermined.

SDE indicates that this bill could increase expenses of local school districts by \$5,079,825 beginning in FY 2023-24. This estimate assumes 50,000 approximate graduates each year, with 30 percent, or 15,000 potential Life Scholarship recipients. The average cost per dual enrollment course is \$300 per student. If all 15,000 students took both courses for dual enrollment credit, the total expense would be \$9,000,000. The state would cover a portion of the cost via the EFA

dual enrollment credit add-on weight of .15 for a potential expense of \$3,920,175. Local districts would be responsible for the remainder of \$5,079,825 beginning in FY 2023-24 if all 15,000 students took both courses for dual enrollment credit. However, the local district expense will change if the cost of each course fluctuates beyond \$300 per student. Additionally, the local expenditure impact would also change if districts offer the courses through a teacher-led class or online through VirtualSC. If the additional courses are offered as teacher-led, some districts will need to hire additional teachers to handle the increased demand. The number of additional teachers needed and the expense of hiring additional teachers will vary by district.

Explanation of Fiscal Impact

Introduced on January 12, 2021

State Expenditure

This bill will require high school seniors seeking a LIFE Scholarship to earn at least one unit of credit in mathematics or computer science and one unit of credit in English/language arts during their senior year. The bill specifies that these credits may be satisfied by a dual enrollment class.

This bill specifies the required ACT score necessary to qualify for the LIFE Scholarship. Currently, the statute requires an ACT score equivalent to a score of 1100 on the SAT.

Department of Education. This bill may increase the number of high school seniors enrolled in English/language arts, mathematics, or computer science courses by requiring these credits to be earned in their senior year. This may affect scheduling and the number of courses offered by high schools. SDE indicates that this bill could increase General Fund expenses by \$3,920,175 beginning in FY 2023-24 depending upon the method in which the required senior credits in mathematics or computer science and English/language arts are offered by local districts. This estimate assumes 50,000 approximate graduates each year, with 30 percent, or 15,000 potential Life Scholarship recipients. Additionally, this estimate assumes that all 15,000 students will take both courses for dual enrollment credit. The average cost per dual enrollment course is \$300 per student. If all 15,000 students took both courses for dual enrollment credit, the total expense would be \$9,000,000 (15,000 students x \$600 per student for both courses). The state would cover a portion of the cost via the EFA dual enrollment credit add-on weight of .15 for a potential expense of \$3,920,175 (15,000 students x \$2,489 FY 2020-21 base student cost x 70 percent for the state portion x .15 dual enrollment add-on weight). Local districts would be responsible for the remainder of \$5,079,825 if all 15,000 students took both courses for dual enrollment credit.

State Agency Schools. The Governor's School for Science and Mathematics, the Wil Lou Gray Opportunity School, and the School for the Deaf and Blind indicate that this bill will have no expenditure impact since the requirements of the bill can be managed within each agency's current appropriations. The Governor's School for the Arts and Humanities indicates that this bill will have an expenditure impact on the agency but is unable to provide an estimate at this time. The agency further indicates that its schedule is based on students coming from schools statewide. Students matriculate for only eleventh and twelfth grades. The agency will likely need to hire additional teachers to teach the additional mathematics or computer science and

English/language arts courses to seniors, but the number of additional teachers and expense cannot be quantified at this time. Therefore, the overall expenditure impact on the state agency schools is undetermined.

Commission on Higher Education. Currently, the statute requires a student to have scored 1100 or better on the SAT or have an equivalent score on the ACT. Current regulations regarding LIFE Scholarship eligibility specify that the student must score at least 1100 on the SAT or 24 on the ACT.

The SAT and the ACT are both used to assess college readiness. The SAT is produced and administered by the College Board. The ACT is produced and administered by ACT, Inc. The College Board and ACT, Inc. have collaborated to produce concordance tables to help educators compare SAT and ACT results. According to the most recent concordance table produced in 2018, a score of 22 on the ACT would equate to a score of 1100 on the SAT.

CHE is currently working on the estimated impact of this bill. If the required ACT score is lowered, this could increase the number of students eligible for the LIFE Scholarship and would, therefore, increase scholarship expenditures. This fiscal impact will be updated once more information is provided by CHE.

State Revenue

N/A

Local Expenditure

This bill will require high school seniors seeking a LIFE Scholarship to earn at least one unit of credit in mathematics or computer science and one unit of credit in English/language arts during their senior year. The bill specifies that these credits may be satisfied by a dual enrollment class.

This bill may increase the number of high school seniors enrolled in English/language arts, mathematics, or computer science courses by requiring these credits to be earned in their senior year. This may affect scheduling and the number of courses offered by high schools. SDE indicates that this bill could increase expenses of local school districts by \$5,079,825 beginning in FY 2023-24 if all 15,000 students take the mathematics or computer science and English/language arts courses through a dual enrollment option. This estimate is based on the average cost per dual enrollment course of \$300 per student. However, the local district expense will change if the cost of each course fluctuates beyond \$300 per student. Additionally, the local expenditure impact would also change if districts offer the courses through a teacher-led class or online through VirtualSC. If the additional courses are offered as teacher-led, some districts will need to hire additional teachers to handle the increased demand. The number of additional teachers needed and the expense of hiring additional teachers will vary by district.

This estimate assumes 50,000 approximate graduates each year, with 30 percent, or 15,000 potential Life Scholarship recipients. The average cost per dual enrollment course is \$300 per student. If all 15,000 students took both courses for dual enrollment credit, the total expense would be \$9,000,000 (15,000 students x \$600 per student for both courses). The state would

cover a portion of the cost via the EFA dual enrollment credit add-on weight of .15 for a potential expense of \$3,920,175 (15,000 students x \$2,489 FY 2020-21 base student cost x 70 percent for the state portion x .15 dual enrollment add-on weight). Local districts would be responsible for the remainder of \$5,079,825 beginning in FY 2023-24 if all 15,000 took both courses for dual enrollment credit.

Local Revenue

N/A



Frank A. Rainwater, Executive Director