POLLED OUT OF COMMITTEE

MAJORITY FAVORABLE WITH AMENDMENT

February 11, 2021

**S. 16**

Introduced by Senators Rankin, Hembree, Malloy, Fanning, Grooms and Young

S. Printed 2/11/21--S.

Read the first time January 12, 2021.

**THE COMMITTEE ON EDUCATION**

To whom was referred a Bill (S. 16) to amend the Code of Laws of South Carolina, 1976, by adding Section 59‑29‑17 so as to require completion of certain basic personal finance, etc., respectfully

**REPORT:**

Has polled the Bill out with amendment, to wit:

Amend the bill, as and if amended, SECTION 1, by striking Section 59‑29‑17(D) and inserting:

/ (D) This section applies to any student entering ninth grade beginning in the 2023‑2024 School Year.” /

Amend the bill further by striking SECTION 3 and inserting:

/ SECTION 3. This act takes effect July 1, 2023. /

Renumber sections to conform.

Amend title to conform.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**State Expenditure**

This bill requires high school students attending a public high school, including a charter school, to complete a one-half credit course in basic personal finance as a requirement for high school graduation in place of existing economics coursework requirements. This applies to students entering the ninth grade beginning in the 2022-2023 school year. A one-half credit course in economics may still be offered by each school that enrolls high school students. SDE, in collaboration with the South Carolina Commission on Higher Education, South Carolina Council for Economics, and the South Carolina Financial Literacy Board of Trustees, must develop the standards for the coursework and post curriculum resources on its website. The standards developed and curriculum used for instruction must focus on instilling student competency in various areas. SDE must also develop metrics and reporting requirements to monitor the implementation and outcomes by district and must make recommendations to improve outcomes at the state and local levels. Further, this bill repeals Section 59-29-165, which requires students attending a public high school to receive instruction in personal finance.

**State Department of Education.** SDE indicates that this bill will increase non-recurring General Fund expenses of the agency by $4,463,000 in FY 2021-22. Of this amount, $18,000 is needed for a team to write the state standards, $75,000 is needed for experts in the field to revise course standards and to provide training, and $20,000 is to provide awareness and to educate students, parents, and other stakeholders on the required personal finance course. The remaining $4,350,000 is for materials at a cost of $130 per teacher and $120 per student for approximately 65,000 incoming ninth grade students. The textbooks would be funded on a six-year cycle and have not been funded since FY 2009-10. This section of the impact statement has been updated to provide a revised response from SDE.

**Commission on Higher Education.** The bill requires SDE to collaborate with CHE in order to develop the standards for the new personal finance course.  This type of activity occurs in the normal course of business for CHE.  Therefore, this bill will have no expenditure impact for the agency in FY 2021-22 or FY 2022-23.

**State Agency Schools.** The Governor’s School for the Arts and Humanities, the Governor’s School for Science and Mathematics, the Governor’s School for Agriculture at John de la Howe, and the School for the Deaf and Blind indicate that this bill will have no expenditure impact since each agency will be able to accomplish the provisions of the bill with existing staff. The Wil Lou Gray Opportunity school indicates that this bill will have no expenditure impact on the agency since the school does not offer a high school credential. Therefore, this bill will have no expenditure impact on the state agency schools in FY 2021-22 or FY 2022-23.

**Local Expenditure**

This bill requires high school students attending a public high school, including a charter school, to complete a one-half credit course in basic personal finance as a requirement for high school graduation in place of existing economics coursework requirements. This applies to students entering the ninth grade beginning in the 2022-2023 school year. A one-half credit course in economics may still be offered by each school that enrolls high school students.

SDE surveyed the seventy-nine regular public school districts and the two charter school districts. Of the surveyed districts, thirty-nine regular school districts and the Charter Institute at Erskine provided responses.

Of the thirty-nine responding regular school districts, twenty-five districts indicate this bill will have no expenditure impact. Most of these districts further indicate that existing teachers would be able to teach the personal finance course. The remaining fourteen regular districts indicate that non-recurring expenses would range from $5,000 up to $252,250 for curriculum, materials, and professional development in FY 2021-22. These responding regular school districts also indicate that recurring expenses would range from $4,000 up to $1,661,095 beginning in FY 2022-23 for FTE’s and on-going curriculum resources work. The number of FTE’s ranges from one to six per district.

Additionally, the Charter Institute at Erskine indicates that the district may need up to fifteen additional FTE’s to serve its twenty-two schools, depending on the qualifications required for these positions. At an average teacher salary of $60,000 including fringe, fifteen additional FTE’s would increase recurring expenses of the Charter Institute at Erskine by up to $900,000 in FY 2022-23. Information has been requested from the South Carolina Public Charter School District, but the district has not responded.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59‑29‑17 SO AS TO REQUIRE COMPLETION OF CERTAIN BASIC PERSONAL FINANCE COURSEWORK FOR HIGH SCHOOL GRADUATION INSTEAD OF EXISTING ECONOMICS COURSEWORK REQUIREMENTS, TO PROVIDE HIGH SCHOOLS MAY CONTINUE TO OFFER SUCH COURSEWORK, TO PROVIDE FOR THE DEVELOPMENT AND CONTENT OF RELATED STANDARDS, TO PROVIDE THE STATE DEPARTMENT OF EDUCATION SHALL DEVELOP RELATED MEASURING AND REPORTING REQUIREMENTS AND SHALL MAKE RELATED RECOMMENDATIONS, AND TO MAKE THESE PROVISIONS APPLICABLE TO STUDENTS ENTERING NINTH GRADE BEGINNING WITH THE 2022‑2023 SCHOOL YEAR; AND TO REPEAL SECTION 59‑29‑165 RELATING TO REQUIRED INSTRUCTION IN PERSONAL FINANCE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 29, Title 59, of the 1976 code is amended by adding:

“Section 59‑29‑17. Each student attending a public high school in this State, including a charter school, shall complete a one‑half credit course of study in basic personal finance as a requirement for high school graduation in place of existing economics coursework requirements; however, a one‑half credit course in economics may still be offered by each school, including charter schools, that enrolls high school students.

(A) In collaboration with the South Carolina Commission on Higher Education, South Carolina Council for Economics, and the South Carolina Financial Literacy Board of Trustees, the State Department of Education shall develop the standards for coursework required in this section and post curriculum resources on its website.

(B) Standards developed and curriculum used for delivery of instruction must focus on instilling student competency in:

(1) areas of instruction delineated in Article 3, Chapter 29, Title 59;

(2) basic principles of personal finance for a global economy connected by the Internet;

(3) Internet safety and cyber security;

(4) personal financial planning and asset management;

(5) options, alternatives, use, and responsibilities of loans and credit products;

(6) health, life, automobile, and other insurance products;

(7) risk recognition, avoidance, and management;

(8) postsecondary education loans, loan forgiveness programs, grants, scholarships, apprenticeships, and other options to assist with related educational and career attainment costs, including the Federal Application for Federal Student Aid (FAFSA) and other federal, state, and local financial aid application processes, and implications of student loan indebtedness; and

(9) related experiential and performance‑based activities for each of the competencies enumerated in this subsection, aligned with student Individual Graduation Plans to the extent practicable.

(C) The State Department of Education shall develop metrics and reporting requirements to monitor for the successful implementation and outcomes within and across districts, and make recommendations to improve outcomes accordingly at the state and local levels.

(D) This section applies to any student entering ninth grade beginning in the 2022‑2023 School Year.”

SECTION 2. Section 59‑29‑165 of the 1976 Code is repealed.

SECTION 3. This act takes effect July 1, 2022, upon approval by the Governor.

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