COMMITTEE REPORT

January 20, 2022

**S. 16**

Introduced by Senators Rankin, Hembree, Malloy, Fanning, Grooms, Young, Bennett, Scott, Stephens, Peeler and Sabb

S. Printed 1/20/22--H.

Read the first time February 25, 2021.

**THE COMMITTEE ON EDUCATION AND PUBLIC WORKS**

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 coursework for high, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

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

“Section 59‑29‑17. (A) The State Department of Education shall convene a task force to examine the effectiveness of the South Carolina economics course required for high school graduation. Specifically, the task force must determine how well students are being instructed in the following areas, and if course standards should be changed:

(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;

(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; and,

(10) existing economics standards.

(B) The task force shall be comprised of the following individuals:

(1) one member appointed by the Superintendent of Education who shall serve as chair of the task force;

(2) one member appointed by the Governor upon recommendation of the South Carolina Bankers Association;

(3) one member appointed by the Governor upon recommendation of the United Way Association of South Carolina;

(4) one member from an institution of higher education appointed by the Chair of the Commission on Higher Education;

(5) one member appointed by the Chair of the Education Oversight Committee

(6) one member appointed by the South Carolina Council on Economics Education;

(7) one member appointed by the Chair of the House of Representatives Education and Public Works Committee; and

(8) one member appointed by the Chair of the Senate Education Committee.

(C) The task force shall report its findings to the General Assembly no later than January 1, 2023.

(1) Vacancies in the study committee’s membership must be filled in the manner of original appointment.

(2) Members of the committee shall serve without per diem, mileage, or other compensation generally provided to members of boards and commissions.

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

SECTION 2. This act takes effect upon approval of the Governor. /

Renumber sections to conform.

Amend title to conform.

MERITA A. ALLISON for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**State Expenditure**

This bill requires SCDE to convene a taskforce to examine the effectiveness of the S.C. economics course required for high school graduation. The task force must determine how well students are being instructed in certain current standards, as well as existing economic standards. The task force must be comprised of eight individuals as follows:

 One member appointed by the Superintendent of Education who shall serve as Chair of the task force;

 One member appointed by the Governor upon recommendation of the S.C. Bankers Association;

 One member appointed by the Governor upon recommendation of the United Way Association of S.C.;

 One member appointed from an institution of higher education appointed by the Chair of the Commission on Higher Education;

 One member appointed by the Chair of the Education Oversight Committee;

 One member appointed by the S.C. Council on Economics Education;

 One member appointed by Chair of the House of Representatives Education and Public Works Committee; and

 One member appointed by the Chair of the Senate Education Committee.

Members of the committee must serve without per diem, mileage, or other compensation generally provided to members of boards and commissions. Additionally, the task force must report its findings to the General Assembly no later than January 1, 2023. Further, the amended bill requires SCDE to develop metrics and reporting requirements to monitor the successful implementation of existing and future state standards and outcomes within districts and to make recommendations to improve outcomes.

The bill will have no expenditure impact on SCDE as any expenses incurred to create the task force and to monitor implementation of state standards can be managed within existing appropriations.

This bill will have no expenditure impact on the Governor’s Office, the Commission on Higher Education, the Education Oversight Committee, the Senate, or the House of Representatives since members of the task force may not receive per diem, mileage, or other compensation generally provided to members of board and commissions.

**Updated February 8, 2021 for Revised Agency Response**

**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. SCDE, 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. SCDE 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.** SCDE 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 SCDE.

**Commission on Higher Education.** The bill requires SCDE 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.

SCDE 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.

**Introduced on January 12, 2021**

**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. SCDE, 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. SCDE 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.** SCDE indicates that this bill as written will have no expenditure impact on the agency in FY 2021-22 or FY 2022-23 since the agency recently updated the existing standards. However, SCDE further indicates that if an end-of-course examination is required and the assessment is not teacher administered, the bill would increase non-recurring expenses of the agency by $3,000,000 over a three-year period. Of this amount, $650,000 would occur in the first year for development of the end-of-course examination, $1,900,000 would occur in the second year for field tests, development, and revision, and $450,000 would occur in the third year for further field tests and revisions. Recurring expenses of SCDE would increase by $1,000,000 after the development and field tests for yearly test administration.

**Commission on Higher Education.** The bill requires SCDE 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.

SCDE 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 separate 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 eleventh grade beginning in the 2023‑2024 School Year.”

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

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

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