



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4060 Introduced on March 1, 2023
Author: G.M. Smith
Subject: Education and Workforce Readiness
Requestor: House Education and Public Works
RFA Analyst(s): Bryant and Tipton
Impact Date: March 8, 2023

Fiscal Impact Summary

This bill provides guidelines to improve readiness for postsecondary education, new requirements regarding student aid applications, and makes changes to reporting requirements, among other changes.

The bill requires all public high schools to provide remediation courses in literacy and mathematics to high school seniors seeking postsecondary studies but lacking the requisite academic preparation. Credits earned in these courses may also be used to meet high school graduation requirements. The bill specifies related implementation requirements for the S.C. Department of Education (SCDE), the State Board of Education, and the South Carolina Technical College system. The expenditure impact of this section of the bill on SCDE and the local school districts is pending, contingent upon a response. The overall impact of this section of the bill on the state agency schools is also pending, contingent upon a response from the School for the Deaf and Blind. However, the other state agency schools indicate that this section of the bill will have no expenditure impact. The State Board for Technical and Comprehensive Education (Tech Board) indicates that these requirements will be managed within existing appropriations and will have no expenditure impact.

The bill also requires all high school seniors to complete and submit a free application for federal student aid (FAFSA) before graduating from high school. The bill specifies exemptions and related requirements for the implementation of these provisions and makes the provisions applicable beginning with the 2023-24 school year. The expenditure impact of this section of the bill on SCDE and the local school districts is pending, contingent upon a response. The overall impact of this section of the bill on the state agency schools is pending, contingent upon a response from the School for the Deaf and Blind. However, the other state agency schools indicate that this section of the bill will have no expenditure impact.

The bill further amends requirements relating to educator preparation program evaluations and the South Carolina Educator Preparation Report Card and transfers primary responsibility for conducting these evaluations and producing this report card from the Commission on Higher Education (CHE) to SCDE. The expenditure impact of this section of the bill on SCDE and the local school districts is pending, contingent upon a response. CHE indicates that transferring

primary responsibility for the development of the South Carolina Educator Preparation Report Card from CHE to SCDE will result in no expenditure savings for CHE.

Additionally, the bill amends requirements related to dual enrollment articulation agreements to provide a uniform system of dual enrollment college courses offered to high school students by institutions of higher learning beginning in the 2024-25 school year. The expenditure impact of this section of the bill on SCDE and the local school districts is pending, contingent upon a response. CHE indicates that the agency will require 1.5 additional FTEs with annual salary and fringe benefits of \$140,000 beginning in FY 2023-24 for the administration of the Advisory Committee on Academic Programs. Additionally, CHE indicates the need for a data portal to track and update dual enrollment and transfer changes at an estimated cost of \$50,000 per year beginning in FY 2023-24. CHE reports that this will require additional General Fund appropriations and FTE authorization. Additionally, this section of the bill may extend Lottery Tuition Assistance Program (LTAP) assistance to students taking fewer than six credit hours. This change may have an expenditure impact on CHE and the Tech Board, the cost of which is unknown at this time. We will update this impact statement when additional information on dual enrollment LTAP disbursements becomes available. This section of the bill is not expected to have an expenditure impact on the State Institutions of Higher Learning (IHLs). Based on responses from Lander University, Francis Marion University, and Coastal Carolina University, we anticipate that the implementation of new articulation agreements will be managed within the current budgets of the institutions and will have no expenditure impact.

This bill further provides that the Department of Employment and Workforce (DEW) must maintain and provide free online access to information regarding the economic value of college majors beginning July 1, 2025. The expenditure impact of this section of the bill on DEW is pending, contingent upon a response.

Lastly, the Tech Board and the State Board of Education must provide a report to the General Assembly by July 1, 2024, providing for the transfer of certain adult education programs from the State Board of Education to the Tech Board and specifying methods for maximizing the use of career and technology centers to improve and update career and technical education. The expenditure impact of this section of the bill on SCDE is pending, contingent upon a response. The Tech Board indicates that these requirements will be managed within existing appropriations and will have no expenditure impact.

Explanation of Fiscal Impact

Introduced on March 1, 2023

State Expenditure

This bill provides guidelines to improve readiness for postsecondary education, new requirements regarding student aid applications, and makes changes to reporting requirements, among other changes.

S.C. Department of Education. This bill requires all public high schools to provide remediation courses in literacy and mathematics to high school seniors seeking postsecondary studies but

lacking the requisite academic preparation. SCDE, in collaboration with the South Carolina Technical College System, must develop courses and curriculum, as well policies and guidelines to identify students who will benefit from remediation courses. Based upon the policies and guidelines developed, SCDE must produce documents to help guidance counselors and administrators explain the benefits of the remediation courses to students, parents, and guardians.

The bill also requires all high school seniors to complete and submit a FAFSA before graduating from high school. The bill specifies exemptions and related requirements for the implementation of these provisions and makes these provisions applicable beginning with the 2023-24 school year. The Superintendent must establish an advisory committee consisting of school counselors, school administrators, and relevant stakeholders to assist the State Board of Education in adopting rules to implement these requirements and to develop recommendations.

The bill further amends requirements relating to educator preparation program evaluations and the South Carolina Educator Preparation Report Card and transfers primary responsibility for conducting these evaluations and producing this report card from CHE to SCDE.

The expenditure impact of this bill on SCDE is pending, contingent upon a response.

State Agency Schools. This bill requires all public high schools to provide remediation courses in literacy and mathematics to high school seniors seeking postsecondary studies but lacking the requisite academic preparation. The bill also requires all high school seniors to complete and submit a FAFSA before graduating from high school unless a student is exempted from this requirement. The overall expenditure impact of this bill on the state agency schools is pending, contingent upon a response from the School for the Deaf and Blind. The Governor's School for Agriculture at John de la Howe indicates that the bill will have no expenditure impact since any additional costs can be managed within existing appropriations. The Governor's School for the Arts and Humanities indicates that this bill will have no expenditure impact since their counseling office currently handles all FAFSA related duties and does not expect that this bill will result in a significant increase in the number of applications. The Governor's School for Science and Mathematics indicates that this bill will have no expenditure impact since all their students have a post-secondary education at a college or university. The Wil Lou Gray Opportunity School indicates that this bill will have no expenditure impact since it is strictly a GED program.

Commission on Higher Education. This bill tasks CHE with convening the Advisory Committee on Academic Programs before September 1, 2023, to develop statewide secondary to postsecondary articulation agreements among all school districts and public IHLs for the purposes of providing dual enrollment courses. The advisory committee must make recommendations to CHE before July 1, 2024, regarding coursework acceptable for statewide dual enrollment courses. In conjunction with the Tech Board, CHE is required to implement the policy directives within all state IHLs, additionally adhering to the requirements specified by the bill. CHE is also required to annually report on the progress of the advisory committee to the Coordinating Council for Workforce Development. CHE indicates that the agency will require 1.5 additional FTEs with annual salary and fringe benefits of \$140,000 beginning in FY 2023-24

for the administration of the advisory committee. Additionally, CHE indicates the need for a data portal to track and update dual enrollment and transfer changes at an estimated cost of \$50,000 per year beginning in FY 2023-24. CHE reports that this will require additional General Fund appropriations and FTE authorization.

This bill also requires LTAP funds to be made available to students enrolled in dual enrollment courses in grades ten, eleven, and twelve. Currently, LTAP funds are available to dual enrollment students taking six or more credit hours. This bill may extend LTAP assistance to students taking fewer than six credit hours, the impact of which is unknown at this time. We will update this impact statement when additional information on dual enrollment LTAP disbursements becomes available.

The bill further removes CHE from the development of the South Carolina Educator Preparation Report Card. CHE indicates that this change will result in no expenditure savings for CHE.

State Board for Technical and Comprehensive Education. This bill requires the Tech Board, in conjunction with CHE, to implement the articulation agreements, policy, and curriculum directives of the Advisory Committee on Academic Programs within all state technical IHLs. The Tech Board, in conjunction with SCDE, must also report to the General Assembly before July 1, 2024, on a plan to increase the percentage of working-age adults with a postsecondary degree or credential, the specific requirements of which are stated in the bill. The Tech Board indicates that these requirements will be managed within existing appropriations and will have no expenditure impact on the agency.

This bill also requires LTAP funds to be made available to students enrolled in dual enrollment courses in grades ten, eleven, and twelve. Currently, LTAP funds are available to dual enrollment students taking six or more credit hours. This bill may extend LTAP assistance to students taking fewer than six credit hours, the impact of which is unknown at this time. We will update this impact statement when additional information on dual enrollment LTAP disbursements becomes available.

State Institutions of Higher Learning. This bill requires all state IHLs to implement the dual enrollment articulation agreements as developed by the Advisory Committee on Academic Programs, along with other various workforce development initiatives involving higher education. Based on responses from Lander University, Francis Marion University, and Coastal Carolina University, we anticipate that the implementation of new articulation agreements will be managed within the current budgets of the institutions and will have no expenditure impact.

Department of Employment and Workforce. This bill requires DEW to maintain and provide access to information regarding economic value of college majors including information on bachelor's degrees earned to job availability. The information must be made public and communicated to SCDE and the local school districts. The expenditure impact of this bill on DEW is pending, contingent upon a response from the agency.

State Revenue

N/A

Local Expenditure

This bill requires all public high schools to provide remediation courses in literacy and mathematics to high school seniors seeking postsecondary studies but lacking the requisite academic preparation. Credits earned in these courses may also be used to meet high school graduation requirements. The bill further requires all high school seniors to complete and submit a FAFSA before graduating from high school. The bill specifies exemptions and related requirements for the implementation of these provisions and makes these provisions applicable beginning with the 2023-24 school year. As part of these requirements, each school district must report the number of students who completed and submitted the application and the number of students who received an exemption to SCDE. The bill also amends requirements related to dual enrollment articulation agreements to provide a uniform system of dual enrollment college courses offered to high school students by IHLs beginning in the 2024-25 school year. The expenditure impact of this bill on the local school districts is pending, contingent upon a response.

Local Revenue

N/A



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