



# 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.*

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<b>Bill Number:</b>	H. 3197	Amended by House Education and Public Works on March 26, 2026
<b>Subject:</b>	Workforce Readiness	
<b>Requestor:</b>	House Education and Public Works	
<b>RFA Analyst(s):</b>	Bryant	
<b>Impact Date:</b>	March 30, 2026	

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### Fiscal Impact Summary

This bill as amended establishes a statewide workforce readiness goal. The bill requires the State Board for Technical and Comprehensive Education (Tech Board), the Commission on Higher Education (CHE), the S.C. Department of Education (SCDE), and the Education Oversight Committee (EOC) to jointly develop a report regarding the process by which institutions of higher learning must recognize and award credit to students who obtain a Tier Three credential while in high school. The bill also requires all public high schools, including charter high schools, to provide remediation courses in literacy and mathematics to high school seniors seeking postsecondary education but lacking the requisite academic preparation. The bill specifies related implementation requirements for SCDE, the State Board of Education, and the Tech Board. Additionally, the bill requires all high school seniors to complete and submit a Free Application for Federal Student Aid (FAFSA) before graduating from high school beginning with the 2026-27 school year and specifies exemptions and related requirements for the implementation of the requirement.

Further, the bill transfers primary responsibility for hosting and operating the South Carolina Educator Preparation Report Card from CHE to SCDE. Lastly, the bill requires the Department of Employment and Workforce (DEW) to maintain and provide free online access to information regarding the economic value of college majors beginning July 1, 2026. DEW must also provide information on state financial resources for obtaining a bachelor's degree in various fields, including scholarships, grants, and loan programs. The availability of such information must be communicated to SCDE and each public school district in the state.

This bill will increase General Fund expenses of SCDE by approximately \$106,000 for salary and fringe benefits for 1.0 FTE (Education Associate) beginning in FY 2026-27. This position will be responsible for implementing the FAFSA graduation requirement and senior remediation coordination. SCDE reports that it will request a General Fund appropriation increase for the expenses. SCDE further indicates that sustained implementation of the requirements of the bill may increase long-term resource needs depending on the scope of the compliance monitoring, data reporting expectations, and stakeholder support required.

The Governor's School for Agriculture at John de la Howe and the Governor's School for Arts and Humanities indicate that they can manage the provisions of the bill with existing

appropriations. The Governor's School for Science and Mathematics and the School for the Deaf and the Blind previously indicated on an earlier version of the bill that they can manage the provisions of the bill with existing appropriations. The Wil Lou Gray Opportunity School indicates that the bill will have no impact on the agency since they are a GED program.

This bill will have no expenditure impact on the Tech Board, CHE, or EOC. The agencies indicate that they will manage the provisions of the bill with existing appropriations.

The bill may impact expenditures for DEW to develop the new online resources regarding the economic value of majors and potential financial resources depending on the scope and expectations. DEW indicates that while it can potentially manage the provisions of the bill with existing resources, the agency may require additional support staff, depending on the scale of the project produced and the availability of data.

SCDE surveyed the seventy-two regular school districts and three charter school districts and received responses from nine districts. Three districts indicate that the cost of implementing the provisions of the bill is currently unknown. The remaining six districts indicate that this bill will increase costs by an amount ranging from \$13,000 to \$1,400,000 for additional FTEs to provide remediation courses and manage the increase in school counselor duties. The number of additional FTEs needed ranges from one to fifteen for the responding districts.

## **Explanation of Fiscal Impact**

### **Amended by House Education and Public Works on March 26, 2026**

#### **State Expenditure**

This bill as amended establishes a statewide workforce readiness goal. The bill requires the Tech Board, CHE, SCDE, and EOC to jointly develop a report regarding the process by which institutions of higher learning must recognize and award credit to students who obtain a Tier Three credential while in high school. The bill also requires all public high schools, including charter high schools, to provide remediation courses in literacy and mathematics to high school seniors seeking postsecondary education but lacking the requisite academic preparation. Credits earned in these courses may be used only to satisfy high school diploma elective credit requirements. The State Board of Education must promulgate regulations directing when the courses may be offered, certification requirements for teachers assigned to the course, and when they may be used to satisfy high school diploma elective credit requirements. SCDE, in collaboration with the Tech Board, 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. These documents must also be made available to the public.

The bill also requires all high school seniors to complete and submit a FAFSA before graduating from high school. Students must be provided with information regarding FAFSA and the exemptions established in the bill at their annual Individual Graduation Plan meeting beginning their freshman year of high school. The bill specifies exemptions and related requirements for

the implementation of these provisions and makes the provisions applicable beginning with the 2026-27 school year. The State Board of Education must adopt rules as necessary to implement these provisions of the bill, including a requirement that each school district report to SCDE the number of students who completed and submitted FASFA and the number of students who received an exemption. The superintendent must also establish an advisory committee to assist the State Board in adopting rules to implement these provisions of the bill and develop recommendations.

Additionally, the bill transfers responsibility for hosting and operating the South Carolina Educator Preparation Report Card from CHE to SCDE. Further, the bill provides that DEW must maintain and provide free online access to information regarding the economic value of college majors beginning July 1, 2026. DEW must also provide information on state financial resources for obtaining a bachelor's degree in various fields, including scholarships, grants, and loan programs. The availability of such information must be communicated to SCDE and each public school district in the state.

**S.C. Department of Education.** SCDE indicates that this bill will increase its General Fund expenses by approximately \$106,000 for salary and fringe benefits for 1.0 FTE (Education Associate). This position will be responsible for implementing the FAFSA graduation requirement and senior remediation coordination. SCDE reports that it will request a General Fund appropriation increase for the expenses.

Additionally, SCDE indicates that sustained implementation of the requirements of the bill may increase long-term resource needs depending on the scope of the compliance monitoring, data reporting expectations, and stakeholder support required. SCDE further indicates that this bill will result in increased administrative, coordination, and implementation responsibilities for the department and notes that several provisions will require additional specialized staff time, interagency coordination, guidance development, data tracking, and stakeholder support that exceed its current operational capacity. Specifically, Section 59-1-485, which establishes a statewide postsecondary attainment goal, will require the agency to support the alignment of secondary career pathways, credentials, and career readiness indicators, as well as increase collaboration with local education agencies, postsecondary partners, and workforce entities. While many of these activities already occur within the Office of Career Readiness, SCDE anticipates that the activities described in the bill will require additional staff time for planning, coordination, collaboration, internal and external support and guidance, and strong reporting. Additionally, SCDE reports that Section 59-29-245, which requires academic remediation for certain high school seniors, will necessitate state-level guidance and coordination to ensure alignment with college and career readiness pathways. While instructional delivery occurs at the local level, SCDE anticipates that this provision of the bill will require increased administrative responsibilities related to implementation support and monitoring. Further, SCDE reports that Section 59-39-105, which requires high school seniors to complete the FAFSA prior to graduation, is expected to significantly increase demand for SCDE to provide technical assistance, guidance development, communication, and compliance monitoring at the state level, particularly should FAFSA completion become a component of postsecondary transition and career readiness efforts. Lastly, SCDE reports that Section 41-1-140, which expands access to

workforce and labor market data, will require coordination between SCDE, DEW and possibly other external partners such as the Coordinating Council for Workforce Development, and local districts to ensure appropriate dissemination and use of this information in career advising and pathway planning. However, any potential long-term resource needs related to these provisions are unknown at this time.

**State Agency Schools.** The Governor's School for Agriculture at John de la Howe and the Governor's School for Arts and Humanities indicate that they can manage the provisions of the bill with existing appropriations. The Governor's School for Science and Mathematics and the School for the Deaf and the Blind previously indicated on an earlier version of the bill that they can manage the provisions of the bill with existing appropriations. The Wil Lou Gray Opportunity School indicates that the bill will have no impact on the agency since they are a GED program.

**State Board for Technical and Comprehensive Education.** This bill will have no expenditure impact on the Tech Board. The Tech Board indicates that it will manage the provisions of the bill with existing appropriations.

**Commission on Higher Education.** This bill will have no expenditure impact on CHE. CHE indicates that it will manage the provisions of the bill with existing appropriations.

**Education Oversight Committee.** This bill will have no expenditure impact on EOC. EOC indicates that it will manage the provisions of the bill with existing appropriations.

**Department of Employment and Workforce.** This bill may impact expenditures for DEW to develop the new online resources regarding the economic value of majors and potential financial resources. DEW indicates that while it can potentially manage the provisions of the bill with existing resources, the agency may require additional support staff, depending on the scale of the project produced and the availability of data.

#### **State Revenue**

N/A

#### **Local Expenditure**

This bill establishes a statewide workforce readiness goal. 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 be used only to satisfy high school diploma elective credit requirements. The bill also requires all high school seniors to complete and submit a FAFSA before graduating from high school. Students must be provided with information regarding FAFSA and the exemptions established in the bill at their annual Individual Graduation Plan meeting beginning their freshman year of high school. The bill specifies exemptions and related requirements for the implementation of these provisions and makes these provisions applicable beginning with the 2026-27 school year.

SCDE surveyed the seventy-two regular school districts and three charter school districts and received responses from nine districts. Three districts indicate that the cost of implementing the provisions of the bill is currently undetermined. The remaining six districts indicate that this bill will increase costs by an amount ranging from \$13,000 to \$1,400,000 for additional FTEs to provide remediation courses and manage the increase in school counselor duties. The number of additional FTEs needed ranges from one to fifteen for the responding districts.

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director