



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. 3197	Introduced on January 14, 2025
Subject:	Workforce Readiness	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Bryant	
Impact Date:	January 28, 2026	

Fiscal Impact Summary

This bill establishes a statewide workforce readiness goal. The bill requires all public high schools, including charter 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 (Tech Board). Additionally, all high school seniors must 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 2026-27 school year.

Additionally, the bill transfers primary responsibility for hosting and operating the South Carolina Educator Preparation Report Card from the Commission on Higher Education (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. 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 approximately \$106,000 for salary and fringe benefits for 1.0 FTE (education associate) beginning in FY 2026-27. This FTE will be responsible for implementing the FAFSA graduation requirement and senior remediation coordination. SCDE reports that it will request a General Fund appropriation increase to pay 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.

This bill will have no expenditure impact on the State Agency Schools. The Governor's School for Agriculture at John de la Howe, the Governor's School for Arts and Humanities, the Governor's School for Science and Mathematics, and the School for the Deaf and the Blind indicate 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. The Tech Board indicates that the requirements of the bill are already part of its normal course of business.

This bill will have no expenditure impact on CHE. The agency indicates that it will manage the provisions of the bill with existing appropriations.

The expenditure impact of this bill on DEW is currently undetermined. 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.

The expenditure impact of this bill on the local school districts will vary. SCDE surveyed the seventy-two regular school districts and three charter school districts and received responses from seven districts. Five of the responding districts indicate that the bill will have no expenditure impact. One district anticipates that there may be additional costs if the remediation courses require sessions outside of a normal day or outside of intersession but reports that the district can likely manage the provisions of the bill with existing appropriations. The one remaining district indicates that this bill will increase costs by an amount up to \$575,000. Of this amount, \$375,000 is for 5.0 FTEs, one at each high school, to assist in managing the provisions of the bill, including identifying students who would benefit from remediation; tracking the status of every senior, collecting proof of submission of FAFSA, and managing the opt-out forms; and assisting in conducting graduate and employer satisfaction surveys. This district also notes that meeting the state's STEM workforce goals may necessitate the hiring of STEM-certified personnel. Additionally, the district notes that it may need to hire specialized instructors to teach remediation courses if current staff cannot cover the new sections. Of the remaining amount, \$50,000 is for recurring operating costs, including tracking software. The remaining \$150,000 is for non-recurring expenses, including curriculum development and training, updating the district's Student Information System (SIS) to track a new graduation requirement, and updating career counseling materials and digital platforms to communicate information to students and parents. This district further notes that it must ensure that all FAFSA tracking requirements comply with the Family Educational Rights and Privacy Act (FERPA), as any data breach could result in significant liability for the district.

Explanation of Fiscal Impact

Introduced on January 14, 2025

State Expenditure

This bill establishes a statewide workforce readiness goal. The bill requires all public high schools, including charter 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 to satisfy high school diploma elective credit requirements. The State Board of Education must promulgate regulations directing when the courses may be offered 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. 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. 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. Each 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. 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 FTE will be responsible for implementing the FAFSA graduation requirement and senior remediation coordination. SCDE reports that it will request a General Fund appropriation increase to pay for the expenses.

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. This bill will have no expenditure impact on the State Agency Schools. The Governor's School for Agriculture at John de la Howe, the Governor's School for Arts and Humanities, the Governor's School for Science and Mathematics, and the School for the Deaf and the Blind indicate 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 the requirements of the bill are already part of its normal course of business.

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

Department of Employment and Workforce. The expenditure impact of this bill on DEW is currently undetermined. 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 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. 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. Each superintendent must establish an advisory committee to assist the State Board in adopting rules to implement these provisions of the bill and develop recommendations.

The expenditure impact of this bill on the local school districts will vary. SCDE surveyed the seventy-two regular school districts and three charter school districts and received responses

from seven districts. Five of the responding districts indicate that the bill will have no expenditure impact. One district anticipates that there may be additional costs if the remediation courses require sessions outside of a normal day or outside of intersession but reports that the district can likely manage the provisions of the bill with existing appropriations. The remaining district indicates that this bill will increase costs by an amount up to \$575,000. Of this amount, \$375,000 is for 5.0 FTEs, one at each high school, to assist in managing the provisions of the bill, including identifying students who would benefit from remediation; tracking the status of every senior, collecting proof of submission of FAFSA, and managing the opt-out forms; and assisting in conducting graduate and employer satisfaction surveys. This district also notes that meeting the state's STEM workforce goals may necessitate the hiring of STEM-certified personnel. Additionally, the district notes that it may need to hire specialized instructors to teach remediation courses if current staff cannot cover the new sections. Of the remaining amount, \$50,000 is for recurring operating costs, including tracking software. The remaining \$150,000 is for non-recurring expenses, including curriculum development and training, updating the district's Student Information System to track a new graduation requirement, and updating career counseling materials and digital platforms to communicate information to students and parents. This district further notes that it must ensure that all FAFSA tracking requirements comply with FERPA, as any data breach could result in significant liability for the district.

Local Revenue

N/A



Frank A. Rainwater, Executive Director