



# 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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**Bill Number:** H. 5073 Introduced on January 29, 2026  
**Subject:** Public School Grading  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Bryant  
**Impact Date:** February 13, 2026

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### Fiscal Impact Summary

This bill specifies that no school district or school may adopt any type of grading system that requires a teacher to assign a minimum grade or score that exceeds a student's actual performance on completed assignments. If a school district is found to be in violation of this provision of the bill, the S.C. Department of Education (SCDE) must withhold 10 percent of the school district's State Aid to Classroom funding. Additionally, the bill specifies that prior to the start of the 2026-2027 school year, the State Board of Education must establish a task force to evaluate potential revisions to the Uniform Grading Policy. The task force must report its findings to the State Board of Education before February 1, 2027. The State Board of Education must then adopt, and school districts must implement, any updates to the Uniform Grading Policy by no later than the 2028-2029 school year.

This bill will have no expenditure impact on SCDE. The department reports that it will manage the provisions of the bill by assigning duties to existing staff and using existing equipment and supplies.

This bill will have no expenditure impact on the Governor's School for Agriculture at John de la Howe, the Governor's School for Arts and Humanities, and the Governor's School for Science and Mathematics. The agencies indicate that they can manage the provisions of the bill with existing appropriations. The Wil Lou Gray Opportunity School indicates that this bill will have no expenditure impact on the agency since it a GED program and does not use public school grading. Based upon these responses, we do not anticipate that this bill will have an expenditure impact on the School for the Deaf and the Blind.

SCDE surveyed the seventy-two regular school districts and three charter school districts and received responses from twelve districts. Seven districts indicate that this bill will have no expenditure impact. One district reports that any costs associated with this bill can be absorbed by the district. One district anticipates costs associated with implementing the provisions of the bill but reports that the costs are currently undetermined. The three remaining districts anticipate that expenses may increase by a significant amount. These districts identified potential expenses as board policy revisions; legal reviews; public hearings; increased administrative work due to grade appeals, parent complaints, audits, and compliance monitoring; training for teachers on new grading standards; additional tutoring; and additional staff for summer school.

This bill specifies that no school district or school may adopt any type of grading system that requires a teacher to assign a minimum grade or score that exceeds a student's actual performance on completed assignments. If a school district is found to be in violation of this provision of the bill, SCDE must withhold 10 percent of the school district's State Aid to Classroom funding. The revenue impact on local school districts is undetermined, as it will depend upon how many districts do not comply with this provision of the bill. Additionally, the amount of state funds to be withheld will vary by district. For reference, 10 percent of State Aid to Classrooms is estimated to range from approximately \$237,000 to \$41,466,000 in FY 2025-26.

## **Explanation of Fiscal Impact**

### **Introduced on April 30, 2025**

#### **State Expenditure**

This bill specifies that no school district or school may adopt any type of grading system that requires a teacher to assign a minimum grade or score that exceeds a student's actual performance on completed assignments. If a school district is found to be in violation of this provision of the bill, SCDE must withhold 10 percent of the school district's State Aid to Classroom funding. The bill also conditions eligibility for credit recovery and content recovery on the completion of required assignments. Additionally, the bill states that districts shall not require the inclusion of student performance on the formative assessments required in Section 59-18-310(D) or on any district-selected benchmark assessment in calculating a student's final grade in any course or subject. Further, the bill specifies that prior to the start of the 2026-2027 school year, the State Board of Education must establish a task force comprised of superintendents, principals, teachers, representatives of school boards, and high school students to evaluate potential revisions to the Uniform Grading Policy. The task force must report its findings to the State Board of Education before February 1, 2027. The State Board of Education must then adopt, and school districts must implement, any updates to the Uniform Grading Policy by no later than the 2028-2029 school year.

**S.C. Department of Education.** This bill will have no expenditure impact on SCDE. The department reports that it will manage the provisions of the bill by assigning duties to existing staff and by using existing equipment and supplies.

**State Agency Schools.** This bill will have no expenditure impact on the Governor's School for Agriculture at John de la Howe, the Governor's School for Arts and Humanities, and the Governor's School for Science and Mathematics. The agencies indicate that they can manage the provisions of the bill with existing appropriations. The Wil Lou Gray Opportunity School indicates that this bill will have no expenditure impact on the agency since it a GED program and does not use public school grading. Based upon these responses, we do not anticipate that this bill will have an expenditure impact on the School for the Deaf and the Blind.

#### **State Revenue**

N/A

## Local Expenditure

This bill specifies that no school district or school may adopt any type of grading system that requires a teacher to assign a minimum grade or score that exceeds a student's actual performance on completed assignments. Additionally, the bill states that districts shall not require the inclusion of student performance on the formative assessments required in Section 59-18-310(D) or on any district-selected benchmark assessment in calculating a student's final grade in any course or subject. Further, the bill specifies that prior to the start of the 2026-2027 school year, the State Board of Education must establish a task force to evaluate potential revisions to the Uniform Grading Policy. The task force must report its findings to the State Board of Education before February 1, 2027. The State Board of Education must then adopt, and school districts must implement, any updates to the Uniform Grading Policy by no later than the 2028-2029 school year.

SCDE surveyed the seventy-two regular school districts and three charter school districts and received responses from twelve districts. Seven districts indicate that this bill will have no expenditure impact. One district reports that any costs associated with this bill can be absorbed by the district. One district anticipates costs associated with implementing the provisions of the bill but reports that the costs are currently undetermined. The three remaining districts anticipate that expenses may increase by a significant amount. One district indicates that this bill may result in board policy revisions, legal reviews, public hearings, and increased administrative work due to grade appeals, parent complaints, documentation requests, hearings, audits, and compliance monitoring. This district also reports that teachers will need to receive training on new grading standards, documentation, and appeals, which will require additional personal development days and materials. The district further reports that if fewer students qualify for credit recovery, this may result in more students requiring remediation, tutoring, and summer school, which will increase staffing costs. One district anticipates that this bill will increase student failures and course repeaters, which will significantly increase staffing costs. One district indicates that this bill may increase the number of teachers needed to facilitate summer school and teach additional sections for students who need to retake courses. This district also anticipates hiring an additional graduation coach for each high school, due to an increase in the number of failures and more students not being on track to graduate.

## Local Revenue

This bill specifies that no school district or school may adopt any type of grading system that requires a teacher to assign a minimum grade or score that exceeds a student's actual performance on completed assignments. If a school district is found to be in violation of this provision of the bill, SCDE must withhold 10 percent of the school district's State Aid to Classroom funding. The revenue impact on local school districts is undetermined, as it will depend upon how many districts do not comply with this provision of the bill. Additionally, the amount of state funds to be withheld will vary by district. For reference, 10 percent of State Aid to Classrooms is estimated to range from approximately \$237,000 to \$41,466,000 in FY 2025-26.



Frank A. Rainwater, Executive Director