



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number:	S. 0011	Amended by House Ways and Means General Government Subcommittee on March 31, 2026
Subject:	Paid Family Leave Eligible State Employee	
Requestor:	House Ways and Means	
RFA Analyst(s):	Tipton	
Impact Date:	April 20, 2026	

Fiscal Impact Summary

This bill as amended expands paid parental leave for eligible state employees from 6 weeks to 12 weeks for the birth or adoption of a child for the primary caregiver and from 2 weeks to 4 weeks for a co-parent after the birth of a child, for fostering a child from state custody, or for the adoption of a child for a parent who is not the primary caregiver. This bill also adds “stillbirth,” as defined in §44-63-55, to the list of qualifying events under which a state employee or an employee of a school district may be eligible for parental leave. An employee’s paid parental leave is based on an employee’s average workday. The bill specifies that any state employee who occupies a position eligible to earn annual leave, including those employed by a four-year or postgraduate state institution of higher learning or state technical college, is eligible for paid parental leave. Under §8-11-151 and §8-11-156, this extension of parental leave would also apply to school district employees. Currently, eligible employee is defined as an employee occupying any percentage of a full-time equivalent position. An employer may require an employee to use paid parental leave before using annual leave if the employee’s leave is taken pursuant to the Family and Medical Leave Act (FMLA). This bill takes effect on October 1, 2026, and applies to qualifying events thereon or thereafter.

State agencies and institutions may face additional personnel needs associated with managing the workload from employees taking 12 or 4 weeks of leave and, as such, may experience an increase in expenditures if it is necessary to hire temporary employees or offer current employees a temporary salary increase to manage the workload. Further, under the bill, employees would not be required to use accrued sick and annual leave for these additional weeks and instead may use the additional paid parental leave for qualifying events. As such, agencies may experience an increase in expenses resulting from employees accruing additional leave if an employee separates from covered employment. However, as this will vary by agency and institution, the impact of this bill as amended will also vary.

This bill is not expected to have an expenditure impact on the Division of State Human Resources (DSHR) within the Department of Administration (Admin) as the management of the change is expected to take place under normal agency operations.

The expansion of paid parental leave may impact school district expenditures. The SC Department of Education (SCDE) previously surveyed each school district on similar legislation

and received 32 responses, as well as responses from the Governor’s School for Science and Mathematics, the Governor’s School for Arts and Humanities, and the Charter Institute at Erskine. The responses varied widely, partially by size of district and partially by assumed costs and number of weeks of leave taken. Most responding school districts previously estimated the total impact related to the added cost of substitute teachers as well as the salary and fringe expenses for teachers using the additional paid parental leave, both based on a maximum of 6 additional weeks of leave, which would overstate the impact as some employees are taking up to 12 weeks of leave currently. The salary and fringe amount for teachers using paid parental leave represent currently budgeted expenses. Therefore, the increase in district expenses would be for the cost of a substitute for any additional weeks of leave that the employee would not have taken without the expanded parental leave policy. Substitute teacher rates vary by district and level of teaching certification and based on previous responses, range from approximately \$125 to \$390 per day. Therefore, an additional 6 weeks of paid parental leave represents substitute teacher expenses of between \$3,750 to \$11,700 per teacher using parental leave. However, actual expenses will depend on the difference between the current number of weeks a teacher is on leave compared to the 12 weeks of leave provided by the bill. Therefore, the total impact of this bill as amended on state school districts will vary depending on the number of teachers that use additional parental leave, the substitute teacher rate in the district, and any additional leave payout that is required to teachers or other school district employees due to the changes.

Explanation of Fiscal Impact

Amended by House Ways and Means General Government Subcommittee on March 31, 2026

State Expenditure

This bill as amended expands paid parental leave for eligible state employees from 6 weeks to 12 weeks for the birth or adoption of a child for the primary caregiver and from 2 weeks to 4 weeks for a co-parent after the birth of a child, for fostering a child from state custody, or for the adoption of a child for the parent who is not the primary caregiver. The bill also adds “stillbirth,” as defined in §44-63-55, to the list of qualifying events under which a state employee or an employee of a school district may be eligible for parental leave. An employee’s paid parental leave is based on an employee’s average workday. The bill specifies that any state employee who occupies a position eligible to earn annual leave, including those employed by a four-year or postgraduate state institution of higher learning or state technical college, is eligible for paid parental leave. Currently, eligible employee is defined as an employee occupying any percentage of a full-time equivalent position. An employer may require an employee to use paid parental leave before using annual leave if the employee’s leave is taken pursuant to FMLA. This bill takes effect on October 1, 2026, and applies to qualifying events thereon or thereafter.

DSHR previously reported that 958 state employees utilized paid parental leave in 2024 for the birth or placement of a child. State agencies expend appropriated funds for employee salaries when an employee is at work or on paid leave. Under the bill’s revised definition, newly eligible employees would not be required to use accrued sick and annual leave or unpaid leave available under FMLA and instead would use paid parental leave for qualifying events. This change would allow those employees to retain an additional 6 or 2 weeks of accrued leave they may have

otherwise used. Agencies and institutions may face additional personnel needs associated with managing the workload of employees taking paid parental leave under the new definition. As such, agencies and institutions may experience an increase in expenditures if it is necessary to hire temporary employees or offer current employees a temporary salary increase to manage the workload resulting from newly eligible employees using paid parental leave under the bill.

When an employee separates from state employment, they forfeit accrued sick leave but are paid up to 45 days of unused annual leave. Newly eligible employees would be able to retain annual leave that may have otherwise been used. As such, agencies may experience an increase in expenses resulting from leave payouts to employees accruing additional leave if an employee separates from covered employment. DSHR previously reported that in FY 2023-24, of the 958 employees who used paid parental leave, 112 separated from employment immediately thereafter, 94 of which were owed annual leave payout in the total amount of \$139,457. Of the 94 employees, 2 had accrued the maximum annual leave carryforward amount of 45 days.

The total impact of this bill as amended will vary depending on the number of newly eligible employees that use parental leave, the ability for the agency or institution to manage the workload while employees are using parental leave, and any additional leave payout that is required due to the changes. This will vary widely by agency and institution, and therefore, the impact of this bill will also vary.

This bill is not expected to have an expenditure impact on DSHR within Admin to implement the changes, as the management of the revised definition of eligible state employee is expected to take place under normal agency operations.

State Revenue

N/A

Local Expenditure

This bill expands paid parental leave for eligible state employees from 6 weeks to 12 weeks for the birth or adoption of a child for the primary caregiver and from 2 weeks to 4 weeks for a co-parent after the birth of a child, for fostering a child from state custody, or for the adoption of a child for a parent who is not the primary caregiver. Under §8-11-151 and §8-11-156, this extension of parental leave would also apply to school district employees. The bill also adds “stillbirth,” as defined in §44-63-55, to the list of qualifying events under which a state employee or an employee of a school district may be eligible for parental leave. The bill takes effect on October 1, 2026, and applies to qualifying events thereon or thereafter.

In order to ascertain the local school district impact on similar legislation, SCDE previously surveyed the school districts and provided 32 responses from school districts in Aiken, Anderson, Beaufort, Berkeley, Charleston, Chester, Chesterfield, Clarendon, Fairfield, Florence, Greenville, Greenwood, Hampton, Lancaster, Lexington, Newberry, Oconee, Pickens, Richland, Spartanburg, Union, and York Counties, as well as responses from the Governor’s School for Science and Mathematics, the Governor’s School for Arts and Humanities, and the Charter Institute at Erskine. These responses indicated a wide range of costs and assumptions.

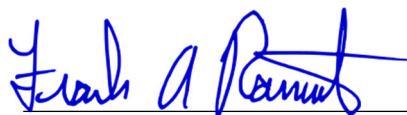
The increase in cost to districts would be the difference between the current number of weeks employees take for parental leave compared to any increase in the number of weeks employees take for parental leave under this bill. Local school district budgets already include the cost of an employee's salary for the year so the primary cost would be for a substitute teacher while a teacher is on leave. Most responding school districts previously estimated the total impact related to the added cost of substitute teachers as well as the salary and fringe expenses for teachers using the additional paid parental leave, both based on a maximum of 6 additional weeks of leave, which would overstate the impact as a teacher's salary and fringe is accounted for within the current budget and some teachers are already taking up to 12 weeks of leave. These responses varied widely, partially by size of district and partially by assumed costs and weeks and ranged from approximately \$22,000 to a potential high of \$1,500,000.

Under the existing paid parental leave policy and FMLA, employees are allowed up to 12 weeks of leave per year for qualifying events, 6 or 2 of which are paid under the current parental leave policy depending on the qualified event, and teachers may use accrued leave if available for the remaining weeks. When an employee takes leave for a qualifying event, the school district is required to hire a substitute in the case of a teacher. For teachers who would have taken fewer than the total 12 weeks available, such as 6 or 8, and subsequently take the full 12 weeks of paid parental leave provided by the bill, there would be added costs related to substitute teachers. Substitute teacher rates vary by district and level of teaching certification and based on previous responses range from approximately \$125 to \$390 per day. Therefore, an additional 6 weeks of paid parental leave represents substitute teacher expenses of between \$3,750 to \$11,700 per teacher using parental leave. However, actual expenses will depend on the difference between the current number of weeks a teacher is on leave compared to the 12 weeks of leave provided by the bill. Additionally, some districts would have an impact for payout of accrued leave due to the employee using less accrued leave under the bill, but not all districts pay out unused leave.

In summary, the total impact of this bill as amended on school districts will vary widely depending on the number of teachers that use the additional paid parental leave, the substitute teacher rate in the district, and any additional leave payout that is required to teachers or other school district employees due to the changes.

Local Revenue

N/A



Frank A. Rainwater, Executive Director