



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:	S. 0454	Introduced on March 13, 2025
Subject:	Charter School Accountability	
Requestor:	Senate Education	
RFA Analyst(s):	Wren	
Impact Date:	March 28, 2025 - Updated for Additional Agency Response	

Fiscal Impact Summary

This bill makes changes to the South Carolina Charter Schools Act of 1996 by changing references from “sponsor” to “authorizer” and by adding responsibilities and reporting requirements for charter schools and charter authorizers. The bill also makes changes to the process by which a charter school may terminate its charter with an authorizer and transfer to another authorizer. The bill requires the State Board of Education to adopt policies that define the roles of charter authorizers and requires the State Department of Education (SCDE) to conduct certain annual reviews of charter authorizers and to provide guidance to authorizers. Further, the bill specifies that the Administrative Law Court (ALC) may hear appeals related to provisions of the bill.

This bill will increase recurring expenses of SCDE by \$105,700 for 1.0 FTE beginning in FY 2025-26 to develop an application and approval process for new charter authorizers and to provide technical assistance, oversight, and guidance to charter authorizers. SCDE will request an increase in General Fund appropriations to cover this expense.

This bill will have no expenditure impact on ALC since any additional cases can be managed with existing appropriations and staff.

The Charter Institute at Erskine indicates that the bill will have no expenditure impact on the district. The S.C. Public Charter School District (SCPCSD) indicates that while the overall expenditure impact of the bill is undetermined, it will increase the district’s expenses by at least a range of \$100,000 to \$200,000 to provide technical assistance and support to implement corrective actions at no cost to the district’s schools. Further, the SCPCSD indicates that since Section 59-40-55(A) and Section 59-40-55(B)(4) require the State Board of Education and SCDE to adopt certain policies, procedures, and practices, the expenditure impact of these sections on the SCPCSD is undetermined as the policies are currently unknown. The Limestone Charter Association also indicates that the expenditure impact of the bill on the district is undetermined at this time since the policies and procedures to be adopted by the State Board of Education and SCDE are unknown. However, the Limestone Charter Association anticipates that it may need an additional FTE to manage the provisions of the bill.

Based on information from SCDE’s website, ten of the regular school districts also have charter schools under their jurisdiction. SCDE surveyed these ten districts and received a response from

three of the districts. Two districts indicate that the bill will have minimal to no expenditure impact. The remaining responding district indicates that the bill could have a substantial impact that is unknown at this time if the changes result in a significant increase in workload due to the expanded reporting and oversight requirements.

This fiscal impact statement has been updated to include responses from the regular school districts that have charter schools under their jurisdiction.

Explanation of Fiscal Impact

Updated on March 28, 2025 for Additional Agency Response

Introduced on March 13, 2025

State Expenditure

This bill makes changes to the South Carolina Charter Schools Act of 1996 by changing references from “sponsor” to “authorizer”. The bill requires charter schools to post their annual audit and contract with their charter authorizer on their website and requires charter authorizers to post on their website their budget as an authorizer and all charter school applications. Also, the bill adds additional reporting requirements for charter schools and charter authorizers. The bill also makes changes to the process by which a charter school may terminate its charter with an authorizer and transfer to another authorizer. Additionally, the bill requires the State Board of Education to adopt policies that define the roles of charter authorizers and requires SCDE to conduct certain annual reviews and to provide guidance to charter authorizers. Further, the bill specifies that ALC may hear appeals related to provisions of the bill.

S.C. Department of Education. SCDE indicates that this bill will increase recurring expenses of the department by \$105,700 for 1.0 FTE beginning in FY 2025-26 to develop an application and approval process for new charter authorizers and to provide technical assistance, oversight, and guidance to charter authorizers. SCDE will request an increase in General Fund appropriations to cover this expense.

Administrative Law Court. ALC indicates that any additional cases can be managed with current appropriations and staff. Therefore, the bill will have no expenditure impact on ALC.

State Revenue

N/A

Local Expenditure

This bill makes changes to the South Carolina Charter Schools Act of 1996 by changing references from “sponsor” to “authorizer”. The bill requires charter schools to post their annual audit and contract with their charter authorizer on their website and requires charter authorizers to post on their website their budget as an authorizer and all charter school applications. Also, the bill adds additional reporting requirements for charter schools and charter authorizers. The bill also makes changes to the process by which a charter school may terminate its charter with an authorizer and transfer to another authorizer.

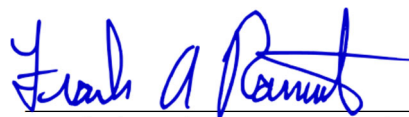
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Additionally, based on information from SCDE's website, ten of the regular school districts (Anderson 5, Beaufort, Charleston, Chester, Georgetown, Greenville, Horry, Lancaster, Richland 1, and York 3) also have charter schools under their jurisdiction. SCDE surveyed these districts and received a response from three of the districts. Two districts indicate that the bill will have minimal to no expenditure impact. The remaining responding district indicates that the bill could have a substantial impact that is unknown at this time if the changes result in a significant increase in workload due to the expanded reporting and oversight requirements.

This section of the fiscal impact statement has been updated to include responses from the regular school districts that have charter schools under their jurisdiction.

Local Revenue

N/A



Frank A. Rainwater, Executive Director