



# 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>	S. 0454	Amended by the House of Representatives on April 23, 2026
<b>Subject:</b>	Charter School Accountability	
<b>Requestor:</b>	Senate Education	
<b>RFA Analyst(s):</b>	Wren	
<b>Impact Date:</b>	April 30, 2026	

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### Fiscal Impact Summary

This bill as amended 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. Additionally, the bill requires the S.C. Department of Education (SCDE) to develop an application for authorizers, to conduct certain annual reviews of charter authorizers to provide guidance to authorizers, and to create an authorizer closure protocol, among other responsibilities. Additionally, the bill specifies that charter school authorizers are subject to audits by the Legislative Audit Council. Also, the bill specifies that charter school authorizers are subject to the ethics and government accountability requirements for public members and public employees in Chapter 13, Title 8. Further, the bill provides that the Administrative Law Court (ALC) may hear appeals related to the provisions of the bill.

This bill will increase SCDE’s expenses by approximately \$600,000 in FY 2026-27, including \$565,000 in recurring expenses and \$35,000 in non-recurring expenses. Recurring expenses include approximately \$466,000 for salary and fringe for 4.0 FTEs (Education Associate positions) to manage the new responsibilities imposed by the bill and \$99,000 for professional development, site visits, miscellaneous equipment, and contract services for board member training. Non-recurring expenses include costs for the initial contract services for the board member training. SCDE will request additional General Fund appropriations for these expenses.

This bill will have no expenditure impact on ALC, the State Ethics Commission, or the Legislative Audit Council since any additional responsibilities can be managed with existing appropriations and staff.

SCDE surveyed the South Carolina Public Charter School District and the Charter Institute at Erskine for the potential expenditure impact of the amended bill. The Charter Institute at Erskine indicates that the bill will have a significant impact on the district but could not quantify the amount at this time.

Based on information from SCDE, nine of the traditional school districts (Anderson 5, Beaufort, Charleston, Chester, Georgetown, Horry, Lancaster, Richland 1, and York 3) also have charter schools under their jurisdiction. SCDE surveyed these districts and received a response from one

district. Charleston indicates that the expenditure impact of the amended bill is undetermined at this time.

## **Explanation of Fiscal Impact**

### **Amended by the House of Representatives on April 23, 2026**

#### **State Expenditure**

This bill as amended 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. Additionally, the bill requires SCDE to develop a streamlined transfer application for charter schools to apply to a new authorizer if the public or independent institution of higher learning authorizer’s registration is terminated. The bill also requires SCDE to develop an application and approval process for authorizers, to develop a separate application for charter schools for replication to encourage the creation of additional schools, to conduct certain annual reviews of charter authorizers, to provide guidance to authorizers, and to create an authorizer closure protocol, among other responsibilities.

The amended bill also specifies that charter school authorizers are subject to the ethics and government accountability requirements for public members and public employees in Chapter 13, Title 8. Additionally, the bill provides that ALC may hear appeals related to provisions of the bill. The bill also requires all persons elected or appointed as members of a charter school authorizer board of trustees to complete an orientation program and for charter school board of directors to participate in at least three hours of advanced board governance training annually. The training may be delivered by SCDE or an approved entity. Further, the bill specifies that charter school authorizers are subject to audits by the Legislative Audit Council.

**S.C. Department of Education.** SCDE indicates that this bill will increase expenses of the department by approximately \$600,000 in FY 2026-27. Of this amount, \$466,000 in recurring expenses is needed for 4.0 FTEs (Education Associate positions) to manage the additional responsibilities imposed by the bill, and \$99,000 is for operating expenses, including professional development, site visits, miscellaneous office equipment, and contract services for charter board member training. Non-recurring expenses of \$35,000 are expected for initial contract services for the board member training. Expenses will decrease to \$565,000 beginning in FY 2027-28. SCDE will request additional General Fund appropriations for these expenses.

**Administrative Law Court.** ALC previously indicated on similar legislation that any additional cases could be managed with current appropriations and staff. Therefore, the bill is not expected to have an expenditure impact on ALC.

**State Ethics Commission.** The State Ethics Commission previously indicated on similar legislation that it could manage the new responsibilities with existing appropriations and staff. Therefore, the bill is not expected to have an expenditure impact on ALC.

**Legislative Audit Council.** The Legislative Audit Council reports that any additional audits resulting from this bill can be managed with existing appropriations and staff. Therefore, the bill will have no expenditure impact on the agency.

**State Revenue**

N/A

**Local Expenditure**

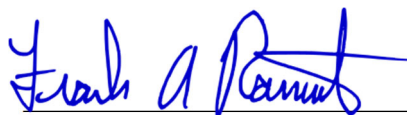
This bill makes changes to the South Carolina Charter Schools Act of 1996 by changing references from “sponsor” to “authorizer”. The bill requires charter schools to post their annual audit and contract with their charter authorizer, among other items, on their website and requires charter authorizers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

SCDE surveyed the South Carolina Public Charter School District and the Charter Institute at Erskine for the potential expenditure impact of the amended bill. The Charter Institute at Erskine indicates that the bill will have a significant impact on the district but could not quantify the amount at this time.

Additionally, based on information from SCDE, nine of the traditional school districts (Anderson 5, Beaufort, Charleston, Chester, Georgetown, Horry, Lancaster, Richland 1, and York 3) also have charter schools under their jurisdiction. SCDE surveyed these districts and received a response from one district. Charleston indicates that the expenditure impact of the amended bill is undetermined at this time.

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director