



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. 1043 Introduced on March 24, 2026
Subject: Civil Air Patrol Leave Act
Requestor: Senate Family and Veterans Services
RFA Analyst(s): Tipton and Bryant
Impact Date: April 30, 2026

Fiscal Impact Summary

This bill requires all public and private employers in the state to provide leave to employees who are members of the Civil Air Patrol (CAP), the official civilian auxiliary of the United States Air Force, in the amount of at least 30 days per calendar year to respond to an emergency service operation and at least 10 days per year for training and proficiency activities. Under the bill, public employers must pay employees for all CAP leave at the employees' current pay rate. Public and private employees using the leave will retain all benefits, rights, and privileges to which they are entitled. The bill also provides several requirements of CAP members as well as public and private employers in the use and administration of the paid leave.

State agencies and institutions may face additional personnel needs associated with managing the workload from employees taking the paid CAP 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, eligible employees would not be required to use accrued annual leave for these purposes and instead may use the additional CAP leave for qualifying events. Therefore, 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 will also vary.

This bill will have no expenditure impact on Division of State Human Resources (DSHR) within the Department of Administration (Admin), as the agency anticipates that updating policies and procedures, notifying state agencies of the additional leave category, and making programmatic changes to the statewide leave management system will take place using existing resources. As information, DSHR notes that updating the leave reporting system is complex and may take several months to implement.

Revenue and Fiscal Affairs (RFA) contacted all counties in South Carolina and the Municipal Association of South Carolina (MASC) to determine the local fiscal impact of this bill and received responses from the counties of Horry, Florence, and Lancaster as well as MASC. Florence and Lancaster Counties indicate that any expenditure impact would be minimal and limited to overtime pay for employees managing the workloads of employees on paid leave. Horry County indicates that the fiscal impact is currently undetermined. MASC reports that any

additional costs for municipalities in the state associated with employees using CAP leave is expected to be minimal and infrequent and managed with existing resources.

The S.C. Department of Education (SCDE) surveyed the seventy-two regular school districts and three charter school districts and received responses from twelve districts. Four districts indicate that this bill will have no expenditure impact. Two districts report that any additional costs can be managed with existing appropriations. Four districts indicate that costs may increase due to the need to pay employees who are members of the CAP while they are on leave and hire substitutes but report that the cost will depend upon the number of employees who are members of the CAP and how frequently they use leave and therefore cannot be quantified at this time. The two remaining districts indicate that this bill may increase costs, with one estimating costs up to \$72,000 to pay employees who are members of the CAP while they are on leave and hire substitutes.

Explanation of Fiscal Impact

Introduced on March 24, 2026

State Expenditure

This bill requires all public and private employers in the state to provide leave to employees who are members of the CAP in the amount of at least 30 days per calendar year to respond to an emergency service operation and at least 10 days per year for training and proficiency activities. Under the bill, public employers must pay employees for all CAP leave at the employees' current pay rate. Public and private employees using the leave will retain all benefits, rights, and privileges to which they are entitled. The bill specifies additional requirements for employers in the administration of the leave and for eligible employees in the proper usage and documentation of the leave. The bill further states that public or private employees who are members of the CAP may not be entitled to the leave if they are already required to respond to an emergency service operation as a first responder, emergency manager, or other emergency services for a local state, or federal agency. CAP members also may not be eligible to receive the leave if they have been designated as an essential employee. The bill provides that an employee may bring a civil action against an employer who violates these provisions under certain requirements.

State agencies and institutions may face additional personnel needs associated with managing the workload from employees taking the paid CAP 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, eligible employees would not be required to use accrued annual leave for these purposes and instead may use the additional CAP leave for qualifying events. Therefore, 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 will also vary.

Also, DSHR anticipates that updating policies and procedures, notifying agencies of the additional leave category, and making any programmatic changes to the statewide leave management system will take place using existing resources, and therefore, this bill will have no

expenditure impact on DSHR within Admin. As information, the agency notes that updating the leave reporting system is complex and may take several months to implement.

State Revenue

N/A

Local Expenditure

This bill requires all public and private employers in the state to provide leave to employees who are members of the CAP in the amount of at least 30 days per calendar year to respond to an emergency service operation and at least 10 days per year for training and proficiency activities.

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Local Revenue

N/A



Frank A. Rainwater, Executive Director