



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

(803)734-3780 • RFA.SC.GOV/IMPACTS

*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.*

---

<b>Bill Number:</b>	S. 0038	Signed by Governor on April 28, 2021
<b>Author:</b>	Grooms	
<b>Subject:</b>	REACH Act	
<b>Requestor:</b>	Senate	
<b>RFA Analyst(s):</b>	Wren and A. Martin	
<b>Impact Date:</b>	July 15, 2021	

---

### Fiscal Impact Summary

The bill requires all public high schools to give instruction in the Emancipation Proclamation, in addition to other areas of study, and for all students to pass a course that includes instruction on the Emancipation Proclamation in order to receive a certificate of graduation. The bill also requires undergraduate students in public institutions of higher learning (IHLs) that offer classes which may fulfill general education or liberal arts requirements to successfully complete at least three semester credit hours of instruction in American history, American government, or another equivalent course of instruction that provides a comprehensive overview of the major events and turning points of American history and government. At a minimum, this instruction must include the United States Constitution in its entirety, the Declaration of Independence in its entirety, the Emancipation Proclamation in its entirety, a minimum of five essays in their entirety from the Federalist Papers as selected by an instructor, and one or more documents that are foundational to the African American Freedom struggle.

The bill will have no expenditure impact on the South Carolina Department of Education (SCDE), since instruction on the Emancipation Proclamation is currently included in high school standards. Additionally, further development of items needed to measure the Emancipation Proclamation can be completed within current appropriations.

The bill will have no expenditure impact on the state agency schools. The Wil Lou Gray Opportunity School indicates that the bill will have no expenditure impact on the agency, since the school participates in a GED granting curriculum. The Governor's School for Science and Mathematics, the Governor's School for Agriculture at John de la Howe, and the School for the Deaf and Blind indicate that the bill will have no impact since their students currently receive instruction in the subjects required in this bill.

The Commission on Higher Education (CHE) will be responsible for ensuring that all public institutions of higher learning (IHLs) comply with the requirements of this bill. CHE must compile documentation of compliance and report to various committees. CHE anticipates that this will increase agency expenses by \$10,000 beginning FY 2021-22.

Based upon responses received from the IHLs, the bill will increase expenditures for some of the IHLs by an estimated \$1,252,000 in FY 2021-22, \$2,541,000 in FY 2022-23, \$2,469,000 in FY

2023-24 and FY 2024-25, and \$2,149,000 each year thereafter, for course development and 32.0 additional FTEs required to deliver instruction. Twelve of the responding IHLs indicate that they can manage the expenses within current appropriations. The expenses for these twelve IHLs are estimated to total \$1,252,000 in FY 2021-22, \$2,231,000 in FY 2022-23, \$2,204,000 in FY 2023-24 and FY 2024-25, and \$1,884,000 each year thereafter. Also, these IHLs anticipate the need for 29.0 FTEs. In addition to surveying the seventeen research and comprehensive public IHLs for their response to this bill, CHE surveyed the IHLs for their responses to a similar bill during the previous session. Fourteen institutions provided responses to the current bill. For the two institutions that did not provide an updated response, their responses to the previous bill are included.

The bill will have a minimal expenditure impact on Greenville Technical College (GTC) because the college will administer policies resulting from this bill with the use of existing staff and resources. This bill will impact only public IHLs that offer baccalaureate degree programs. To date, GTC is the only technical college that offers such a program. Therefore, this bill will have no expenditure impact on other technical colleges.

The bill will have no expenditure impact on local school districts, since instruction on the Emancipation Proclamation is currently included in the high school standards.

## **Explanation of Fiscal Impact**

**Signed by Governor on April 28, 2021**

### **State Expenditure**

The bill requires all public high schools to give instruction in the essentials of the Emancipation Proclamation, in addition to the current requirements of instruction on the U.S. Constitution, the Declaration of Independence, and the Federalist Papers. Additionally, the bill requires students to pass a course that includes instruction in these subject areas prior to receiving a certificate of graduation.

The bill also requires undergraduate students in public IHLs that offer classes which may fulfill general education or liberal arts requirements to successfully complete at least three semester credit hours of instruction in American history, American government, or another equivalent course of instruction that provides a comprehensive overview of the major events and turning points of American history and government. At a minimum, this instruction must include the United States Constitution in its entirety, the Declaration of Independence in its entirety, the Emancipation Proclamation in its entirety, a minimum of five essays in their entirety from the Federalist Papers as selected by an instructor, and one or more documents that are foundational to the African American Freedom struggle. Also, no public institution of higher learning may grant a certificate of graduation for a baccalaureate degree program to a student unless the student successfully completes the required coursework pursuant to this bill. Further, the board of trustees of an IHL must ensure that the requirements of the bill are incorporated into the degree requirements of all undergraduate degree programs in a manner that does not add to the total number of credit hours and does not conflict with any school accreditation process.

CHE must annually collect information necessary to ensure that each public institution of higher learning is in compliance with the provisions of the bill. Such information must be reported annually to the Chairman of the House Ways and Means Committee, the Chairman of the House Education and Public Works Committee, the Chairman of the Senate Finance Committee, and the Chairman of the Senate Education Committee. Additionally, the bill repeals Section 59-29-140 relating to the enforcement of the program of study of the U.S. Constitution by the State Superintendent of Education.

**Department of Education.** SCDE indicates that the bill will have no expenditure impact on the agency, since instruction on the Emancipation Proclamation is currently covered in the high school standards. Additionally, further development of items needed to measure the Emancipation Proclamation can be managed within current appropriations.

**State Agency Schools.** The Wil Lou Gray Opportunity School indicates that the bill will have no expenditure impact on the agency, since the school participates in a GED granting curriculum. The Governor's School for Science and Mathematics, the Governor's School for Agriculture at John de la Howe, and the School for the Deaf and Blind indicate that the bill will have no impact, since their students currently receive instruction in the specified areas of study. Based upon these responses, we do not anticipate that the bill will impact the Governor's School for Arts and Humanities. Therefore, the bill will have no expenditure impact on the state agency schools.

**Commission on Higher Education.** The bill creates additional curriculum requirements for public IHLs. CHE must collect information necessary to ensure these requirements are being met and report annually to the Chairman of the House of Representatives Ways and Means Committee, the Chairman of the House of Representatives Education and Public Works Committee, the Chairman of the Senate Finance Committee, and the Chairman of the Senate Education Committee. At least three times each year, CHE staff will perform the following:

- Establish a process for institutional compliance, including written guidance,
- Review course syllabi from public institutions to determine conformity,
- Correspond with public IHLs about their compliance, and
- Report compliance finding to the General Assembly

Due to the number of course syllabi that will need to be reviewed by their staff, CHE anticipates that this bill will increase agency expenditures by \$10,000 beginning in FY 2021-22 for additional staff time.

The bill creates additional curriculum requirements for students pursuing a baccalaureate degree. CHE surveyed the public IHLs to determine the expenditure impact this bill will have on each institution.

The Citadel responded that this bill would require the addition of two full-time instructors costing \$83,000 each for annual salary and fringe. In addition, the school would need five additional adjunct instructors at \$4,000 each for annual salary and fringe. The school would also require additional administrative support totaling \$3,300 annually for salary and fringe. The

Citadel anticipates expenditures for equipment and supplies to total \$2,400 for FY 2022-23 and \$400 for each year thereafter. Therefore, the entire increase in expenditures is expected to be \$191,700 in FY 2022-23 and \$189,700 each year thereafter. However, the Citadel is not seeking additional funding to implement the provisions of this bill. The Citadel will implement the requirements of this bill using current appropriations.

Clemson University, in anticipation of the passing of this bill, intends to expand their current course offerings to meet the provisions of this bill beginning in the fall of 2021. The university indicated that this bill would require twelve additional full-time lecturers. In addition, one administrator would be required for the coordination and tracking of all students and programming associated with this requirement. The annual expenditures for these 13.0 FTEs would be \$932,000 beginning in FY 2021-22. However, Clemson is not seeking additional funding to implement the provisions of this bill. The university will manage the cost within their existing budget.

Lander indicated that the agency anticipates the expenditure impact of this bill could be managed within existing appropriations.

Winthrop University indicated that this bill would require non-recurring expenditures of \$15,000 in FY 2022-23 to modify existing courses to comply with the requirements of this bill. The university indicated that they currently have staff in place to teach the additional sections. However, should the university be faced with budget reductions that result in loss of FTEs, they would need to request an additional \$162,000 for salary and fringe for 1.8 faculty FTEs. This figure is provided here for informational purposes and only the \$15,000 is included in the summative total for all IHLs below.

The University of South Carolina (USC) Columbia, in anticipation of the passing of this bill, intends to provide a required three-hour credit course to meet these requirements beginning in the fall of 2021. Initially, this course will be taught by temporary faculty members consisting of non-tenure track faculty or postdoctoral fellows. Over the next four years, the university intends to replace these temporary faculty members with tenure track faculty. The university will train existing faculty to teach founding documents, or retiring faculty members will be replaced by faculty with that expertise. The university intends to hire six postdoctoral fellows for the next four years at an annual expense of \$305,000 for salary and fringe. Training and workshop expenses are anticipated to be \$15,000 each year for the next four years. Therefore, the total anticipated expenditures for USC Columbia will be \$320,000 each year for FY 2021-22 through FY 2024-25. The University of South Carolina System is not seeking additional funding to implement the provisions of this bill. The university will implement the requirements of this bill using current appropriations.

USC Aiken reported increased annual expenditures of \$90,000 for 1.0 FTE and online course development as a result of the provisions of this bill. USC Beaufort reported \$168,000 in increased annual expenditures for salary and fringe for two assistant professors. USC Upstate expects \$503,000 in additional annual expenditures for 6.0 faculty FTEs. USC Palmetto College, which comprises USC Union, Lancaster, Salkehatchie, and Sumter branches, anticipates

a minimal increase in expenditures. The University of South Carolina System is not seeking additional funding to implement the provisions of this bill. The university will implement the requirements of this bill using current appropriations.

The College of Charleston anticipates that it will require an additional \$25,000 in non-recurring General Funds for course development. Therefore, this bill will increase non-recurring General Fund expenditures for the College of Charleston by \$25,000 in FY 2021-22.

Coastal Carolina anticipates a non-recurring General Fund expenditure of \$25,000 for course development. The university intends to implement this change using current appropriations.

CHE surveyed the public institutions of higher education regarding the impact of similar legislation during last session. We anticipate that these responses are still accurate. However, we have requested updates, and we will update this impact statement if we receive revised responses.

Francis Marion University (FMU) previously anticipated the need for 2.0 faculty FTEs, which would increase annual expenditures by \$150,000. In addition, FMU anticipated an additional non-recurring cost of \$5,000 for course development.

CHE indicates that the bill exempts the Medical University of South Carolina (MUSC) from the requirements of the bill since MUSC is not accredited to offer general education courses. Therefore, the bill will have no expenditure impact on MUSC.

South Carolina State University previously anticipated \$115,000 in General Fund expenditures for 1.0 faculty FTE.

Therefore, based upon responses received from the IHLs, this bill will increase expenditures for some of the IHLs by an estimated \$1,252,000 in FY 2021-22, \$2,541,000 in FY 2022-23, \$2,469,000 in FY 2023-24 and FY 2024-25, and \$2,149,000 each year thereafter, for course development and 32.0 FTEs required to deliver instruction. Twelve of the responding IHLs indicate that they can manage the expenses within current appropriations. The expenses for these twelve IHLs are estimated to total \$1,252,000 in FY 2021-22, \$2,231,000 in FY 2022-23, \$2,204,000 in FY 2023-24 and FY 2024-25, and \$1,884,000 each year thereafter. Also, these IHLs anticipate the need for 29.0 FTEs.

**State Board for Technical and Comprehensive Education.** The bill applies to undergraduate baccalaureate degree programs only. Currently, GTC is the only technical college that offers such a program. GTC indicates that a currently employed instructor will be asked to teach one additional class per year to satisfy the requirements of this bill. The bill will have no expenditure impact on GTC, because any additional expenditures will be minimal and can be absorbed within existing appropriations. GTC prepared this estimate using the assumption that this bill will only impact students enrolled in GTC's baccalaureate program and does not apply to students enrolled in other programs.

No other baccalaureate programs are offered at any other technical college, and the bill has no further requirements of SBTCE. Therefore, the bill will have no expenditure impact on SBTCE or the Technical College System.

**State Revenue**

N/A

**Local Expenditure**

The bill requires all public high schools to give instruction in the essentials of the Emancipation Proclamation, in addition to the current requirements of instruction on the U.S. Constitution, the Declaration of Independence, and the Federalist Papers. Additionally, the bill requires students to pass a course that includes instruction in these subject areas prior to receiving a certificate of graduation.

Sections 59-29-120 and 59-29-130 currently require high school students to receive instruction in the aforementioned studies. Additionally, SCDE indicates that instruction on the Emancipation Proclamation is currently included in the high school standards. Therefore, the bill will have no expenditure impact on local school districts.

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director