



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3151 As amended by Senate Education on May 11, 2016
Author: G.R. Smith
Subject: Study of U.S. Constitution
Requestor: Senate Education
RFA Analyst(s): Fulmer and Walling
Impact Date: May 16, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	See below	See below
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	See below	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will increase General Fund expenditures by a minimum of \$2,495,695 and 20.75 FTEs up to a maximum of \$4,895,695 and 42.25 FTEs. Of these figures, \$31,000 is considered non-recurring General Fund expenditures. This bill will not impact Federal Funds or Other Funds expenditures. This bill becomes effective one year after the Governor’s signature or FY 2017-18.

Explanation of Fiscal Impact

Explanation of Amendment by the Senate Education Committee on May 11, 2016

State Expenditure

This bill as amended requires instruction in the essentials of the United States Constitution, the Declaration of Independence, and the Federalist Papers along with instruction in African-American history and in Native-American history of the aboriginal people indigenous to South Carolina. Additionally, the amended bill allows public institutions of higher learning the option to exempt a student from being required to take the courses identified in the bill if the student has passed a relevant advanced placement course or dual-credit course while in high school. Furthermore, the bill stipulates the provisions apply to the first incoming freshman class and each class thereafter. Any provision of the bill is not intended to deny graduation to an undergraduate enrolled in a public institution of higher education on the effective date of the act.

The State Department of Education. The department indicates there is no expenditure impact to the General Fund, Federal Funds, or Other Funds.

Commission on Higher Education (CHE). CHE reports minimal costs associated with implementing the proposed legislature. CHE expects these costs to be absorbed within their current level of funding. Additionally, the commission surveyed the public institutions of higher education. Clemson University, the Medical University of South Carolina, the Citadel, Lander, and Coastal Carolina University reported the bill would have minimal impact and could be absorbed with current appropriations.

The University of South Carolina (USC) estimates the bill will require additional sections of a US Constitution course and African American and Native America History course. The increase in General Fund expenditures will depend on what model is used to provide the additional course sections. The most expensive model is the Live Instruction. This would increase expenditures by \$4,000,000 to hire 32.5 new faculty FTEs and expenses related to graduate assistants. The On-Line instruction model would increase expenditures by \$2,000,000 for 11 additional faculty FTEs and additional graduate assistants. The least expensive option would be using a third-party vendor to provide the instruction online. This option would cost approximately \$1,600,000 for 11 additional faculty FTEs and payment of the third-party vendor fee. USC Aiken reported increased expenditures of \$83,600 and 1.75 new FTEs split among one faculty FTE (\$68,600) and adjunct faculty accounting for the remaining .75 FTE (\$15,000). USC Beaufort reported \$68,600 in additional expenditures for the hire of 1 new faculty FTE. USC Upstate expects \$107,520 in additional expenditures for 2 new faculty FTEs. USC Palmetto College expects 44 additional sections of the courses offered, increasing expenditures by \$181,500 for additional faculty.

The College of Charleston reported a non-recurring expenditure of \$25,000 for staff time to develop a revised curriculum. Francis Marion University (FMU) expects \$63,075 in recurring expenditures for one new FTE (\$60,075) and annual operating expense (\$3,000). Additionally, FMU would have \$6,000 in non-recurring operating expenditures. South Carolina State University would need \$330,400 for 4 new faculty FTEs (\$321,600) and related professional development (\$4,800) and overhead expenditures (\$4,000). Winthrop expects the bill to require the university to offer 10 additional course sections which will increase expenditures by \$30,000.

A response from the Technical and Comprehensive Education Board is pending.

Explanation of Amendment by the House of Representatives on May 6, 2015

State Expenditure

This bill as amended requires instruction in the essentials of the United States Constitution, the Declaration of Independence, and the Federalist Papers along with instruction in African-American history and in Native-American history of the aboriginal people indigenous to South Carolina.

The State Department of Education. The department indicates there is no expenditure impact to the General Fund, Federal Funds, or Other Funds.

Commission on Higher Education (CHE). CHE reports minimal costs associated with implementing the proposed legislature. CHE expects these costs to be absorbed within their

current level of funding. Additionally, the commission surveyed the public institutions of higher education. Clemson University, the Medical University of South Carolina, the Citadel, Lander, and Coastal Carolina University reported the bill would have minimal impact and could be absorbed with current appropriations.

The University of South Carolina (USC) estimates the bill will require additional sections of a US Constitution course and African American and Native America History course. The increase in General Fund expenditures will depend on what model is used to provide the additional course sections. The most expensive model is the Live Instruction. This would increase expenditures by \$4,000,000 to hire 32.5 new faculty FTEs and expenses related to graduate assistants. The On-Line instruction model would increase expenditures by \$2,000,000 for 11 additional faculty FTEs and additional graduate assistants. The least expensive option would be using a third-party vendor to provide the instruction online. This option would cost approximately \$1,600,000 for 11 additional faculty FTEs and payment of the third-party vendor fee. USC Aiken reported increased expenditures of \$83,600 and 1.75 new FTEs split among one faculty FTE (\$68,600) and adjunct faculty accounting for the remaining .75 FTE (\$15,000). USC Beaufort reported \$68,600 in additional expenditures for the hire of 1 new faculty FTE. USC Upstate expects \$107,520 in additional expenditures for 2 new faculty FTEs. USC Palmetto College expects 44 additional sections of the courses offered, increasing expenditures by \$181,500 for additional faculty.

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A response from the Technical and Comprehensive Education Board is pending

Explanation of Bill Filed on December 11, 2014

State Expenditure

This bill amends Section 59-29-120, 59-29-130, and 59-29-140 relating to the required history education of the United States. Currently, these statutes require that all publicly supported high schools, colleges, and universities provide instruction on the US Constitution, the Declaration of Independence, and the Federalist Papers. This instruction must be given for at least one year and any guidelines related to the instruction are under the jurisdiction of the State Superintendent of Education. The bill amends Section 59-29-120 by allowing higher education institutions to satisfy the statute by providing and assigning related reading materials selected by the Commission on Higher Education. The bill updates Section 59-29-130 to require the instruction be given at least once for an undergraduate degree. The bill amends Section 59-29-140 by replacing the State Superintendent of Education with the Commission of Higher Education as the authority for making appropriate arrangements for compliance with the Statute in regards to public colleges and universities.

The State Department of Education. US History and Constitution is a required course for graduation that is already included in the standards. Therefore, there is no expenditure impact to the agency.

Commission on Higher Education (CHE). CHE reports minimal costs associated with implementing the proposed legislature. CHE expects these costs to be absorbed within their current level of funding.

CHE surveyed all of the Higher Ed institutions regarding expected costs associated with complying with the bill. Most colleges and universities general education requirement include courses covering the material required by the statute. CHE expects to work with the institutions and provide for as much flexibility as possible within the constraints of the legislation so as to avoid implications with accreditation and to keep any incurred costs for the institutions and students to a minimum. With this in mind, the institutions expect minimal costs to the General Fund, Federal Fund, or Other Funds that can be absorbed with the current level of funding.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director