



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:	H. 3102	Introduced on January 12, 2021
Author:	White	
Subject:	Abolish the Education Oversight Committee and Commission on Higher Education	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Wren and Tipton	
Impact Date:	January 31, 2022	

Fiscal Impact Summary

This bill abolishes the Education Oversight Committee (EOC) and the Commission on Higher Education (CHE) as of July 1, 2021. The duties, responsibilities, and functions of these agencies are devolved upon the newly created Commission for Comprehensive Education (Commission). The Commission is deemed the lead agency to facilitate integration of the provisions of this bill into all phases of education from kindergarten through post-graduate training.

This bill will have no expenditure impact on the State Department of Education (SCDE), as the agency can incorporate the provisions of the bill into its current policies and programs.

The bill requires the transfer of the employees, authorized appropriations, assets, and liabilities of EOC to the Commission. Based on the FY 2021-22 Appropriations Act, \$1,793,200 in Other Funds and 10.0 Other Funds FTEs of the EOC will transfer to the newly established Commission. Additionally, the total annual appropriations for CHE was approximately \$48,514,300. Of this amount, \$38,315,300 in General Funds, \$5,469,200 in Other Funds, and \$4,729,800 in Federal Funds will transfer to the new Commission. Additionally, CHE has 43.0 FTEs, including 29.7 General Funds positions, 13.0 Other Funds positions, and 0.3 Federal Funds positions that will also transfer to the Commission. Further, members of the EOC and the CHE boards currently do not receive a salary. This bill requires members of the newly created Commission to receive annual salaries payable in the same manner as the salaries of other state officers. Therefore, expenses may increase by an amount equal to the unspecified salaries of the nine board members.

Explanation of Fiscal Impact

Introduced on January 12, 2021

State Expenditure

This bill abolishes the EOC and CHE as of July 1, 2021. The duties, responsibilities, and functions of these agencies are devolved upon the newly created Commission. The employees, authorized appropriations, assets, and liabilities of EOC and CHE are transferred to the Commission. All classified or unclassified personnel employed by EOC or CHE, either by contract or by employment at will, must become employees of the Commission with the same

employment status, compensation, classification, and grade-level as applicable. Agency heads may be retained or offered other positions at the discretion of the Commission.

The Commission will be comprised of nine members. Seven members must be elected by the General Assembly, one from each congressional district. Two members must be appointed by the Governor, one of whom must serve as chairman as designated by the Governor. The chairman and members of the Commission must receive annual salaries payable in the same manner as the salaries of other state officers. The Commission shall receive appropriations as may be provided by the General Assembly and may employ such staff as necessary including a director and deputy director within the appropriations.

The Commission is deemed the lead agency to facilitate integration of the provisions of this bill into all phases of education from kindergarten through post graduate training. This system of education may be cited as the P-20 educational system for preschool through age 20. Upon coordinating with the Commission, other agencies involved with delivering educational services to the children and adults of this state, including, but not limited to, the State Department of Education and the State Board for Technical and Comprehensive Education (SBTCE) also must incorporate the provisions of this bill into those policies and programs they are responsible for overseeing or undertaking under state law. Also, the Commission and other agencies or departments involved with delivering educational services to children and adults must address specified issues. Additionally, the Commission must determine performance measures under the provisions of this bill and annually report to the Governor, General Assembly, and the general public the success of the educational agencies, departments, and commissions charged with implementing this bill in regard to certain measures. Further, the Governor in his executive budget beginning with FY 2022-23 must include funding for those initiatives the Governor annually identifies that will accomplish the objectives and provisions of this bill.

Education Oversight Committee. The bill requires the transfer of the employees, authorized appropriations, assets, and liabilities of EOC to the Commission. Based on the FY 2021-22 Appropriations Act, the total annual appropriations of EOC to be transferred to the Commission is approximately \$1,793,200. Of this amount, \$500,000 are pass-through funds for the South Carolina Autism Society pursuant to Proviso 1A.46. This leaves the agency with an operating budget of \$1,293,200, which is Other Funds. Additionally, the agency has 10.0 Other Funds FTEs. Further, the EOC board members currently do not receive a salary. This bill requires members of the newly created Commission to receive annual salaries payable in the same manner as the salaries of other state officers. Therefore, expenses may increase by an amount equal to the unspecified salaries of the nine board members.

Commission on Higher Education. This bill will transfer the employees, authorized appropriations, assets, and liabilities of CHE to the Commission. Based on the FY 2021-22 Appropriations Act, the total annual appropriations to CHE was approximately \$48,514,300. Of this amount, \$38,315,300 was General Funds, \$5,469,200 was Other Funds, and \$4,729,800 was Federal Funds. Additionally, CHE has 43.0 FTEs. Of this amount, 29.7 FTEs are General Fund positions, 13.0 are Other Funds positions, and 0.3 is a Federal Funds position. Further, the CHE board members currently do not receive a salary. This bill requires members of the newly

created Commission to receive annual salaries payable in the same manner as the salaries of other state officers. Therefore, expenses may increase by an amount equal to the unspecified salaries of the nine board members.

State Department of Education. SCDE indicates that this bill will have no expenditure impact on the agency, since it can incorporate the provisions of the bill into its current policies and programs.

State Board for Technical and Comprehensive Education. The SBTCE oversees and reports on the S.C. Technical College System and is required to incorporate the provisions of this bill into any applicable policies and programs it is responsible for overseeing or undertaking under state law. SBTCE indicates that this can be managed within existing appropriations, and therefore, will have no expenditure impact.

Additionally, the bill requires the Commission to be comprised of nine members. The EOC is currently comprised of eighteen members, and CHE is comprised of fifteen members. There could be some cost savings associated with fewer members of the Commission. However, any potential cost savings are undetermined at this time and will depend upon the number of meetings of the newly established Commission.

State Revenue

The bill requires employees, authorized appropriations, assets, and liabilities of EOC and CHE to be transferred to the Commission. All classified or unclassified personnel employed by EOC or CHE, either by contract or by employment at will, must become employees of the Commission with the same employment status, compensation, classification, and grade level as applicable. The Revenue and Fiscal Affairs Office (RFA) anticipates the expenditures of the Commission will be increased by an amount equal to appropriations received from EOC and CHE. While the revenues and appropriations of the Commission are anticipated to increase by the amounts transferred to them, RFA does not anticipate there will be a net impact to total revenues.

Local Expenditure

N/A

Local Revenue

N/A



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