



**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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**Bill Number:** H. 3242 Introduced on January 12, 2021  
**Author:** Collins  
**Subject:** National Guard Youth Challenge Academy  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Wren  
**Impact Date:** January 31, 2022 Updated for Additional Agency Response

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### **Fiscal Impact Summary**

This bill requires each public school district to provide the names and addresses of certain students to the South Carolina Youth Challenge Academy, which is administered by the South Carolina National Guard, and to the Wil Lou Gray Opportunity School after soliciting specified written consent from the parents of these students. Also, the State Department of Education (SCDE) must review any allegations of noncompliance with the provisions of the bill. A school or district that fails to comply with the provisions of the bill may be subject to a loss of state funding at the discretion of the State Board of Education.

This bill will have no expenditure impact on SCDE, since any expenses associated with an increase in hearings for the State Board of Education can be managed within existing appropriations.

This bill will have no expenditure impact on the state agency schools, since the agencies indicate that any expenses to comply with the provisions of the bill can be managed within existing appropriations.

The expenditure impact of this bill on the local school districts is undetermined. Districts will incur costs associated with mail and postage for the written parental consent and for staff time to monitor and track the written consent. However, the expenditure impact will depend on the number of students by district that have either left school or are in the process of leaving school before graduation. For reference, SCDE reports that 3,969 students were deemed to be school dropouts in the 2019-20 school year.

The bill allows withholding of state funding for noncompliance of the provisions of the bill. This will have an undetermined revenue impact on the state agency schools and the local school districts as it unknown how many districts will not comply with the provisions of the bill or if the State Board of Education will withhold funds.

*This impact statement has been updated to include responses from SCDE, the School for the Deaf and Blind, the Governor's School for Agriculture at John de la Howe, and the local school districts.*

## Explanation of Fiscal Impact

**Updated for Additional Agency Response on January 31, 2022**

**Introduced on January 12, 2021**

### **State Expenditure**

This bill requires each public school district to provide the names and addresses of the following students to the South Carolina Youth Challenge Academy, which is administered by the South Carolina National Guard, and to the Wil Lou Gray Opportunity School after soliciting specified written consent from the parents of these students.

- People formerly enrolled as students in the district who, after the effective date of the bill, have left school before graduation, excluding former students who have died or transferred to another school; and
- Students currently enrolled in the district who have formally initiated the process of leaving school before graduation, unless the student is transferring to another school.

Currently, the Wil Lou Gray Opportunity School is authorized to contact the attendance supervisors or principals at various high schools or school districts for the purpose of receiving access to the names and addresses of students who are reported as school dropouts.

The bill specifies that the Youth Challenge Academy and the Wil Lou Gray Opportunity School may only use the student names and addresses for the purpose of providing the students information about their programs. It also requires SCDE to review any allegations by the Youth Challenge Academy and the Wil Lou Gray Opportunity School that a public school district has failed to comply with the provisions of the bill and must notify the State Board of Education of its findings. Further, a school or district that fails to comply with the provisions of the bill may be subject to a loss of state funding at the discretion of the State Board of Education.

**State Department of Education.** SCDE indicates that the bill could increase hearings and associated costs for the State Board of Education if public school districts fail to comply with the provisions of the bill. However, any expenses are expected to be managed within SCDE's existing appropriations. Therefore, the bill will have no expenditure on the agency. *This section of the impact statement has been updated to include a response from SCDE.*

**State Agency Schools.** The Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, the Wil Lou Gray Opportunity School, the School for the Deaf and Blind, and the Governor's School for Agriculture at John de la Howe indicate that the bill will have no expenditure impact since the agencies can adhere to the provisions of the bill within existing appropriations. *This section of the impact statement has been updated to include a response from the School for the Deaf and Blind and the Governor's School for Agriculture at John de la Howe.*

### **State Revenue**

As noted above, a school or district that fails to comply with the provisions of the bill may be subject to a loss of state funding at the discretion of the State Board of Education. The potential

amount of state funding that may be withheld from a school district due to noncompliance of the provisions of the bill is undetermined as it unknown how many districts will not comply with the provisions of the bill or the amount that may be withheld.

### **Local Expenditure**

As noted above, this bill requires each public school district to provide the names and addresses of certain students to the South Carolina Youth Challenge Academy, which is administered by the South Carolina National Guard, and to the Wil Lou Gray Opportunity School, after soliciting specified written consent from the parents of these students. Based upon data reported by SCDE, 3,969 public school students were deemed to be dropouts in the 2019-20 school year.

SCDE indicates that this bill will increase expenses of the local school districts for mail and postage costs to obtain the necessary parental consent and for staff time to monitor and track the required written consent. However, the expenses are undetermined and will depend upon the number of students by district that have either left school or are in the process of leaving school before graduation. *This section of the impact statement has been updated to include a response for the local school districts.*

### **Local Revenue**

The potential amount of state funding that may be withheld from a local school district due to noncompliance of the provisions of the bill is undetermined as it unknown how many districts will not comply with the provisions of the bill.

### **Introduced on January 12, 2021**

#### **State Expenditure**

This bill requires each public school district to provide the names and addresses of the following students to the South Carolina Youth Challenge Academy, which is administered by the South Carolina National Guard, and to the Wil Lou Gray Opportunity School after soliciting specified written consent from the parents of these students.

- People formerly enrolled as students in the district who, after the effective date of the bill, have left school before graduation, excluding former students who have died or transferred to another school; and
- Students currently enrolled in the district who have formally initiated the process of leaving school before graduation, unless the student is transferring to another school.

Currently, the Wil Lou Gray Opportunity School is authorized to contact the attendance supervisors or principals at various high schools or school districts for the purpose of receiving access to the names and addresses of students who are reported as school dropouts.

The bill specifies that the Youth Challenge Academy and the Wil Lou Gray Opportunity School may only use the student names and addresses for the purpose of providing the students information about their programs. It also requires SCDE to review any allegations by the Youth Challenge Academy and the Wil Lou Gray Opportunity School that a public school district has failed to comply with the provisions of the bill and must notify the State Board of Education of

its findings. Further, a school or district that fails to comply with the provisions of the bill may be subject to a loss of state funding at the discretion of the State Board of Education.

**State Department of Education.** The expenditure impact of this bill on SCDE is pending, contingent upon a response from the agency.

**State Agency Schools.** The Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, and the Wil Lou Gray Opportunity School indicate that the bill will have no expenditure impact since the agencies can adhere to the provisions of the bill within existing appropriations. The expenditure impact of this bill on the Governor's School for Agriculture at John de la Howe and the School for the Deaf and Blind is pending, contingent upon a response.

### **State Revenue**

As noted above, a school or district that fails to comply with the provisions of the bill may be subject to a loss of state funding at the discretion of the State Board of Education. The potential amount of state funding that may be withheld from a school district due to noncompliance of the provisions of the bill is undetermined as it unknown how many districts will not comply with the provisions of the bill or the amount that may be withheld.

### **Local Expenditure**

As noted above, this bill requires each public school district to provide the names and addresses of certain students to the South Carolina Youth Challenge Academy, which is administered by the South Carolina National Guard, and to the Wil Lou Gray Opportunity School, after soliciting specified written consent from the parents of these students.

The expenditure impact of this bill on the regular districts and the charter districts to solicit written consent from certain parents is pending, contingent upon a response.

### **Local Revenue**

The potential amount of state funding that may be withheld from a local school district due to noncompliance of the provisions of the bill is undetermined as it unknown how many districts will not comply with the provisions of the bill.



Frank A. Rainwater, Executive Director