



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0203 Introduced on January 8, 2019
Author: Young
Subject: School Districts
Requestor: Senate Education
RFA Analyst(s): Wren
Impact Date: January 16, 2019

Fiscal Impact Summary

This bill could create cost savings and reduce expenditures for local school districts once districts consolidate. The amount of cost savings are undetermined and are at the discretion of the local districts on how the transition occurs and what programs or expenses can be consolidated. Any cost savings will be realized after FY 2020-21. Additionally, local property taxes and other revenues may be affected depending on how the transition is implemented because consolidation may impact millage rates, the millage increase limitations, and credit ratings for bond issuances. The school districts impacted by this bill are pending, contingent upon data from the State Department of Education (SDE).

Explanation of Fiscal Impact

Introduced on January 8, 2019

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

This bill requires school districts that meet certain criteria and are located in a single county to consolidate beginning with the 2020-21 school year. School districts that meet two of four criteria must consolidate. The criteria consist of the following:

- Average daily membership less than 1,500
- An accreditation status of probation or denied
- A state designation of Fiscal Caution or Warning pursuant to Section 59-20-90
- A risk assessment of medium or high or the district has a school that has been in improvement status for three years

This bill could reduce expenditures once school districts consolidate. Any cost savings will be realized after FY 2020-21 and are undetermined. The amount of cost savings will be at the discretion of the local districts on how the transition occurs and what programs or expenses can be consolidated. We would expect that over time districts may be able to save on administrative expenses such as human resources, accounting, procurement, transportation, school bus services, and maintenance. The school districts in Bamberg County, Barnwell County, Clarendon County,

Florence County, Greenwood County, and Hampton County would be impacted based solely on the average daily membership count. However, a comprehensive list of impacted school districts meeting any of the other criteria is pending, contingent upon additional data from SDE.

Local Revenue

This bill requires school districts that meet certain criteria and are located in a single county to consolidate beginning with the 2020-21 school year.

Local property taxes and other revenues may be affected depending on how the transition is implemented. The consolidation may affect millage rates, the millage increase limitations, and credit ratings for bond issuances depending upon how the transition to a single district for leadership, fiscal authority, and organization occurs.



Frank A. Rainwater, Executive Director