



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
 (803)734-0640 • RFA.SC.GOV/IMPACTS

Bill Number: H. 4776 As amended by the House of Representatives on April 26, 2016
Author: Allison
Subject: SC Education Facility Authority Act
Requestor: Senate Finance
RFA Analyst(s): Fulmer and Kokolis
Impact Date: May 16, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$0	\$790,190
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	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 would increase recurring General Fund expenditures by \$790,190 beginning in FY 2017-2018. There would be no expenditure impact to Federal Funds or Other Funds.

Explanation of Fiscal Impact

Explanation of Amendment by the House of Representatives on April 26, 2016

State Expenditure

This bill as amended directs the State Board of Education to develop policies and standards in order to provide for a systematic reporting of each district's needs to include facility capacity and condition, space requirements, program standards, and pupil growth. The State Board of Education will enter into agreements with departments, agencies, or instrumentalities of the United States or this state for purposes of administering operations and establishing fiscal controls and accounting procedures that promote fiscal integrity. The board will establish an application process for school districts to request funding for qualified projects as well as financial and operating conditions to which school districts must agree prior to receiving funding. The State Board of Education will provide an updated facilities plan along with a prioritization report on a yearly basis to the Governor and General Assembly. The General Assembly will set the principal amount of the State School Facilities General Obligation Bonds through the general appropriations bill or a joint resolution and the State Fiscal Accountability Authority will issue the bonds. This bill also requires the State Board of Education to establish a

revolving fund for a grant program to provide nonrecurring aid to school districts for facility maintenance expenses based on priority need.

State Department of Education. Based on the amended bill, the department anticipates a need for seven new FTEs to assist the school districts with facility assessments and maintenance plans. These additional FTEs will increase General Fund expenditures by \$665,910. The department indicates that General Fund operational support expenditure will also increase by \$125,000 annually, for a total General Fund expenditure increase of \$790,910 in FY 2017-2018.

State Auditor, State Fiscal Accountability Authority, and State Treasurer's Office. The agencies indicate that this bill as amended would have no expenditure impact to the General Fund, Federal Funds, or Other Funds.

State Revenue

N/A

Local Expenditure and Revenue

N/A

Explanation of Bill Filed January 28, 2016

State Expenditure

This bill would add Chapter 158 to Title 59 to enact the South Carolina Education Facility Authority Act. The Authority would assist in the provision of financial assistance for the construction or enhancement of school facilities to school districts. In order to obtain funds for school facilities, the Authority, by a resolution, can borrow money through the issuance of bonds and other forms of indebtedness. The bill further directs that the Authority be funded through the general appropriations act beginning in FY 2017-18.

The Revenue and Fiscal Affairs offices estimates that if staffing levels were similar to the South Carolina Transportation Infrastructure Bank, there would be an expenditure impact of \$453,276 to the General Fund and two FTEs. There would be no expenditure impact to Federal Funds or Other Funds.

Office of State Treasurer. Assuming the Authority would follow a debt issuance plan similar to other comparable authorities, such as the South Carolina Transportation Infrastructure Bank and the Tobacco Revenue Settlement Management Authority that are established by state law, the Debt Management Division of the State Treasurer's Office would be able to absorb any additional duties using existing personnel and resources. There would be no expenditure impact to the General Fund, Federal Funds, or Other Funds.

State Revenue

N/A

Local Expenditure and Revenue

N/A



Frank A. Rainwater, Executive Director