



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:	S. 0674	Introduced on March 16, 2021
Author:	Kimbrell	
Subject:	Booster Clubs	
Requestor:	Senate Education	
RFA Analyst(s):	Wren	
Impact Date:	March 22, 2022	

Fiscal Impact Summary

This bill requires each booster club within a school district to annually register with the school district board of trustees no later than August first. The registration must include specified information about the booster club, including the name of its chief financial officer. Also, a school district board of trustees must request a state criminal records check, including fingerprints, from the State Law Enforcement Division (SLED) for the chief financial officer. Additionally, the bill prohibits a person who was convicted of, or pled guilty or nolo contendere to, a felony pursuant to Chapter 13 or 14 of Title 16, which relate to forgery, larceny, embezzlement, false pretenses, cheats, and financial transaction card crimes, from serving as the chief financial officer of a school booster club. Further, the bill allows a school district board of trustees to charge a fee to offset the costs associated with the state criminal records check.

This bill will have no expenditure impact on the State Department of Education (SCDE) since it does not alter the duties or responsibilities of the agency.

This bill is not expected to have an expenditure impact on the state agency schools since the schools either do not have booster clubs or can manage any expenses within existing appropriations.

This bill will have no expenditure impact on SLED, as the agency can manage any increase in criminal records checks within existing appropriations.

The overall revenue impact of this bill on Other Funds of SLED is undermined and will depend upon the number of chief financial officers associated with school booster clubs. Up to \$4,461,000 of revenue generated by the state criminal records checks must be deposited to the General Fund. Any revenue over that amount is retained by SLED. In FY 2020-21, SLED generated \$11,400,000, and we anticipate any increase would be retained by the agency.

This bill will have an undetermined expenditure impact on local school districts. SCDE surveyed the regular school districts and the charter school districts regarding the expenditure impact of this bill. While the responses vary from no impact up to \$2,640 annually for the background checks and processing fees, the overall expenditure impact of this bill on local school districts is undetermined and will be based on the difference between the cost of the state

criminal records search and the fee that each district board of trustees may charge to offset these costs, as well as the number of booster club chief financial officers associated with each school district. Likewise, the overall revenue impact of this bill on local school districts is also undetermined and will be based on the difference between the cost of the state criminal records search and the fee that each district board of trustees may charge, as well as the number of booster club chief financial officers associated with each school district.

Explanation of Fiscal Impact

Introduced on March 16, 2021

State Expenditure

The bill requires each booster club within a school district to annually register with the school district board of trustees no later than August first. The registration must include the name of the booster club, its purpose, the name of each of the booster club's officers, including its chief financial officer, and other information required by the school district board of trustees. A booster club that fails to register by August first is prohibited from disbursing any funds until the registration has been completed. Upon receipt of a booster club's registration, a school district board of trustees must request a state criminal records check, including fingerprints, from SLED for the chief financial officer. Additionally, the bill prohibits a person who was convicted of, or pled guilty or nolo contendere to, a felony pursuant to Chapter 13 or 14 of Title 16, which relate to forgery, larceny, embezzlement, false pretenses, cheats, and financial transaction card crimes, from serving as the chief financial officer of a school booster club. The bill further allows a school district board of trustees to charge a fee to offset the costs associated with the state criminal records check.

State Department of Education. This bill does not alter the duties or responsibilities of SCDE. Therefore, the bill will have no expenditure impact on the agency.

State Agency Schools. The Governor's School for Science and Mathematics indicates that the bill will have no expenditure impact since the school does not have booster clubs. The Governor's School for the Arts and Humanities and the Wil Lou Gray Opportunity School indicate that the bill would have no expenditure impact. Also, the School for the Deaf and Blind indicates that any expenses resulting from the bill can be managed within existing appropriations. Based upon these responses, we do not anticipate that the bill will have an expenditure impact on the Wil Lou Gray Opportunity School. We will update this impact statement if the agency provides a different response.

State Law Enforcement Division. SLED indicates that this bill will have no expenditure impact on the agency, as it can manage any increase in criminal records checks within existing appropriations.

State Revenue

As noted above, the bill requires SLED to conduct a criminal records check, including fingerprints, on the chief financial officer of each school booster club.

We anticipate that the bill may increase the number of background checks that SLED will be required to perform. SLED indicates that the total cost for a criminal records check is \$51.75, of which \$25 is retained by SLED. The current vendor, Identogo, receives \$13.50, and the remainder of the fee, \$13.25, is remitted to the Federal Bureau of Investigation (FBI). SLED further indicates that these fees may increase slightly as the state is currently operating under a six-month emergency contract extension with the vendor. Pursuant to Section 23-3-115(A), revenue generated from state criminal records checks performed by SLED up to an amount of \$4,461,000 must be deposited in the General Fund. Any revenue over that amount is retained by SLED.

The overall revenue impact of this bill on Other Funds of SLED is undetermined as the number of booster club chief financial officers will fluctuate. Further, SLED indicates that the agency generated \$11,400,000 in revenue from criminal records checks in FY 2020-21. The revenue impact on Other Funds of SLED will depend on the number of booster clubs and the amount of fees collected for the criminal records checks.

Local Expenditure

As previously stated, this bill requires each booster club within a school district to annually register with the school district board of trustees no later than August first. The registration must include certain information about the booster club, including the name of its chief financial officer. Upon receipt of a booster club's registration, a school district board of trustees must request a state criminal records check, including fingerprints, from SLED for the chief financial officer. A school district board of trustees may charge a fee to offset the costs associated with the state criminal records check.

SCDE surveyed the seventy-seven regular school districts and the two charter school districts regarding the expenditure impact of this bill and received responses from twenty-seven districts. While the responses vary from no impact up to \$2,640 annually for the background checks and processing fees, the overall expenditure impact of this bill on local school districts is undetermined and will be based on the difference between the cost of the state criminal records search and the fee that each district board of trustees may charge, as well as the number of booster club chief financial officers associated with each school district.

Local Revenue

As noted above, this bill requires SLED to conduct a criminal records check, including fingerprints, on the chief financial officer of each school booster club. A school district board of trustees may charge a fee to offset the costs associated with the state criminal records check.

The overall revenue impact of this bill on local school districts is undetermined and will be based on the difference between the cost of the state criminal records search and the fee that each district board of trustees may charge, as well as the number of booster club chief financial officers associated with each school district.



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