



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 4777
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Subject:	Department of Education
Requestor:	House Education and Public Works
RFA Analyst(s):	Fulmer
Impact Date:	February 9, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$600,000	\$0
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 have a \$600,000 expenditure impact to the General Fund. There is no expenditure impact to Federal Funds and Other Funds.

Explanation of Fiscal Impact

State Expenditure

The bill adds Section 59-20-90 to require the State Department of Education (SDE) to develop and implement a program for identifying fiscal practices and budgetary conditions at the local school districts that could compromise the fiscal integrity of a district and to promulgate emergency regulations to carry out the provisions of this section. SDE should further advise the district on the appropriate corrective actions. It further adds Section 59-20-95 to require the State Auditor to adopt the same statewide program created by SDE to identify fiscal practices and budgetary conditions that could compromise the fiscal integrity of a state agency that is also a local education agency (LEA). In a declaration of fiscal caution or fiscal emergency, the State Auditor will direct SDE to assume emergency management of the LEA until the State Auditor releases the LEA from the declaration of fiscal caution or fiscal emergency.

State Department of Education. The department indicates that it currently does not have the capacity to perform fiscal operations of a school district and could contract with retired school business officials to perform these duties. Assuming an average salary of \$100,000 per district, the impact will vary based on the number of districts requiring corrective actions. Based on the current knowledge of districts in South Carolina, there are five districts who may require fiscal intervention.

Office of State Auditor. The agency indicates monitoring the five agencies, Governor's School for Science and Math, Governor's School for Arts and Humanities, Will Lou Gray, John de la Howe, and School for Deaf and Blind, could be absorbed within current appropriation. However, if an outside independent audit is needed for each state agency that is also a LEA, then the agency estimates an expenditure of \$20,000 per agency for a total of \$100,000 per year.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director