



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 5042 Amended by House Education and Public Works on March 6, 2018  
**Author:** Felder  
**Subject:** School District Fiscal Integrity  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Powell  
**Impact Date:** March 19, 2018

**Estimate of Fiscal Impact**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill as amended modifies criteria in a previously established program. While these changes may impact the way a school is categorized within the program and adjust the Department of Education’s review process, it will not have a significant impact on its staffing or cost for supplies and fixed charges. As a result, this bill does not have an expenditure or revenue impact on the General Fund, Other Funds, or Federal Funds.

**Explanation of Fiscal Impact**

**Amended by the House Education K-12 Subcommittee on March 6, 2018**

**State Expenditure**

The amended bill makes changes to provisions enacted by Act 23 of 2017, which required the Department of Education (Department) to work with district superintendents and finance officers to develop a statewide program, which includes a series of criteria that establishes three escalating levels of fiscal and budgetary concern. These levels are fiscal watch, fiscal caution, and fiscal emergency. The bill makes changes to the criteria for declaring fiscal watch, fiscal caution, and fiscal emergency, and to the appeals procedures. It also requires the development of a recovery plan, adds all other charter school sponsors in addition to the previously specified statewide charter school district, and suspends the requirement to place a district on fiscal watch, caution, or emergency due to failure to maintain a General Fund reserve of at least one month for two fiscal years after any state-implemented midyear budget cut, or should the state continue to fund at the current base student cost or reduce the base student cost below the appropriation provided in the previous fiscal year.

**Department of Education.** The Department indicates that the changes made by this bill as amended will not result in any additional expenditure impacts beyond those it is already experiencing as a result of the implementation of Act 23 of 2017. Therefore, this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds for the Department of Education.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director