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COMMITTEE REPORT

January 27, 2010

**H. 4431**

Introduced by Rep. H.B. Brown

L. Printed 1/27/10--H.

Read the first time January 27, 2010.

**THE FAIRFIELD DELEGATION**

To whom was referred a Bill (H. 4431) to amend Act 191 of 1991, as amended, relating to the Fairfield County School District, so as to require the finance committee established by this act to prepare, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

H. BOYD BROWN for Committee.

**A** **BILL**

TO AMEND ACT 191 OF 1991, AS AMENDED, RELATING TO THE FAIRFIELD COUNTY SCHOOL DISTRICT, SO AS TO REQUIRE THE FINANCE COMMITTEE ESTABLISHED BY THIS ACT TO PREPARE THE DISTRICT BUDGET AND TO SUBMIT IT FOR BOARD REVIEW, TO REQUIRE THE BOARD TO SUBMIT THE BUDGET TO THE FAIRFIELD COUNTY COUNCIL FOR APPROVAL, TO AUTHORIZE THE FAIRFIELD COUNTY COUNCIL TO NOTIFY THE COUNTY AUDITOR OF THE AMOUNT OF THE LEVY NEEDED TO OPERATE SCHOOLS IN THE DISTRICT, TO CREATE A FINANCE COMMITTEE TO OVERSEE THE FINANCIAL OPERATIONS OF THE DISTRICT AND TO PROVIDE ITS MEMBERSHIP, DUTIES, AND GOALS, TO PROVIDE FOR THE HIRING OF A FINANCE DIRECTOR FOR THE DISTRICT AND TO PROVIDE HIS RESPONSIBILITIES AND DUTIES, TO PROVIDE FOR THE ABOLITION OF THE FINANCE COMMITTEE AND THE POSITION OF FINANCE DIRECTOR UPON CERTAIN CONDITIONS, AND TO DEFINE THE DUTIES OF BOTH THE BOARD AND THE DISTRICT SUPERINTENDENT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 9 of Act 191 of 1991, as last amended by Act 431 of 2002, is further amended to read:

“Section 9. The ~~board~~ finance committee, as created by Section 9A of this act, shall prepare an annual budget for general school purposes and shall submit the budget to the board for review. The finance committee has sole authority over the budget‑making process and is the only entity that may make changes to the budget. The board shall submit the budget for approval by the Fairfield County Council by April first of each year. The ~~board~~ Fairfield County Council is authorized and empowered, by resolution ~~duly adopted~~, to determine and fix the amount of the levy needed to operate schools in the district and shall notify the county auditor on or before June fifteenth of each year of the amount of the levy and file with him a certified copy of the resolution. ~~In the event the annual budget required an increase in millage in excess of three mills above that levied for the previous year or increases in excess of the consumer price index for the previous year, whichever is less, the budget must be submitted for approval to the Fairfield County Council.~~”

SECTION 2. Act 191 of 1991, as last amended by Act 431 of 2002, is further amended by adding:

“9A. There is established a finance committee to oversee the financial operations of the School District of Fairfield County. It is the purpose of the committee to review the way in which money is expended by the district and make cost-saving recommendations to the district, with the ultimate goal of increasing the percentage of the district budget devoted to classroom expenditures to seventy percent by the year 2015. The committee must be composed of five members appointed by the Fairfield County Legislative Delegation. Members of the committee take office on the first day of the month following the effective date of this act and serve for four years. Upon the expiration of each four‑year term, the Fairfield County Legislative Delegation shall appoint five members to the committee. Members of the committee shall possess a four‑year college degree and have a background in finance, banking, accounting, education, business, or public administration. Members of the committee may receive per diem, subsistence, and mileage provided by law, but no more than once per month. The Fairfield County Legislative Delegation shall appoint a chairman of the finance committee. A majority of the members of the committee must be present to conduct a meeting. The powers and duties of the finance committee include, but are not limited to:

(1) approve all pay and salary schedules, except those set by the State;

(2) approve budget transfers during the school year that move funds from one budget category to another;

(3) approve across‑the‑board pay increases, bonuses, and cost of living raises;

(4) mandate spending cuts, furloughs, or other spending reduction programs;

(5) set a fund balance target commensurate with sound accounting principles;

(6) approve all district borrowing of funds, including tax anticipation notes and bonds;

(7) approve unbudgeted district expenditures and mandate spending cuts in other areas to make up for these expenditures; and

(8) hire its own counsel to represent the committee in any actions arising from decisions made by the committee. Counsel to the committee must be paid with school district funds.

No later than September 1, 2010, the committee shall select and hire a finance director of the school district who shall undertake all responsibilities of the present finance director and finance office of the school district. The finance director serves at the pleasure of the finance committee, has the sole authority over the finances of the district, and answers only to the finance committee. The finance director shall account for every dollar expended by the district and every dollar received by the district. The offices of the finance director and his staff may not be located in the office of the School District of Fairfield County, but the office supplies and salary of the finance director must be paid for with school district funds. The finance committee of the school district and the position of finance director of the school district must be abolished on July 1, 2022, or on the date in which the State Department of Education certifies that seventy percent of the school district budget is allocated to classroom expenditures and the district receives a rating of ‘average’ pursuant to the Education Accountability Act as provided in Chapter 18, Title 59 of the 1976 Code, whichever occurs first. For purposes of this section, ‘classroom instructional expenditures’ mean expenditures directly related to classroom instruction, including instructional staff and instructional materials, within In$ite categories. Classroom instructional expenditures include activities dealing directly with interaction between students and teachers, teachers’ aides, special education instruction, tutors, and others assigned to instruct students regularly in a learning situation. Classroom instructional expenditures also include books, classroom computers, general instruction supplies, instructional aides, libraries and librarians, class activities such as field trips, athletics, arts, music, and multidisciplinary learning, and extracurricular activities including, but not limited to, drama, sports, and band.”

SECTION 3. Act 191 of 1991, as last amended by Act 431 of 2002, is further amended by adding:

“9B. The fundamental role of the Board of Trustees of the School District of Fairfield County is to establish policy for the school district, focusing on student achievement. The fundamental role of a superintendent of the school district is to implement the policy established by the school district board of trustees. It is not the role of the board of trustees or an individual member of the board to micromanage the superintendent in executing his or her duties. Local school district board of trustees members shall work together with each other and with the finance committee of the district to ensure a smooth transition of the board’s former responsibilities to the finance committee, including, but not limited to, delivering all documents relating to school district finances, supplying personnel and supplies necessary to implement the provisions of this act, and accepting calls and questions from members of the finance committee. In addition, the Fairfield County local government shall assist in the implementation of this act and must be reimbursed for all related expenses with school district funds.”

SECTION 4. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 5. This act takes effect upon approval by the Governor.

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