



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3094 Introduced on January 10, 2017
Author: Loftis
Subject: Educational Rate Program
Requestor: House Ways and Means
RFA Analyst(s): Shuford
Impact Date: March 20, 2017

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$0	\$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	See Below

Fiscal Impact Summary

This bill would increase school district Federal Funds beginning in FY 2018-19 by \$3,600,000 over a five-year period from additional Educational Rate Program funding for state-funded four-year old kindergarten students.

Explanation of Fiscal Impact

Introduced on January 10, 2017

State Expenditure

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

This bill requires that a child attending a state-funded four-year old kindergarten program must be considered an elementary school student for purposes of the federal Educational Rate Program (E-rate). E-rate provides discounts to help eligible schools in the United States obtain affordable telecommunications and internet access. The program funding derives from Universal Service Fees collected from telecommunications carriers under the oversight of the Federal Communications Commission. Category Two funding through the E-rate program provides a discount of \$150 per student over a five-year period for expenditures on internal connections, managed internal broadband services, or basic maintenance of internal connections. Based on

2016 135-day enrollment data, this bill would increase the number of students eligible for the federal E-rate funding by the 24,000 state-funded four-year old kindergarten students. At \$150 per student, this would increase school district Federal Funds by \$3,600,000 over a five-year period. A school can decide if it wants to spend all of its Category Two funding in one year or spread it out over any of the five years. Due to federal application requirements and the date this bill may be enacted, we expect school districts will apply for these additional federal funds beginning in FY 2018-19.



Frank A. Rainwater, Executive Director