



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4814 Introduced on January 31, 2018
Author: Henegan
Subject: Mold and Mildew Hazards
Requestor: House Education and Public Works
RFA Analyst(s): Powell
Impact Date: February 20, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$72,000	\$24,000
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	\$6,381,000	See Below
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill sets standards for mold and mildew in school facilities and establishes an inspection schedule for schools. This bill will increase General Fund expenditures at the Department of Education by \$72,000 in FY 2018-19, and by \$24,000 in FY 2019-20 and each year thereafter.

It will also increase local school district expenditures by \$6,381,000 in FY 2018-19. In subsequent years, the impact on local school districts will depend on how they choose to implement the five year rotation. If all schools are inspected on the same rotation, the expenditure impact will be \$6,381,000 every five years. If districts choose to inspect schools on a staggered rotation, expenditures would be increased by \$1,276,200 annually. School districts may also be required to make increased expenditures due to remediation as a result of inspection findings and extra inspections resulting from complaints.

Explanation of Fiscal Impact

Introduced on January 31, 2018

State Expenditure

This bill requires school district boards to keep school facilities in good repair and free from mold and mildew hazards. This bill requires school districts to inspect the interior of each public school building for the presence of mold and mildew hazards within twenty-four months. These inspections must be performed at least once every five years thereafter. The State Department of Education (department) is required to establish rules for indoor air standards, which includes exposure limits to mold and mildew in school buildings. They are also required to determine

procedures for reporting test results and for how school districts respond to reports of mold and mildew hazards in school facilities.

Department of Education. The department estimates that it will take 180 hours to perform the tasks assigned to it. Some of these tasks may require subject matter experts. Assuming an average rate of \$150 per hour, developing the required procedures, standards, and guidelines will result in an increase in General Fund expenditures of approximately \$72,000 in FY 2018-19. The department notes that this estimate does not include establishing maximum exposure limits for mold and mildew. In an initial review of industry publications by the South Carolina Department of Health and Environmental Control, the Environmental Protection Agency, and the National Institute of Health they were unable to locate state recognized or nationally recognized standards for safe exposure to mold and mildew. A common current standard is that if the surveyed levels of mold and mildew in a building do not exceed concentrations outside of the building, the indoor air quality is considered acceptable. However, this concentration may still result in reactions for people intolerant to the allergen.

Each year thereafter, the department estimates that increased General Fund expenditures of \$24,000 annually will be required to review and update the guidelines and procedures required by this bill and to handle inquiries from school districts.

This bill places the new requirements in Title 59, Chapter 19, which deals with the establishment and responsibilities of school district boards of trustees subject to the supervision and orders of county boards of education. Therefore, these estimates do not include the Palmetto Unified School District or the Department of Juvenile Justice School District which are designated by statute as special school districts and are subject to a different regulatory structure for their boards of trustees. These estimates also do not include the special schools (John de la Howe, Wil Lou Gray Opportunity School, School for the Deaf and Blind, Governor’s School for Arts and Humanities, and Governor’s School for Science and Mathematics), which are designated as schools by statute and not as school districts.

State Revenue

N/A

Local Expenditure

School districts are required to perform an initial inspection within two years, then recurring inspections every five years thereafter. Based on its research, the Department estimates that school district expenditures will increase by the following for performing the initial inspections:

School Type	Number of Schools	Inspection Hours	Inspection Cost per Hour	Total
Primary and Elementary	664	24	\$125	\$1,992,000.00
Middle and Junior High	237	24	\$125	\$711,000.00
High and Combination	888	32	\$125	\$3,552,000.00
Career Centers	42	24	\$125	\$126,000.00
			Total:	\$6,381,000.00

Subsequent inspections are required every five years. School districts could choose to establish a rotating schedule for schools within the district, resulting in increased expenditures of \$1,276,200 annually, or they could choose to perform all inspections in one year, resulting in increased expenditures of \$6,381,000 in the year inspections are conducted. If complaints are received, the inspection schedule for some schools may need to be accelerated.

The school districts may also be required to remediate mold and mildew. The potential expenditure increase as a result of this remediation is undetermined, as the current status of the buildings is unknown and standards are yet to be developed by the department.

Local Revenue

N/A



Frank A. Rainwater, Executive Director