



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0888 Introduced on January 11, 2018
Author: Hembree
Subject: School District Excess Leave Payout
Requestor: Senate Education
RFA Analyst(s): Powell
Impact Date: February 7, 2018 - Updated for Revised Agency Response

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
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	Undetermined	Undetermined
Local Revenue	\$0	\$0

Fiscal Impact Summary

The effect of this bill depends on the operational decisions of individual school boards. Due to the permissive nature of the provisions allowing local school boards to determine eligibility for the payout of excess leave, the expenditure impact on local expenditures is undetermined.

The Department of Education estimates that the local impact associated with this legislation could be up to \$35,194,928, should this option be adopted by local school boards. This impact statement has been updated based on a revised response from the Department of Education. However, this additional information does not alter the conclusion that the local expenditure impact is undetermined due to the permissive nature of the provisions allowing local school boards to determine eligibility.

There is no impact on General Fund, Other Funds, or Federal Funds expenditures or revenues.

Explanation of Fiscal Impact

Introduced on January 11, 2018
Updated for Revised Agency Response
State Expenditure
 N/A

State Revenue
 N/A

Local Expenditure

This bill states that, subject to the approval of the local school board, all certified and noncertified public school teachers, certified special school classroom teachers, certified media specialists, certified guidance counselors, and career specialists who are employed by a school district or a charter school who earn, but do not use sick and annual leave in excess of ninety days, are eligible to receive payment at the end of each fiscal year for these earned days in excess of ninety days. The leave would be paid out at a district's established rate of substitute pay for their individual job classification.

The bill is permissive and provides discretion to local school boards in determining eligibility. The school board may approve this plan of compensation for all eligible employees, groups of eligible employees, or eligible employees individually. The Department of Education was contacted regarding this bill and reached out to the local school districts and charter schools regarding this change. This information was not available at the time the original fiscal impact statement and the fiscal impact statement is being updated to include responses from the school districts. Some districts indicated that there will not be a fiscal impact either because they already have such a policy in place or because the district does not allow staff to accrue the amount of leave referenced in the legislation. Some districts that currently have policies allowing leave to be paid out do so at a rate lower than their substitute rate. For these districts, this bill would increase annual expenditures should they choose to continue with this practice. For districts that do not currently offer leave payouts, there will be a significant fiscal impact if this option is adopted by the local school board.

The certified substitute rate of the responding districts ranged from \$60 per day to \$118.35 per day. The response rate of the survey was 63 percent. Based on the data supplied by the responding districts and using that data to extrapolate a statewide impact, the Department of Education estimates that the local impact associated with this legislation could be up to \$35,194,928, should this option be adopted by local school boards.

Due to the permissive nature of the provisions allowing local school boards to determine eligibility for the payout of excess leave, the local expenditure impact is undetermined.

This fiscal impact statement has been updated to include potential school district impacts, should the option in this bill be adopted by local school boards, based on a revised response from the Department of Education.

Local Revenue

N/A

Introduced on January 11, 2018**State Expenditure**

N/A

State Revenue

N/A

Local Expenditure

This bill states that, subject to the approval of the local school board, all certified and noncertified public school teachers, certified special school classroom teachers, certified media specialists, certified guidance counselors, and career specialists who are employed by a school district or a charter school who earn, but do not use sick and annual leave in excess of ninety days, are eligible to receive payment at the end of each fiscal year for these earned days in excess of ninety days. The leave would be paid out at a district's established rate of substitute pay for their individual job classification.

The bill is permissive and provides discretion to local school boards in determining eligibility. The school board may approve this plan of compensation for all eligible employees, groups of eligible employees, or eligible employees individually. The Department of Education has been contacted regarding this bill and has reached out to the local school districts and charter schools for examples of the potential expenditure impact. If additional information becomes available, this impact will be updated to include this information for reference. Due to the permissive nature of the provisions allowing local school boards to determine eligibility for the payout of excess leave, the local expenditure impact is undetermined.

Local Revenue

N/A



Frank A. Rainwater, Executive Director