



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4765 Introduced on January 14, 2020
Author: Brawley
Subject: School Lunch Debt
Requestor: House Education and Public Works
RFA Analyst(s): Wren
Impact Date: February 18, 2020

Fiscal Impact Summary

This bill will have no expenditure impact on the Governor’s School for the Arts and Humanities (GSAH), the Governor’s School for Math and Science (GSMS), the School for the Deaf and Blind, or the Wil Lou Gray Opportunity School since the schools do not use debt collection services or assess any interest, fees, or other monetary penalties for outstanding debts on school lunch and breakfast accounts. The expenditure impact on the John de la Howe School is undetermined since the school did not provide a response, and it is unclear if the school will use debt collection services or collect any monetary penalties on outstanding student lunch and breakfast accounts.

The State Department of Education surveyed the regular school districts and the charter school districts regarding the expenditure impact of this bill. Seven of the responding districts indicate they do not use a debt collection service to collect outstanding debts on student lunch and breakfast accounts. The other two responding districts indicate they do use a debt collection service to collect outstanding debts on student lunch and breakfast accounts, and the estimated impact ranges from a nominal amount to \$15,000 annually. Additionally, one of the responding districts indicates that they collect approximately \$5,000 in fees on student meal accounts annually. Although the expenditure impact of this bill on the regular school districts and the charter school districts will be at least \$20,000, the overall expenditure impact is undetermined due to the limited number of responses from school districts.

Explanation of Fiscal Impact

Introduced on January 14, 2020

State Expenditure

This bill prohibits a public school or public school district from using a debt collection service to collect debts on student school lunch or breakfast accounts. Additionally, a public school or public school district may not assess or collect any interest, fees, or other monetary penalties for outstanding debts on student school lunch and breakfast accounts. The provisions of the bill apply to debts on student lunch and breakfast accounts outstanding on the effective date of the bill and incurred after the effective date of the bill.

The Governor’s School for the Arts and Humanities (GSAH), the Governor’s School for Science and Mathematics (GSSM), the School for the Deaf and Blind, and the Wil Lou Gray Opportunity School indicate that they do not use debt collection services or assess any interest, fees, or other

monetary penalties for outstanding debts on school lunch and breakfast accounts. Therefore, this bill will have no expenditure impact on these agencies. The expenditure impact on the John de la Howe School is undetermined since the school did not provide a response, and it is unclear if the school will use debt collection services or collect any monetary penalties on outstanding student lunch and breakfast accounts.

State Revenue

N/A

Local Expenditure

This bill prohibits a public school or public school district from using a debt collection service to collect debts on student school lunch or breakfast accounts. Additionally, a public school or public school district may not assess or collect any interest, fees, or other monetary penalties for outstanding debts on student school lunch and breakfast accounts. The provisions of the bill apply to debts on student lunch and breakfast accounts outstanding on the effective date of the bill and incurred after the effective date of the bill.

Regular School Districts and Charter School Districts. The State Department of Education surveyed the regular school districts and the charter school districts regarding the expenditure impact of this bill and received responses from nine districts. Seven of the responding districts indicate they do not use a collection service to collect outstanding debts on student lunch and breakfast accounts. The other two responding districts indicate they do use a collection service to collect outstanding debts on student lunch and breakfast accounts, and the estimated impact ranged from a nominal amount to \$15,000 annually. Additionally, one of the responding districts indicates that they collect approximately \$5,000 in fees on student meal accounts annually. Although the expenditure impact of this bill on the regular school districts and the charter school districts will be at least \$20,000, the overall expenditure impact is undetermined due to the limited number of responses from these districts.

Local Revenue

N/A



Frank A. Rainwater, Executive Director