



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0202 Introduced on January 12, 2021
Author: Hembree
Subject: Inspector General, Definitions
Requestor: Senate Education
RFA Analyst(s): Wren
Impact Date: March 8, 2021

Fiscal Impact Summary

This bill adds public schools, public school districts, public charter schools, and public charter school authorizers to the current definition of ‘agency’ and removes school districts from the definition of ‘political subdivision’ as they relate to investigations by the Office of the Inspector General.

In order to accommodate the anticipated increase in investigation requests, this bill will increase General Fund expenses of the Office of the Inspector General by \$787,108 in FY 2021-22. Of this amount, \$770,908 is for recurring expenses and would support 3.0 FTE’s, additional office space for the new FTE’s, IT and office supplies, travel expenses, and contracted forensic audits. The remaining \$16,200 in non-recurring funds is for equipment and office furniture to support these new positions.

Explanation of Fiscal Impact

Introduced on January 12, 2021

State Expenditure

This bill adds public schools, public school districts, public charter schools, and public charter school authorizers to the current definition of ‘agency’ as they relate to investigations by the Office of the Inspector General. The bill also removes school districts from the definition of ‘political subdivision’ as it relates to investigations by the Office of the Inspector General.

The Office of the Inspector General indicates that the change in the definition of ‘agency’ will expand its jurisdiction beyond the current 106 statewide executive branch agencies to include the 79 regular public school districts and the 2 charter school districts. This will open the opportunity for additional investigations at the local school district level. The agency anticipates the potential new investigations could have a significant impact on its caseload. While the number of new investigations is unknown, the agency indicates the need to expand FTEs and to have a dedicated budget to support any necessary contracting for forensic accounting services.

In order to accommodate the anticipated increase in investigation requests while maintaining current turn-around times, the Office of the Inspector General estimates that the bill will increase General Fund expenses of the agency by \$787,108 in FY 2021-22. Of this amount, \$770,908 is

for recurring funds, which includes \$438,750 for 3.0 FTE's including fringe (2.0 Forensic Auditors and 1.0 Forensic Audit Manager), \$6,282 for additional office space for the new FTE's, \$7,872 for annual IT expenses and office supplies, \$68,004 for travel and state fleet vehicle expenses, and \$250,000 for contracted forensic audits. Non-recurring expenses in FY 2021-22 are expected to total \$16,200 for IT equipment and office furniture to support these new positions.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director