



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. 0245 Amended by Senate Education on February 22, 2023
Author: Kimbrell
Subject: Booster Clubs
Requestor: Senate Education
RFA Analyst(s): Wren
Impact Date: February 27, 2023

Fiscal Impact Summary

This bill requires each booster club within a school district to annually register with the school district board of trustees no later than August first. The registration must include specified information about the booster club, including the name of its financial officer. Also, a school district board of trustees must request a state criminal records check, including fingerprints, from the State Law Enforcement Division (SLED) for the financial officer. Additionally, the bill prohibits a person who was convicted of, or pled guilty or nolo contendere to, a felony pursuant to Chapter 13 or 14 of Title 16, which relate to forgery, larceny, embezzlement, false pretenses, cheats, and financial transaction card crimes, from serving as the financial officer of a school booster club. Further, the bill allows a school district board of trustees to charge a fee to offset the costs associated with the state criminal records check.

This bill will have no expenditure impact on the S.C. Department of Education (SCDE) since it does not alter the duties or responsibilities of the agency.

This bill is not expected to have an expenditure impact on the state agency schools since the schools either do not have booster clubs or can manage any expenses within existing appropriations.

This bill is not expected to have an expenditure impact on SLED. Based upon SLED's previous response on similar legislation, we anticipate that the agency can manage any increase in criminal records checks within existing appropriations.

Based upon a three-year historical average, SLED was able to retain an average of \$10,375,000 from background checks for its \$25 portion of the fee. Assuming a similar pattern in future years and since this amount is over the \$4,461,000 amount that is allocated to the General Fund pursuant to proviso, we anticipate that Other Funds of SLED will increase by an undetermined amount in FY 2023-24 as a result of the potential increase in background checks. There would be no increase to the General Fund for this portion of the bill.

SCDE surveyed the seventy-three regular school districts and the three charter school districts and received responses from thirty-four districts. Thirteen of the responding districts indicate the bill would have no impact since the districts would pass the cost of the background check to the

booster clubs. The remaining twenty-one districts indicate that the bill would increase expenses by an amount up to \$68,750 per district for the cost of the background checks and for additional district staff to monitor booster club registrations. Due to the varying responses, the overall expenditure impact on local school districts is undetermined.

The overall revenue impact of this bill on local school districts is undetermined and will be based on the difference between the cost of the state criminal records search and the fee that each district board of trustees may charge, as well as the number of booster club financial officers associated with each school district.

Explanation of Fiscal Impact

Amended by Senate Education on February 22, 2023

State Expenditure

The bill requires each booster club within a school district to annually register with the school district board of trustees no later than August first. The registration must include the name of the booster club, its purpose, the name of each of the booster club's officers, including its financial officer, and other information required by the school district board of trustees. A booster club that fails to register by August first is prohibited from disbursing any funds until the registration has been completed. Upon receipt of a booster club's registration, a school district board of trustees must request a state criminal records check, including fingerprints, from SLED for the financial officer. Additionally, the bill prohibits a person who was convicted of, or pled guilty or nolo contendere to, a felony pursuant to Chapter 13 or 14 of Title 16, which relate to forgery, larceny, embezzlement, false pretenses, cheats, and financial transaction card crimes, from serving as the financial officer of a school booster club. The bill further allows a school district board of trustees to charge a fee to offset the costs associated with the state criminal records check.

S.C. Department of Education. SCDE indicates that this bill does not alter the duties or responsibilities of the agency. Therefore, the bill will have no expenditure impact on SCDE.

State Agency Schools. The Governor's School for the Arts and Humanities, the Wil Lou Gray Opportunity School, and the Governor's School for Agriculture at John de la Howe indicate that any expenses can be managed within existing appropriations. The Governor's School for Science and Mathematics indicates that the bill will have no expenditure impact since the school does not have booster clubs. The School for the Deaf and Blind previously indicated on similar legislation that there would be no impact. Therefore, we do not expect that this bill will have an expenditure impact on the state agency schools. We will update this impact statement if the School for the Deaf and Blind provides a different response.

State Law Enforcement Division. This bill is not expected to have an expenditure impact on SLED. Based upon SLED's previous response on similar legislation, we anticipate that the agency can manage any increase in criminal records checks within existing appropriations. We will update this impact statement if the agency provides a different response.

State Revenue

As noted above, the bill requires SLED to conduct a criminal records check, including fingerprints, on the financial officer of each school booster club. This bill may increase the number of criminal records searches that SLED is required to perform. SLED previously indicated that the total cost for a criminal records search is \$51.75, of which \$25 is retained by SLED. The vendor, Identogo, receives \$13.50, and the remainder of the fee, \$13.25, is remitted to the FBI. Pursuant to Section 23-3-115(A), revenue generated by criminal records checks performed by SLED up to an amount of \$4,461,000 must be deposited in the General Fund. Any revenue over that amount is retained by SLED.

The number of booster club financial officers that will need a criminal records search is unknown. However, based upon a three-year historical average, SLED was able to retain an average of \$10,375,000 from background checks for its \$25 portion of the fee. Assuming a similar pattern in future years and since this amount is over the \$4,461,000 amount that is allocated to the General Fund, we anticipate that Other Funds of SLED will increase by an undetermined amount in FY 2023-24 as a result of the potential increase in background checks. There would be no increase to the General Fund for this portion of the bill.

Local Expenditure

As previously stated, this bill requires each booster club within a school district to annually register with the school district board of trustees no later than August first. The registration must include certain information about the booster club, including the name of its financial officer. Upon receipt of a booster club's registration, a school district board of trustees must request a state criminal records check, including fingerprints, from SLED for the financial officer. A school district board of trustees may charge a fee to offset the costs associated with the state criminal records check.

SCDE surveyed the seventy-three regular school districts and the three charter school districts and received responses from thirty-four districts. Thirteen of the responding districts indicate the bill would have no impact since the districts would pass the cost of the background check to the booster clubs. The remaining twenty-one districts indicate that the bill would increase expenses by an amount up to \$68,750 per district for the cost of the background checks and for additional district staff to monitor booster club registrations. Due to the varying responses, the overall expenditure impact on local school districts is undetermined.

Local Revenue

As noted above, this bill requires SLED to conduct a criminal records check, including fingerprints, on the financial officer of each school booster club. A school district board of trustees may charge a fee to offset the costs associated with the state criminal records check.

The overall revenue impact of this bill on local school districts is undetermined and will be based on the difference between the cost of the state criminal records search and the fee that each district board of trustees may charge, as well as the number of booster club financial officers associated with each school district.

Introduced on January 10, 2023

State Expenditure

The bill requires each booster club within a school district to annually register with the school district board of trustees no later than August first. The registration must include the name of the booster club, its purpose, the name of each of the booster club's officers, including its treasurer, and other information required by the school district board of trustees. A booster club that fails to register by August first is prohibited from disbursing any funds until the registration has been completed. Upon receipt of a booster club's registration, a school district board of trustees must request a state criminal records check, including fingerprints, from SLED for the treasurer. Additionally, the bill prohibits a person who was convicted of, or pled guilty or nolo contendere to, a felony pursuant to Chapter 13 or 14 of Title 16, which relate to forgery, larceny, embezzlement, false pretenses, cheats, and financial transaction card crimes, from serving as the treasurer of a school booster club. The bill further allows a school district board of trustees to charge a fee to offset the costs associated with the state criminal records check.

S.C. Department of Education. We do not anticipate that this bill will alter the duties or responsibilities of SCDE. Therefore, we do not expect the bill to have an expenditure impact on the agency.

State Agency Schools. The Governor's School for the Arts and Humanities and the Governor's School for Agriculture at John de la Howe indicate that any expenses can be managed within existing appropriations. The Wil Lou Gray Opportunity School and the School for the Deaf and Blind previously indicated that similar legislation would have no impact. The Governor's School for Science and Mathematics previously indicated that similar legislation would have no expenditure impact since the school does not have booster clubs. Therefore, we do not expect that this bill will have an expenditure impact on the state agency schools. We will update this impact statement if the agencies provide a different response.

State Law Enforcement Division. This bill is not expected to have an expenditure impact on SLED. Based upon SLED's previous response on similar legislation, we anticipate that the agency can manage any increase in criminal records checks within existing appropriations. We will update this impact statement if the agency provides a different response.

State Revenue

As noted above, the bill requires SLED to conduct a criminal records check, including fingerprints, on the treasurer of each school booster club. This bill may increase the number of criminal records searches that SLED is required to perform. SLED previously indicated that the total cost for a criminal records search is \$51.75, of which \$25 is retained by SLED. The vendor, Identogo, receives \$13.50, and the remainder of the fee, \$13.25, is remitted to the FBI. Pursuant to Section 23-3-115(A), revenue generated by criminal records checks performed by SLED up to an amount of \$4,461,000 must be deposited in the General Fund. Any revenue over that amount is retained by SLED.

The number of booster club treasurers that will need a criminal records search is unknown. However, based upon a three-year historical average, SLED was able to retain an average of

\$10,375,000 from background checks for its \$25 portion of the fee. Assuming a similar pattern in future years and since this amount is over the \$4,461,000 amount that is allocated to the General Fund, we anticipate that Other Funds of SLED will increase by an undetermined amount in FY 2023-24 as a result of the potential increase in background checks. There would be no increase to the General Fund for this portion of the bill.

Local Expenditure

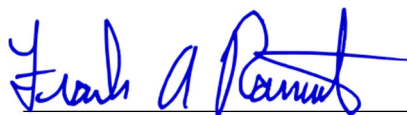
As previously stated, this bill requires each booster club within a school district to annually register with the school district board of trustees no later than August first. The registration must include certain information about the booster club, including the name of its treasurer. Upon receipt of a booster club's registration, a school district board of trustees must request a state criminal records check, including fingerprints, from SLED for the treasurer. A school district board of trustees may charge a fee to offset the costs associated with the state criminal records check.

The expenditure impact of this bill on the local school districts is pending, contingent upon a response.

Local Revenue

As noted above, this bill requires SLED to conduct a criminal records check, including fingerprints, on the treasurer of each school booster club. A school district board of trustees may charge a fee to offset the costs associated with the state criminal records check.

The overall revenue impact of this bill on local school districts is undetermined and will be based on the difference between the cost of the state criminal records search and the fee that each district board of trustees may charge, as well as the number of booster club treasurers associated with each school district.



Frank A. Rainwater, Executive Director