

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: January 27, 2009

Bill Number: S.B. 175

Author: Cleary

Committee Requesting Impact: Senate Finance

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by repealing Sections 4-10-810 and 59-21-1030 relating to the level of financial effort per pupil required of each school district.

REVENUE IMPACT ^{1/}

This bill is not expected to impact state or local revenues in FY 2009-10.

Explanation

This bill would repeal Sections 4-10-810 and 59-21-1030, the maintenance of effort provision of the Education Improvement Act. Currently, school districts are required to raise sufficient revenue to maintain the same level of per pupil funding each year adjusted by an annual inflation factor as projected by the Division of Research and Statistical Services unless they apply for and are granted a waiver. School districts projected the total local effort required for FY 2008-09 to be \$2,797,687,295. However, this requirement was suspended for FY 2008-09 by Proviso 1.45 in the Appropriations Act of 2008. Repealing the maintenance of effort requirement is not expected to impact local revenues because school districts are currently exempted from the requirement by proviso and are expected to continue to raise revenue required to fund operations in the absence of this requirement. Therefore, this bill is not expected to impact state or local revenues in FY 2009-10.

/s/ WILLIAM C GILLESPIE

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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.