

# South Carolina Office of Research and Statistics

## Statement of Estimated Local Revenue Impact

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Date: March 29, 2011

Bill Number: H.B. 3239

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Committee Requesting Impact: House Ways and Means

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### Bill Summary

A bill to amend Section 59-20-20, Code of Laws of South Carolina, 1976, relating to definitions of the Education Finance Act, so as to revise the definition of "index of taxpaying ability" to provide that the index for each school district is based on the wages of the county in which the district is located.

### REVENUE IMPACT <sup>1/</sup>

This bill is not expected to impact State revenues. EFA distributions will not change in total but will be redistributed among the school districts based on changes to each school district's index value.

### Explanation

This bill would require that the index of taxpaying ability used to determine the distribution of funding under the EFA be based upon the wages of the county in which the school district is substantially located as reported by the US Department of Labor. The bill will not change the total amount of money that goes to school districts under the EFA formula. It will change the amounts individual school districts receive based on the county index value. The index is calculated for each county because wages are not reported by school district. The first attached table shows annual wages by county and the average percentage of the statewide total for each county. The second attached table shows the change in the index using wages and the projected funding changes by county for the 2011-12 school year. The bill does not specify how the funding is distributed from the county level to each school district.

  
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<sup>1/</sup> 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.

## Index of Wages

| County              | Annual Total Wages<br>2009 | % of Total (exc<br>Unknown) |
|---------------------|----------------------------|-----------------------------|
| Abbeville County    | 165,127,640                | 0.266%                      |
| Aiken County        | 2,427,275,210              | 3.907%                      |
| Allendale County    | 110,303,983                | 0.178%                      |
| Anderson County     | 1,808,367,560              | 2.911%                      |
| Bamberg County      | 120,501,059                | 0.194%                      |
| Barnwell County     | 179,196,379                | 0.288%                      |
| Beaufort County     | 1,869,422,755              | 3.009%                      |
| Berkeley County     | 1,588,749,280              | 2.558%                      |
| Calhoun County      | 141,583,404                | 0.228%                      |
| Charleston County   | 7,923,264,751              | 12.755%                     |
| Cherokee County     | 572,626,981                | 0.922%                      |
| Chester County      | 280,734,680                | 0.452%                      |
| Chesterfield County | 394,698,614                | 0.635%                      |
| Clarendon County    | 195,275,426                | 0.314%                      |
| Colleton County     | 301,898,137                | 0.486%                      |
| Darlington County   | 704,947,999                | 1.135%                      |
| Dillon County       | 243,399,216                | 0.392%                      |
| Dorchester County   | 874,190,064                | 1.407%                      |
| Edgefield County    | 174,332,500                | 0.281%                      |
| Fairfield County    | 239,589,122                | 0.386%                      |
| Florence County     | 2,059,895,983              | 3.316%                      |
| Georgetown County   | 748,441,353                | 1.205%                      |
| Greenville County   | 8,772,503,577              | 14.122%                     |
| Greenwood County    | 974,173,709                | 1.568%                      |
| Hampton County      | 170,320,419                | 0.274%                      |
| Horry County        | 3,016,267,224              | 4.856%                      |
| Jasper County       | 238,086,183                | 0.383%                      |
| Kershaw County      | 543,048,517                | 0.874%                      |
| Lancaster County    | 498,206,877                | 0.802%                      |
| Laurens County      | 576,204,930                | 0.928%                      |
| Lee County          | 109,240,660                | 0.176%                      |
| Lexington County    | 3,157,346,447              | 5.083%                      |
| McCormick County    | 48,512,384                 | 0.078%                      |
| Marion County       | 209,304,011                | 0.337%                      |
| Marlboro County     | 234,060,374                | 0.377%                      |
| Newberry County     | 413,005,997                | 0.665%                      |
| Oconee County       | 818,010,480                | 1.317%                      |
| Orangeburg County   | 1,051,962,291              | 1.693%                      |
| Pickens County      | 1,121,626,741              | 1.806%                      |
| Richland County     | 8,380,215,009              | 13.490%                     |
| Saluda County       | 123,333,887                | 0.199%                      |
| Spartanburg County  | 4,346,444,269              | 6.997%                      |
| Sumter County       | 1,076,370,284              | 1.733%                      |
| Union County        | 192,581,543                | 0.310%                      |
| Williamsburg County | 277,131,204                | 0.446%                      |
| York County         | 2,648,334,470              | 4.263%                      |
| Unknown             | 2,786,121,768              |                             |
| TOTAL (Exc Unknown) | 62,120,113,583             | 100.000%                    |

### H.3239 Projection of Change in EFA State Funding for Index Calculated on Wages

| County       | Index of Taxpaying Ability 2011 (TY 2009) | Index of Total Wages 2009 | Difference in Current Law and Wage Index | Projected Difference in EFA State Funds | Difference in EFA State Funds as a % of Total EFA |
|--------------|---|---------------------------|--|---|---|
| Abbeville    | 0.00252                                   | 0.00266                   | (0.00014)                                | (63,883)                                | -1%   |
| Aiken        | 0.02440                                   | 0.03907                   | (0.01467)                                | (6,783,002)                             | -13%  |
| Allendale    | 0.00116                                   | 0.00178                   | (0.00062)                                | (284,587)                               | -9%   |
| Anderson     | 0.02852                                   | 0.02911                   | (0.00059)                                | (273,107)                               | 0%  |
| Bamberg      | 0.00139                                   | 0.00194                   | (0.00055)                                | (254,148)                               | -5%   |
| Barnwell     | 0.00270                                   | 0.00288                   | (0.00018)                                | (85,366)                                | -1%   |
| Beaufort     | 0.09963                                   | 0.03009                   | 0.06954                                  | 32,143,122                              | 77%   |
| Berkeley     | 0.03476                                   | 0.02558                   | 0.00918                                  | 4,245,557                               | 7%  |
| Calhoun      | 0.00430                                   | 0.00228                   | 0.00202                                  | 934,119                                 | 25%   |
| Charleston   | 0.13113                                   | 0.12755                   | 0.00358                                  | 1,656,012                               | 2%  |
| Cherokee     | 0.00888                                   | 0.00922                   | (0.00034)                                | (156,268)                               | -1%   |
| Chester      | 0.00511                                   | 0.00452                   | 0.00059                                  | 273,086                                 | 2%  |
| Chesterfield | 0.00600                                   | 0.00635                   | (0.00035)                                | (163,543)                               | -1%   |
| Clarendon    | 0.00459                                   | 0.00314                   | 0.00145                                  | 668,637                                 | 6%  |
| Colleton     | 0.00938                                   | 0.00486                   | 0.00452                                  | 2,089,409                               | 16%   |
| Darlington   | 0.01068                                   | 0.01135                   | (0.00067)                                | (308,849)                               | -1%   |
| Dillon       | 0.00357                                   | 0.00392                   | (0.00035)                                | (160,957)                               | -1%   |
| Dorchester   | 0.01839                                   | 0.01407                   | 0.00432                                  | 1,995,726                               | 4%  |
| Edgefield    | 0.00317                                   | 0.00281                   | 0.00036                                  | 168,084                                 | 2%  |
| Fairfield    | 0.00665                                   | 0.00386                   | 0.00279                                  | 1,291,123                               | 19%   |
| Florence     | 0.02316                                   | 0.03316                   | (0.01000)                                | (4,622,442)                             | -9%   |
| Georgetown   | 0.02904                                   | 0.01205                   | 0.01699                                  | 7,854,406                               | 37%   |
| Greenville   | 0.08593                                   | 0.14122                   | (0.05529)                                | (25,557,033)                            | -16%  |
| Greenwood    | 0.01383                                   | 0.01568                   | (0.00185)                                | (856,131)                               | -3%   |
| Hampton      | 0.00236                                   | 0.00274                   | (0.00038)                                | (176,483)                               | -2%   |
| Horry        | 0.10875                                   | 0.04856                   | 0.06019                                  | 27,824,915                              | 33%   |
| Jasper       | 0.00702                                   | 0.00383                   | 0.00319                                  | 1,473,339                               | 22%   |
| Kershaw      | 0.00873                                   | 0.00874                   | (0.00001)                                | (5,506)                                 | 0%  |
| Lancaster    | 0.01175                                   | 0.00802                   | 0.00373                                  | 1,724,164                               | 7%  |
| Laurens      | 0.00658                                   | 0.00928                   | (0.00270)                                | (1,246,066)                             | -6%   |
| Lee          | 0.00176                                   | 0.00176                   | 0.00000                                  | 675                                     | 0%  |
| Lexington    | 0.04590                                   | 0.05083                   | (0.00493)                                | (2,277,260)                             | -2%   |
| McCormick    | 0.00185                                   | 0.00078                   | 0.00107                                  | 494,170                                 | 28%   |
| Marion       | 0.00335                                   | 0.00337                   | (0.00002)                                | (8,942)                                 | 0%  |
| Marlboro     | 0.00355                                   | 0.00377                   | (0.00022)                                | (100,709)                               | -1%   |
| Newberry     | 0.00557                                   | 0.00665                   | (0.00108)                                | (498,539)                               | -4%   |
| Oconee       | 0.02600                                   | 0.01317                   | 0.01283                                  | 5,931,489                               | 25%   |
| Orangeburg   | 0.01573                                   | 0.01693                   | (0.00120)                                | (556,699)                               | -2%   |
| Pickens      | 0.01843                                   | 0.01806                   | 0.00037                                  | 172,986                                 | 0%  |
| Richland     | 0.05895                                   | 0.13490                   | (0.07595)                                | (35,109,417)                            | -33%  |
| Saluda       | 0.00191                                   | 0.00199                   | (0.00008)                                | (34,858)                                | -1%   |
| Spartanburg  | 0.04593                                   | 0.06997                   | (0.02404)                                | (11,111,731)                            | -11%  |
| Sumter       | 0.01365                                   | 0.01733                   | (0.00368)                                | (1,699,803)                             | -5%   |
| Union        | 0.00313                                   | 0.00310                   | 0.00003                                  | 13,799                                  | 0%  |
| Williamsburg | 0.00485                                   | 0.00446                   | 0.00039                                  | 179,715                                 | 2%  |
| York         | 0.04536                                   | 0.04263                   | 0.00273                                  | 1,260,795                               | 1%  |
| TOTAL        | 1.00000                                   | 1.00000                   | (0.00000)                                | 0                                       |   |

Source: DOR Index of Taxpaying Ability 2011 (TY 2009); Wages: Dept. of Labor, Bureau of Labor Statistics, QCEW series, 2009; WPU: SC Dept of Ed., 2010-11 45-day count; Ways & Means Budget BSC FY 2011-12, \$1,788