



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. 0383	Introduced on January 12, 2021
Author:	Cash	
Subject:	School Trustees	
Requestor:	Senate Education	
RFA Analyst(s):	Wren and Gardner	
Impact Date:	January 26, 2021	

Fiscal Impact Summary

This bill, which requires school trustees to obtain a proprietary security business license, will have no expenditure impact on the State Department of Education (SDE) in FY 2021-22 since it does not alter the duties or responsibilities of the agency.

This bill will have no expenditure impact on the state agency schools in FY 2021-22. The Governor's School for the Arts and Humanities, the Governor's School for Science and Mathematics, the Wil Lou Gray Opportunity School, the School for the Deaf and Blind have officers that are employed by state, county, or municipal entities. Also, we anticipate that any expenses for the Governor's School for Agriculture at John de la Howe can be managed within current appropriations.

The expenditure impact of this bill on SLED is undetermined for FY 2021-22. The number of additional proprietary business licenses that may be requested from school districts is unknown. The agency indicates that it may need additional FTE's to handle the additional workload since the unit that processes the proprietary business licenses is currently operating at full capacity.

SDE surveyed the public school districts regarding the expenditure impact of this bill and received responses from fifteen districts. Most school districts employ school resource officers that are officers of a political subdivision and would be exempt from obtaining a proprietary security business license. Districts that would be subject to these new requirements estimate expenses will increase by \$350 to \$2,500 to obtain the necessary proprietary security business licenses. However, the number of school districts that employ school resource officers that are not exempt from the provisions of this bill is unknown, and therefore, the expenditure impact is undetermined for FY 2021-22.

Based upon information provided by SLED, the proprietary security business license annual fee is \$350, the armed guard fee is \$110 per guard, and the unarmed guard fee is \$65 per guard annually. Revenue derived from these fees is allocated to Other Funds of SLED. Since the number of school districts that will be required to obtain the proprietary security business license is unknown, the increase in Other Funds revenue of SLED is undetermined.

Explanation of Fiscal Impact

Introduced on January 12, 2021

State Expenditure

This bill requires school trustees to obtain a proprietary security business license pursuant to Chapter 18, Title 40. Also, this bill requires a board of trustees for a school district to designate a member of the board to be the applicant for a proprietary security business license. Further, this bill specifies that a school district is not excluded from the application requirements of a proprietary security business license.

State Department of Education. SDE indicates that this bill does not alter the duties or responsibilities of the agency. Therefore, the bill will have no expenditure impact on SDE in FY 2021-22.

State Law Enforcement Division. The expenditure impact of this bill on SLED is undetermined for FY 2021-22 since the number of additional proprietary business licenses that may be requested from school districts is unknown. The agency indicates that it may need additional FTE's to handle the additional workload since the unit that processes the proprietary business licenses is currently operating at full capacity.

State Agency Schools. The Governor's School for the Arts and Humanities and the Governor's School for Science and Mathematics indicate that they each employ three officers, which are employees of SDE. The Wil Lou Gray Opportunity School indicates it has one officer that is an employee of a municipal law enforcement agency. The School for the Deaf and Blind indicates that it has three officers. Two of the officers are employed with a county law enforcement agency, and one is a law enforcement officer that is employed by the School for the Deaf and Blind. Since the officers for these entities are employed through state, county, or municipal entities, the entities are exempt from the proprietary security business license fees pursuant to the provisions of Section 40-18-140(A)(1). We anticipate that any expenses for the Governor's School for Agriculture at John de la Howe can be managed within current appropriations. Therefore, this bill will have no expenditure impact on these state agency schools in FY 2021-22.

State Revenue

This bill amends the powers and duties of school trustees by adding that school trustees must obtain a proprietary security business license pursuant to Chapter 18, Title 40. Also, this bill requires a board of trustees for a school district to designate a member of the board to be the applicant for a proprietary security business license. Further, this bill specifies that a school district is not excluded from the application requirements of a proprietary security business license.

SLED indicates that the proprietary security business license annual fee is \$350, the armed guard fee is \$110 per guard, and the unarmed guard fee is \$65 per guard annually. Revenue derived from these fees is allocated to Other Funds of SLED. Since the number of school districts that will be required to obtain the proprietary security business license is unknown, the increase in Other Funds revenue of SLED is undetermined for FY 2021-22.

Local Expenditure

This bill requires school trustees to obtain a proprietary security business license pursuant to Chapter 18, Title 40. Also, this bill requires a board of trustees for a school district to designate a member of the board to be the applicant for a proprietary security business license. Further, this bill specifies that a school district is not excluded from the application requirements of a proprietary security business license.

SDE surveyed the public school districts regarding the expenditure impact of this bill and received responses from fifteen districts. Twelve of the responding districts indicate that this bill will have no expenditure impact. The remaining three responding districts indicate that expenses will range from \$350 to \$2,500 for fees associated with obtaining the proprietary security business license. SDE indicates that most school districts employ school resource officers that are officers of a county or municipal corporation. These districts would be exempt from obtaining a proprietary security business license. However, the number of school districts that employ school resource officers that are not exempt from the provisions of this bill is unknown. Therefore, the expenditure impact on the regular school districts to obtain the appropriate proprietary security business license is undetermined for FY 2021-22. Expenses will vary by district and are dependent upon the number of officers by district.

Local Revenue

N/A



Frank A. Rainwater, Executive Director