



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0427 Introduced on February 16, 2017
Author: Shealy
Subject: Insurance
Requestor: Senate Medical Affairs
RFA Analyst(s): Gable and Powell
Impact Date: January 11, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	See Below	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	See Below	\$0

Fiscal Impact Summary

This bill would not have an expenditure impact on the General Fund, Other Funds, or Federal Funds for the Department of Disabilities and Special Needs, the Department of Insurance, and the Public Employee Benefit Authority.

In addition, we anticipate current Department of Education regulations encompass the same diagnoses that fall within the amended definition of autism spectrum disorder (ASD), and the bill would not have an expenditure or revenue impact on the General Fund, Other Funds, or Federal Funds. However, changes in weighted pupil units from an increase in the number of students classified as pupils with autism could affect Education Finance Act (EFA) funding, either requiring additional funding to maintain the current base student cost or allocations of current appropriations may change among the school districts. Potential changes in weighted pupil units could also affect the funding received by local school districts from the Homestead Exemption Fund Tier III reimbursements. The amount of EFA and Homestead Exemption Fund appropriations shifted among school districts is undetermined, since these classification decisions will be made at the school district level based on the revised definition of autism spectrum disorder.

Explanation of Fiscal Impact

Introduced on February 16, 2017

State Expenditure

This bill establishes a uniform definition for ASD to be applied to the South Carolina Intellectual Disability, Related Disabilities, Head Injuries, and Spinal Cord Injuries Act, §44-20-10 et seq.,

Accident and Health Insurance, §38-71-10 et seq., and Education of Physically and Mentally Handicapped Children, §59-21-510 et seq. Current law defines autism or ASD in a slightly different manner under each of these code sections. The bill does not alter the function of §§44-20-10 et seq. and 38-71-10 et seq., nor does it fiscally or operationally impact the Department of Disabilities and Special Needs, the Department of Insurance, and the Public Employee Benefit Authority. Therefore, the bill would not have an expenditure impact for these agencies.

However, the amended definition of autism spectrum disorder in §59-21-510 of this bill potentially may affect the number of students classified as pupils with autism for purposes of EFA funding. This determination provides the highest classification weight of 2.57 in the weighted pupil units calculation used to allocate EFA funding. National and state data report the number of children diagnosed with ASD is growing. If the number of students classified as pupils with autism increases, the allocation of EFA funding to school districts may shift depending on the classification decisions made at the school district level. We expect that regulation number 43-243, Special Education, Education of Students with Disabilities, used by school districts to determine student classifications, encompasses the same diagnoses that fall within the amended definition of ASD.

However, if the number of students classified as pupils with autism increase, this can influence EFA funding in two ways. If the number of weighted pupils increases, additional funding will be necessary to maintain the current base student cost. If total EFA funding remains constant, then the fixed amount of EFA funding may change among the school districts. The amount of EFA funding shifted is undetermined, since these classification decisions will be made at the school district level based on the revised definition of autism spectrum disorder.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

While we expect current regulations encompass the same diagnoses that fall within the amended definition of ASD, changes in weighted pupil units from an increase in the number of students classified as pupils with autism could also affect the funding received by local school districts from the Homestead Exemption Fund Tier III reimbursements. Statewide, Tier III reimbursements increase by an index factor equal to the annual growth in the Consumer Price Index and population. This additional reimbursement is allocated to school districts in proportion to the school district's weighted pupil units as a percentage of statewide weighted pupil units. Since weighted pupil units will be influenced by the definition change for autism spectrum disorder, the share of Tier III reimbursements may shift among the school districts. The change in the amount of Tier III reimbursements shifting among the school districts is undetermined, since these classification decisions will be made at the school district level based on the revised definition of autism spectrum disorder.



Frank A. Rainwater, Executive Director