COMMITTEE REPORT

May 19, 2010

**H. 3878**

Introduced by Reps. Rice, Harrison, Cooper, Bingham and Toole

S. Printed 5/19/10--S.

Read the first time April 28, 2009.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Joint Resolution (H. 3878) to establish a Joint Study Committee on the Consolidation of State Agencies, provide for its membership and duties, require submission of recommendations, and provide for its, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking the bill in its entirety and inserting:

/ A JOINT RESOLUTION

TO CREATE THE COMMISSION ON STREAMLINING GOVERNMENT AND REDUCTION OF WASTE AND PROVIDE FOR THE MEMBERSHIP, POWERS, DUTIES, AND FUNCTIONS OF THE COMMISSION; TO PROVIDE A PROCEDURE FOR THE SUBMISSION, CONSIDERATION, APPROVAL, AND IMPLEMENTATION OF RECOMMENDATIONS OF THE COMMISSION; TO PROVIDE FOR STAFF SUPPORT AND FINANCES FOR THE COMMISSION; TO PROVIDE FOR COOPERATION WITH AND SUPPORT FOR THE COMMISSION; TO PROVIDE FOR THE APPLICABILITY OF OTHER LAWS; AND TO PROVIDE FOR ITS TERMINATION.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. (A) The State of South Carolina faces a severe decline in revenues at least through fiscal year 2012, which, if no corrective action is taken, will leave a significant funding gap in state government expenditures and will create serious sustainability issues in financing of state obligations.

(B) It is essential that the State act now to reduce the cost of state government, through all means available, including efficiencies, economies, greater effectiveness, and other means to streamline government in order to overcome the projected severe revenue reductions occurring through 2012 and to ensure that available state tax dollars are being spent efficiently and effectively. Many state agencies were created years ago, and a review of all agencies and their activities, functions, programs, and services is needed to determine whether the purpose served by each agency or activity, function, program, or service continues to be relevant.

SECTION 2. As used in this joint resolution, unless the context requires otherwise:

(1) “Activity” means a distinct subset of functions or services within a program.

(2)(a) “Agency” means and includes any office, department, board, commission, institution, division, instrumentality, or functional group, existing before or created after the enactment of this joint resolution, that is authorized to exercise, or that does exercise, a function in the executive branch of state government.

(b) “Agency” does not mean a public institution of postsecondary education, a postsecondary education governing or management board, an entity under the control of a public institution of postsecondary education or postsecondary education governing or management board, or an entity whose operating budget is not appropriated by the South Carolina General Assembly through the annual appropriations bill.

(3) “Commission” means the Commission on Streamlining Government and Reduction of Waste.

(4) “Functions” means duties, jurisdiction, powers, rights, and obligations, conferred or imposed upon, or vested in an agency by law, or exercised, performed, or discharged by an agency without contravention of a provision of law.

(5) “Objective” is a specific and measurable target for achievement which describes the exact results sought, which is expressed in an outcome‑oriented statement that may reflect effectiveness, efficiency, or quality of work, and which may be either numeric or nonnumeric.

(6) “Performance indicator” means a statement identifying an activity, input, output, outcome, achievement, ratio, efficiency, or quality to be measured relative to a particular goal or objective in order to assess an agency’s performance. Performance indicator also means measurement of another aspect of performance.

(7) “Performance standard” means the expected level of performance associated with a particular performance indicator for a particular period.

(8) “Program” means a grouping of activities directed toward the accomplishment of a clearly defined objective or set of objectives.

(9) “Quality” means degree or grade of excellence.

SECTION 3. (A) There is created the Commission on Streamlining Government and Reduction of Waste to examine each agency’s constitutional and statutory activities, functions, programs, services, powers, duties, and responsibilities to determine, in an effort to reduce the size of state government, which of these activities, functions, programs, services, powers, duties, and responsibilities may be:

(1) eliminated;

(2) streamlined;

(3) consolidated;

(4) privatized; or

(5) outsourced.

(B) The commission shall target agencies whose activities, functions, programs, or services may be consolidated or eliminated, in addition to identifying opportunities for privatizing and outsourcing current state activities, functions, programs, or services.

(C) The commission shall examine the necessity and performance of activities, functions, programs, and services to ensure that they are meeting current performance standards effectively and efficiently and they are meeting the needs of South Carolina citizens.

(D) The commission comprises:

(1) the Speaker of the House of Representatives, or his designee;

(2) the President Pro Tempore of the Senate, or his designee;

(3) the Chairman of the House Ways and Means Committee, or his designee;

(4) the Chairman of the Senate Finance Committee, or his designee;

(5) two individuals, appointed by the Governor;

(6) one individual, appointed by the Speaker of the House of Representatives; and

(7) one individual, appointed by the President Pro Tempore of the Senate.

(E) The members of the commission are entitled to receive per diem as is allowed by law for legislative members of boards, committees, and commissions when engaged in the exercise of their duties as members of the commission. This must be paid from approved accounts of their respective appointing authorities.

(F)(1) The commission may hold public hearings as part of its evaluation process and may appoint advisory groups to conduct studies, research, or analyses, and make reports and recommendations with respect to a matter within the jurisdiction of the commission. At least one member of the commission shall serve on each advisory group.

(2) At the first meeting, the members of the commission shall elect from their membership a chairman and vice chairman and other officers as necessary. The President Pro Tempore of the Senate or his designee shall preside over the commission until a chairman is elected.

SECTION 4. (A) Reports submitted by the commission pursuant to this section may include recommendations:

(1) to eliminate, streamline, consolidate, privatize, or outsource constitutional and statutory agency activities, functions, programs, services, powers, duties, and responsibilities to provide the same or greater type and quality of activity, function, program, or service that results in cost reduction or greater efficiency or effectiveness;

(2) to ensure that agency activities, functions, programs, and services are not duplicative and are necessary, meeting or exceeding performance standards, and meeting the needs of South Carolina citizens;

(3) for the elimination, consolidation, privatization, or outsourcing of an agency to provide a more cost efficient or more effective manner of providing an activity, function, program, or service;

(4) providing for the use of alternative resources to the operation of agencies, activities, functions, programs, and services to provide a more cost‑effective manner without impacting the quality or availability of needed services; and

(5) for standards, processes, and guidelines for agencies to use in order to review and evaluate government activities, functions, programs, and services to eliminate, streamline, consolidate, privatize, or outsource.

(B)(1) The commission shall submit an initial report of its recommendations, including recommendations requiring legislation or administrative action, to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives no later than December 15, 2010.

(2) The commission shall submit the recommendations in the report as a reorganization plan and submit the plan to the Governor, the Senate Judiciary Committee, and the House Ways and Means Committee by January 3, 2011. The committees shall review the plan by February 8, 2011.

(3) Executive and legislative action should be taken to implement the portions of the reorganization plan that are either approved or modified as soon as possible.

(C) The commission shall submit a report before January 1, 2012, consisting of the status and implementation of the reorganization plan to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives. Upon request by the Governor, President Pro Tempore of the Senate, or the Speaker of the House of Representatives, the commission must submit an updated report of the status and implementation of the reorganization plan. A request for an updated report must be submitted no later than July first, and the report submitted by January first of the following year.

SECTION 5. The staffs of the Senate, House of Representatives, and State Budget and Control Board may provide staff support and otherwise assist the commission as requested by the commission. The commission may submit a written request to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, or the State Budget and Control Board for specific support and assistance to be provided by the staffs of their respective agencies.

SECTION 6. (A) Each agency and political subdivision shall furnish aid, services, and assistance as may be requested by the commission.

(B) To the extent permitted by and in accordance with applicable laws, each officer, agency, and political subdivision shall make available all facts, records, information, and data requested by the commission and in all ways cooperate with the commission in carrying out the functions and duties imposed by this joint resolution.

(C) All information requested by the commission must be submitted to the commission within fifteen business days after the date of the request. The commission chairman may extend this time period for good cause shown.

SECTION 7. The commission may apply for, contract for, receive, and expend for purposes of this joint resolution any appropriation or grant from the State, its political subdivisions, the federal government, or any other public or private source to carry out duties and responsibilities.

SECTION 8. This joint resolution is repealed January 12, 2014.

SECTION 9. This joint resolution takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

GLENN F. McCONNELL for Committee.

**A** **JOINT RESOLUTION**

TO ESTABLISH A JOINT STUDY COMMITTEE ON THE CONSOLIDATION OF STATE AGENCIES, PROVIDE FOR ITS MEMBERSHIP AND DUTIES, REQUIRE SUBMISSION OF RECOMMENDATIONS, AND PROVIDE FOR ITS TERMINATION.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. A. There is established the Joint Study Committee on the Consolidation of State Agencies. The purpose of the committee is to review the feasibility and costs savings related to the consolidation of certain state agencies with the following objectives:

(1) identifying a consolidation plan that generates at least three hundred fifty million dollars in savings; and

(2) applying the funds generated only to offset recurring state expenditures.

B. The savings generated in the first year of the implementation of the consolidation plan must be used only for reduction of the state’s debt.

C. The Joint Study Committee must be composed of the Governor, or his designee; Chairman of the Senate Judiciary Committee, or his designee; the Chairman of the House Judiciary Committee, or his designee; the Chairman of the Senate Finance Committee, or his designee; the Chairman of the House Ways and Means Committee, or his designee; the majority and minority leaders of the House of Representatives, or their designees; and the majority and minority leaders of the Senate, or their designees. Designees, if appointed, must be from within the respective committee. The study committee may solicit input from agency heads and from other sources as necessary.

D. Recommendations for elimination of duplication within state agencies and costs savings mechanisms must be reported to the General Assembly by January 15, 2010, at which time the committee is dissolved.

SECTION 2. This joint resolution takes effect upon approval by the Governor.

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