

**SENATE FINANCE COMMITTEE
CONSTITUTIONAL AND CRIMINAL JUSTICE SUBCOMMITTEE
PROVISO RECOMMENDATIONS FOR FY 2012-13
ADDENDUM**

SECTION 48 - D10 - STATE LAW ENFORCEMENT DIVISION

- 48.19 AMEND NEW PROVISO** (Criminal Record Search Fees) **WMC:** ADD new proviso to authorize SLED to charge and collect a \$8 fee from local governmental entities to perform a criminal record search for local park and recreation volunteers.
HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: AMEND new proviso to prohibit any organization that is charged the reduced fee from charging the volunteer, mentor, member, or employee more than the \$8 or from charging them any additional fee not required by SLED. Require all these criminal record searches be conducted for a volunteer, mentor, member, or employee performing in an official capacity for the organization and prohibit the record searches from being resold.

48.19. (SLED: Criminal Record Search Fees) The State Law Enforcement Division is authorized to charge and collect a fee of eight dollars for a criminal record search for local park and recreation volunteers through a commission, municipality, or county. Any organization that is authorized to receive the reduced fee must not charge the volunteer, mentor, member, or employee more than the eight dollars or any additional fee that is not required by the State Law Enforcement Division. All criminal record searches conducted under this provision must be for a volunteer, mentor, member or employee performing in an official capacity of the organization and must not be resold.

SECTION 70 - A99 - LEGISLATIVE DEPARTMENT

- 70.sp ADD** (Senate Pages) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct that Senate Pages are not eligible to receive unemployment benefits.

70.sp. (LEG: Senate Pages) Senate Pages shall not be eligible to receive unemployment benefits.

SECTION 76 - E16 - STATE TREASURER'S OFFICE

- 76.12 CARRY OVER / ADD** (Audit Finding Follow-Up) **WMC:** ADD new proviso to direct and empower the State Treasurer to: (1) follow up on audit findings issued by the State Auditor's Office, and/or by an independent audit; (2) conduct additional audits to ensure proper receipt and disbursement of state funds in accordance with legislative intent; and (3) contract for or conduct recovery audits to identify overpayments or payments made to vendors in error. Direct the LAC to notify the State Treasurer's Office of any cost savings recommendations. Authorize the State Treasurer to recover amounts due by seeking refunds, withholding future payments or distributions, or by whatever other actions deemed appropriate. Direct that such action may include legal action as the Attorney General may approve, including the Attorney General participating in the litigation, or hiring attorneys subject to the prior approval of the Attorney General. Require entities to cooperate with the State Treasurer in these activities. Direct the State Treasurer to deposit funds collected by this provision in a separate account for appropriation by the General Assembly, unless otherwise provided for by law. Authorize the State Treasurer to retain and expend a portion of any funds received to pay for costs associated with managing and enforcing this provision. Direct the State Treasurer to annually report to the General Assembly on the management activities and cost recoveries. *The proviso is in*

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accordance with the State Treasurer's Office mission to manage the State's financial assets in ways that maximize value and promote the best interests of the State's citizens. Fiscal Impact: Funding returned to the General Fund will be contingent upon the amount of funds recovered. Requested by State Treasurer's Office.

HOU: ADOPT new proviso.

SUBCOMMITTEE RECOMMENDATION: CARRY OVER TO FULL COMMITTEE.

76.12. (TREAS: Audit Finding Follow-Up) The State Treasurer is directed and empowered to: (a) follow up on audit findings issued by the Office of State Auditor, or any other independent audit involving the receipt or disbursement of state funds or achieving cost savings for the State or its agencies and institutions; (b) conduct additional audits or take other actions to ensure proper receipt and disbursement of state funds in accordance with legislative intent; and (c) contract for or conduct recovery audits designed to identify overpayments or erroneous payments to vendors. The Legislative Audit Council shall notify the State Treasurer's Office of any recommendations involving cost savings. The State Treasurer may recover any amounts due the State agencies or institutions by seeking refunds, withholding future payments or distributions, or by whatever other actions the State Treasurer deems appropriate. Such may include appropriate legal action on behalf of the State as the Attorney General may approve, and including the participation of the Attorney General in the litigation or the hiring of any attorneys being subject to the prior approval of the Attorney General. All entities disbursing or receiving state funds shall cooperate with the State Treasurer in these activities. The State Treasurer shall deposit any funds collected by this provision in a separate account to be appropriated by the General Assembly, unless otherwise provided for by law. The State Treasurer may retain and expend a portion of any funds received to pay for costs associated with the management and enforcement of this provision. The State Treasurer shall report annually to the General Assembly on its management activities and cost recoveries regarding this directive.

- 76.13 DELETE NEW PROVISO** (Tuition Prepayment Commitments) **HOU:** ADD new proviso to require commitments made to S.C. Tuition Prepayment Program enrollees be honored in their entirety. Sponsor: Rep. Funderburk.

SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~*76.13. (Treas: Tuition Prepayment Commitments) The commitments made to enrollees of the South Carolina Tuition Prepayment Program must be honored in their entirety.*~~

SECTION 81 - R44-DEPARTMENT OF REVENUE

- 81.3 AMEND** (Rural Infrastructure Fund Transfer) Authorizes DOR to deposit Rural Infrastructure Fund revenues in excess of \$12,000,000 to the Rural Infrastructure Bank Trust Fund under the B&C Board, Office of Local Government and to deposit revenue in excess of \$17,000,000 to the Rural Infrastructure Fund under the Department of Commerce, Coordinating Council. Require all funds in the Rural Infrastructure Bank Trust Fund under the B&C Board, Office of Local Government be transferred during FY 11-12 to the S.C. Rural Infrastructure Authority, Rural Infrastructure Fund to be administered by the B&C Board Office of Local Government. Provides the purposes for which these funds shall be used.

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SUBCOMMITTEE RECOMMENDATION: AMEND proviso to delete the directive that the funds in the S.C. Rural Infrastructure Authority be administered by the B&C Board, Office of Local Government. Requested by Budget and Control Board.

81.3. (DOR: Rural Infrastructure Fund Transfer) Notwithstanding Section 12-10-85, the Department of Revenue is authorized to deposit revenues from the Rural Infrastructure Fund in excess of \$12 million dollars to the Rural Infrastructure Bank Trust Fund under the Budget and Control Board, Office of Local Government. Any revenues in excess of \$17 million shall be deposited in the Rural Infrastructure Fund under the Department of Commerce, Coordinating Council. All monies in the Rural Infrastructure Bank Trust Fund under the Budget and Control Board, Office of Local Government, including those deposited in the fund pursuant to the provisions of this paragraph, must be transferred during Fiscal Year 2011-12 to the Rural Infrastructure Fund of the South Carolina Rural Infrastructure Authority established pursuant to Chapter 50 of Title 11 ~~and administered by the Office of Local Government under the Budget and Control Board~~ to be used for the purposes of the Rural Infrastructure Authority, which involve providing financial assistance for qualified rural infrastructure projects to include facilities and appurtenances to meet public health and environmental standards, to develop trade, commerce, and industry, to provide for potable water and wastewater services, and to provide for emergency preparedness infrastructure.

SECTION 89 - X90-GENERAL PROVISIONS

89.ari **ADD** (Averted Re-incarceration Identification) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct that before transferring any funds from the Department of Corrections to the Department of Probation, Parole and Pardon Services (DPPPS) from cost savings or cost avoidance that resulted from Act 273 of 2010 [OMNIBUS CRIME REDUCTION AND SENTENCING REFORM ACT], DPPPS must identify each offender who avoided re-incarceration because of alternative sanctions authorized in Act 273. Require DPPPS to keep records of those offenders for a 12-month period and to prorate the cost avoidance for any offenders who were subsequently re-incarcerated.

89.ari. (GP: Averted Re-incarceration Identification) Prior to any cost savings or cost avoidance as a result of passage of Act 273 of 2010 being transferred from the Department of Corrections to the Department of Probation, Parole, and Pardon Services, the Department of Probation, Parole, and Pardon Services shall identify, using evidence-based practices, each offender whose re-incarceration was averted as a result of alternative sanctions authorized in Act 273. The Department of Probation, Parole, and Pardon Services shall maintain records of the offenders throughout a 12-month period and any cost avoidance shall be prorated for any offenders who subsequently become re-incarcerated.

89.fa **ADD** (Facilities Accommodation) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to require the Department of Corrections (SCDC) to designate space to house the Department and Board of Probation, Parole and Pardon Services units that are currently renting facilities in Richland County. Require DPPPS to vacate the leased property and relocate into the space the Department of Corrections has identified as soon as practicable, but not later than December 31, 2012. Require SCDC to provide relocation services to DPPPS at no cost, except for relocating the computer and telephone systems. Prohibit rent from being charged for the space, but allow SCDC to require reimbursement of utilities and computer services. Require

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DPPPS to use any funds realized by cost savings or cost avoidance associated with this provision for the Sentencing Reform Program or the Young Offender Supervision Program.

89.fa. (GP: Facilities Accommodation) The Department of Corrections is directed to designate space to accommodate units of the Department of Probation, Parole and Pardon Services (department) and the Board of Probation, Parole, and Pardon Services (board) which are currently located in leased facilities in the Richland County area. The department and the board shall vacate such leased property and relocate into the designated location owned by the Department of Corrections as soon as practicable, but not later than December 31, 2012.

The Department of Corrections shall provide relocation services at no cost to the department and the board, with the exception of the relocation of computer and telephone systems.

The Department of Corrections is prohibited from charging rent for the facilities; however, they may require reimbursement for utilities and computer services.

Any cost savings or cost avoidance realized from this provision shall be utilized by the Department of Probation, Parole and Pardon Services for the Sentencing Reform Program or for the Young Offender Supervision Program.

89.sr **ADD** (Shared Resources) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct the Departments of Corrections and Probation, Parole, and Pardon Services to develop a plan to share administrative resources, to submit the plan to the Governor, and to implement the plan upon the Governor's approval. Require the directors submit a plan to the General Assembly by January 8, 2013 that provides detail on any cost savings or cost avoidance that resulted from sharing resources.

89.sr. (GP: Shared Resources) The Director of the Department of Corrections and the Director of the Department of Probation, Parole, and Pardon Services shall develop a plan to share administrative resources including, but not limited to, financial, legal, accounting, auditing, procurement, human resources, recruitment, and information technology services. The directors shall submit the plan to the Governor and shall implement the plan upon approval of the Governor. The directors shall submit a report to the General Assembly by January 8, 2013 that provides details on the amount of cost savings or cost avoidance resulting from the shared resources plan.

89.vcr **ADD** (Vacant Restitution Centers) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to nullify the \$1-per-year leases that the Department of Probation, Parole, and Pardon Services (DPPPS) has with the Department of Corrections for three Residential Centers located in Columbia, Spartanburg, and Charleston which were used as Restitution Centers and that have been vacant and not used by DPPPS for at least three years and direct that the property revert to the control of the Department of Corrections.

89.vrc. (GP: Vacant Restitution Centers) Leases associated with the Columbia, Spartanburg, and Charleston Residential Centers leased by the Department of Probation, Parole, and Pardon Services from the Department of Corrections for one dollar a year which have been vacated and unused for at least three years shall be null and void and such property shall revert to the control of the Department of Corrections.

89.fyp **ADD** (Five-Year Investment Plans) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct the State Treasurer to prepare a 5-year investment plan on how he plans

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to invest the funds he is statutorily required to invest; to also prepare a plan on how he would invest the funds the Retirement System Investment Commission is responsible for investing; and require the plans to contain certain components. Direct that the plans be submitted to the Senate Finance and Ways and Means Committees by November 1, 2012.

89.fyp. (GP: Five-Year Investment Plans) The State Treasurer is directed to prepare a five-year investment plan that indicates how he plans to invest the funds he is statutorily required to invest for the benefit of the state of South Carolina. In addition, the State Treasurer shall also submit a five-year investment plan on how he would invest the funds that the Retirement System Investment Commission is currently responsible for investing. The Retirement System Investment Commission shall provide the State Treasurer with data or other information needed to prepare the five-year investment plan. Both five-year investment plans must include, but are not limited to, the following components:

- (1) general operational and investment policies;
- (2) investment objectives and performance standards;
- (3) investment strategies, which may include indexed or enhanced indexed strategies as the preferred or exclusive strategies for equity investing, and an explanation of the reasons for the selection of each strategy;
- (4) industry sector, market sector, issuer, and other allocations of assets that provide diversification in accordance with prudent investment standards, including desired rates of return and acceptable levels of risks for each asset class;
- (5) policies and procedures providing flexibility in responding to market contingencies;
- (6) procedures and policies for selecting, monitoring, compensating, and terminating investment consultants, equity investment managers, and other necessary professional service providers; and
- (7) methods for managing the costs of the investment activities.

The State Treasurer shall submit both five-year investment plans to the Senate Finance Committee and the House Ways and Means Committee by November 1, 2012.