

**SENATE FINANCE COMMITTEE
CONSTITUTIONAL SUBCOMMITTEE
PROVISO RECOMMENDATIONS FOR FY 2017-18**

SECTION 59 - E200 - OFFICE OF THE ATTORNEY GENERAL

59.5 CONFORM TO FUNDING (Securities Fee Revenue) Directs that after \$20,500,000 of Securities Fee revenues have been deposited to the General Fund the Attorney General may retain \$400,000 to use for operations associated with the increase in licensed securities agents. Authorizes the Attorney General to carry forward the revenue to use for the same purpose. Requires any remaining Securities Fee revenues be remitted to the General Fund.
SFC SUBCOMMITTEE RECOMMENDATION: CONFORM to funding recommendation / DELETE proviso.

~~**59.5.** (AG: Securities Fee Revenue) After the provisions of Section 35-1-702(b) of the 1976 Code have been satisfied, and upon notification to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee that such provisions have been satisfied, the next \$20,500,000 of Securities Fee revenues collected during the current fiscal year by the Office of the Attorney General shall be remitted to the General Fund of the State. The Office of the Attorney General may retain the next \$400,000 collected and may utilize these funds for operations to include expert witness expenses, investigative costs, trial preparation, and other related expenses associated with the increase in licensed securities agents. These funds may be carried forward from the prior fiscal year into the current fiscal year and utilized for the same purpose. Remaining Securities Fee revenues collected during the current fiscal year shall be remitted to the General Fund of the State.~~

59.sfr CONFORM TO FUNDING (Securities Fee Revenue) **SFC SUBCOMMITTEE RECOMMENDATION:** CONFORM to funding recommendation / ADD new proviso to direct the Attorney General's Office to retain 23% of the Securities Fee Revenue after satisfying the requirements of Section 35-1-702(b) [SC UNIFORM SECURITIES ACT OF 2005: FEES; PORTION OF RECOVERY IN CIVIL AND ADMINISTRATIVE ENFORCEMENT ACTIONS RETAINED BY ATTORNEY GENERAL] and to use these retained funds for operating expenses. Require litigation recovery monies, with the exception of reasonable administrative costs, must be deposited into the Litigation Recovery Account with the State Treasurer. Authorize these funds to be carried forward and used for the same purpose. Fiscal Impact: RFAO states this would reduce General Fund departmental securities fee revenue by an estimated \$5,672,000 in FY 2017-18. Requested by Attorney General's Office.

59.sfr. (Securities Fee Revenue) The Attorney General's Office shall retain 23% of Securities Fee Revenue collected by the Attorney General's Office after satisfying Section 35-1-702(b) of the 1976 Code. These funds shall be expended for operating expenses as determined by the Attorney General. In addition, all monies received from litigation recovery less reasonable administrative expenses incurred must be deposited in the Litigation Recovery Account at the Office of the State Treasurer. The Attorney General's Office shall not retain any portion of these funds beyond reasonable administrative expenses incurred. These funds may be carried forward from the prior fiscal year into the current fiscal year and utilized for the same purpose.

SECTION 91 - A990 - LEGISLATIVE DEPARTMENT

91.23 AMEND (Technology Panel) Directs the K-12 Technology Initiative partnership to provide a report that describes the state's efforts to facilitate providing cost effective connectivity and internet bandwidth to schools and libraries statewide and to report on certain technology related activities by June 1, 2017.

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WMC: AMEND proviso to specify that the funds referenced are appropriated in SDE program VIII.D. and update report due date to June 1, “2018.” Requested by Department of Administration.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

91.23. (LEG: Technology Panel) Of the funds appropriated in ~~XII.E.2.~~ *the Department of Education’s program VIII.D.* for Technology the K-12 Technology Initiative partnership shall provide a report to the House Education and Public Works Committee, the House Ways and Means Committee, the Senate Education Committee and the Senate Finance Committee, describing the state’s efforts to facilitate the cost effective provision of connectivity and internet bandwidth to schools and libraries on a statewide basis, regardless of location, activities to assist schools and libraries in minimizing and detecting internet security threats, the development and utilization of technological and online resources to support student development and achievement, the development and utilization of curriculum and professional training to support the use of instructional technology in schools and libraries, and other educational technology related activities engaged in by the partnership. Further, the report must detail information on the expenditure of the K-12 Technology funds by each district as well as a list of the districts requesting flexibility in the use of those funds. The report shall be submitted no later than June 1, ~~2017~~ *2018*.

SECTION 93 - D500 - DEPARTMENT OF ADMINISTRATION

93.11 **AMEND** (Crime Victims Ombudsman) Directs the State Office of Victim’s Assistance to transfer \$85,000 to the Crime Victims Ombudsman’s Office for administrative and operations support.

WMC: AMEND proviso to change “\$85,000 to \$116,000.” *Adjustments to funding amounts are needed to cover increased operating costs, payroll and employer contributions.* Fiscal Impact: Agency states there would be an increase in other fund expenditures of \$31,000 and is necessary as the carry forward funds for the Crime Victims Ombudsman Office will be depleted in FY 2018-19. Requested by Department of Administration.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

93.11. (DOA: Crime Victims Ombudsman) For the current fiscal year, the State Office of Victims Assistance shall transfer ~~\$85,000~~ *\$116,000* to the Crime Victims Ombudsman’s Office to be used for administrative and operational support.

93.13 **DELETE** (Carillon Tower) Directs the DOA OEPP Veterans’ Affairs Program to use any M.J. “Dolly” Cooper Veterans Cemetery carry forward funds to build the Carillon Tower to house the bell tower music sound system for the cemetery.

WMC: DELETE proviso. *Project is complete.* Requested by Department of Administration.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

93.13. (DOA: Carillon Tower) ~~The Department of Administration, Office of Executive Policy and Programs, Veterans’ Affairs Program shall use any carry forward funds authorized for the M.J. “Dolly” Cooper Veterans Cemetery to construct the Carillon Tower to house the sound system used to provide bell tower music for the cemetery.~~

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93.25 **AMEND** (Emerging Leaders Program) Directs DOA Office of Human Resources to establish an Emerging Leaders Program designed to identify and develop the next generation of state government leaders. Requires the plans for the program be completed in time for the first cohort of participants to be selected by June 30, 2017.

WMC: AMEND proviso to update calendar year reference to “2018.”

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

93.25. (DOA: Emerging Leaders Program) (A) With the funds appropriated to the Office of Human Resources, the Department of Administration shall establish an Emerging Leaders Program (ELP) that is designed to identify and develop the next generation of South Carolina state government's leaders by attracting and/or retaining imminent or recent graduates of relevant post-baccalaureate programs to careers in public service. In order to cultivate effective and innovative leaders with demonstrated problem-solving capabilities, the program shall be cohort-based and require participants to complete rotations in a variety of functional roles that focus on budgeting, policymaking, operations/service delivery, and other appropriate/elective fields. These rotations shall be augmented by and interspersed with classroom-based modules on organizational behavior, decision-making processes, principles of leadership, and other appropriate topics. The program's ultimate design shall reflect the department's assessment of best practices in both public-sector and private-sector management and/or leadership development programs.

(B) Plans for the program shall be completed in time for the first cohort of participants to be selected by June 30, ~~2017~~ 2018.

SECTION 96 - OFFICE OF SECRETARY OF STATE

96.cfr **CONFORM TO FUNDING** (Charity Fine Revenue) **SFC SUBCOMMITTEE RECOMMENDATION:** CONFORM to funding recommendation / ADD new proviso to authorize the Secretary of State to retain up to \$300,000 of administrative fine revenue collected through Section 33-56-160 [ADMINISTRATIVE FINE AND FEES; DISPOSITION] and use the funds to offset Solicitation of Charitable Funds Act enforcement. Fiscal Impact: Based on amount of fines collected, general fund revenue could be reduced up to \$100,000.

96.cfr. (SS: Charity Fine Revenue) The Secretary of State may retain up to \$300,000 of administrative fine revenue collected pursuant to Section 33-56-160 of the 1976 Code and utilize the funds to offset the expenses of enforcing the Solicitation of Charitable Funds Act.

SECTION 100 - E240 - OFFICE OF ADJUTANT GENERAL

100.9 **AMEND** (Billeting and Dining Facility Operations) Authorizes Billeting and Dining Facility Operations revenue to be retained and expended in their budgeted operations or to support SCMD operations, including use for matching federal funds, and armory maintenance and operations.

WMC: AMEND proviso to delete the authorization to expend billeting and dining facility revenue to support SCMD operations and armory maintenance and operations. *Audit findings from US Property and Fiscal Accounting Office have determined that use of the funds for that purpose is not authorized.* Requested by Office of Adjutant General.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

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100.9. (ADJ: Billeting and Dining Facility Operations) All revenues collected by the Billeting and Dining Facility operations at the R.L. McCrady Training Center shall be retained and expended in their budgeted operations ~~or be expended in support of SCMD operations, including use for matching federal funds, and armory maintenance and operations.~~ Expenditures from these funds shall be determined by the Billeting Committee for Billeting operations and the Deputy Adjutant General for state operations for the Dining Facility operation.

100.19 AMEND (2015 Flood Expenditure Status Report) Requires the Emergency Management Division to prepare a quarterly report on the status of the expenditure of “FEMA State and Local Match for 2015 Flooding” funds appropriated by proviso 118.16 and submit the report to the Chairmen of the Senate Finance and House Ways and Means Committees beginning September 30, 2016.

WMC: AMEND proviso to direct that the quarterly expenditure report be for funds appropriated “in the current fiscal year or in a previous fiscal year.” Amend to also include reporting on funds expended for Hurricane Matthew and the Pinnacle Mountain Fire. Direct that the quarterly reports are to begin September 30, 2017.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

100.19. (ADJ: ~~2015 Flood~~ *Disasters* Expenditure Status Report) The Emergency Management Division of the Office of the Adjutant General shall prepare a quarterly report on the status of the expenditure of the funds appropriated ~~by proviso 118.16 of the Fiscal Year 2016-17 Appropriation Act~~ *in the current fiscal year or in a previous fiscal year* for FEMA State and Local Match for *the 2015 Flooding, for Hurricane Matthew, and for the Pinnacle Mountain Fire.* The *quarterly* report must include, but is not limited to, expenditure by category of work by state/local and by county and shall be submitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee beginning September 30, ~~2016~~ *2017.*

SECTION 101 - E280 - ELECTION COMMISSION

101.1 AMEND FURTHER (County Boards of Voter Registration and Elections Compensation) Authorizes compensation for each County Boards of Voter Registration Elections Commissioners at the rate of \$1,500 annually and limits each county to \$12,500 per year. Exempts funds appropriated for this purpose from budget reductions.

WMC: AMEND proviso to change “Commissioners” to “board members.” *All county boards of voter registration and election commissions were combined per Act 196 of 2014 and there are no longer any separate county election commissioners.* Requested by Election Commission.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: AMEND FURTHER to change “\$12,500” to “\$13,500” and direct that unexpended funds be carried forward and used for special primaries, runoffs, and elections.

101.1. (ELECT: County Boards of Voter Registration and Elections Compensation) The amounts appropriated in this section for “County Boards of Voter Registration and Elections ~~Commissioners~~ *Board Members,*” shall be disbursed annually to the County Treasurer at the rate of \$1,500 for each member, not to exceed ~~\$12,500~~ *\$13,500* per county. The County Treasurer shall use these funds only for the compensation of County Boards of Voter Registration and Elections ~~Commissioners~~ *Board Members.* Any funds not used for this purpose shall be returned

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to the State Treasurer. These funds are exempted from mandated budget reductions. In addition, in the calculation of any across the board agency base reductions mandated by the Executive Budget Office or the General Assembly, the amount of funds appropriated for compensation of County Boards of Voter Registration and Elections ~~Commissioners~~ Board Members shall be excluded from the agency's base budget. Unexpended funds shall be carried forward from the prior fiscal year and shall be utilized for special primaries, runoffs, and elections.

- 101.9 DELETE** (Help America Vote Act) Authorizes the Election Commission to use funds appropriated for primary and general elections to match the Help America Vote Act program to the greatest extent possible and ensure compliance with Uniformed and Overseas Citizens Absentee Voting Act.
WMC: DELETE proviso.
HOU: ADOPT deletion of proviso.
SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

~~101.9. (ELECT: Help America Vote Act) Of funds appropriated to the commission for primary and general elections, the commission shall utilize any excess funds to match the Help America Vote Act program to the greatest extent possible, and also ensure compliance with the Uniformed and Overseas Citizens Absentee Voting Act of 1986.~~

- 101.11 REINSERT/AMEND** (HAVA Match Funds) Directs that funds appropriated from the General Fund for matching federal Help America Vote Act funds must be placed in a restricted account so that interest accrues to that account.
WMC: DELETE proviso.
HOU: ADOPT deletion of proviso.
SFC SUBCOMMITTEE RECOMMENDATION: REINSERT proviso and AMEND to direct that unexpended funds be carried forward and used for special primaries, runoffs, and elections.

~~101.11. (ELECT: HAVA Match Funds) Funds appropriated through the General Fund for the purpose of providing a match for federal funds received through the Help America Vote Act (HAVA) shall be moved to a restricted account in order that the funds may accrue interest as per Section 254 (b) (1) of the Help America Vote Act. Unexpended funds shall be carried forward from the prior fiscal year and shall be utilized for special primaries, runoffs, and elections.~~

SECTION 102 - E500 - REVENUE AND FISCAL AFFAIRS OFFICE

- 102.3 DELETE** (SC Boundary Commission) Establishes the SC Boundary Commission which is directed to work with NC Boundary Commission to re-establish the boundaries between the two states. Directs RFA to submit a progress report to the Senate Finance and House Ways and Means Committees within 60 days of the close of each fiscal year until the boundaries have been re-established.
WMC: DELETE proviso. *Re-establishment is completed.* Requested by Revenue and Fiscal Affairs Office.
HOU: ADOPT deletion of proviso.
SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

~~102.3. (RFAO: SC Boundary Commission) There is hereby created the South Carolina Boundary Commission to be composed of seven members as follows: one member appointed by the President Pro Tempore of the Senate; one member appointed by the Speaker of the House of~~

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~~Representatives; one member appointed by the Chairman of the Senate Finance Committee; one member appointed by the Chairman of the House Ways and Means Committee; the Executive Director, or his designee, of the Revenue and Fiscal Affairs Office; the Director of the Department of Natural Resources, or his designee; and the technical advisor of the Geodetic and Mapping Survey Program appointed by the Executive Director of the Revenue and Fiscal Affairs Office who shall serve as the coordinator and chairman of the commission. The purpose of the commission is to work with the North Carolina Boundary Commission to oversee and approve work re-establishing the boundary between South Carolina and North Carolina.~~

~~The Executive Director of the Revenue and Fiscal Affairs Office is directed to submit a report to the Senate Finance Committee and the House Ways and Means Committee regarding the progress of re-establishing the South Carolina North Carolina boundary within sixty days of the close of each fiscal year until such re-establishment is completed.~~

102.8 **ADD** (NG9-1-1 Strategic Plan) **WMC:** ADD new proviso to authorize RFA to use wireless 9-1-1 fund compliance cost monies to further plan, develop and implement the comprehensive statewide NG9-1-1 system as outlined in the strategic plan; and define associated costs. Requested by Revenue and Fiscal Affairs Office.

HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

102.8. (RFAO: NG9-1-1 Strategic Plan) The Revenue and Fiscal Affairs Office shall be authorized to use funds from the 58.2 percent compliance cost portion of the wireless 9-1-1 fund for costs associated with the further planning, development, and implementation of the comprehensive statewide NG9-1-1 system as outlined in the South Carolina NG9-1-1 strategic plan. Associated costs include, but are not limited to, the hiring of consultants, technical experts, or other professionals for assistance in defining, developing, or implementing the operating model and standards, system or technical requirements, or other elements of the system as outlined in the strategic plan.

SECTION 104 - E550 - STATE FISCAL ACCOUNTABILITY AUTHORITY

104.2 **DELETE** (Vacant Positions) Authorizes SFAA to delete positions that have been vacant more than 12 months.

WMC: DELETE proviso. *See proviso 117.14 for FTE management.* Requested by Department of Administration.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

~~**104.2.** (SFAA: Vacant Positions) In the event that any permanent position in an agency remains vacant for more than twelve months the position may be deleted by the State Fiscal Accountability Authority.~~

SECTION 112 - V040 - DEBT SERVICE

112.1 **AMEND** (Excess Debt Service) Provides for the expenditure of excess FY 2015-16 debt service funds in FY 2016-17.

WMC: AMEND proviso to update fiscal year references.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

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112.1. (DS: Excess Debt Service) Excess debt service funds from Fiscal Year ~~2015-16~~ ~~2016-17~~ must be carried forward and expended in Fiscal Year ~~2016-17~~ 2017-18 to pay down general obligation bond debt for which the State (1) is paying the highest rate of interest, (2) will achieve relief in constrained debt capacity, or (3) reduce the amount of debt issued.

SECTION 113 - X220 - AID TO SUBDIVISIONS, STATE TREASURER

113.2 **AMEND** (Quarterly Distributions) Provides for the quarterly distribution of Aid to Subdivisions Local Government Fund.

WMC: AMEND proviso to update fiscal year references to “2017-18.”

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

113.2. (AS-TREAS: Quarterly Distributions) For Fiscal Year ~~2016-17~~ 2017-18, one quarter of the amount appropriated in Part IA for Aid to Subdivisions-Local Government Fund shall be distributed as soon after the beginning of each quarter as practical with the four distributions together totaling the Fiscal Year ~~2016-17~~ 2017-18 Part IA appropriation for the Local Government Fund.

113.5 **CARRIED OVER** (LGF) Suspends Sections 6-27-30 [FUNDING OF LOCAL GOVERNMENT FUND FROM GENERAL FUND REVENUES] and 6-27-50 [RESTRICTIONS ON AMENDMENT OR REPEAL OF CHAPTER] for Fiscal Year 2016-17.

WMC: AMEND proviso to update fiscal year reference to “2017-18.”

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: CARRIED OVER.

113.5. (AS-TREAS: LGF) For Fiscal Year ~~2016-17~~ 2017-18, the provisions of Section 6-27-30 and Section 6-27-50 of the 1976 Code are suspended.

SECTION 117 - X900 - GENERAL PROVISIONS

117.2 **AMEND** (Appropriations From Funds) Directs that funds appropriated from the General Fund, EIA Fund, Highways and Public Transportation Fund and other applicable funds are to meet the ordinary expenses of the State for FY 2016-17.

WMC: AMEND proviso to update fiscal year reference to “2017-18.” *Technical.*

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

117.2. (GP: Appropriations From Funds) Subject to the terms and conditions of this act, the sums of money set forth in this part, if so much is necessary, are appropriated from the General Fund of the State, the Education Improvement Act Fund, the Highways and Public Transportation Fund, and other applicable funds, to meet the ordinary expenses of the state government for Fiscal Year ~~2016-17~~ 2017-18, and for other purposes specifically designated.

117.3 **AMEND** (Fiscal Year Definitions) Defines current and prior fiscal year time frames.

WMC: AMEND proviso to update fiscal year references from “2016” to “2017;” “2017” to “2018;” and “2015” to “2016.” *Technical.*

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

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117.3. (GP: Fiscal Year Definitions) For purposes of the appropriations made by this part, “current fiscal year” means the fiscal year beginning July 1, ~~2016~~ 2017, and ending June 30, ~~2017~~ 2018, and “prior fiscal year” means the fiscal year beginning July 1, ~~2015~~ 2016, and ending June 30, ~~2016~~ 2017.

117.14 **AMEND** (~~Personal Service Reconciliation, FTEs~~ *FTE Management*) Provides guidelines for the Executive Budget Office to monitor full-time equivalent (FTE) positions and directs that no agency may exceed the total FTEs authorized in the Appropriation Act except upon majority vote of the State Fiscal Accountability Authority. Directs that personal services funds in the Governor’s budget recommendations must be at least 97% funded.

WMC: AMEND proviso to delete the requirement in item (2)(a) that non-established positions be deleted and the directive that no positions be established in excess of the total number of authorized FTE positions. Amend item (2)(b) to change “personal service” analysis to “FTE” analysis and require the analysis be completed for the current and last two fiscal years. Delete item (2)(c) which allows SFAA to direct that unfunded or significantly underfunded positions be deleted. Amend item (5) to delete current directive to annually reconcile personal service funds with full-time employee count and instead permit the number of authorized positions in this act to be increased if an agency determines that the duties of Temporary, Time-Limited, and Temporary Grant positions created before July 1, 2017 will continue indefinitely and merit being classified as a FTE; exempt these newly created FTEs from the posting process; and direct that affected Temporary Grant and Time-Limited employees unused annual and sick leave shall transfer to their FTE position. Direct the Division of State Human Resources, in consultation with EBO, to formulate guidelines for administering this item and provide for certain information to be included in any request to convert a position. Direct DOA to review, approve, deny, or modify the request, as appropriate; ensure that FTE Constitutional limits are observed; and to submit a report on FTEs issued through this item to the Chairmen of the Senate Finance and House Ways and Means Committees by January 6.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

117.14. (GP: ~~Personal Service Reconciliation, FTEs~~ *FTE Management*) In order to provide the necessary control over the number of employees, the Executive Budget Office is hereby directed to maintain close supervision over the number of state employees, and to require specifically the following:

(1) That no state agency exceed the total authorized number of full-time equivalent positions and those funded from state sources as provided in each section of this act except by majority vote of the State Fiscal Accountability Authority.

(2) That the Executive Budget Office shall maintain and make, as necessary, periodic adjustments thereto, an official record of the total number of authorized full-time equivalent positions by agency for state and total funding sources.

(a) That within thirty days of the passage of the Appropriation Act or by August first, whichever comes later, each agency of the State must have established on the Executive Budget Office records all positions authorized in the Act. ~~After that date, the office shall delete any non-established positions immediately from the official record of authorized full-time equivalent positions. No positions shall be established by the office in excess of the total number of authorized full-time equivalent positions.~~ Each agency may, upon notification to the Executive Budget Office, change the funding source of state FTE positions established on the Executive Budget Office records as necessary to expend federal and other sources of personal service funds to conserve or stay within the state appropriated personal service funds. No agency shall change funding sources that will cause the agency to exceed the authorized number of state or total full-

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time equivalent positions. Each agency may transfer FTEs between programs as needed to accomplish the agency mission.

(b) That by September thirtieth, the office shall prepare a ~~personal service~~ FTE analysis, by agency, which shows the number of ~~established~~ authorized, filled, and vacant positions by source of funds for the current and two previously completed fiscal year years and the amount of funds required, by source of funds, to support the FTEs for the fiscal year at a funding level of one hundred percent. The office shall then reconcile each agency's personal service detail with the agency's personal service appropriation as contained in the Act adjusted for any pay increases and any other factors necessary to reflect the agency's personal service funding level. The office shall provide a copy of each agency's ~~personal service reconciliation~~ FTE analysis to the Senate Finance and House Ways and Means Committees.

~~(c) That any position which is shown by the reconciliation to be unfunded or significantly underfunded may be deleted at the direction of the State Fiscal Accountability Authority.~~

(3) That full-time equivalent (FTE) positions shall be determined under the following guidelines:

(a) The annual work hours for each FTE shall be the agency's full-time standard annual work hours.

(b) The state FTE shall be derived by multiplying the state percentage of budgeted funds for each position by the FTE for that position.

(c) All institutions of higher education shall use a value of 0.75 FTE for each position determined to be full-time faculty with a duration of nine months.

The FTE method of accounting shall be utilized for all authorized positions.

(4) That the number of positions authorized in this act shall be reduced in the following circumstances:

(a) Upon request by an agency.

(b) When anticipated federal funds are not made available.

(c) When the Executive Budget Office, through study or analysis, becomes aware of any unjustifiable excess of positions in any state agency.

~~(5) That the Executive Budget Office shall annually reconcile personal service funds with full time employee count. Unfunded positions will be eliminated no later than January fifteenth of the current fiscal year unless specifically exempted elsewhere in this act or by the Executive Budget Office. The Executive Budget Office must report the full time employee count and unfunded position status to the Senate Finance Committee and the Ways and Means Committee by February first of the current fiscal year. That the number of positions authorized in this act shall be increased for the sole purpose of classifying Temporary, Time-Limited and Temporary Grant positions created prior to July 1, 2017, that merit such classification as FTEs because the agency has determined that the duties will continue indefinitely. The new FTEs created through this process and filled by existing non-FTE staff shall be exempt from the posting process. Additionally, affected Temporary Grant and Time-Limited employees shall transfer any unused annual and sick leave to their FTE positions.~~

The Division of State Human Resources, in consultation with the Executive Budget Office, shall formulate guidelines for the administration of this item. The request by the agency must include a justification for changing the position, justification of an insufficient vacancy pool, identification of sufficient funds with current appropriations, identification of source of funds to be utilized, and assurance that the FTEs are not being used to create new jobs. The guidelines shall also include a process for submitting requests including a deadline for submission of requests.

The Department of Administration shall review the request and approve, deny, or modify it as appropriate. The department shall further ensure that the FTE Constitutional limits are

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observed. This item in no way requires agencies to submit requests, and does not guarantee any employment status to staff. A report on FTE issuance through this item shall be submitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee no later than January 6 of the current fiscal year.

(6) That no new permanent positions in state government shall be funded by appropriations in acts supplemental to this act but temporary positions may be so funded.

(7) That the provisions of this section shall not apply to personnel exempt from the State Classification and Compensation Plan under item I of Section 8-11-260 of the 1976 Code.

The Governor, in making his appropriation recommendations to the Ways and Means Committee, must provide that the level of personal service appropriation recommended for each agency is at least ninety-seven percent of the funds required to meet one hundred percent of the funds needed for the full-time equivalents positions recommended by the Governor (exclusive of new positions).

117.58 AMEND FURTHER (Year-End Financial Statements - Penalties) Provides timeframes for submission of annual audited financial statements by agencies, institutions, and other reporting entities to the Comptroller General for inclusion in the State's CAFR. Requires the Comptroller General to provide a report to SFFA by November 30th on each noncompliant agency, institution, or other reporting entity.

WMC: AMEND proviso to change the date by which agencies whose fiscal year ends on June 30th must submit their final audited financial statements to the Comptroller General from "October first" to "October fifteenth."

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: AMEND proviso to reinsert the October first submission date, but authorize the SCRS, Insurance Benefits and OPEB administered by PEBA to submit their final audited financial statements by October 15th.

117.58. (GP: Year-End Financial Statements - Penalties) Agencies, institutions, and other reporting entities required to submit annual audited financial statements for inclusion in the State's Comprehensive Annual Financial Report must submit final audited financial statements to the Comptroller General not later than October ~~first~~ ~~fifteenth~~ for those with fiscal year-end June thirtieth. *The South Carolina Retirement Systems, Insurance Benefits, and Other Post Employment Benefits Trust Funds administered by the South Carolina Public Employee Benefit Authority must submit their final audited financial statements no later than October 15.* For institutions and reporting entities with fiscal year-ends other than June thirtieth, final audited financial statements must be submitted to the Comptroller General within 120 days of that fiscal year-end. The Comptroller General shall provide a written report of each agency, institution, or other reporting entity not in compliance with this provision to the State Fiscal Accountability Authority by November thirtieth.

117.75 CARRIED OVER (Mandatory Furlough) Provides for circumstances under which an agency head may institute a mandatory furlough. Directs that agency heads should consider furloughing contract employees, post-TERI employees, and TERI employees before furloughing other employees. Provides for who is responsible for employer and employee contributions during a furlough. Directs that if a reduction is due solely to the General Assembly transferring or deleting a program this provision does not apply.

HOU: AMEND proviso to direct that employees whose salary is less than \$40,000 shall not be furloughed. Sponsor: Rep. Cobb-Hunter.

SFC SUBCOMMITTEE RECOMMENDATION: CARRIED OVER.

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117.75. (GP: Mandatory Furlough) In a fiscal year in which the general funds appropriated for a state agency are less than the general funds appropriated for that agency in the prior fiscal year, or whenever the General Assembly or the Executive Budget Office implements a midyear across-the-board budget reduction, and agency heads institute a mandatory employee furlough program, in determining which employees must participate in the program, agency heads should give consideration to furloughs for contract employees, post-TERI employees, and TERI employees before other employees. ~~Employees which make a salary of under \$40,000 shall not be furloughed.~~ During this mandatory furlough, the state employees shall be entitled to participate in the same state benefits as otherwise available to them except for receiving their salaries. As to those benefits which require employer and employee contributions, the state agencies, institutions, and departments will be responsible for making both employer and employee contributions if coverage would otherwise be interrupted; and as to those benefits which require only employee contributions, the employee remains solely responsible for making those contributions. In the event an agency's reduction is due solely to the General Assembly transferring or deleting a program, this provision does not apply.

117.113 AMEND (Information Technology and Information Security Plans) Requires all state agencies to submit an information technology plan and an information security plan for FY 2016-17 to the Department of Administration by October 1, 2016; to submit updates to the plan if changes are made after initial submission; and specifies information required to be included in the plans. Excludes the Judicial and Legislative Departments, public institutions of higher learning, technical colleges, political subdivisions, and quasi-governmental bodies from the requirements of this provision.

WMC: AMEND proviso to change "October 1, 2016" to "August 1 of the current fiscal year" and to delete reference to "for Fiscal Year 2016-17." Requested by Department of Administration.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

117.113. (GP: Information Technology and Information Security Plans) (A) By ~~October 1, 2016~~ August 1 of the current fiscal year, all state agencies must submit an information technology plan and an information security plan ~~for Fiscal Year 2016-17~~ to the Department of Administration. State agencies must submit updates to their plans if there are changes following initial submission. Changes that would necessitate an updated plan include, but are not limited to, changes in response to technological advancements, changes in legislation, regulation or compliance requirements, newly identified funding sources, or new issues relating to information technology management or business requirements.

The information technology plans required by this section shall be in the form and level of detail required by the department and shall include at least: (1) the information technology objectives of the state agency; (2) an inventory of the state agency's information technology; (3) any performance measures used by the state agency for implementing its information technology objectives; (4) how the state agency's development of information technology coordinates with other governmental entities; (5) the state agency's budget plans for information technology for the coming fiscal year which must include: (a) all fixed, recurring information technology costs, regardless of funding sources; (b) new information technology expenditures for services, hardware upgrades/replacements and software purchases, regardless of funding sources; (c) new information technology projects, regardless of funding sources; and (d) FTE counts, temporary personnel counts, and salary information and position descriptions for all information technology personnel, regardless of funding sources; and (6) the state agency's need for appropriations for information technology.

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The information security plans required by this section shall be in the form and level of detail required by the division and shall include at least: (1) the information security objectives of the state agency; (2) an inventory of the state agency's information security technology; (3) a profile of the state agency's compliance with security policies established by the division; (4) a profile of the state agency's sensitive data and a description of applicable state and federal privacy requirements; (5) a profile of risk management and other measures taken by the state agency to protect its data from unauthorized access and disclosure; (6) the state agency's budget plans for information security for the coming fiscal year which must include: (a) all fixed, recurring information security technology costs, regardless of funding sources; (b) new information security expenditures for services hardware upgrades/replacements and software purchases, regardless of funding sources; (c) new information security projects, regardless of funding sources; and (d) FTE counts, temporary personnel counts, and salary information and position descriptions for all information security personnel, regardless of funding sources; and (7) the state agency's need for appropriations for information security.

(B) The director of the Department of Administration should seek advice from private and public sector resources on the efficient use of information technology and best practices.

(C) The Judicial Department, Legislative Department, public institutions of higher learning, technical colleges, political subdivisions and quasi-governmental bodies are specifically exempt from the requirements as provided in this proviso.

117.132 AMEND (Funds Exempt from Budget Reduction Calculations) Excludes specific funds from the calculation of any across the board base reductions mandated by the Executive Budget Office or the General Assembly as follows: the General Reserve Fund, the Capital Reserve Fund, Debt Service, the Local Government Fund, and the Tax Relief Trust Fund.

WMC: AMEND proviso to change F310 reference to "Capital and General Reserve Funds."

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

117.132. (GP: Funds Exempt from Budget Reduction Calculations) ~~The General Reserve Fund~~, funds designated in F310, Section 107, Capital ~~and General Reserve Fund Funds~~, funds designated in V040, Section 112, Debt service, funds designated in X220, Section 113, Aid to Subdivisions - State Treasurer for the Local Government Fund, and funds designated in X500, Section 115, Tax Relief Trust Fund shall be excluded from the calculation of any across-the-board base reduction mandated by the Department of Administration, Executive Budget Office or the General Assembly and shall not be subject to any such reduction.

117.148 DELETE NEW PROVISO (Statewide Contract Usage and Administrative Fees) **HOU:** ADD new proviso to direct SFAA to provide and release via the agency's website, a report of all aggregate amounts of contract usage and administrative fees due and collected in the prior fiscal year. Provide for report requirements. Direct the report be submitted to Chairman of the Senate Finance Committee and to members of the House Ways and Means Committee by September 1st. Sponsor: Rep. Cobb-Hunter.

SFC SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~*117.148. (GP: Statewide Contract Usage and Administration Fees) In order to promote accountability and transparency, the State Fiscal Accountability Authority must provide and release to the public via the agency's website, a report of all aggregate amounts of contract usage and administrative fees that were due and collected by the authority in the prior fiscal year. The report shall include, but not be limited to: (1) contract name; (2) solicitation number; (3) vendor name and address; (4) vendor number; (5) total sales reported per vendor; (6) total*~~

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~~administrative fee due per vendor; (7) total administrative fee collected per vendor; (8) total administrative fee outstanding per vendor; and (9) purchasing agency name and address. This report shall include any state contract for which usage/administrative fees are required from vendors or agencies. The report must be posted online and be submitted to the Chairman of the Senate Finance Committee and to members of the House Ways and Means Committee by September 1st. Funds appropriated to and/or authorized for use by the State Fiscal Accountability Authority shall be used to accomplish this directive.~~

SECTION 118 - X910 - STATEWIDE REVENUE

- 118.1** **AMEND** (Year End Cutoff) Directs year-end expenditure deadlines.
WMC: AMEND proviso to update calendar year references to “2018.” Requested by Office of Comptroller General.
HOU: ADOPT proviso as amended.
SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

118.1. (SR: Year End Cutoff) Unless specifically authorized herein, the appropriations provided in Part IA of this act as ordinary expenses of the State Government shall lapse on July 31, ~~2017~~ 2018. State agencies are required to submit all current fiscal year input documents and all electronic workflow for accounts payable transactions to the Office of Comptroller General by July ~~14, 2017~~ 13, 2018. Appropriations for Permanent Improvements, now outstanding or hereafter provided, shall lapse at the end of the second fiscal year in which such appropriations were provided, unless definite commitments shall have been made, with the approval of the State Fiscal Accountability Authority and Joint Bond Review Committee, toward the accomplishment of the purposes for which the appropriations were provided. Appropriations for other specific purposes aside from ordinary operating expenses, now outstanding or hereafter provided, shall lapse at the end of the second fiscal year in which such appropriations were provided, unless definite commitments shall have been made, with the approval of the State Fiscal Accountability Authority, toward the accomplishment of the purposes for which the appropriations were provided.