

**REPORT OF THE
GENERAL GOVERNMENT,
PERSONNEL & BENEFITS SUBCOMMITTEE**
(Cobb-Hunter, Hayes, Bannister, Moss, & Willis - Staff Contact: Stephanie Meetze)

HOUSE BILL 3786

H. 3786 -- Reps. G.M. Smith and Murphy: A BILL TO AMEND SECTION 1-1-1210, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE ANNUAL SALARIES OF STATE CONSTITUTIONAL OFFICERS, SO AS TO PROVIDE THAT BEGINNING WITH FISCAL YEAR 2022-2023 SALARIES FOR THE STATE CONSTITUTIONAL OFFICERS MUST BE BASED ON RECOMMENDATIONS BY THE AGENCY HEAD SALARY COMMISSION TO THE GENERAL ASSEMBLY; TO AMEND SECTION 8-11-160, RELATING TO THE AGENCY HEAD SALARY COMMISSION AND SALARY INCREASES FOR AGENCY HEADS, SO AS TO PROVIDE THAT THE AGENCY HEAD SALARY COMMISSION MUST MAKE RECOMMENDATIONS TO THE GENERAL ASSEMBLY FOR THE SALARIES FOR STATE CONSTITUTIONAL OFFICERS; AND TO AMEND SECTION 8-11-165, RELATING TO SALARY AND FRINGE BENEFIT SURVEYS, SO AS TO PROVIDE THAT SALARY SURVEYS BE CONDUCTED FOR STATE CONSTITUTIONAL OFFICERS.

Received by Ways and Means:

February 2, 2021

Summary of Bill:

This bill provides that salaries for State Constitutional Officers must be based on recommendations by the Agency Head Salary Commission (AHSC) to the General Assembly, starting in FY 2022-23. In addition, the bill also requires the Governor-elect to submit a description of duties of the Lt. Governor and to submit any salary increases for the Lt. Governor to the AHSC.

The bill also requires that a survey be conducted every four years of the salary and fringe benefits for agency heads.

Estimated Revenue Impact:

This bill will increase the Other Funds expenditure of the State Fiscal Accountability Authority (SFAA) by \$26,000 in FY 2022-23 due to increased operating costs for a new salary study. This bill will also increase the Other Funds revenue of SFAA by \$26,000 due to reimbursement from constitutional offices participating in the salary recommendation process. RFA assumes these constitutional offices will absorb the expenditure into their existing budgets. These revenue and expenditure impacts on the Other Funds of SFAA may occur every four years after FY 2022-23, contingent upon the outcome of the bidding process for the new salary study.

"THE BELOW CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFIT OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT".

Other Notes/Comments:

Subcommittee Hearing scheduled for 4/5.
Strike-and-insert amendment adopted in subcommittee.
Amendment was drafted to exclude the Governor and Lieutenant Governor from being moved under the Agency Head Salary Commission and all language relating to the Lieutenant Governor's job duties.
Received Favorable Report as amended in subcommittee on 4/5/2021.

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

ALLEN
APRIL 5, 2021

CLERK OF THE HOUSE

THE GENERAL GOVERNMENT SUBCOMMITTEE PROPOSES THE
FOLLOWING AMENDMENT No. TO H. 3786
(COUNCIL\SA\3786C001.BH.SA21):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY
STRIKING ALL AFTER THE ENACTING WORDS AND
INSERTING:**

**/ SECTION 1. SECTION 1-1-1210 OF THE 1976
CODE, AS LAST AMENDED BY ACT 178 OF 2018, IS
FURTHER AMENDED TO READ:**

**“SECTION 1-1-1210. (A) THE ANNUAL
SALARIES OF THE STATE OFFICERS LISTED BELOW
ARE:**

GOVERNOR

\$98,000

LIEUTENANT GOVERNOR 43,000

SECRETARY OF STATE 85,000

STATE TREASURER 85,000

ATTORNEY GENERAL 85,000

COMPTROLLER GENERAL 85,000

SUPERINTENDENT OF EDUCATION 85,000

ADJUTANT GENERAL 85,000

COMMISSIONER OF AGRICULTURE 85,000

(B) THESE SALARIES MUST BE INCREASED BY TWO PERCENT ON JULY 1, 1991, AND ON JULY FIRST OF EACH SUCCEEDING YEAR THROUGH JULY 1, 1994.

(C) A STATE OFFICER WHOSE SALARY IS PROVIDED IN THIS SECTION MAY NOT RECEIVE COMPENSATION FOR EX OFFICIO SERVICE ON ANY STATE BOARD, COMMITTEE, OR COMMISSION.

(D) BEGINNING WITH FISCAL YEAR 2022-2023, AND BEGINNING WHEN THE STATE

OFFICER’S TERM COMMENCES AND LASTING UNTIL THE TERM CONCLUDES, WITH THE EXCEPTION OF THE GOVERNOR AND LIEUTENANT GOVERNOR, SALARIES FOR THE STATE OFFICERS LISTED IN SUBSECTION (A) MUST BE BASED ON RECOMMENDATIONS BY THE AGENCY HEAD SALARY COMMISSION TO THE GENERAL ASSEMBLY AS PROVIDED IN SECTIONS 8-11-160 AND 8-11-165.”

SECTION 2. SECTION 8-11-160 OF THE 1976 CODE IS AMENDED TO READ:

“SECTION 8-11-160. (A) ALL BOARDS AND COMMISSIONS ARE REQUIRED TO SUBMIT JUSTIFICATION OF AN AGENCY HEAD’S PERFORMANCE AND SALARY RECOMMENDATIONS TO THE AGENCY HEAD SALARY COMMISSION.

(B) THIS COMMISSION CONSISTS OF FOUR APPOINTEES OF THE CHAIRMAN OF THE HOUSE WAYS AND MEANS COMMITTEE, FOUR APPOINTEES OF THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE, AND THREE APPOINTEES OF THE GOVERNOR WITH EXPERIENCE IN EXECUTIVE COMPENSATION.

(C) BEGINNING WITH FISCAL YEAR 2022-2023:

(1) SALARIES FOR THE TERM OF STATE OFFICERS LISTED IN SECTION 1-1-1210(A) MUST BE BASED ON RECOMMENDATIONS BY THE AGENCY HEAD SALARY COMMISSION TO THE GENERAL ASSEMBLY; AND

(2) THE AGENCY HEAD SALARY COMMISSION SHALL AUTHORIZE A STUDY BE CONDUCTED EVERY FOUR YEARS TO RECOMMEND A SALARY RANGE FOR EACH STATE CONSTITUTIONAL OFFICER BASED ON THEIR JOB DUTIES AND RESPONSIBILITIES AS WELL AS THE PAY OF STATE CONSTITUTIONAL OFFICERS IN OTHER STATES.

(D) SALARY INCREASES FOR AGENCY HEADS MUST BE BASED ON RECOMMENDATIONS BY EACH AGENCY BOARD OR COMMISSION TO THE AGENCY HEAD SALARY COMMISSION AND THEIR RECOMMENDATIONS TO THE GENERAL ASSEMBLY.”

SECTION 3. SECTION 8-11-165 OF THE 1976 CODE IS AMENDED TO READ:

“SECTION 8-11-165. (A) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT:

(1) A SALARY AND FRINGE BENEFIT SURVEY FOR AGENCY HEADS MUST BE CONDUCTED BY THE OFFICE OF HUMAN RESOURCES OF THE DEPARTMENT OF ADMINISTRATION STATE FISCAL ACCOUNTABILITY AUTHORITY EVERY THREE FOUR YEARS. THE STAFF OF THE OFFICE AUTHORITY SHALL SERVE AS THE SUPPORT STAFF TO THE AGENCY HEAD SALARY COMMISSION.

(2) BEGINNING WITH THE FISCAL YEAR 2022-2023 AND EVERY FOUR YEARS THEREAFTER, THE AGENCY HEAD SALARY COMMISSION SHALL COMMISSION A STUDY TO RECOMMEND A SALARY RANGE FOR THE TERM OF EACH STATE CONSTITUTIONAL OFFICER LISTED IN SECTION 1-1-1210 BASED ON EACH STATE CONSTITUTIONAL OFFICER’S JOB DUTIES AND RESPONSIBILITIES AS WELL AS THE PAY OF OTHER STATE CONSTITUTIONAL OFFICERS IN OTHER STATES. THE COMMISSION SHALL THEN DETERMINE A SALARY FOR THE TERM OF EACH STATE

**CONSTITUTIONAL OFFICER WITHIN THE RECOMMENDED PAY RANGE
SUBJECT TO FUNDING BEING PROVIDED IN THE ANNUAL APPROPRIATIONS
ACT.**

(B) NO EMPLOYEE OF AGENCIES REVIEWED BY THE AGENCY HEAD SALARY COMMISSION MAY RECEIVE A SALARY IN EXCESS OF NINETY-FIVE PERCENT OF THE MIDPOINT OF THE AGENCY HEAD SALARY RANGE OR THE AGENCY HEAD ACTUAL SALARY, WHICHEVER IS GREATER, EXCEPT ON APPROVAL OF THE ~~STATE BUDGET AND CONTROL BOARD~~ DIRECTOR OF THE DIVISION OF STATE HUMAN RESOURCES AT THE DEPARTMENT OF ADMINISTRATION, AND EXCEPT FOR EMPLOYEES OF HIGHER EDUCATION TECHNICAL COLLEGES, COLLEGES, AND UNIVERSITIES.

~~NO PRESIDENT OF A TECHNICAL COLLEGE MAY RECEIVE A SALARY IN EXCESS OF NINETY-FIVE PERCENT OF THE MIDPOINT OF THE AGENCY HEAD SALARY RANGE OR THE AGENCY HEAD ACTUAL SALARY, WHICHEVER IS GREATER, EXCEPT ON APPROVAL OF THE AGENCY HEAD SALARY COMMISSION AND THE STATE BUDGET AND CONTROL BOARD.~~

(C) THE AGENCY HEAD SALARY COMMISSION MAY RECOMMEND TO THE ~~STATE BUDGET AND CONTROL BOARD~~ GENERAL ASSEMBLY THAT AGENCY HEAD SALARIES BE ADJUSTED TO THE MINIMUM OF THEIR SALARY RANGES AND MAY RECOMMEND TO THE BOARD THAT AGENCY HEAD SALARIES BE ADJUSTED WHEN NECESSARY UP TO THE MIDPOINTS OF THEIR RESPECTIVE SALARY RANGES. THESE INCREASES MUST BE BASED ON CRITERIA DEVELOPED AND APPROVED BY THE AGENCY HEAD SALARY COMMISSION.

(D) ALL NEW MEMBERS APPOINTED TO A GOVERNING BOARD OF AN AGENCY WHERE THE PERFORMANCE OF THE AGENCY HEAD IS REVIEWED AND RANKED BY THE AGENCY HEAD SALARY COMMISSION SHALL ATTEND THE TRAINING IN AGENCY HEAD PERFORMANCE APPRAISAL PROVIDED BY THE COMMISSION WITHIN THE FIRST YEAR OF THEIR APPOINTMENT UNLESS SPECIFICALLY EXCUSED BY THE CHAIRMAN OF THE AGENCY HEAD SALARY COMMISSION.”

SECTION 4. THIS ACT TAKES EFFECT UPON APPROVAL BY THE GOVERNOR. /

**RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.**



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:	H. 3786	Introduced on February 2, 2021
Author:	G.M. Smith	
Subject:	Salaries of Constitutional Officers	
Requestor:	House Ways and Means	
RFA Analyst(s):	Coomer	
Impact Date:	February 12, 2021	

Fiscal Impact Summary

This bill will increase the Other Funds expenditure of the State Fiscal Accountability Authority (SFAA) by \$26,000 in FY 2022-23 due to increased operating costs for a new salary study. This bill will also increase the Other Funds revenue of SFAA by \$26,000 due to reimbursement from constitutional offices participating in the salary recommendation process. RFA assumes these constitutional offices will absorb the expenditure into their existing budgets. These revenue and expenditure impacts on the Other Funds of SFAA may occur every four years after FY 2022-23, contingent upon the outcome of the bidding process for the new salary study.

This bill does not fiscally impact the Department of Administration as it does not materially impact its operations.

Explanation of Fiscal Impact

Introduced on February 2, 2021

State Expenditure

This bill provides that salaries for the state constitutional officers referenced in Section 1 of the bill must be based on recommendations by the Agency Head Salary Commission (AHSC) to the General Assembly beginning in FY 2022-23. The salaries for these constitutional officers have not been changed since 1994 and were not previously based on any recommendations by the AHSC. Additionally, beginning in 2022 the bill requires the Governor-elect to submit a description of duties of the Lieutenant Governor to the AHSC, and further requires salary increases for the Lieutenant Governor to be based on recommendations by the Governor to the AHSC and their recommendations to the General Assembly.

Furthermore, the bill requires a salary and fringe benefit survey for agency heads to be conducted every four years instead of every three years and transfers support staff and surveying duties for AHSC from the Office of Human Resources of the Department of Administration to SFAA. However, pursuant to Proviso 104.9 of the FY 2019-20 Appropriations Act and previous provisos, SFAA has been handling these responsibilities since FY 2015-16. There will be no fiscal impact from these provisions because it does not materially change the current operations of SFAA or the Department of Administration.

The bill further requires AHSC to authorize a study to be conducted every four years to recommend a salary range for the constitutional officers listed in Section 1 of the bill. SFAA currently contracts surveys similar to this study out and rebids them every four years. SFAA reports that this study would increase Other Funds expenditures in FY 2022-23 by \$26,000 based on estimates from current providers at this time. This increase in expenditures may occur every four years thereafter, contingent upon the outcome of the bidding process for the study. SFAA reports that these expenditures will be reimbursed by participating agencies, and RFA assumes these constitutional offices will absorb the expenditure into their existing budgets.

Lastly, the bill removes the salary restriction which prevents presidents of technical colleges from receiving a salary in excess of ninety-five percent of the midpoint of the agency head salary range or the agency head actual salary, whichever is greater. Currently, a majority of technical college presidents are paid at or near the minimum of the pay range, and none of the presidents currently earn over the midpoint of the salary range.

State Revenue

This bill will increase SFAA Other Funds revenues by \$26,000 due to reimbursement from the constitutional offices involved in the new salary study beginning in FY 2022-23. This revenue impact may occur every four years thereafter, contingent upon the outcome of the bidding process for the study.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director

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A BILL

11 TO AMEND SECTION 1-1-1210, AS AMENDED, CODE OF
12 LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE
13 ANNUAL SALARIES OF STATE CONSTITUTIONAL
14 OFFICERS, SO AS TO PROVIDE THAT BEGINNING WITH
15 FISCAL YEAR 2022-2023 SALARIES FOR THE STATE
16 CONSTITUTIONAL OFFICERS MUST BE BASED ON
17 RECOMMENDATIONS BY THE AGENCY HEAD SALARY
18 COMMISSION TO THE GENERAL ASSEMBLY; TO AMEND
19 SECTION 8-11-160, RELATING TO THE AGENCY HEAD
20 SALARY COMMISSION AND SALARY INCREASES FOR
21 AGENCY HEADS, SO AS TO PROVIDE THAT THE AGENCY
22 HEAD SALARY COMMISSION MUST MAKE
23 RECOMMENDATIONS TO THE GENERAL ASSEMBLY FOR
24 THE SALARIES FOR STATE CONSTITUTIONAL OFFICERS;
25 AND TO AMEND SECTION 8-11-165, RELATING TO SALARY
26 AND FRINGE BENEFIT SURVEYS, SO AS TO PROVIDE
27 THAT SALARY SURVEYS BE CONDUCTED FOR STATE
28 CONSTITUTIONAL OFFICERS.

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

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33 SECTION 1. Section 1-1-1210 of the 1976 Code, as last amended
34 by Act 178 of 2018, is further amended to read:

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36 "Section 1-1-1210. (A) The annual salaries of the state officers
37 listed below are:

38	Governor	\$98,000
39	Lieutenant Governor	43,000
40	Secretary of State	85,000
41	State Treasurer	85,000
42	Attorney General	85,000

1 Comptroller General 85,000
2 Superintendent of Education 85,000
3 Adjutant General 85,000
4 Commissioner of Agriculture 85,000

5 (B) These salaries must be increased by two percent on July 1,
6 1991, and on July first of each succeeding year through July 1, 1994.

7 (C) A state officer whose salary is provided in this section may
8 not receive compensation for ex officio service on any state board,
9 committee, or commission.

10 (D) Beginning with Fiscal Year 2022-2023, and beginning when
11 the state officer's term commences and lasting until the term
12 concludes, salaries for the state officers listed in subsection (A) must
13 be based on recommendations by the Agency Head Salary
14 Commission to the General Assembly as provided in Sections
15 8-11-160 and 8-11-165."

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17 SECTION 2. Section 8-11-160 of the 1976 Code is amended to
18 read:

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20 "Section 8-11-160. (A) All boards and commissions are required
21 to submit justification of an agency head's performance and salary
22 recommendations to the Agency Head Salary Commission.

23 (B) This commission consists of four appointees of the chairman
24 of the House Ways and Means Committee, four appointees of the
25 chairman of the Senate Finance Committee, and three appointees of
26 the Governor with experience in executive compensation.

27 (C)(1) Beginning with Fiscal Year 2022-2023:

28 (a) salaries for the term of state officers listed in Section
29 1-1-1210(A) must be based on recommendations by the Agency
30 Head Salary Commission to the General Assembly; and

31 (b) the Agency Head Salary Commission shall authorize a
32 study be conducted every four years to recommend a salary range
33 for each state constitutional officer based on their job duties and
34 responsibilities as well as the pay of state constitutional officers in
35 other states.

36 (2)(a) Pursuant to Section 16, Article IV, of the South
37 Carolina Constitution, 1895, the salary of each Lieutenant Governor
38 elected in and after 2022 is not established until the General
39 Assembly provides for the salary as authorized in Section 1-3-610
40 following the Lieutenant Governor's election.

41 (b) Beginning with the Lieutenant Governor elected in
42 2022, by no later than December first, the Governor-elect is required
43 to submit a description of the duties of the Lieutenant Governor, as

1 required by Section 1-3-620, to the Agency Head Salary
2 Commission.

3 (D) Salary increases for agency heads must be based on
4 recommendations by each agency board or commission to the
5 Agency Head Salary Commission and their recommendations to the
6 General Assembly. Salary increases for the Lieutenant Governor
7 must be based on recommendations by the Governor to the Agency
8 Head Salary Commission and their recommendations to the General
9 Assembly.”

10
11 SECTION 3. Section 8-11-165 of the 1976 Code is amended to
12 read:

13
14 “Section 8-11-165. (A) It is the intent of the General Assembly
15 that:

16 (1) A salary and fringe benefit survey for agency heads must
17 be conducted by the ~~Office of Human Resources of the Department~~
18 ~~of Administration~~ State Fiscal Accountability Authority every three
19 four years. The staff of the ~~office~~ authority shall serve as the support
20 staff to the Agency Head Salary Commission.

21 (2) Beginning with the Fiscal Year 2022-2023 and every four
22 years thereafter, the Agency Head Salary Commission shall
23 commission a study to recommend a salary range for the term of
24 each state constitutional officer listed in Section 1-1-1210 based on
25 each state constitutional officer’s job duties and responsibilities as
26 well as the pay of other state constitutional officers in other states.
27 The commission shall then determine a salary for the term of each
28 state constitutional officer within the recommended pay range
29 subject to funding being provided in the annual appropriations act.

30 (3) Beginning with the Lieutenant Governor elected in 2022,
31 a salary range survey for the Lieutenant Governor must be
32 conducted by the State Fiscal Accountability Authority based on the
33 duties of the Lieutenant Governor as submitted by the Governor
34 pursuant to Section 8-11-160. The staff of the authority shall serve
35 as the support staff to the Agency Head Salary Commission.

36 (B) No employee of agencies reviewed by the Agency Head
37 Salary Commission may receive a salary in excess of ninety-five
38 percent of the midpoint of the agency head salary range or the
39 agency head actual salary, whichever is greater, except on approval
40 of the ~~State Budget and Control Board~~ Director of the Division of
41 State Human Resources at the Department of Administration, and
42 except for employees of higher education technical colleges,
43 colleges, and universities.

1 ~~No president of a technical college may receive a salary in excess~~
2 ~~of ninety-five percent of the midpoint of the agency head salary~~
3 ~~range or the agency head actual salary, whichever is greater, except~~
4 ~~on approval of the Agency Head Salary Commission and the State~~
5 ~~Budget and Control Board.~~

6 (C) The Agency Head Salary Commission may recommend to
7 the ~~State Budget and Control Board~~ General Assembly that agency
8 head salaries be adjusted to the minimum of their salary ranges and
9 may recommend to the board that agency head salaries be adjusted
10 when necessary up to the midpoints of their respective salary ranges.
11 These increases must be based on criteria developed and approved
12 by the Agency Head Salary Commission.

13 (D) All new members appointed to a governing board of an
14 agency where the performance of the agency head is reviewed and
15 ranked by the Agency Head Salary Commission shall attend the
16 training in agency head performance appraisal provided by the
17 commission within the first year of their appointment unless
18 specifically excused by the chairman of the Agency Head Salary
19 Commission.”

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21 SECTION 4. This act takes effect upon approval by the Governor.

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