

Chairman Wm. Weston J. Newton

*First Vice-Chair:
Laurie Slade Funderburk*

Legislative Oversight Committee

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**Executive Subcommittee Meeting
Monday, November 9, 2015
10:00 a.m.
Room 110 - Blatt Building**

ARCHIVED VIDEO AVAILABLE

- I. Pursuant to House Legislative Oversight Committee Rule 6.8, S.C. ETV was allowed access for streaming the Subcommittee meeting. You may access archived video of this meeting by visiting the South Carolina General Assembly's website (<http://www.scstatehouse.gov>) and click on "Committee Postings and Reports," then under House Standing Committees click on "Legislative Oversight". Lastly, click on "Video Archives" for a listing of archived videos for the Legislative Oversight Committee.

MINUTES

- I. House Rule 4.5 requires the standing committees of the House to prepare and make available for public inspection, in compliance with Section 30-4-90, the minutes of full committee meetings. House Rule 4.5 further provides that such minutes need not be verbatim accounts of such meetings. It is the practice of the House Legislative Oversight Committee to provide minutes, which are not verbatim accounts of such meetings, for its subcommittee meetings.
- II. The Executive Subcommittee (Subcommittee) meeting was called to order by First Vice-Chair Laurie Slade Funderburk on Monday, November 9, 2015, in Room 110 of the Blatt Building, Columbia, South Carolina. All Subcommittee Members were present, except for the Honorable Joshua Putnam. In attendance from the Comptroller General's Office were the following: Comptroller General Richard Eckstrom, CPA, William E. Gunn (Chief of Staff), Eric Ward (Public Information Director), David Starkey, CPA, (Senior Assistant Comptroller General), and Allison Houpt (Office Manager). In attendance from the Department of Motor Vehicles was Larry Murray (Deputy Director). In attendance from the Department of Health and Environmental Control was Jeff deBessonnet (Director of the Water Facilities Permitting Division). In attendance from the Department of Transportation was Allen Hutto

(Government Relation Officer). In attendance from the Treasurer's Office were the following: Bert Cassell (General Counsel), Paul Jarvis (Senior Assistant State Treasurer), and Catherine Kipp (Assistant Director of Banking and Treasury Operations).

- III. First Vice-Chair Funderburk submitted proposed minutes from the Subcommittee's previous meeting, October 28, 2015. The Honorable Wm. Weston J. Newton moved to approve the minutes, and Representative Williams made a motion to second. A roll call vote was held, and all present voted in favor of approval.

| Rep. Newton's Motion to Approve the Minutes from the October 28, 2015 Meeting | Yea | Nay | Not Voting |
|--|------------|------------|-------------------|
| Laurie Slade Funderburk | Yea | | |
| Wm. Weston J. Newton | Yea | | |
| Robert Q. Williams | Yea | | |
| Joshua Putnam | | | Not Present |

OPPORTUNITY FOR PUBLIC INPUT

- I. Representative Williams made a motion to amend the agenda to allow members of the public present to address the Subcommittee at this time. Under Mason's Rules, a second is not necessary to a motion. A roll call vote was held, and all present voted in favor of the motion.

| Representative Williams' Motion to Amend the Agenda to Allow Public to Address the Subcommittee at this time | Yea | Nay | Not Voting |
|---|------------|------------|-------------------|
| Laurie Slade Funderburk | Yea | | |
| Wm. Weston J. Newton | Yea | | |
| Robert Q. Williams | Yea | | |
| Joshua Putnam | | | Not Present |

- II. First Vice-Chair Funderburk asked if there were any members of the public present who would like to provide comments, suggestions or concerns about the Comptroller General's Office.

The following constituents were sworn in and addressed the Subcommittee about the Comptroller General's Office: Ms. Sarah Benson and Mr. Robert Rhinesmith. They expressed concerns about meeting the requirement of Section 8-11-80, which allows the Comptroller General to make deductions from the compensation of state employees for the payment of premiums for life, hospital and other types of insurance plans; among other things, the statute provides that the Comptroller General may not make deductions where deductions are made for less than two hundred fifty state employees in any particular plan. Ms. Benson expressed concerns about the form to meet this requirement dissatisfaction with a proposed resolution to the issue from the agency. Further Ms. Benson stated she was not seeking any special consideration but is seeking an appropriate tool to interact with agencies and state employees. The following Subcommittee Members had questions for the constituents: Rep. Williams and Rep. Funderburk.

First Vice-Chair Funderburk allowed the agency an opportunity to respond to the constituents' concerns. All agency representatives present were then sworn in, and the agency was allowed an opportunity to

respond to issues of concern raised by the constituents. The following agency representatives responded to those issues: Comptroller General Eckstrom and Mr. Eddie Gunn.

Comptroller General Eckstrom testified about the process imposed by statute for private vendors seeking to have the state make deductions from the compensation of state employees for the payments of premiums for life, hospital and other types of insurance. Comptroller General Eckstrom testified about efforts his office has made to provide assistance to Ms. Benson, and he indicated it has been nine years since a request of a similar nature has been made. Comptroller General Eckstrom stated that the form provided to Ms. Benson appeared to be a dual purpose form, and the form was revised approximately three months ago. Comptroller General Eckstrom stated employees need to not just be interested in a product but willing to sign up for the product. Comptroller General Eckstrom said the agency is prepared to offer any vendor a solution that involves utilization of SCEIS. The following Subcommittee Members had questions and/or comments for the agency: Rep. Funderburk, Rep. Williams and Rep. Newton. Among other comments, Rep. Williams stated a desire for equal opportunity for all vendors, and he requested additional information from the agency relating to vendors that have requested assistance from the agency on this issue.

Ms. Benson made additional statements in response to the agency's comments for clarification purposes. Next, Mr. Eddie Gunn, who corresponded with Ms. Benson, offered to provide the subcommittee with a copy of his correspondence with the constituent on behalf of the Comptroller General's office.

- III. First Vice-Chair Funderburk asked if there was anyone else from the public that would like to address the subcommittee. None came forward, and First Vice-Chair Funderburk moved to the scheduled items on the agenda.

FURTHER DISCUSSION OF THE STUDY OF THE COMPTROLLER GENERAL'S OFFICE

- I. Representatives from the other agencies in attendance that intended to make comments to the subcommittee were placed under oath.
- II. First Vice-Chair Funderburk provided a brief outline of the process the Subcommittee would take in the meeting to address the Comptroller General's recommendations for modification or elimination of laws. This process allowed input from agency representatives and objections, if any, from Subcommittee members.

Item 12. The Comptroller General explained Item 12. Rep. Funderburk objected to the recommendation.

Item 31. The Comptroller General explained Item 31. There were no objections to the recommendation.

Item 32. The Comptroller General explained Item 32. Rep. Funderburk, Rep. Newton, and Rep. Williams objected to the recommendation.

Item 58. The Comptroller General explained Item 58. Paul Jarvis testified that the Treasurer's Office agreed with the recommendation. The following had questions and/or comments: Rep. Funderburk,

Rep. Newton, and Rep. Williams. There were no objections to the revised recommendation to add the Department of Revenue to the list of notified entities in Section 9-3-540.

Item 78. The Comptroller General explained Item 78. Paul Jarvis testified on behalf of the Treasurer's Office. The following had questions and/or comments: Rep. Funderburk and Rep. Williams. Rep. Newton objected to the recommendation.

III. The Subcommittee took a brief recess.

IV. After the recess, the Subcommittee continued to review the Comptroller General's recommendations.

Item 98. The Comptroller General explained Item 98. The following had questions and/or comments: Rep. Funderburk and Rep. Newton. There were no objections to the recommendation.

Item 109. The Comptroller General explained Item 109. Rep. Funderburk objected to the recommendation.

Item 167. Larry Murray testified that the Department of Motor Vehicles recommended and the Comptroller General consented to a modification to change the reference from the Comptroller General to the Department of Motor Vehicles. There were no objections to the revised recommendation.

Item 230. Larry Murray testified that the Department of Motor Vehicles recommended and the Comptroller General consented to a modification to change the reference to "in an account established by the Comptroller General." Rep. Funderburk further noted the Treasurer's Office did not object. There were no objections to the revised recommendation.

Item 231. Larry Murray testified that the Department of Motor Vehicles recommended and the Comptroller General consented to a modification to change the reference to "in an account established by the Comptroller General." Rep. Funderburk further noted the Treasurer's Office did not object. There were no objections to the revised recommendation.

Item 232. Larry Murray testified that the Department of Motor Vehicles recommended and the Comptroller General consented to a modification to change the reference to "in an account established by the Comptroller General." Rep. Funderburk further noted the Treasurer's Office did not object. There were no objections to the revised recommendation.

Item 233. Larry Murray testified that the Department of Motor Vehicles recommended and the Comptroller General consented to a modification to change the reference to "in an account established by the Comptroller General." Rep. Funderburk further noted the Treasurer's Office did not object. There were no objections to the revised recommendation.

Item 234. Larry Murray testified that the Department of Motor Vehicles recommended and the Comptroller General consented to a modification to change the reference to "in an account established by the Comptroller General." Rep. Funderburk further noted the Treasurer's Office did not object. There were no objections to the revised recommendation.

Item 235. Larry Murray testified that the Department of Motor Vehicles recommended and the Comptroller General consented to a modification to change the reference to “in an account established by the Comptroller General.” Rep. Funderburk further noted the Treasurer’s Office did not object. There were no objections to the revised recommendation.

Item 236. Larry Murray testified that the Department of Motor Vehicles recommended and the Comptroller General consented to a modification to change the reference to “in an account established by the Comptroller General.” Rep. Funderburk further noted the Treasurer’s Office did not object. There were no objections to the revised recommendation.

Item 237. Larry Murray testified that the Department of Motor Vehicles recommended and the Comptroller General consented to a modification to change the reference to “placed by the Department of Motor Vehicles into an account established by the Comptroller General.” There were no objections to the revised recommendation.

Item 63. Comptroller General Eckstrom explained Item 63. Jeff deBessonnet testified for the Department of Health and Environmental Control. Rep. Funderburk objected to the recommendation.

Item 64. Comptroller General Eckstrom explained Item 64. Rep. Funderburk objected to the recommendation.

Item 69. Comptroller General Eckstrom explained item 69. Comptroller General Eckstrom proposed the following revised recommendation: replace the phrase “The Comptroller General shall keep a book” with “The Comptroller General shall keep an accounting in SCEIS.” The following had questions and/or comments: Rep. Funderburk and Rep. Williams. There were no objections to the revised recommendation.

Item 70. Comptroller General Eckstrom explained Item 70. Rep. Funderburk objected to the recommendation.

Item 72. Comptroller General Eckstrom explained Item 70. Rep. Newton objected to the recommendation.

Item 79. Rep. Newton objected to the recommendation.

Item 87. Rep. Newton objected to the recommendation.

Item 88. Comptroller General Eckstrom explained Item 88. Rep. Williams objected to the recommendation.

Item 95. Rep. Funderburk objected to the recommendation.

Item 99. Rep. Funderburk objected to the recommendation.

Item 275. Comptroller General Eckstrom explained Item 275. Jeff deBessonnet testified for the Department of Health and Environmental Control that the agency agreed with the recommendation. Rep. Funderburk noted that the Treasurer's Office had not objections. There were no objections.

Item 263. Paul Jarvis testified for the Treasurer's Office. Rep. Williams objected to the recommendation.

Comptroller General Eckstrom provided additional information about **Item 99**, and Rep. Williams objected.

First Vice-Chair Funderburk made a motion to adopt the Comptroller General's recommendations, as stated in his evaluation of legal statutes or as modified during today's meeting, to revise or eliminate the statutes, provisos, or regulations listed beside the item numbers in the Comptroller General's evaluation of legal statutes. These items are: 31, 58, 98, 167, 230, 231, 233, 234, 236, 237, 240, 269, and 275. A second is not required.

| First Vice-Chair Funderburk's Motion to Adopt the Comptroller General's Recommendations, As Stated in His Evaluation of Legal Statutes or As Modified During Today's Meeting, to Revise or Eliminate the Statutes, Provisos, or Regulations Listed Beside the Item Numbers in the Comptroller General's Evaluation of Legal Statutes. The Items are: 31, 58, 98, 167, 230, 231, 233, 234, 236, 237, 240, 269, and 275. | Yea | Nay | Not Voting |
|---|------------|------------|-------------------|
| Laurie Slade Funderburk | Yea | | |
| Wm. Weston J. Newton | Yea | | |
| Robert Q. Williams | Yea | | |
| Joshua Putnam | | | Not Present |

Rep. Newton moved to not adopt the items with objections but to include the items in the Subcommittee Report for information. These items are: 12, 32, 78, 109, 63, 64, 70, 72, 79, 87, 88, 95, 99, and 263.

| Rep. Newton's Motion to not adopt the items with objections but to include the items in the Subcommittee Report for information. These items are: 12, 32, 78, 109, 63, 64, 70, 72, 79, 87, 88, 95, 99, and 263. | Yea | Nay | Not Voting |
|--|------------|------------|-------------------|
| Laurie Slade Funderburk | Yea | | |
| Wm. Weston J. Newton | Yea | | |
| Robert Q. Williams | Yea | | |
| Joshua Putnam | | | Not Present |

First Vice-Chair Funderburk moved that the Committee Staff be given the authority to correct scrivener's errors in relation to the item numbers discussed during the meeting upon consultation with the Chair, and that they inform the Subcommittee of any such errors at its next meeting. A second to the motion was not required.

| First Vice-Chair Funderburk's Motion that Committee Staff Have Leave, Upon Consultation with the Subcommittee Chair, to Correct Any Scrivener's Errors in the Relation to the Item Numbers upon Consultation with the Chair, and that They Inform the Subcommittee of Any Such Errors At Its Next Meeting. | Yea | Nay | Not Voting |
|---|------------|------------|-------------------|
| Laurie Slade Funderburk | Yea | | |
| Wm. Weston J. Newton | Yea | | |
| Robert Q. Williams | Yea | | |
| Joshua Putnam | | | Not Present |

Rep. Newton commended the agency's goals and objectives in their strategic plan as they seem appropriate. He noted some objectives and performance measures utilized nonspecific timeframes and/or measures and asked if the agency would provide specific timeframes and measures. Referenced objectives include: Objective 1.5.1; Objective 4.3.2; Objective 5.1.1; Objective 5.2.3; and Objective 5.2.4. Rep. Newton made a motion that the Subcommittee include in its report the recommended revisions discussed, which the Comptroller agreed to make, as information in the Subcommittee report.

| Rep. Newton's Motion to include as information in the Subcommittee report, the recommended revisions to the Comptroller General's Strategic Plan and Performance Measures discussed, which the Comptroller agreed to make | Yea | Nay | Not Voting |
|--|------------|------------|-------------------|
| Laurie Slade Funderburk | Yea | | |
| Wm. Weston J. Newton | Yea | | |
| Robert Q. Williams | Yea | | |
| Joshua Putnam | | | Not Present |

First Vice-Chair Funderburk asked the Comptroller General about cost-savings to the state with its credit rating. Comptroller General Eckstrom testified in his experienced it has a significant impact. First Vice-Chair Funderburk asked if there was anything more the agency could do to improve the state's credit rating. Comptroller General Eckstrom commented on his previous efforts and the summit with state government leadership and credit rating agencies he had organized in the past. Rep. Williams questioned the Comptroller General about the state's current rating and efforts to obtain the highest ratings available from credit rating agencies.

First Vice-Chair Funderburk noted there were no further questions for the agency from Subcommittee members. First Vice-Chair Funderburk noted there were no motions or discussion relating to revising or curtailing agency programs. Additionally, First Vice-Chair Funderburk noted there were no motions or discussion relating to eliminating agency programs.

First Vice-Chair Funderburk made a motion that the Subcommittee's report include a recommendation for agency programs to continue. A second to the motion was not required.

| First Vice-Chair Funderburk's motion that the Subcommittee's report include a recommendation for agency programs to continue. | Yea | Nay | Not Voting |
|--|------------|------------|-------------------|
| Laurie Slade Funderburk | Yea | | |
| Wm. Weston J. Newton | Yea | | |
| Robert Q. Williams | Yea | | |
| Joshua Putnam | | | Not Present |

First Vice-Chair moved that staff draft a Subcommittee Report for the Subcommittee's consideration at its next meeting, incorporating the Subcommittee's actions today. A second to the motion was not necessary.

| First Vice-Chair Funderburk's motion that staff draft a Subcommittee Report for the Subcommittee's consideration at its next meeting, incorporating the Subcommittee's actions today. | Yea | Nay | Not Voting |
|--|------------|------------|-------------------|
| Laurie Slade Funderburk | Yea | | |
| Wm. Weston J. Newton | Yea | | |
| Robert Q. Williams | Yea | | |
| Joshua Putnam | | | Not Present |

First Vice-Chair Funderburk thanked everyone for their participation in the meeting.

- V. There being no further business, the meeting was adjourned.