

April 9, 2018

Via Email and U.S. Mail

The Honorable Bruce W. Bannister
Chairman, Economic Development, Transportation,
& Natural Resources Subcommittee
South Carolina House of Representatives

Dear Chairman Bannister,

Pursuant to your request, I am writing on behalf of the Department of Administration to provide our feedback regarding the Subcommittee's proposed recommendation for a statutory amendment that would have the Commission for Minority Affairs be administered by the Department of Administration's Office of Economic Policy and Programs.

Any recommendation that would involve moving the Commission for Minority Affairs to the Department of Administration's Office of Economic Policy and Programs (OEPP) would, in our view, go against the significant progress that has been made by the General Assembly in recently transferring various OEPP programs to selected agencies that have more similar missions and functions. When the Restructuring Act of 2014 was passed establishing the Department of Administration and transferring the various OEPP programs into the Department, a provision of the Act (section 1-11-10(D)) directed our agency to submit a report by December 31, 2015, to the President Pro Tempore of the Senate and the Speaker of the House of Representatives containing analysis and recommendations regarding the most appropriate organizational placement for each component of OEPP. After performing a careful study and review of each OEPP program, which included receiving input from affected constituencies, the Department of Administration in December of 2015 submitted its report. The General Assembly concurred with the Department's recommendation that some components of OEPP, based on their missions, be placed with agencies whose missions and purposes more closely align, and last year legislation was passed moving three OEPP programs:

- o Act No. 52 (S.325) moved the Client Assistance Program (CAP) from OEPP to the S.C. Protection and Advocacy System for the Handicapped, Inc.
- o Act No. 96 (S.289) created the South Carolina Crime Victim Services Division (SCCVS) within the Office of the Attorney General, and the Act transferred the State Office of Victim Assistance (SOVA) and the Crime Victim Ombudsman (CVO) from OEPP into this new division of the AG's Office.





The restructuring efforts have continued this year as there are currently bills pending to move additional OEPP Programs including:

- S.805, which would create the Department of Children's Advocacy to house Continuum of Care, the Foster Care Review Board, and Guardian ad Litem; S.805 would also provide for the Governor to place Developmental Disabilities Council where the Governor deems appropriate; and it would repeal the Children's Case Resolution System.
- S.794 [H.4674 is House Companion Bill], which would create a Department of Children's Services to house Continuum of Care, Developmental Disabilities Council, the Foster Care Review Board, and Guardian ad Litem; it would also repeal the Children's Case Resolution System, move Small and Minority Business Contracting and Certification to the State Fiscal Accountability Authority (SFAA) and move the Office of Economic Opportunity to the Department of Commerce.
- S.795, which would create a Department of Children's Services to house Continuum of Care, Developmental Disabilities Council, the Foster Care Review Board, and Guardian ad Litem and would repeal the Children's Case Resolution System.
- S.797, which would move the Office of Economic Opportunity to the Department of Commerce.
- S.798, which would move Small and Minority Business Contracting and Certification to SFAA.

The transfer of some OEPP programs from the Department of Administration to other agencies, whose functions are more closely aligned, produces greater efficiencies within state government. The component offices within OEPP provide direct services, grants, and/or advocacy for a wide variety of essential services including assistance to abused and neglected children, children with emotional and behavioral issues, people with disabilities, veterans, small and minority-owned businesses, and those in need of help with home utility expenses. The missions of the programs within OEPP focus on advocacy, direct service and grant management, whereas the Department of Administration, which serves as the central administrative agency for South Carolina state government, has a mission to provide cost-effective, responsive services and innovative solutions to enable government to meet the needs of the citizens of South Carolina. Its primary purpose is to support the functions of government by providing such services as information technology, real estate management, human resources, budget-related support, state fleet vehicle management, SCEIS, and others. The function of the Commission for Minority Affairs does not align with the purpose and mission of the Department of Administration.

While we do not recommend moving the Commission for Minority Affairs into the Office of Economic Policy and Programs, the Department of Administration can provide administrative support services such as finance, procurement, and human resources to the Commission, if needed. The Department currently provides some or all of these administrative functions to the following agencies: the Confederate Relic Room, SC Aeronautics





Commission, Commission on Higher Education, Governor's Office, Governor's Mansion and Grounds, Conservation Bank, ETV, Workers Compensation Commission, Department of Agriculture, and Department of Juvenile Justice. Providing administrative support to the Commission for Minority Affairs also would be consistent with a draft proviso, 117.147, that encourages agencies to consider utilizing the Department of Administration's consolidated administrative services. This draft proviso has gained support this session and has passed the Full House, passed the Senate Finance Committee (Full Senate to take up the budget on the floor on 4/9/18), and the Governor has included the proviso in the Executive Budget. The Proviso states:

117.147. (GP: Statewide Administrative Services) The Department of Administration may provide consolidated administrative services to all agencies to promote cost savings, process integrity and other efficiencies, and to reduce duplication, overlap and redundancies, or any combination thereof and to provide for consistency in transactions and processes and to advance a statewide approach to agency administration. Consolidated administrative services may include, but are not limited to: 1) financial and accounting support, such as accounts payable and receivable processing, procurement processing, journal entry processing and financial reporting assistance; 2) human resources administrative support, such as transaction processing and reporting, payroll processing, and human resources training; and 3) budget support, such as budget transaction processing and budget reporting assistance.

Agencies that receive twenty million dollars or less in total appropriations in the current fiscal year shall consult with the Department of Administration to determine whether the use of consolidated administrative services offered by the department would be beneficial to the agency. The Legislative Branch, the Judicial Branch, public institutions of higher learning and technical colleges shall be exempt from the requirements of this provision.

The Department of Administration shall provide a report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee regarding agency utilization of administrative services offered by the department no later than December 31, 2018.

Thank you for allowing us this opportunity to give our feedback concerning the Subcommittee's proposed recommendation. If you have any questions or need additional information, please feel free to contact me at 803-734-8120.

Sincerely,

Marcia S. Adams

cc: Economic Development, Transportation, and Natural Resources Subcommittee Members

