

FISCAL IMPACT STATEMENT ON BILL NO. **S.535**
(Doc. No. 10823htc13.docx)

TO: The Honorable Hugh K. Leatherman, Sr., Chairperson, Senate Finance Committee
FROM: State Budget Division, Budget and Control Board
ANALYSTS: Nicole Ford-Jennings; K. Earle Powell
DATE: April 16, 2013 SBD: 2013229

AUTHOR: Senator Peeler PRIMARY CODE CITE: 59-119-1110
SUBJECT: The Clemson University Enterprise Act

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

Senate Bill 535 amends Chapter 119, Title 59 of the Code of Laws of South Carolina, 1976, by adding Section 59-119-1120 which allows the Board of Trustees to establish an enterprise division within Clemson University.

EXPLANATION OF IMPACT:

Clemson University

Clemson University indicates this Bill will have no impact on the General Fund of the State or on Federal and/or Other Funds.

State Budget and Control Board

Several divisions of the State Budget and Control Board reviewed this Bill for impact. The Procurement Services Division reported a potential impact on pricing for statewide contracts that leverage the State's collective volume purchasing. Over the past three fiscal years, approximately 6% of total statewide spend on the five major goods and services contract categories (procurement card, office supplies, laboratory supplies, paper and fuel management) was spent by Clemson annually. During the same time period, Clemson's spending ranges from 2.9% - 8.8% of the total statewide spend on the four major information technology contract categories (pc, software, IT temporary staff, and copiers). The Procurement Services Division indicates that, by excluding Clemson from statewide purchasing practices and requirements, the State will not be able to offer vendors the same level of potential sales which may mean vendors provide less favorable pricing for statewide contracts. Less favorable pricing would result in increased costs for the state agencies.

The Division of State Information Technology (DSIT) reports a potential impact on pricing for information technology and telecommunications services provided to state agencies. As the provider of telecommunication services to state agencies, DSIT is able negotiate favorable pricing based on the volume of state telephone lines. Presently, Clemson accounts for approximately 4.2% of the total telecommunications contract. If Clemson is exempted from this requirement, there could be an increase in the cost of telephone services that would be passed on to state agencies.

The Human Resources Division indicates no general fund impact in their role of reviewing the grievance procedure adopted by the Board of Trustees for the employees of the Enterprise Division.

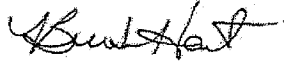
LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:

A handwritten signature in black ink, appearing to read "Brenda Hart". The signature is written in a cursive style with a horizontal line extending from the end.

Brenda Hart
Assistant Director, State Budget Division