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COMMENTS TO THE SENATE FINANCE SUBCOMMITTEE ON INVESTMENT OF  
RETIREMENT FUNDS RE: Senate Bill 527

Gentlemen,

Thank you for the opportunity to address this legislation. I have tried to represent the interests of retirees of our state for more years than I care to remember. Without doubt, S527 will benefit retirees and I have no hesitation in recommending its passage.

I want to acknowledge the hard work and effort that went into the production of this bill. First, the Inspector General and the Funston Group took a very professional arms length investigation of our current situation. They met with all groups affected, examined every process and function, and made independent recommendations that meet the highest standards of professionalism and objectivity. We owe them a debt of gratitude.

One of the recommendations Funston made was to provide both PEBA and the RSIC with clear executive top leadership positions. One had suffered from a series of interim directors and the other from a rather vague bifurcation of leadership. Since Peggy Boykin and Michael Hitchcock have been placed in charge, the difference is like night and day. We have much clearer more decisive leadership and the outreach to constituent groups is outstanding—better than it has ever been. If the recommendations in S527 enjoy similar outcomes as I expect they will, then we all will be well-served.

I also want to commend PEBA and the RSIC on the way they have received the recommendations from Funston. There are many more recommendations that were made than just those in S527. Each organization has taken the recommendations very seriously, has set up a written implementation plan with priorities and time guidelines for implementation. Unlike some agencies who, when they receive such performance audits, react in a negative manner falling back on “the way we have always done it,” these two organizations have embraced the recommendations and created a structure for implementing them in a very positive manner.

Last, I want to express on behalf of myself and I know of many other retirees, how much we appreciate the effort put forth by this Subcommittee. You have reached out to all concerned. You have demonstrated a true desire to come up with lasting solutions. You have created several forums in which information can be exchanged and

considered. You have made clear that this money is owned by retirees and employees and which came into the Retirement Fund through their contributions and, in the form of deferred pay, through the contributions of their employers. It is their money just as much as the check they took home. As such, their voices should be heard in decisions concerning its administration and you have done that. And finally, you have come up with legislation which holds every promise of resolving some complicated and difficult problems for retirees. This is the kind of oversight by elected officials which makes our government work *for* us, not *on* us. It is how government should work and we appreciate your long and arduous efforts to make that happen. We encourage the powers that be to maintain this subcommittee for continuous oversight of these functions. Thank you!