**A** **BILL**

TO AMEND SECTION 1‑11‑495(B) OF THE 1976 CODE, RELATING TO MONITORING APPROPRIATIONS AND EXPENDITURES TO DETERMINE YEAR‑END DEFICITS, TO PROHIBIT AGENCIES, DEPARTMENTS, AND INSTITUTIONS OF THIS STATE FROM RUNNING A DEFICIT FOR THE FISCAL YEAR; AND TO AMEND SECTION 1‑11‑495(C), TO PROHIBIT THE GENERAL ASSEMBLY FROM AUTHORIZING SUPPLEMENTAL APPROPRIATIONS TO ANY AGENCY PROJECTED TO RUN A DEFICIT FOR THE FISCAL YEAR.

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

SECTION 1. Section 1‑11‑495(B) of the 1976 Code is amended to read:

“(B) As far as practicable, all agencies, departments, and institutions of the State are directed to budget and allocate appropriations as a quarterly allocation so as to provide for operation on uniform standards throughout the fiscal year. ~~and in order to avoid an~~ Agencies, departments, and institutions of the State are prohibited from expending authorized appropriations at a rate which predicts or projects a general fund ~~operating~~ deficit for the fiscal year. It is recognized that academic year calendars of state institutions affect the uniformity of the receipt and distribution of funds during the year. The Comptroller General or the Office of State Budget shall make reports to the board as they consider advisable on an agency, department, or institution that is expending authorized appropriations at a rate which predicts or projects a general fund deficit for the agency, department, or institution. The board is directed to require the agency, department, or institution to file a quarterly allocations plan and is further authorized to restrict the rate of expenditures of the agency, department, or institution if the board determines that a deficit may occur. It is the responsibility of the agency, department, or institution to develop a plan, in consultation with the board, which eliminates ~~or reduces~~ a deficit. ~~If the board makes a finding that the cause of, or likelihood of, a deficit is unavoidable due to factors which are outside the control of the agency, department, or institution, then the board may determine that the recognition of the agency, department, or institution is appropriate and shall notify the General Assembly of this action or the presiding officer of the House and Senate if the General Assembly is not in session. The board only may recognize a deficit by a vote of at least four members of the board.~~”

SECTION 2. Section 1‑11‑495(C) of the 1976 Code is amended to read:

“(C) ~~Upon receipt of the notification from the board, the~~ The General Assembly may not authorize supplemental appropriations to eliminate a general fund deficit incurred by agencies, departments, and institutions of this State. ~~from any surplus revenues that existed at the close of the previous fiscal year. If the General Assembly fails to take action, then the finding of the board shall stand, and the actual deficit at the close of the fiscal year must be reduced as necessary from surplus revenues or surplus funds available at the close of the fiscal year in which the deficit occurs and from funds available in the Capital Reserve Fund and General Reserve Fund, as required by the Constitution of this State. If the board finds that the cause of or likelihood of a deficit is the result of the agency, department, or institution management, then the state officials responsible for management of the agency, department, or institution involved must be held liable for it and the board shall notify the Agency Head Salary Commission of this finding. In the case of a finding that a projected deficit is the result of the management of the agency, department, or institution, the board shall take steps immediately to curtail agency, department, or institution expenditures so as to bring expenditures in line with authorized appropriations and avoid a year‑end operating deficit.~~”

SECTION 3. This act takes effect upon approval by the Governor.

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