**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 2‑65‑130 SO AS TO REQUIRE THAT BY OCTOBER THIRTY‑FIRST OF EACH YEAR, EACH STATE AGENCY SHALL SUBMIT A REPORT DETAILING ITS FEDERAL RECEIPTS AND DEVELOPING A PLAN SHOULD ITS FEDERAL RECEIPTS BE REDUCED, TO REQUIRE THAT BY FEBRUARY FIFTEENTH OF EACH YEAR, THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE AND THE CHAIRMAN OF THE HOUSE WAYS AND MEANS COMMITTEE MUST PLACE THE MOST RECENTLY RECEIVED REPORT ON THE AGENDA FOR REVIEW AND CONSIDERATION; AND TO CREATE THE POLITICAL SUBDIVISION FEDERAL FUNDS STUDY COMMITTEE, TO PROVIDE FOR ITS MEMBERSHIP, AND TO PROVIDE THAT THE COMMITTEE SHALL STUDY THE EFFECT OF FEDERAL FUNDS ON POLITICAL SUBDIVISIONS.

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

SECTION 1. Chapter 65, Title 2 of the 1976 Code is amended by adding:

“Section 2‑65‑130. (A) As used in this section:

(1) ‘Agency’ means any state office, department, institution, board, commission, council, or committee, except the judicial department, and the General Assembly.

(2) ‘Federal receipts’ means federal financial assistance, as defined in 31 U.S.C. Section 7501, that is reported as part of a single audit.

(3) ‘Single audit’ is as defined in 31 U.S.C. Section 7501.

(B) By October thirty‑first of each year, each agency must submit a report to the Office of State Budget that:

(1) reports the aggregate value of federal receipts the agency received for the preceding fiscal year;

(2) reports the aggregate amount of federal funds appropriated by the General Assembly to the agency for the preceding fiscal year;

(3) calculates the percentage of the agency’s total budget for the preceding fiscal year that constitutes federal receipts that the agency received for that fiscal year; and

(4) develops plans for operating the agency if there is a reduction of:

(i) five percent or more in the federal receipts that the agency receives; and

(ii) twenty‑five percent or more in the federal receipts that the agency receives.

(C) The report submitted by the State Department of Education must include the information required by subsection (B)(1) through (B)(3) for each school district and charter school in this State.

(D) By November thirtieth of each year, the Office of State Budget shall submit a report to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee that:

(1) compiles and summarizes the reports received pursuant to subsection (B);

(2) compares the aggregate value of federal receipts each agency received for the previous fiscal year to the aggregate amount of federal funds appropriated by the General Assembly to that agency for that fiscal year; and

(3) lists the agencies that did not submit a report pursuant to subsection (B).

(E) By February fifteenth of each year, the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee must place the most recently received report on the agenda for review and consideration.”

SECTION 2. (A) There is created the Political Subdivision Federal Funds Study Committee to be comprised of seven members appointed as follows:

(1) three members appointed by the President Pro Tempore of the Senate, one of which must be a representative of county government;

(2) three members appointed by the Speaker of the House of Representatives, one of which must be a representative of county government; and

(3) one member appointed by the Governor.

(B) The members of the commission shall serve without compensation, and are ineligible for the usual mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions.

(C) The committee shall study the effect of federal funds on political subdivisions, and specifically, whether to require political subdivisions to:

(1) report the aggregate value of federal receipts the political subdivision received for the preceding fiscal year;

(2) calculate the percentage of the political subdivision’s total budget for the preceding fiscal year that constitutes federal receipts that the political subdivision received for that fiscal year; and

(3) develop plans for operating the political subdivision if there is a reduction of:

(i) five percent or more in the federal receipts that the political subdivision receives; and

(ii) twenty‑five percent or more in the federal receipts that the political subdivision receives.

(D) The committee shall report its findings to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by February 15, 2013, at which time the committee is dissolved.

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

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