



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4868 Introduced on February 7, 2018
Author: G.M. Smith
Subject: PEBA Audit
Requestor: Senate Finance
RFA Analyst(s): Shuford
Impact Date: February 20, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$700,000
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will increase Other Fund expenditures of the retirement systems by \$700,000 to fund the required PEBA fiduciary audit in FY 2019-20.

Explanation of Fiscal Impact

Introduced on February 7, 2018

State Expenditure

This bill requires a completed fiduciary audit of PEBA every four years beginning January 15, 2020, by a private audit firm chosen by the State Auditor. Current statute requires the audit by January 15, 2019. In past years, earnings of the retirement system funded this audit, which cost \$700,000 when last performed in 2015. Additionally, the audit requirement has been suspended by temporary budget provisos through FY 2017-18. Given the audit suspensions in recent years, the delay of the audit by one year will have no General Fund, Federal Funds, or Other Funds expenditure impact until FY 2019-20 when the audit is required. In FY 2019-20, Other Fund expenditures will increase by \$700,000 as administrative costs of PEBA are funded from the earnings of the retirement systems pursuant to Section 9-1-310.

State Revenue

N/A

Local Expenditure and Revenue

N/A

Frank A. Rainwater, Executive Director