



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0318	Amended by the Senate on February 26, 2019
Author:	Alexander	
Subject:	Pay for Success Performance Accountability Act	
Requestor:	House Ways and Means	
RFA Analyst(s):	Shuford	
Impact Date:	April 25, 2019	

Fiscal Impact Summary

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds, as the State Treasurer will not incur any additional expense associated with the administration of a trust fund for pay-for-success contracts.

Explanation of Fiscal Impact

Amended by the Senate on February 26, 2019

State Expenditure

This bill establishes a trust fund for pay-for-success contracts. Pay-for-success contracts are agreements in which the state contracts with a private-sector organization to achieve specifically defined measureable outcomes for a given population over a certain period of time and in which the state pays only to the extent that the desired outcomes are achieved, as determined by an independent assessor. Annually, on or before February first, every state entity that has entered into a pay-for-success contract shall provide a status report to the General Assembly. The Board of Economic Advisors shall account for the trust fund revenue separately from General Fund revenue.

A trust fund is to be established in the State Treasury for the purposes of funding pay-for-success contracts. The State Treasurer is the trustee and administrator of the trust fund, which must be maintained separately from the General Fund and all other funds of the state. Further, the State Treasurer is authorized to receive funds from other governmental entities when those funds are subject to a valid pay-for-success contract. The Treasurer shall make payment from the trust fund in accordance with the terms and conditions of pay-for-success contracts.

The State Treasurer indicates that the bill does not fiscally or materially alter the responsibilities of the office. As such, this bill will have no impact on the General Fund, Other Funds, or Federal Funds.

State Revenue

N/A

Local Expenditure and Revenue

N/A

Introduced on January 8, 2019

State Expenditure

This bill establishes a trust fund for pay-for-success contracts. Pay-for-success contracts are agreements in which the state contracts with a private-sector organization to achieve specifically defined measurable outcomes for a given population over a certain period of time and in which the state pays only to the extent that the desired outcomes are achieved, as determined by an independent assessor.

The trust fund is to be established in the State Treasury and will be used to improve outcomes and lower costs for government services. The State Treasurer is the trustee and administrator of the trust fund, which must be maintained separately from the General Fund and all other funds of the state. Further, the State Treasurer is authorized to receive funds from other governmental entities when those funds are subject to a valid pay-for-success contract. The Treasurer shall make payment from the trust fund in accordance with the terms and conditions of pay-for-success contracts.

The State Treasurer will establish the account, make payments from the trust fund, and provide an annual status report regarding the funding received and the disbursements from the trust fund. The State Treasurer indicates that the bill does not fiscally or materially alter the responsibilities of the office. As such, this bill will have no impact on the General Fund, Other Funds, or Federal Funds.

State Revenue

N/A

Local Expenditure and Revenue

N/A



Frank A. Rainwater, Executive Director