



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3786	Introduced on February 2, 2021
Author:	G.M. Smith	
Subject:	Salaries of Constitutional Officers	
Requestor:	House Ways and Means	
RFA Analyst(s):	Coomer	
Impact Date:	February 12, 2021	

Fiscal Impact Summary

This bill will increase the Other Funds expenditure of the State Fiscal Accountability Authority (SFAA) by \$26,000 in FY 2022-23 due to increased operating costs for a new salary study. This bill will also increase the Other Funds revenue of SFAA by \$26,000 due to reimbursement from constitutional offices participating in the salary recommendation process. RFA assumes these constitutional offices will absorb the expenditure into their existing budgets. These revenue and expenditure impacts on the Other Funds of SFAA may occur every four years after FY 2022-23, contingent upon the outcome of the bidding process for the new salary study.

This bill does not fiscally impact the Department of Administration as it does not materially impact its operations.

Explanation of Fiscal Impact

Introduced on February 2, 2021

State Expenditure

This bill provides that salaries for the state constitutional officers referenced in Section 1 of the bill must be based on recommendations by the Agency Head Salary Commission (AHSC) to the General Assembly beginning in FY 2022-23. The salaries for these constitutional officers have not been changed since 1994 and were not previously based on any recommendations by the AHSC. Additionally, beginning in 2022 the bill requires the Governor-elect to submit a description of duties of the Lieutenant Governor to the AHSC, and further requires salary increases for the Lieutenant Governor to be based on recommendations by the Governor to the AHSC and their recommendations to the General Assembly.

Furthermore, the bill requires a salary and fringe benefit survey for agency heads to be conducted every four years instead of every three years and transfers support staff and surveying duties for AHSC from the Office of Human Resources of the Department of Administration to SFAA. However, pursuant to Proviso 104.9 of the FY 2019-20 Appropriations Act and previous provisos, SFAA has been handling these responsibilities since FY 2015-16. There will be no fiscal impact from these provisions because it does not materially change the current operations of SFAA or the Department of Administration.

The bill further requires AHSC to authorize a study to be conducted every four years to recommend a salary range for the constitutional officers listed in Section 1 of the bill. SFAA currently contracts surveys similar to this study out and rebids them every four years. SFAA reports that this study would increase Other Funds expenditures in FY 2022-23 by \$26,000 based on estimates from current providers at this time. This increase in expenditures may occur every four years thereafter, contingent upon the outcome of the bidding process for the study. SFAA reports that these expenditures will be reimbursed by participating agencies, and RFA assumes these constitutional offices will absorb the expenditure into their existing budgets.

Lastly, the bill removes the salary restriction which prevents presidents of technical colleges from receiving a salary in excess of ninety-five percent of the midpoint of the agency head salary range or the agency head actual salary, whichever is greater. Currently, a majority of technical college presidents are paid at or near the minimum of the pay range, and none of the presidents currently earn over the midpoint of the salary range.

State Revenue

This bill will increase SFAA Other Funds revenues by \$26,000 due to reimbursement from the constitutional offices involved in the new salary study beginning in FY 2022-23. This revenue impact may occur every four years thereafter, contingent upon the outcome of the bidding process for the study.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director