



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-3780 • RFA.SC.GOV/IMPACTS

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:	S. 0002	Amended by Senate Medical Affairs on March 3, 2022
Author:	Peeler	
Subject:	Create Department of Behavioral and Public Health	
Requestor:	Senate Medical Affairs	
RFA Analyst(s):	Miller, Boggs, Coomer, Gardner, and Griffith	
Impact Date:	March 9, 2022	

Fiscal Impact Summary

This bill creates two new departments, the Department of Behavioral and Public Health (DBPH) and the Department of Environmental Services (DES). DBPH will consist of the health-related divisions of the Department of Health and Environmental Control (DHEC), all divisions of the Department of Alcohol and Other Drug Abuse Services (DAODAS), and most divisions of the Department of Mental Health (DMH). DES will consist of the divisions and programs of DHEC that are concerned with the regulation and protection of the environment and the hydrology and aquatic nuisance species program of the Department of Natural Resources (DNR). This bill also transfers the authority to establish, manage, and operate veterans' homes from DMH to the Department of Veterans' Affairs (DVA). Additionally, the Food Safety Program and the milk and dairy lab of DHEC will be transferred to the Department of Agriculture (Agriculture), and the flood mitigation program from DNR will be transferred to the Office of Resilience. The existing staff and appropriations will transfer to each receiving agency. The following fiscal impact is based on the preliminary estimates of the transferring and existing receiving agencies. DHEC indicates that due to the complex and intertwined nature of the department's environmental programs and the department's overall administrative and overhead structure, the estimate provided is preliminary, and the exact amounts to be transferred to each department may change after a more detailed analysis of the bill's provisions and discussions with affected entities. Therefore, the actual fiscal impact may vary from the estimate dependent upon the transition.

DHEC anticipates one-time expenses relating to transaction activities including separating shared databases, business applications, and federal grant management; dividing human resource records; printing replacement signage and new forms; website modification; and re-tasking personnel will be needed due to this bill. DHEC estimates these transaction activities may increase one-time expenses up to \$18,209,850 across all fund sources. However, these potential transaction related expenses will be determined by the leadership of the newly constituted agencies and may be limited by the authorized appropriations of the transferred agencies.

Based on preliminary estimates provided by DHEC, DMH, and DAODAS, using the FY 2021-22 Appropriations Act, it is estimated DBPH will receive total recurring appropriations of approximately \$1,084,533,625.31 and 6,836.50 FTEs, of which it is estimated \$396,447,623.76 and 3,611.10 FTEs will be General Fund appropriations. The total appropriations are comprised

of \$515,550,545.90 and 2,352.93 FTEs received from DHEC, \$520,448,271 and 4,441.56 FTEs received from DMH, and \$94,429,622 and 43.01 FTEs received from DAODAS.

DES will consist of the divisions and programs of DHEC that are concerned with the regulation and protection of the environment and the hydrology and aquatic nuisance species program of DNR. DES will receive total recurring appropriations of approximately \$132,689,787.16 and 1,086.96 FTEs, of which it is estimated \$46,902,763.00 and 443.63 FTEs will be General Fund appropriations. This includes \$131,661,874.16 and 1,075.96 FTEs from DHEC and \$1,027,913 and 11.00 FTEs from DNR. Also, DES will receive the South Carolina Aquatic Plant Management Trust and a portion of the Water Recreation Resource Fund revenue from DNR.

This bill also transfers the authority to establish, manage, and operate veterans' homes from DMH to the Department of Veterans' Affairs (DVA). Based on the FY 2021-22 Appropriations Act and supplemental information provided by DMH, this will result in a transfer of recurring appropriations of \$52,915,712. and 188.35, of which \$12,721,526.00 and 92.45 FTEs are General Fund appropriations 92.45 FTEs. Additionally, DVA anticipates the need for 28.0 FTEs and \$3,007,333 in funding, including \$2,980,789 in recurring funding for staff salaries, office space, and other expenses and \$112,000 in non-recurring expenses for initial office setup. DVA states the additional resourcing and requirements will enable the department to establish the necessary capabilities and complete the necessary coordination to allow the transfer of responsibility without degradation in the level of service to veterans.

Additionally, the Food Safety Program and the milk and dairy lab of DHEC will be transferred to Agriculture. Based on preliminary estimates provided by DHEC, this bill is estimated to increase the recurring General Fund appropriations for Agriculture by \$3,077,780.14 and 39.66 FTEs. In total, this transfer of duties will result in an increase in combined General Funds, Other Funds, and Federal Funds of \$7,722,844.94 and 106.94 FTEs to assume the responsibilities transferred to Agriculture. Also, based on a previous response, Agriculture anticipates a need for additional funding to fully implement the program; however, the amount is currently unknown.

This bill provides that The Department of Administration (Admin) will cause all necessary actions to be taken to accomplish the transfers enumerated in this bill. This bill will not have a fiscal impact on Admin, as the department anticipates it will perform the duties required in this bill using existing appropriations and personnel.

Further, this bill provides that the employees, appropriations, debts, and real and personal property of a transferring department will be transferred to the receiving department unless otherwise specifically provided. While the revenues and appropriations of the individual receiving agencies are anticipated to increase by the amounts transferred to them, the Revenue and Fiscal Affairs Office (RFA) does not anticipate there will be a net impact to the total revenues of the effected agencies.

Explanation of Fiscal Impact

Amended by Senate Medical Affairs on March 3, 2022

State Expenditure

Section 1 of this bill creates two new departments, DBPH and DES. DBPH will consist of the health-related divisions of DHEC, all divisions of DAODAS, and most divisions of DMH. DES will consist of the divisions and programs of DHEC that are concerned with the regulation and protection of the environment and the hydrology and aquatic nuisance species program of DNR. This bill also transfers the authority to establish, manage, and operate veterans' homes from DMH to DVA. Additionally, the Food Safety Program and the milk and dairy lab of DHEC will be transferred to Agriculture, and the flood mitigation program from DNR will be transferred to the Office of Resilience.

Section 63 of this bill outlines the procedures for the transfer of agencies, departments, and boards, among other things, from the transferring department to the receiving department. Employees, appropriations, debts, and real and personal property will also transfer from the old agency to the new agency unless this bill specifies otherwise. Transferred employees will maintain the same compensation, classification, and grade level within the new agency. Admin will manage this transition. All transferred employees and personnel will remain in the office locations and facilities they currently occupy until otherwise changed by appropriate action and authorization. The rents and physical operating costs of these office locations and facilities shall continue to be paid by the transferring agencies until otherwise provided by the General Assembly. The records and files of the transferring departments who employed these individuals will continue to remain the property of the transferring departments, except that the personnel will have full access in the performance of their duties as new employees of the applicable receiving department. Fines, fees, forfeitures, or revenues of a transferring department will be used and expended by the receiving department for the purposes provided prior to the date this bill is ratified. When the functions of a transferring department are transferred to more than one receiving department, the general support services of the transferring department will be transferred to the appropriate receiving departments as provided by the General Assembly's annual appropriations act. Additionally, promulgated regulations of a transferring department will be considered promulgated by the receiving department and references to the names of transferred departments and other entities affected by this bill, including provisions of the 1976 Code, will be considered to mean the appropriate references.

Department of Health and Environmental Control. Section 1 of this bill abolishes DHEC and transfers its divisions, offices, programs, powers, and duties among Agriculture and the newly created DBPH and DES. Because the bill abolishes DHEC, there is no expenditure impact on this agency. However, the agency notes that during the transition, the receiving agencies may incur significant administrative costs. These transition activities relate to separating shared databases, business applications, and federal grant management; dividing human resource records; printing replacement signage and new forms; website modification; and re-tasking personnel. Any potential expenditures related to these transition activities will be managed by the receiving agencies from authorized appropriations of the transferred agencies. DHEC estimates the total one-time may be up to \$18,209,850 across all fund sources. However, these potential expenditures will be determined by the leadership of the newly constituted agencies and may be limited by the authorized appropriations of the transferred agencies. Given

the uncertainty and complexity of the transitions that may be required, RFA is unable to determine the amount of one-time General Fund transition-related expenditures.

Pursuant to Section 63 of the bill, the appropriations, other revenues, and FTEs of a transferring department will be transferred to the receiving department, to be used to carry out the responsibilities formerly vested in the transferring department. Based on the FY 2021-22 Appropriations Act, the total annual appropriations of DHEC to be transferred to the receiving agencies is approximately \$654,935,000. The number of FTEs to be transferred is 3,535.84. DHEC indicates that due to the complex and intertwined nature of the department's environmental programs and the department's overall administrative and overhead structure, the estimate provided is preliminary, and the exact amounts to be transferred to each department may change after a more detailed analysis of the bill's provisions and discussions with affected entities.

Department of Mental Health. Section 1 of this bill abolishes DMH and transfers its divisions, offices, programs, powers, and duties to newly created DBPH, except for the responsibility of veterans' homes, which will transfer to DVA. Because the bill abolishes DMH, there is no expenditure impact on this agency. However, DMH notes specifically for support services for veterans' homes, that certain areas are not fully funded. DMH anticipates administrative support services will transfer to DVA and result in shortfall in administrative support services for DBPH.

Pursuant to Section 63 of the bill, the appropriations, other revenues, and FTEs of a transferring department will be transferred to the receiving department, to be used to carry out the responsibilities formerly vested in the transferring department. Based on the FY 2021-22 Appropriations Act, the total annual appropriations and FTEs of DMH to be transferred is \$573,360,938 and 4,629.91 respectively.

Department of Alcohol and Other Drug Abuse Services. Section 1 of this bill abolishes DAODAS and transfers its divisions, offices, programs, powers, and duties to newly created DBPH. Because the bill abolishes DAODAS, there is no expenditure impact on this agency.

Pursuant to Section 63 of the bill, the appropriations, other revenues, and FTEs of a transferring department will be transferred to the receiving department, to be used to carry out the responsibilities formerly vested in the transferring department. Based on the FY 2021-22 Appropriations Act, the total annual appropriations and FTEs of DAODAS to be transferred is \$94,429,622 and 43.01 respectively.

Department of Administration. This bill directs Admin to take all necessary action to ensure the transfer of all employees, assets, and any other transitions required by this bill, occurs in the manner as required in the bill. Admin anticipates being able to manage this responsibility with existing staff and within existing appropriations. Therefore, this bill will have no expenditure impact for Admin.

Department of Natural Resources. This bill transfers the aquatic nuisance program and the hydrology program from DNR to DES. Additionally, this bill transfers the flood mitigation from

DNR to the Office of Resilience. The transfer of all associated funding and FTEs will result in a total shift of \$3,436,938 and 14.75 FTEs from DNR to the receiving agencies.

Further, the aquatic nuisance program is supported by from the South Carolina Aquatic Management Trust (SCAMT). This bill will result in a transfer of funds in SCAMT from DNR to DES. The total amount transferred will depend upon the amount in the fund. As of February 28, 2022, there was \$620,958 in the Trust. Additionally, the aquatic nuisance program received funding from the Water Recreation Resource Fund. Section 12-27-2730(D) allows DNR to use up to one-third of the funds in the Trust to support the aquatic nuisance program, among programs and responsibilities. DNR anticipates transferring the appropriate amount of funds to DES from the Trust annually. The amount transferred will depend upon the total amount within the Trust annually. Finally, DNR notes that the certain registration fee revenue will transfer to the Office of Resilience with the flood mitigation program.

DNR also noted that the current plan is to vacate the offices where the hydrology staff is housed in two years. This space will be reallocated to the Attorney General's Office. This may impact the transfer of assets to the receiving agency.

Department of Agriculture. This bill transfers the Food Safety Program and the milk and dairy lab of DHEC to Agriculture. According to DHEC, this will result in a transfer of \$7,722,844.94 of total funds and 106.94 FTEs, of which \$3,077,780.14 and 39.66 FTEs are General Fund appropriations.

Additionally, based on a previous response from Agriculture, RFA anticipates the total expenditure impact is undetermined due to the department's uncertainty as to how many FTEs, primarily in support roles such as HR, legal, audit, executive assistants, procurement, will be transferred as a result of this bill. Further, the department anticipates that other operating expenditures will increase as a result of this bill due to the need for website changes, updated signage, uniform purchases, and technical and administrative training, among other potential expenditures. As a result of these factors, Agriculture anticipates this bill will result in an undetermined increase to General Fund expenditures beginning in FY 2022-23.

Department of Veterans' Affairs. This bill transfers the authority to establish, manage, and operate veterans' homes from DMH to DVA. DVA will receive \$52,912,712 of appropriations and 188.35 FTEs. Additionally, DVA anticipates that additional personnel and funds will be needed for the agency in order to run the veterans' home program. DVA anticipates the need for 28.0 FTEs and \$3,007,333 in funding, including \$2,980,789 in recurring funding for staff salaries, office space, and other expenses and \$112,000 in non-recurring expenses for initial office setup. DVA states the additional resourcing and requirements will enable the department to establish the necessary capabilities and complete the necessary coordination to allow the transfer of responsibility without degradation in the level of service to veterans.

Office of Resilience. This bill transfers the flood mitigation program from DNR to the Office of Resilience. DNR anticipates a transfer of \$2,409,025 in recurring funds and 3.75 FTEs with the flood mitigation program. Additionally, certain registration fee revenue will transfer with the

flood mitigation program. The current Other Fund revenue amount is \$6,955.68 for these registration fees. This fiscal impact statement will be updated if additional information from the Office of Resilience becomes available.

Department of Behavioral and Public Health. This bill creates DBPH which will consist of the health-related divisions of DHEC, all divisions of DAODAS, and most divisions of DMH. DBPH will receive a total of \$1,084,533,625.31 in appropriations and 6,837.50 FTEs from the transferring agencies, of which it is estimated \$396,447,623.76 and 3,611.10 FTEs will be General Fund appropriations. This includes \$94,429,622 and 43.01 from DAODAS, \$520,448,271 and 4,441.56 FTEs from DMH, and \$515,550,545.90 and 2,352.93 FTEs from DHEC.

Additionally, this bill will result in one-time expenditures for the initial creation of the agency. DHEC anticipates one-time expenses relating to transaction activities including separating shared databases, business applications, and federal grant management; dividing human resource records; printing replacement signage and new forms; website modification; and re-tasking personnel will be needed due to this bill. DHEC estimates these transaction activities may increase one-time expenses up to \$18,209,850 across all fund sources. However, these potential transaction related expenses will be determined by the leadership of the newly constituted agencies and may be limited by the authorized appropriations of the transferred agencies.

Department of Environmental Services. This bill creates DES, which will consist of the divisions and programs of DHEC that are concerned with the regulation and protection of the environment and the hydrology and aquatic nuisance species program of DNR. DES will receive a total of \$132,698,787.16 and 1,086.96 FTEs, from the transferring agencies, of which it is estimated \$46,902,763 and 443.63 FTEs will be General Fund appropriations. This includes \$131,661,874.16 and 1,075.96 FTEs from DHEC and \$1,027,913 and 11.00 FTEs from DNR.

Also, DES will receive the South Carolina Aquatic Plant Management Trust and a portion of the Water Recreation Resource Fund revenue from DNR.

Additionally, this bill will result in one-time expenditures for the initial creation of the agency. DHEC anticipates one-time expenses relating to transaction activities including separating shared databases, business applications, and federal grant management; dividing human resource records; printing replacement signage and new forms; website modification; and re-tasking personnel will be needed due to this bill. DHEC estimates these transaction activities may increase one-time expenses up to \$18,209,850 across all fund sources. However, these potential transaction related expenses will be determined by the leadership of the newly constituted agencies and may be limited by the authorized appropriations of the transferred agencies.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

Amended by S.2 Select Subcommittee of Senate Medical Affairs on March 30, 2021

State Expenditure

Section 1 of this bill creates two new departments, DBPH and DES. DBPH will consist of the health-related divisions of DHEC, all divisions of DAODAS, and most divisions of DMH. DES will consist of the divisions and programs of DHEC that are concerned with the regulation and protection of the environment and the water resources division of the Department of Natural Resources (DNR). This bill also transfers the authority to establish, manage, and operate veterans' homes from DMH to the Department of Veterans' Affairs (DVA). Additionally, the Food Safety Program and the milk and dairy lab of DHEC will be transferred to Agriculture.

Section 61 of this bill outlines the procedures for the transfer of agencies, departments, and boards, among other things, from the transferring department to the receiving department. Employees, appropriations, debts, and real and personal property will also transfer from the old agency to the new agency unless this bill specifies otherwise. Transferred employees will maintain the same compensation, classification, and grade level within the new agency. The Department of Administration (Admin) will manage this transition. All transferred employees and personnel will remain in the office locations and facilities they currently occupy until otherwise changed by appropriate action and authorization. The rents and physical operating costs of these office locations and facilities shall continue to be paid by the transferring agencies until otherwise provided by the General Assembly. The records and files of the transferring departments who employed these individuals will continue to remain the property of the transferring departments, except that the personnel will have full access in the performance of their duties as new employees of the applicable receiving department. Fines, fees, forfeitures, or revenues of a transferring department will be used and expended by the receiving department for the purposes provided prior to the date this bill is ratified. When the functions of a transferring department are transferred to more than one receiving department, the general support services of the transferring department will be transferred to the appropriate receiving departments as provided by the General Assembly's annual appropriations act. Additionally, promulgated regulations of a transferring department will be considered promulgated by the receiving department and references to the names of transferred departments and other entities affected by this bill, including provisions of the 1976 Code, will be considered to mean the appropriate references.

Based upon the provisions of Section 61 of the bill, the Revenue and Fiscals Affairs Office (RFA) anticipates the expenditures of the four receiving departments will be increased by an amount equal to appropriations received from the four transferring departments. Since FY 2020-21 appropriations were authorized by continuing resolution, RFA requested each transferring department to estimate the portion of their FY 2019-20 appropriations that would be transferred to applicable receiving agencies.

Department of Health and Environmental Control. Section 1 of this bill abolishes DHEC and transfers its divisions, offices, programs, powers, and duties among Agriculture and the newly created DBPH and DES. Because the bill abolishes DHEC, there is no expenditure impact on this agency. However, the agency notes that during the transition, the receiving agencies may incur significant administrative costs. These transition activities relate to separating shared databases, business applications, and federal grant management; dividing human resource records; printing replacement signage and new forms; website modification; and re-tasking personnel. Any potential expenditures related to these transition activities will be managed by the receiving agencies from authorized appropriations of the transferred agencies. DHEC estimates the total one-time expenditures at approximately \$18,209,850 across all fund sources. However, these potential expenditures will be determined by the leadership of the newly constituted agencies and may be limited by the authorized appropriations of the transferred agencies. Given the uncertainty and complexity of the transitions that may be required, RFA is unable to determine the amount of one-time General Fund transition-related expenditures.

Pursuant to Section 61 of the bill, the appropriations, other revenues, and FTEs of a transferring department will be transferred to the receiving department, to be used to carry out the responsibilities formerly vested in the transferring department. Based on the FY 2019-20 Appropriations Act, the total annual appropriations of DHEC to be transferred to the receiving agencies is approximately \$649,662,400. The number of FTEs to be transferred is 3,530.84. See the attached table for a breakdown of the funds and FTEs transferred to Agriculture, DBPH, and DES. DHEC indicates that due to the complex and intertwined nature of the department's environmental programs and the department's overall administrative and overhead structure, the estimate provided is preliminary, and the exact amounts to be transferred to each department may change after a more detailed analysis of the bill's provisions and discussions with affected entities.

Department of Mental Health. Section 3 of this bill abolishes SCMHC and transfers most of the authorities and responsibilities of the SCMHC and DMH to the newly established Division of Mental Health within the DBPH. Also, Sections 5 and 59 of this bill result in a shift in the authority to establish and operate veterans' homes from DMH to DVA.

Pursuant to Section 61 of the bill, the appropriations, other revenues, and FTEs of a transferring department will be transferred to the receiving department, to be used to carry out the responsibilities formerly vested in the transferring department. Based on the FY 2019-20 Appropriations Act, the total annual appropriations of DMH to be transferred to the two receiving departments equals approximately \$504,271,729. The number of FTEs to be transferred equals 4,629.91. DMH received an additional \$5,237,069 in General Funds in FY 2020-21 for the two percent pay plan allocation and one percent retirement rate increase. The additional General Funds appropriation brings DMH's total appropriations to be transferred to the two receiving departments to \$509,508,798. Of these totals, approximately \$50,634,174 in appropriations and 188.35 FTEs are related to DMH's current responsibilities to operate three veterans' homes in this state. This amount includes the program service appropriations for the three veterans' homes currently operated by DMH totaling \$47,795,532 and 182.35 FTEs, of

which \$10,422,415 and 86.45 FTEs are provided through the General Fund. Of the remaining amount estimated to be transferred to DVA, \$399,000 in General Fund appropriations would provide for one general administrative FTE and five clinical support service FTEs. The remaining \$2,549,642 in total funds, of which \$1,352,629 is from the General Fund, would provide for the employee benefits of the transferred FTEs. It is expected the appropriations and FTEs necessary to operate these three facilities will be transferred to DVA. The remaining \$458,856,624 in annual appropriations and 4,441.56 FTEs are expected to be transferred to the newly established Division of Mental Health within the DBPH.

DMH indicates that administrative support services are currently funded by a combination of recurring General Fund appropriations and non-recurring one-time funds, and that some components are not fully funded. DMH estimates that the appropriations and expenses for administrative support services that would transfer to DVA would be funded by the General Fund, and that this transfer would create an additional lack of recurring funding for the remaining administrative services retained by the DBPH. DMH estimates DVA will receive \$399,000 and 6.0 FTEs for administrative support services, and that DBPH will have an expenditure impact of up to \$399,000 to replace these funds.

Department of Alcohol and Other Drug Abuse Services. Section 4 of this bill abolishes DAODAS as an agency and transfers all of the responsibilities and authorities of the agency to the Division of Alcohol and Other Drug Abuse Services within the DBPH. Pursuant to Section 61 of the bill, the appropriations, other revenues, and FTEs of a transferring department will be transferred to the receiving department, to be used to carry out the responsibilities formerly vested in the transferring department. Based on the FY 2019-20 Appropriations Act, the total annually recurring appropriations of DAODAS to be transferred to the DBPH equals \$67,708,753. The number of FTEs to be transferred equals 43.01.

Department of Natural Resources. Section 1 of the bill provides that the Water Resources Division of DNR will be transferred to and become a division of DES. Pursuant to Section 61 of the bill, the appropriations, other revenues, and FTEs of a transferring department will be transferred to the receiving department, to be used to carry out the responsibilities formerly vested in the transferring department. At this time, the amount of appropriations and FTEs to be transferred to DES for the Water Resources Division of DNR is unknown.

Department of Behavioral and Public Health. Sections 1 and 2 of this bill create DBPH, consisting of the health-related divisions of DHEC, all divisions of DAODAS, and most divisions of DMH. DBPH will be comprised of three divisions, Public Health, Alcohol and Other Drug Abuse Services, and Mental Health.

Pursuant to Section 61 of the bill, the appropriations, other revenues, and FTEs of a transferring department will be transferred to the receiving department, to be used to carry out the responsibilities formerly vested in the transferring department. Based on preliminary estimates provided by DHEC, DMH, and DAODAS, using the FY 2019-20 Appropriations Act, it is estimated DBPH will receive total recurring appropriations of approximately \$1,017,448,112 and 6,836.27 FTEs, of which it is estimated \$350,039,712 and 3,569.93 FTEs will be General Fund

appropriations. The total appropriations are comprised of \$490,882,735 and 2,351.70 FTEs received from DHEC, \$458,856,624 and 4,441.56 FTEs received from DMH, and \$67,708,753 and 43.01 FTEs received from DAODAS.

DHEC indicates that due to the complex and intertwined nature of the department's environmental programs and the department's overall administrative and overhead structure, the estimate provided is preliminary and the exact amounts to be transferred to each department may change after a more detailed analysis of the bill's provisions and discussions with affected entities.

Please see the attached table for additional detail of the appropriations estimated to be transferred to DBPH.

Department of Environmental Services. Section 1 of this bill provides that the environmental protection divisions, offices, and programs of DHEC will be transferred to the newly created DES, along with all relevant powers and duties. All employees, funds, property, and contractual rights and obligations associated with these divisions, offices, programs and other related entities will be transferred to, incorporated in, and administered as part of DES. Additionally, the Water Resources Division of DNR will transfer to DES. Section 16 of the bill amends Chapter 3 of Title 49 to establish DES, which will consist of six divisions including Onsite Wastewater and Enforcement, Environmental Response, Land and Waste Management, Water Resources, Water Permitting, Compliance and Enforcement, and the Office of Ocean and Coastal Resource Management.

Pursuant to Section 61 of the bill, the appropriations, other revenues, and FTEs of a transferring department will be transferred to the receiving department, to be used to carry out the responsibilities formerly vested in the transferring department. Based on preliminary estimates provided by DHEC, using the FY 2019-20 Appropriations Act, it is estimated DES will receive total recurring appropriations of approximately \$149,992,849 and 1,072.66 FTEs, of which it is estimated \$46,079,690 and 434.84 FTEs will be General Fund appropriations. At this time, the amount of appropriations and FTEs to be transferred to DES for the Water Resources Division of DNR is unknown.

DHEC indicates that due to the complex and intertwined nature of the department's environmental programs and the department's overall administrative and overhead structure, the estimate provided is preliminary, and the exact amounts to be transferred to each department may change after a more detailed analysis of the bill's provisions and discussions with affected entities. Please see the attached table for additional detail of the appropriations estimated to be transferred to DBPH.

Department of Agriculture. Section 32 of this bill provides that the Food Safety Program of DHEC will be transferred to Agriculture, along with all relevant powers and duties. All employees, funds, property, and contractual rights and obligations associated with these divisions, offices, programs, and other related entities will be transferred to, incorporated in, and administered as part of Agriculture.

Pursuant to Section 61 of the bill, the appropriations, other revenues, and FTEs of a transferring department will be transferred to the receiving department, to be used to carry out the responsibilities formerly vested in the transferring department. Based on preliminary estimates provided by DHEC, this bill is estimated to increase the recurring General Fund appropriations of Agriculture by \$3,082,743 and 39.61 FTEs. In total, this transfer of duties will result in an increase in combined General Funds, Other Funds, and Federal Funds of \$8,786,815 and 106.47 FTEs to assume the authorities and responsibilities transferred to Agriculture.

DHEC indicates that due to the complex and intertwined nature of the department's environmental programs and the department's overall administrative and overhead structure, the estimate provided is preliminary, and the exact amounts to be transferred to each department may change after a more detailed analysis of the bill's provisions and discussions with affected entities. Please see the attached table for additional detail of the appropriations estimated to be transferred to Agriculture.

Additionally, Agriculture notes the total expenditure impact is undetermined due to the department's uncertainty as to how many FTEs, primarily in support roles such as HR, legal, audit, executive assistants, procurement, will be transferred as a result of this bill. Further, the department anticipates that other operating expenditures will increase as a result of this bill due to the need for website changes, updated signage, uniform purchases, and technical and administrative training among other potential expenditures. As a result of these factors, Agriculture anticipates this bill will result in an undetermined increase to General Fund expenditures beginning in FY 2021-22.

Department of Veterans' Affairs. Section 5 of this bill gives the DVA the authority to establish and operate veterans' homes. Currently, the authority to establish and operate veterans' homes in this state is vested in DMH, pursuant to Section 44-11-30 of the Code, which is repealed by section 59 of this bill. Section 1 of this bill specifically requires DMH to transfer the title of any veterans' home held by DMH to the DVA.

Pursuant to Section 61 of the bill, the appropriations, other revenues, and FTEs of a transferring department will be transferred to the receiving department, to be used to carry out the responsibilities formerly vested in the transferring department. Based on the FY 2019-20 Appropriations Act and supplemental information provided by DMH, this will result in a transfer of recurring General Fund appropriations totaling \$12,064,044 and 92.45 FTEs. In total, this transfer of duties will result in an increase in combined General Funds, Other Funds, and Federal Funds of \$50,634,174 and 188.35 FTEs for the management of the three existing veterans nursing homes. Included in this estimated total is \$399,000 in General Fund appropriations to provide for one general administrative FTE and five clinical support service FTEs.

Department of Administration. Section 61(A) of the bill provides that Admin will cause all necessary actions to be taken to accomplish the transfers enumerated in this bill, in consultation with the department heads of the transferring and receiving agencies. The department anticipates

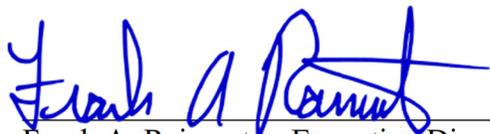
it will perform the duties required in this bill using existing appropriations and personnel. Therefore, this bill will not have a fiscal impact on Admin.

State Revenue

Section 61(A) of the bill provides that the employees, appropriations, debts, and real and personal property of a transferring department will be transferred to the receiving department unless otherwise specifically provided. As explained in the section above, RFA anticipates the expenditures of the four receiving departments will be increased by an amount equal to appropriations received from the four transferring departments. While the revenues and appropriations of the individual receiving agencies are anticipated to increase by the amounts transferred to them, RFA does not anticipate there will be a net impact to the total revenues of the effected agencies.

Local Expenditure and Local Revenue

N/A



Frank A. Rainwater, Executive Director