



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number: H. 3786 Signed by Governor on May 17, 2021
Author: G.M. Smith
Subject: Salaries of Constitutional Officers
Requestor: House of Representatives
RFA Analyst(s): Coomer
Impact Date: July 12, 2021

Fiscal Impact Summary

This bill requires salaries for the state constitutional officers, with the exception of the Governor and Lieutenant Governor, to be based on recommendations by the Agency Head Salary Commission (AHSC) to the General Assembly beginning in FY 2022-23. The bill also requires the AHSC to authorize a study on salaries of state constitutional officers in other states and requires the State Fiscal Accountability Authority (SFAA) to conduct a survey on agency head salary and fringe benefits.

This bill will have no expenditure impact on the Department of Administration (DOA) since the agency currently conducts the survey on agency head salary and fringe benefits. This bill will increase Other Funds expenditures of SFAA by \$33,600 in FY 2022-23 due to increased operating costs for a new study on salaries for state constitutional officers. Additionally, this bill will increase Other Funds revenues of SFAA by \$33,600 due to reimbursement from the constitutional offices participating in the salary recommendation process. We anticipate that these constitutional offices will be able to manage the expenditures within their existing budgets. These revenue and expenditure impacts on 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.

Explanation of Fiscal Impact

Signed by Governor on May 17, 2021

State Expenditure

This bill requires salaries for the state constitutional officers referenced in Section 1 of the bill, with the exception of the Governor and Lieutenant Governor, to be based on recommendations by the 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.

The bill also 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, with the exception of the Governor and Lieutenant Governor. 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 \$33,600 based on estimates from current providers. 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 we anticipate that these constitutional offices will be able to manage the expenditures within their existing budgets.

Further, the bill requires a salary and fringe benefit survey for agency heads to be conducted every four years instead of every three years. Additionally, SFAA, instead of the Office of Human Resources of DOA, must conduct the survey. However, pursuant to Proviso 104.9 of the FY 2021-22 Appropriations Act and previous provisos, SFAA has been handling these responsibilities since FY 2015-16. This portion of the bill will have no additional expenditure impact on DOA or SFAA since it does not materially change the current operations of either agency.

Lastly, the bill removes the salary restriction that 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 requires AHSC to authorize a study to be conducted every four years to recommend a salary range for constitutional officers, with the exception of the Governor and Lieutenant Governor. 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 \$33,600 based on estimates from current providers. Likewise, SFAA reports that these expenditures will be reimbursed by participating agencies. Therefore, the bill will also increase Other Funds revenue of SFAA by \$33,600 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