

State Treasurer's Office Areas of Concern Establishing the Department of Administration and the Bond Review Authority

1. Public Employee Benefit Authority (PEBA)
2. Bond Review Authority
 - a. JEDA exemption
3. Rural Infrastructure Authority

http://www.scstatehouse.gov/sess119_2011-2012/prever/3066_20120221a.htm

Establishment of DOA

Part II

Establishing the Department of Administration and the Bond Review Authority

SECTION 2. A. Section [1-11-10](#) of the 1976 Code is amended to read:

"Section [1-11-10](#). ~~The State Budget and Control Board shall be comprised of the Governor, ex officio, who shall be chairman, the State Treasurer, ex officio, the Comptroller General, ex officio, and the chairman of the Senate Finance Committee, ex officio, and the chairman of the Ways and Means Committee of the House of Representatives, ex officio.~~ (A) Effective January 1, 2013, the following offices, divisions, or components of the State Budget and Control Board are transferred to, and incorporated into, the Department of Administration:

(1) Division of General Services including Business Operations, Facilities Management, State Building and Property Services, and Agency Services including surplus property, intra-state mail, parking, state fleet management, except that this division shall not be transferred to the Department of Administration until the Director of the Department of Administration enters into a memorandum of agreement with appropriate officials of applicable legislative and judicial agencies or departments as provided in Section [1-11-20](#);

(2) the Office of Human Resources;

(3) the Office of State Budget, except for the employees required to provide fiscal impact statements and revenue impact statements on proposed legislation and to support the General Assembly's budget writing duties who are transferred to the Legislative Fiscal Office;

(4) the Division of State Information Technology, including the Data Center, Telecommunications and Information Technology Services, the South Carolina Enterprise Information System, and the Information Technology Management Office.

(B) All functions, powers, duties, responsibilities, and authority vested in the agencies and authorities, including their governing boards, if any, named in this subsection are devolved upon the Department of Administration and the department shall constitute the agencies and authorities, including their governing boards, if any, named in this subsection;

(1) State Educational Assistance Authority;

(2) Educational Facilities Authority for Private, Non-Profit Institutions of Higher Learning; and

(3) South Carolina Resources Authority.

(C) Effective January 1, 2013, the offices, divisions, or components of the State Budget and Control Board named in this subsection are transferred to, and incorporated into, the South Carolina Rural Infrastructure Authority as established in Section 11-50-30. All functions, powers, duties, responsibilities, and authority vested in the agencies and authorities, including their governing boards, if any, named in this subsection are devolved upon the South Carolina Rural Infrastructure Authority and the authority shall constitute the agencies and authorities, including their governing boards, if any, named in this subsection:

(1) South Carolina Infrastructure Facilities Authority;

(2) Local Government Division in support of the local government loan program;

(3) South Carolina Water Quality Revolving Fund Authority in support of water quality projects and federal loan programs; and

(4) Tobacco Settlement Revenue Management Authority Board.

(D) Effective January 1, 2013, the South Carolina Confederate Relic Room and Military Museum is transferred from the State Budget and Control Board and is governed by the South Carolina Confederate Relic Room and Military Museum Commission, as established in Section 60-17-10.

(E) Effective January 1, 2013, the Office of State Auditor is abolished and all of the functions, duties, and responsibilities of the office are transferred to, and incorporated into, the Office of Inspector General. The employees, authorized appropriations, and assets and liabilities of the transferred office are also transferred to and become part of the Office of Inspector General. All classified or unclassified personnel employed by the office on the effective date of this section, either by contract or by employment at will, shall become employees of the Office of Inspector General to which the transfer was made, with the same compensation, classification, and grade level, as applicable.

(F) Effective November 1, 2012, the Board of Economic Advisors shall be an independent agency, which shall maintain the organizational and procedural framework under which it is operating, and exercise its powers, duties, and responsibilities, as of the effective date of Act of 2012, R. ____, H. 3066.

(G) Effective November 1, 2012, the Office of Research and Statistics is transferred to, and incorporated into, the Legislative Fiscal Office.

(H) Effective January 1, 2013, there is devolved upon the Bond Review Authority all functions, powers, duties, responsibilities, and authority vested in the Budget and Control Board prior to the effective date of Act ____ of 2012, R. ____, H. 3066 related to the issuance of bonds and bonding authority, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law. The authority shall establish criteria, upon consultation with the Joint Bond Review Committee, to apply to the review and approval process.

(I) Effective January 1, 2013, the State Energy Office is transferred from the State Budget and Control Board to the Office of Regulatory Staff.

(J) Effective January 1, 2013, the Materials Management Office and the Office of State Engineer are transferred to and incorporated into the Procurement Oversight Board from the Budget and Control Board.

(K) Effective July 1, 2012, the following offices, divisions, or components of the State Budget and Control Board are transferred to, and incorporated into, an administrative agency of state government to be known as the South Carolina Public Employee Benefit Authority:

(1) the Employee Insurance Program;

(2) the Retirement Division; and

(3) the Insurance Reserve Fund."

B. Section 1-11-20 of the 1976 Code is amended to read:

~~"Section 1-11-20. The functions of the State Budget and Control Board must be performed, exercised, and discharged under the supervision and direction of the board through three divisions, the Finance Division (embracing the work of the State Auditor, the former State Budget Commission, the former State Finance Committee and the former Board of Claims for the State of South Carolina), the Purchasing and Property Division (embracing the work of the former Commissioners of the Sinking Fund, the former Board of Phosphate Commissioners, the State Electrician and Engineer, the former Commission on State House and State House Grounds, the central purchasing functions, the former Surplus Procurement Division of the State Research, Planning and Development Board and the Property Custodian) and the Division of Personnel Administration (embracing the work of the former retirement board known as the South Carolina Retirement System and the administration of all laws relating to personnel), each division to consist of a director and clerical, stenographic and technical employees necessary, to be employed by the respective directors with the approval of the board. The directors of the divisions must be employed by the State Budget and Control Board for that time and compensation as may be fixed by the board in its judgment.~~

(A) Effective January 1, 2013, the offices, divisions, or components of the State Budget and Control Board, Office of the Governor, or other agencies named in this subsection are transferred to, and incorporated into, the Department of Administration, a department of the executive branch of state government headed by a director appointed by the Governor with the advice and consent of the Senate as provided in Section 1-30-10(B)(1)(i). The director shall have the authority to act on behalf of and administer the department of:

(1) Division of General Services including Business Operations, Facilities Management, State Building and Property Services, and Agency Services including surplus property, intrastate mail, parking, state fleet management, except that this division shall not be transferred to the Department of Administration until the Director of the Department of Administration enters into a memorandum of agreement with appropriate officials of applicable legislative and judicial agencies or departments meeting the requirements of this subsection.

(a) The memorandum of agreement shall provide for:

(i) continued use of existing office space;

- (ii) a method for the allocation of new, additional, or different office space;
 - (iii) adequate parking;
 - (iv) a method for the allocation of new, additional, or different parking;
 - (v) the provision of appropriate levels of electrical, mechanical, maintenance, energy management, fire protection, custodial, project management, safety and building renovation, and other services currently provided by the General Services Division of the State Budget and Control Board;
 - (vi) the provision of water, electricity, steam, and chilled water to the offices, areas, and facilities occupied by the applicable agencies;
 - (vii) the ability for each agency or department to maintain building access control for its allocated office space; and
 - (viii) access control for the Senate and House chambers and courtrooms as appropriate.
- (b) The parties may modify the memorandum of understanding by mutual consent at any time.
- (c) The General Services Division must provide the services described in subsection (a) and any other maintenance and support, at a level that is greater than or equal to what is provided prior to the effective date of this act, to each building on the Capitol Complex, including the Supreme Court, without charge. The General Services Division must coordinate with the appropriate officials of applicable legislative and judicial agencies or departments when providing these services to the buildings and areas controlled by those agencies.
- (d) In the fiscal year succeeding implementation of this act, the Department of Administration must include in its annual budget request to the Governor, the House Ways and Means Committee, and the Senate Finance Committee a specific line item for maintenance and support of the Capitol Complex, including the Supreme Court;
- (2) the Office of State Budget, except for the employees required to provide fiscal impact statements and revenue impact statements on proposed legislation and to support the General Assembly's budget writing duties who are transferred to the Legislative Fiscal Office;
 - (3) the Office of Human Resources;
 - (4) the Office of Executive Policy and Programs, except for the State Ombudsman and Children's Services Programs that are contained within this office;
 - (5) the Guardian Ad Litem Program as established in Section [63-11-500](#);
 - (6) the Office of Economic Opportunity;
 - (7) the Developmental Disabilities Council;
 - (8) the Continuum of Care for Emotionally Disturbed Children Division as established by Section [63-11-1310](#);

(9) the Division for Review of the Foster Care of Children as established by Section 63-11-700;

(10) the Division of Veterans Affairs as established by Section 25-11-10;

(11) the Commission on Women as established by Section 1-15-10;

(12) the South Carolina Victim's Advisory Board, as established pursuant to Article 13, Chapter 13 of Title 16;

(13) the Small and Minority Business Assistance Office, as established pursuant to Section 11-35-5270;

(14) the State Educational Assistance Authority;

(15) the Educational Facilities Authority for Private, Non-Profit Institutions of Higher Learning;

(16) the South Carolina Resources Authority; and

(17) the Division of State Information Technology, including the Data Center, Telecommunications and Information Technology Services, the South Carolina Enterprise Information System, and the Information Technology Management Office.

(B) The Office of State Budget shall support the Governor's budget writing duties, as contained in Section 11-11-70. The office shall use the existing resources of the organizations transferred to the Department of Administration including, but not limited to, funding, personnel, equipment, and supplies. Vacant FTE's at the State Budget and Control Board also may be used to fill needed positions for the office.

(C)(1) There is established, within the Department of Administration, the Executive Budget Office which shall support the Office of the Governor by conducting analysis, coordinating executive agency requests for funding, and evaluating program performance.

(2) The Executive Budget Office shall use the existing resources of the organizations transferred to the Department of Administration including, but not limited to, funding, personnel, equipment, and supplies. Vacant FTE's at the State Budget and Control Board also may be used to fill needed positions for the office.

(D)(1) The Division of State Information Technology must submit the Statewide Strategic Information Technology Plan to the Director of the Department of Administration by September 1, 2013, and biennially thereafter. The director shall review the Statewide Strategic Information Technology Plan and recommend to the Governor priorities for state government enterprise information technology projects and resource requirements. The director shall also review information technology spending by state agencies and evaluate whether greater efficiencies, more effective services, and cost savings can be achieved through streamlining, standardizing, and consolidating agency information technology.

(2) All oversight concerning the South Carolina Enterprise Information System must remain as provided in Chapter 53, Title 11.

(E)(1) Each agency, office, authority, function, power, duty, or responsibility transferred to or devolved upon the Department of Administration by Act ____ of 2012, R. ____, H. 3066, must be maintained as a distinct component, function, power, duty, or responsibility of the Department of Administration unless a reorganization plan is approved by the General Assembly. Any funds appropriated to a distinct component of the department must not be transferred to another component. Any funds appropriated for a distinct function, power, duty, or responsibility must be exercised by the distinct component to which that function, power, duty, or responsibility was vested. Any funds appropriated to the department, and not to a distinct component of the department or for a distinct function, power, duty, or responsibility, may be used at the discretion of the director.

(2) No later than December 31, 2013, the department's director shall submit a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives that contains an analysis of and recommendations regarding the most appropriate organizational placement for each current component of the Office of Executive Policy and Programs. The department shall solicit input from and consider the recommendation of affected constituencies while developing its report.

(F) No later than December 31, 2013, the Office of Human Resources, in coordination with the Department of Archives and History, shall develop policies and procedures related to providing agency public records officers with annual training concerning records retention laws, regulations, and guidelines.

(G)(1) Where the provisions of Act ____ of 2012, R. ____, H. 3066 transfer offices, or portions of offices, of the Budget and Control Board, Office of the Governor, or other agencies to the Department of Administration or the Office of Inspector General, the employees, authorized appropriations, and assets and liabilities of the transferred offices are also transferred to and become part of the Department of Administration or the Office of Inspector General, as appropriate. All classified or unclassified personnel employed by these offices on the effective date of this section, either by contract or by employment at will, shall be transferred to the Department of Administration or the Office of Inspector General, as appropriate, with the same compensation, classification, grade level, and contract or at will status as applicable on the effective date of this section. The Executive Director of the Budget and Control Board, Director of the Department of Administration, and the Inspector General shall cause all necessary actions to be taken to accomplish this transfer in accordance with state laws and regulations.

(2) The Department of Administration and the Office of Inspector General shall use the existing resources of each division, insofar as it promotes efficiency and effectiveness, transferred to the department including, but not limited to, funding, personnel, equipment, and supplies from the board's administrative support units, including, but not limited to, the Office of the Executive Director, Office of General Counsel, and the Office of Internal Operations. 'Funding' means state, federal, and other funds. Vacant FTE's at the State Budget and Control Board also may be used to fill needed positions at the department. No new FTE's may be assigned to the department without authorization from the General Assembly.

(H) Regulations promulgated by these transferred offices as they formerly existed under the Budget and Control Board, Office of the Governor, or other agencies are continued and are considered to be promulgated by these offices under the Department of Administration.

(I) The Department of Administration shall, during the absence of the Governor from Columbia, be placed in charge of the records and papers in the executive chamber kept pursuant to Section [1-3-30](#).

(J) Any duties to approve statewide policies, procedures, regulations, or other specific actions must be acted upon by the Department of Administration in a timely manner. The Department of Administration must post its decisions on its website within sixty days of the day approval was sought. Except for internal charges between state agencies, departments, or entities, the Department of Administration must not increase or implement a rate or fee by regulation or administrative action for performing a service or function.

(K) No later than June 30, 2013, the Department of Administration and the Procurement Oversight Board shall jointly undertake a strategic sourcing initiative through which they must analyze the state's current spending on various categories of goods and services, identify the greatest opportunities to leverage the state's purchasing power, and prioritize the state's subsequent efforts to maximize achievable savings.

(L) No later than December 31, 2013, the Department of Administration and the Procurement Oversight Board shall jointly submit a report to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives to recommend changes to statutes, policies, and procedures governing state procurement activities. The recommendations shall be formulated in order to reduce costs, accelerate processing times, and improve services provided to state agencies and their business partners."

C. Chapter 11, Title 1 of the 1976 Code is amended by adding:

"Section [1-11-30](#). (A) There is established the Bond Review Authority comprised of the Governor, ex officio, who shall be chairman, the State Treasurer, ex officio, the Comptroller General, ex officio, one Senator selected by a majority of the Senate who shall serve ex officio, and one member of the House of Representatives selected by a majority of the House of Representatives who shall serve ex officio.

(B)(1) The Bond Review Authority shall exercise all functions, powers, duties, responsibilities, and authority related to the issuance of bonds and bonding authority, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law, except for the functions, powers, duties, responsibilities, and authority vested in the Joint Bond Review Committee.

(2) Bonded indebtedness issued by the South Carolina Jobs - Economic Development Authority and political subdivisions do not require approval by the Bond Review Authority. The authority and political subdivisions shall submit a report to the Bond Review Authority of any bonds the entity issues. Bonded indebtedness issued pursuant to this item does not constitute nor give rise to a pecuniary liability to the State or a charge against the credit or taxing powers of the State.

(C) The authority may employ and organize its staff as it deems most appropriate to carry out the various functions, powers, duties, responsibilities, and authority assigned to it.

(D) The authority shall establish criteria, upon consultation with the Joint Bond Review Committee, to apply to the review and approval process."

D. Chapter 11, Title 1 of the 1976 Code is amended by adding:

"Section [1-11-40](#). (A) For the purposes of this section:

(1) 'Economic interest' has the same meaning as provided in Section [8-13-100](#)(11).

- (2) 'Family member' has the same meaning as provided in Section [8-13-100](#)(15).
- (3) 'Procurement' has the same meaning as provided in Section [11-35-310](#)(24).
- (4) 'Public employee' has the same meaning as provided in Section [8-13-100](#)(25).
- (5) 'Public member' has the same meaning as provided in Section [8-13-100](#)(26).
- (6) 'Public official' has the same meaning as provided in Section [8-13-100](#)(27).

(B) It is unlawful for a public official, public officer, or public employee who is not directly associated with procurement as provided by law or regulation to attempt to influence a public official, public officer, or public employee who is directly associated with procurement as provided by law or regulation in the exercise of his duties or responsibilities.

(C) A person who violates this section is guilty of a felony and, upon conviction, must be fined no more than ten thousand dollars or imprisoned for not more than ten years, or both."

E. Section [1-11-440](#) of the 1976 Code is amended to read:

"Section [1-11-440](#). (A) The State must defend the members of the ~~State Budget and Control Board~~ Bond Review Authority, the Public Employee Benefit Authority, and the Director of the Department of Administration against a claim or suit that arises out of or by virtue of their performance of official duties on behalf of the ~~board~~ either authority or the department and must indemnify ~~these members~~ them for a loss or judgment incurred by them as a result of the claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. The State must defend officers and management employees of ~~the board~~ either authority, and legislative employees performing duties for ~~board~~ either authority's members, and management employees of the department against a claim or suit that arises out of or by virtue of the performance of official duties unless the officer, management employee, or legislative employee was acting in bad faith and must indemnify these officers, management employees, and legislative employees for a loss or judgment incurred by them as a result of such claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. This commitment to defend and indemnify extends to members, officers, the director and management employees of the department, and legislative employees after they have left their employment with ~~the board~~ either authority, ~~or the~~ General Assembly, ~~as applicable~~, or the department, as applicable, if the claim or suit arises out of or by virtue of their performance of official duties on behalf of ~~the board~~ either authority or the department.

(B) ~~The State must defend the members of the Retirement Systems Investment Panel established pursuant to Section 16, Article X of the Constitution of this State and Section [9-16-310](#) against a claim or suit that arises out of or by virtue of their performance of official duties on behalf of the panel and must indemnify these members for a loss or judgment incurred by them as a result of the claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. This commitment to defend and indemnify extends to members of the panel after they have left their service with the panel if the claim or suit arises out of or by virtue of their performance of official duties on behalf of the panel."~~

Part X
South Carolina Rural Infrastructure Authority

SECTION 31. Section 11-50-50 of the 1976 Code is amended to read:

"Section 11-50-50. (A) The board of directors is the governing board of the authority. The board consists of ~~seven~~ eight voting directors appointed as follows:

(1) ~~six~~ seven members who reside in counties designated as distressed or least developed pursuant to Section 12-6-3360 for 2009; one appointed by the President Pro Tempore of the Senate, one appointed by the Speaker of the House of Representatives, one appointed by the Chairman of the Senate Finance Committee, one appointed by the Chairman of the House Ways and Means Committee, and ~~two~~ three appointed by the Governor, one of which must be selected from three candidates recommended by the Municipal Association of South Carolina, one must be selected from three candidates recommended by the South Carolina Association of Counties, and one must be selected from three candidates recommended by the South Carolina Rural Water Association; and

(2) the Secretary of Commerce, ex officio, who shall serve as chairman.

(B) ~~Appointed members~~ Members shall serve for terms of four years and until their successors are appointed and qualify except that of the members first appointed by the Speaker of the House, President Pro Tempore of the Senate, and one of the members first appointed by the Governor, the member shall serve for a term of two years and the term must be noted on the appointment. Vacancies must be filled in the manner of original appointment for the unexpired portion of the term. Members shall serve without compensation but are allowed mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions.

(C) The board of directors also constitute the governing board of the Tobacco Settlement Revenue Management Authority."

SECTION 32. Section 11-50-60(A)(15) of the 1976 Code is amended to read:

"(15) expend funds to obtain accounting, management, legal, financial consulting, and other professional services necessary to the operations of the authority and may hire a director for the authority, so long as one of the gubernatorial appointees and three of the legislative appointees vote in favor of the hiring;"

SECTION 33. Chapter 10 of Title 12 of the 1976 Code is amended by adding:

"Section 12-10-86. Notwithstanding Section 12-10-85, the Department of Revenue is authorized to deposit revenues from the Rural Infrastructure Fund in excess of twelve million dollars to the South Carolina Rural Infrastructure Fund under the South Carolina Rural Infrastructure Authority. Any revenues in excess of seventeen million dollars shall be deposited in the Rural Infrastructure Fund under the Department of Commerce, Coordinating Council."

SECTION 34. The State Budget and Control Board shall transfer all the funds in the South Carolina Rural Infrastructure Bank Trust Fund, created by Act 115 of 2005, to the South Carolina Rural Infrastructure Fund, authorized by Act 171 of 2010.

SECTION 35. Section 1-11-25 of the 1976 Code, relating to the Local Government Division of the State Budget and Control Board, and Section 1-11-26 of the 1976 Code, relating to the use of funds from the Local Government Division, are repealed.

Part XIII
Subpart 1

South Carolina Public Employee Benefit Authority

SECTION 48. A. Title 9 of the 1976 Code is amended by adding:

"CHAPTER 4
South Carolina Public Employee Benefit Authority
Article 1

General Provisions

Section 9-4-10. (A) Effective July 1, 2012, there is created the South Carolina Public Employee Benefit Authority. The authority is comprised of the employee insurance division and the retirement systems division. The governing body of the authority is a board of directors consisting of nine members. The functions of the authority must be performed, exercised, and discharged under the supervision and direction of the board. The board may organize its staff as it considers appropriate to carry out the various duties, responsibilities, and authorities assigned to it and to its various divisions. The board may delegate to one or more officers, agents, or employees the powers and duties it determines are necessary for the effective, efficient, operation of the authority, including the hiring of an executive director of the authority. The executive director must be employed by the authority and compensation of the executive director may be fixed by the board in its judgment and as appropriated by the General Assembly.

(B) The board is composed of:

- (1) three members appointed by the Governor;
- (2) two representative members, appointed by the President Pro Tempore of the Senate, one who is either an active or retired member of the Police Officers Retirement System and one who is a retired member of the South Carolina Retirement System;
- (3) one member appointed by the Chairman of the Senate Finance Committee;
- (4) two representative members appointed by the Speaker of the House of Representatives, one of whom must be a state employee who is an active contributing member of the South Carolina Retirement System and an employee of a public school district in South Carolina who is an active member of the South Carolina Retirement System;
- (5) one member appointed by the Chairman of the House Ways and Means Committee.

(C)(1) A nonrepresentative member may not be appointed to the board unless the person possesses at least one of the following qualifications:

- (a) at least twelve years of professional experience in the financial management of pensions or insurance plans;
- (b) at least twelve years academic experience and holds a bachelor's or higher degree from a college or university as classified by the Carnegie Foundation;
- (c) at least twelve years of professional experience as a certified public accountant with financial management, pension, or insurance audit expertise;
- (d) at least twelve years as a Certified Financial Planner credentialed of the Certified Financial Planner Board of Standards; or
- (e) at least twelve years membership in the South Carolina Bar and extensive experience in one or more of the following areas of law:
 - (i) taxation;
 - (ii) insurance;

- (iii) healthcare;
- (iv) securities;
- (v) corporate;
- (vi) finance; or
- (vii) the Employment Retirement Income Security Act (ERISA).

(2) In addition to the requirements of subsections (B)(2) and (4) of this section, a representative member may not be appointed to the board unless the person:

- (a) possesses one of the qualifications set forth in item (1); or
- (b) has at least twelve years of public employment experience and holds a bachelor's degree from a college or university as classified by the Carnegie Foundation.

(D) Representative members must be appointed from three nominations jointly made to the appointing official by membership organizations representative of the interests to be represented. The appointing official may request three additional nominations if the official elects not to appoint any of those nominated.

(E) Members of the board shall serve for terms of two years and until their successors are appointed and qualify. Vacancies must be filled in the manner of original appointment for the unexpired portion of the term. Terms commence on July first of even numbered years. Upon a member's appointment, the appointing official shall certify to the Secretary of State that the appointee meets or exceeds the qualifications set forth in subsections (B) and (C). No person appointed may qualify unless he first certifies that he meets or exceeds the qualifications applicable for their appointment. A member may be removed before the expiration of his term by the applicable appointing official only for the reasons specified in Section 1-3-240(C).

(F) The members shall select a nonrepresentative member to serve as chairman and shall select those other officers they determine necessary. Subject to the qualifications for chairman provided in this section, members may set their own policy related to the rotation of the selection of a chairman of the board.

(G)(1) Each member must receive an annual salary of twelve thousand dollars. This compensation must be paid from approved accounts of general funds and retirement system funds based on the proportionate amount of time the board devotes to its various functions. Members may receive the mileage and subsistence authorized by law for members of state boards, commissions, and committees paid from approved accounts funded by general funds and retirement system funds in the proportion that compensation is paid.

(2) Notwithstanding any other provision of law, membership on the board does not make a member eligible to participate in a retirement system administered pursuant to this title and does not make a member eligible to participate in the employee insurance program administered pursuant to Article 5, Chapter 11, Title 1. Any compensation paid on account of the member's service on the board is not considered earnable compensation for purposes of any state retirement system.

(H) Minimally, the board shall meet monthly. If the chairman considers it more effective, the board may meet by teleconferencing or video conferencing. However, if the agenda of the meeting consists of items that are not exempt from disclosure or the meeting may not be closed to the public pursuant to Chapter 4, Title 30, the provisions of Chapter 4, Title 30 apply, and the meeting must be open to the public.

Section 9-4-20. (A) The South Carolina Public Employee Benefit Authority shall operate an employee insurance program division to administer insurance programs pursuant to Article 5, Chapter 11, Title 1.

(B) The board of directors of the authority shall appoint a State Health Plan Advisory Committee (committee) to review and make recommendations to the board on proposed changes to the State Health Plan. Representation on the committee must be equal among health care professionals, the insurance industry, and consumers. The board, by resolution, shall establish the committee, provide for its membership, and provide for its operations. Members shall serve without compensation, but may receive the mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions to be paid from approved accounts of the authority.

(C) Notwithstanding any other provision of law or policy to the contrary, the board shall allow the governing body of a participating political subdivision to allow a judicial appointee to participate in the program.

Section 9-4-30. (A)(1) The South Carolina Public Employee Benefit Authority shall operate a retirement division to administer the various retirement system and retirement programs pursuant to Title 9 and, effective after December 31, 2013, to administer the deferred compensation program pursuant to Chapter 23, Title 8.

(2) Expenses incurred by the retirement division in administering, after December 31, 2013, the deferred compensation plans must be reimbursed to the retirement division from funds generated by the deferred compensation plans available to pay for administrative expenses.

(B)(1)(a) Notwithstanding the provisions of Sections 9-1-1020 and 9-1-1050, or any other provision of Chapter 1 of this title relating to the setting of employee and employer contributions required for the South Carolina Retirement System either established by statute or administratively, the employer and employee contribution rates for this system for fiscal years 2012-2013 through 2015-2016 expressed as a percentage of earnable compensation, are as follows:

Fiscal Year	Employer Contribution	Employee Contribution
2012-2013	9.38	6.64
2013-2014	10.45	7.14
2014-2015	10.45	7.64
2015-2016 and after	10.45	7.71

(b) If the scheduled employer and employee contributions provided in subitem (a) of this item are insufficient to maintain a thirty year amortization schedule for the unfunded liabilities of this system, then the board of directors shall increase the contributions as provided in the schedule provided in subitem (a) of this item in equal percentage amounts for employer and employee contributions as necessary to maintain an amortization schedule of no more than thirty years. Such adjustments may be made without regard to the annual limit increase of one-half percent of earnable compensation provided pursuant to subitem (c) of this item, but the differentials in the employer and employee contribution rates provided in subitem (a) of this item must be maintained at the rate provided in the schedule for the applicable fiscal year.

(c) After June 30, 2016, and in addition to any increase imposed pursuant to subitem (b) of this item, the board of directors, when it determines it necessary, may impose an increase in the percentage rate in employer and employee contributions for that system, but any such increase may not result in a differential between the employee and employer contribution rate for that system that exceeds 2.74 percent of earnable compensation. An increase in the contribution rate imposed by the board of directors pursuant to this item may not be imposed in an amount of more than one-half of one percent of earnable compensation in any one year.

(2)(a) Notwithstanding the provisions of Sections 9-11-75, 9-11-210(1), 9-11-220, or any other provision of Chapter 11 of this title relating to the setting of employee and employer contributions required for the South Carolina Police Officer Retirement System established either by statute or administratively, the employer and employee contribution rates for this system for fiscal years 2012-2013 through 2015-2016 expressed as a percentage of earnable compensation, are as follows:

Fiscal Year	Employer Contribution	Employee Contribution
2012-2013	11.36	6.73
2013-2014	11.90	7.23
2014-2015 and after	11.90	7.27

(b) If the scheduled employer and employee contributions provided in subitem (a) of this item are insufficient to maintain a thirty year amortization schedule for the unfunded liabilities of this system, then the board of directors shall increase the contributions as provided in the schedule provided in subitem (a) of this item in equal percentage amounts for employer and employee contributions as necessary to maintain an amortization schedule of no more than thirty years. Such adjustments may be made without regard to the annual limit increase of one-half percent of earnable compensation provided pursuant to subitem (c) of this item, but the differentials in the employer and employee contribution rates provided in subitem (a) of this item must be maintained at the rate provided in the schedule for the applicable fiscal year.

(c) After June 30, 2015, and in addition to any increase imposed pursuant to subitem (b) of this item, the board of directors, when it determines it necessary, may impose an increase in the percentage rate of employer and employee contributions for that system, but any such increase may not result in a differential between the employee and employer contribution rate for that system that exceeds 4.63 percent of compensation. An increase in contributions imposed by the board of directors pursuant to this item may not be imposed in an amount more than one-half percent of compensation in any one year.

(3) Increases in employer and employee contribution rates above those allowed pursuant to items (1) and (2) of this subsection may be imposed only by an act of the General Assembly.

(C) The South Carolina Public Employee Benefits Authority shall provide copies of annual actuarial valuations of all retirement systems requiring such annual valuations to the General Assembly by the second Tuesday in January of every year.

Section 9-4-40. Each year in the general appropriations act, the General Assembly shall appropriate sufficient funds to the Office of the State Inspector General to employ a private audit firm to perform a fiduciary audit on the South Carolina Public Employee Benefit Authority. The audit firm must be selected by the State Inspector General. The report from the previous fiscal year must be completed by January fifteenth. Upon completion, the report must be submitted to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.

Section 9-4-50. (A) The South Carolina Public Employee Benefit Authority shall maintain a transaction register that includes a complete record of all funds expended, from whatever source for whatever purpose. The register must be prominently posted on the authority's internet website and made available for public viewing and downloading.

(1)(a) The register must include for each expenditure:

(i) the transaction amount;

(ii) the name of the payee;

(iii) the identification number of the transaction; and

(iv) a description of the expenditure, including the source of funds, a category title, and an object title for the expenditure.

(b) The register must include all reimbursements for expenses, but must not include an entry for:

(i) salary, wages, or other compensation paid to individual employees; and

(ii) retirement benefits, deferred compensation plan distributions, insurance reimbursements, or other payments paid to individual employees, members, or participants, as applicable, pursuant to programs administered by the board.

(c) The register must not include a social security number.

(d) The register must be accompanied by a complete explanation of any codes or acronyms used to identify a payee or an expenditure.

(e) The register may exclude any information that can be used to identify an individual employee or student.

(f) This section does not require the posting of any information that is not required to be disclosed under Chapter 4, Title 30.

(2) The register must be searchable and updated at least once a month. Each monthly register must be maintained on the internet website for at least three years.

(B) Any information that is expressly prohibited from public disclosure by federal or state law or regulation must be redacted from any posting required by this section.

(C) If the authority has a question or issue relating to technical aspects of complying with the requirements of this section or the disclosure of public information under this section, it shall consult with the Comptroller General's Office, which may provide guidance to the authority.

B. This SECTION takes effect July 1, 2012.

Subpart 2

Conforming Amendments for the South Carolina Public Employee Benefit Authority

SECTION 49. Section 1-11-703(9) and (10) of the 1976 Code, as added by Act 195 of 2008, is amended to read:

"(9) 'Board' means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority.

(10) 'Employee insurance program' or 'EIP' means the office of the ~~board~~ South Carolina Public Employee Benefit Authority designated by the board to operate insurance programs pursuant to this article."

SECTION 50. RESERVED

SECTION 51. RESERVED

SECTION 52. Section 1-11-710(A) of the 1976 Code, as last amended by Act 195 of 2008, before the first item, is amended to read:

"(A) The ~~State Budget and Control Board~~ board shall:"

SECTION 53. Section 1-11-720(B) of the 1976 Code is amended to read:

"(B) To be eligible to participate in the state health and dental insurance plans, the entities listed in subsection (A) shall comply with the requirements established by the ~~State Budget and Control Board~~ board, and the benefits provided must be the same benefits provided to state and school district employees. These entities must agree to participate for a minimum of four years and the board may adjust the premiums during the coverage period based on experience. An entity which withdraws from participation may not subsequently rejoin during the first four years after the withdrawal date."

SECTION 54. Section 1-11-725 of the 1976 Code, as added by Act 195 of 2008, is amended to read:

"Section 1-11-725. The ~~State Budget and Control Board's~~ board's experience rating of all local disabilities and special needs providers pursuant to Section 1-11-720(A)(3) must be rated as a single group when rating all optional groups participating in the state employee health insurance program."

SECTION 55. Section 1-11-730(A)(2) of the 1976 Code, as last amended by Act 195 of 2008, is amended to read:

"(2) A member of the General Assembly who leaves office or retires with at least eight years' credited service in the General Assembly Retirement System is eligible to participate in the state health and dental plans by paying the full premium as determined by the ~~State Budget and Control Board~~ board."

SECTION 56. Sections 1-11-740 and 1-11-750 of the 1976 Code are amended to read:

"Section 1-11-740. The Division of Insurance Services of the ~~State Budget and Control Board~~ board may develop an optional long-term care insurance program for active and retired members of the various state retirement systems depending on the availability of a qualified vendor. A program must require members to pay the full insurance premium.

Section 1-11-750. The ~~Budget and Control Board~~ board shall devise a method of withholding long-term care insurance premiums offered under Section 1-11-740 for retirees if sufficient enrollment is obtained to make the deductions feasible."

SECTION 57. Section 1-11-770(A) of the 1976 Code, before the first item, is amended to read:

"(A) Subject to appropriations, the General Assembly authorizes the ~~State Budget and Control Board~~ board to plan, develop, and implement a statewide South Carolina 211 Network, which must serve as the single point of coordination for information and referral for health and human services. The objectives for establishing the South Carolina 211 Network are to:"

SECTION 58. A. Sections 8-23-20 and 8-23-30 of the 1976 Code, as last amended by Act 305 of 2008, are amended to read:

~~"Section 8-23-20. A Deferred Compensation Commission is established consisting of eight members including the director of the South Carolina Retirement System, chief investment officer of the State Retirement System Investment Commission, and the executive director of the State Employees' Association, each of whom serve ex officio, and five other public employees to be appointed by the State Budget and Control Board, at least two of whom must be state employees and one must be a retired public employee. The appointed members shall serve for terms of three years and until their successors are appointed and qualify. The State Budget and Control Board shall designate the chairman.~~

The ~~commission~~ Board of Directors of the South Carolina Public Employee Benefit Authority shall establish such rules and regulations as it deems necessary to implement and administer the Deferred Compensation Program. The ~~commission~~ board shall make such administrative appointments and contracts as are necessary to carry out the purpose and intent of this chapter and in the administration of account assets. For purposes of administering this program, an individual account shall be maintained in the name of each employee.

The ~~commission~~ board shall select, through competitive bidding and contracts, plans for purchase of fixed and variable annuities, savings, mutual funds, insurance and such other investments as the ~~commission~~ board may approve which are not in conflict with the State Constitution and with the advice and approval of the State Treasurer.

Costs of administration may be paid from the interest earnings of the funds accrued as a result of deposits or as an assessment against each account.

Section 8-23-30. The State or any political subdivision of the State, by contract, may agree with an employee to defer, a portion of his compensation in an amount as provided for in a plan approved by the ~~commission~~ board of directors of the South Carolina Public Employee Benefit Authority and subsequently with the consent of the employee may contract for purchase or otherwise procure fixed or variable annuities, savings, mutual funds, insurance, or such other investments as the ~~commission~~ board may approve for the purpose of carrying out the objectives of the program with the advice and approval of the State Treasurer. The investments shall be underwritten and offered in compliance with applicable federal and state laws and regulations by persons who are authorized by the ~~commission~~ board in accordance with the provisions of this chapter."

B. Section 8-23-70 of the 1976 Code is amended to read:

"Section 8-23-70. The Deferred Compensation Program established pursuant to this chapter shall be in addition to retirement, pension, or benefit systems established by the State, federal government, or political subdivision and no deferral of income under the Deferred Compensation Program shall affect a reduction of any retirement, pension, social security, or other benefit provided by law. Any sum deferred under the Deferred Compensation Program shall not be subject to taxation until distribution is actually made to the employee.

Nothing contained in this chapter shall be construed to prohibit counties, municipalities, school districts, and other political subdivisions of the State and their employees from participation in deferred compensation plans or programs offered independently of the ~~State Deferred Compensation Commission~~ Board of Directors of the South Carolina Public Employee Benefit Authority by building and loan or savings and loan associations, banks, trust companies, and credit unions chartered by the state or federal governments, and all such political subdivisions shall be empowered with such contractual authority as may be necessary or incident to such participation; provided, however, that (a) such deferred compensation plans or programs shall comply with applicable federal income tax law in providing income deferral, (b) all deferred amounts shall be held in accounts, certificates of deposit, or other forms of savings vehicles which are insured by the Federal Savings and Loan Insurance Corporation in the case of savings and loan associations, the Federal Deposit Insurance Corporation in the case of commercial banks, and the National Credit Union Administration in the case of credit unions."

C. Section 8-23-110 of the 1976 Code, as added by Act 387 of 2000, is amended to read:

"Section 8-23-110. (A) The ~~commission~~ Board of Directors of the South Carolina Public Employee Benefit Authority shall ensure that plan documents governing deferred compensation plans administered by the ~~commission~~ board permit employer contributions to the extent allowed under the Internal Revenue Code.

(B) Political subdivisions of the State, including school districts, participating in deferred compensation plans administered by the ~~commission~~ board or such plans offered by other providers may make matching or other contributions on behalf of their participating employees.

(C) As an additional benefit for state employees, and to the extent funds are appropriated for this purpose, the State shall make matching or other contributions on behalf of state employees participating in the deferred compensation plans offered by the ~~commission~~ board or such plans

offered by other providers in an amount and under the terms and conditions prescribed for such contributions by the ~~State Budget and Control Board~~ board."

D. The amendments to Sections 8-23-20, 8-23-30, 8-23-70, and 8-23-110 of the 1976 Code contained in this SECTION take effect January 1, 2014.

SECTION 59. Section 9-1-10(6) of the 1976 Code is amended to read:

"(6) 'Board' means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority which shall act under the provisions of this chapter through its Division of Retirement Systems."

SECTION 60. Section 9-1-20 of the 1976 Code is amended to read:

"Section 9-1-20. A retirement system is hereby established and placed under the management of the ~~State Budget and Control Board~~ board for the purpose of providing retirement allowances and other benefits for teachers and employees of the State and political subdivisions or agencies or departments thereof. The system so created shall have the power and privileges of a corporation and shall be known as the 'South Carolina Retirement System', and by such name all of its business shall be transacted, all of its funds invested and all of its cash, securities, and other property held."

SECTION 61. Section 9-1-210 of the 1976 Code is amended to read:

"Section 9-1-210. The general administration and responsibility for the proper operation of the system and for making effective the provisions hereof are hereby vested in the ~~State Budget and Control Board~~ board."

SECTION 62. Section 9-1-310 of the 1976 Code, as last amended by Act 155 of 2005, is amended to read:

"Section 9-1-310. The administrative cost of the South Carolina Retirement System, the South Carolina Police Officers Retirement System, the Retirement System for Members of the General Assembly of the State of South Carolina, the Retirement System for Judges and Solicitors of the State of South Carolina, and the National Guard Retirement System must be funded from the interest earnings of the above systems. The allocation of the administrative costs of the systems must be made by the ~~State Budget and Control Board~~ board and must be based upon a proration of the cost in proportion to the assets that each system bears to the total assets of all of the systems for the most recently completed fiscal year."

SECTION 63. Section 9-1-1515(D)(2) of the 1976 Code is amended to read:

"(2) A member taking early retirement may maintain coverage under the State Insurance Benefits Plan until the date his coverage is reinstated pursuant to item (1) of this subsection by paying the total premium cost, including the employer's contribution, in the manner provided by the Division of Insurance Services of the ~~State Budget and Control Board~~ board."

SECTION 64. Section 9-1-1830 of the 1976 Code, as last amended by Act 309 of 1986, is amended to read:

"Section 9-1-1830. Starting July 1, 1981, there must be paid to the system, and credited to the post-retirement increase special fund, contributions by the employers in an amount equal to two-

tenths of one percent of the earnable compensation of each member employed by each employer. In addition, the ~~State Budget and Control Board shall~~ board, on the recommendation of the actuary, shall transfer a portion of the monies as are received pursuant to Section 9-1-1050 that are available due to actuarial gains in the system if the transfers do not adversely affect the funding status of the system. Starting July 1, 1986, all contributions previously credited to the post-retirement increase special fund must be diverted and credited to the employer annuity accumulation fund."

SECTION 65. Chapter 2, Title 9 of the 1976 Code, as last amended by Act 170 of 1991, is further amended to read:

"CHAPTER 2
Retirement and Pre-Retirement Advisory ~~Board~~ Panel

Section 9-2-10. There is ~~hereby~~ created the South Carolina Retirement and Pre-Retirement Advisory ~~Board~~ Panel for the purpose of advising the director of the South Carolina Retirement System and the director of the State Personnel Division on matters relating to retirement and pre-retirement programs and policies.

Section 9-2-20. (a) The ~~board panel~~ shall consist of eight members appointed by the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority and must be constituted as follows:

- (1) one member representing municipal employees;
 - (2) one member representing county employees;
 - (3) three members representing state employees, one of whom must be retired and one of whom must be an active or retired law enforcement officer who is contributing to or receiving benefits from the Police Officers Retirement System. If this law enforcement member is retired, the other two members representing state employees do not have to be retired;
 - (4) two members representing public school teachers, one of whom must be retired;
 - (5) one member representing the higher education teachers. The ~~Budget and Control Board~~ board of directors shall invite the appropriate associations, groups, and individuals to recommend persons to serve on the ~~board panel~~ panel.
- (b) The terms of the members shall be for four years and until their successors have been appointed and qualify. No member shall serve more than two consecutive terms. After serving two consecutive terms a member shall be eligible to serve again, four years after the expiration of his second term. Provided that of those first appointed, four of the members shall serve for a term of two years. In the event of a vacancy, a successor shall be appointed in the same manner as the original appointment to serve the unexpired term.
- (c) A chairman, vice chairman, and secretary shall be elected from among the membership to serve for terms of two years.

Section 9-2-30. The ~~board panel~~ shall meet once a year with the Director of the South Carolina Retirement System; once a year with the State Personnel Director; and once a year with the ~~State Budget and Control Board~~ Executive Director of the South Carolina Public Employee Benefit

Authority. The chairman may call additional meetings of the ~~board~~ panel at such other times as ~~deemed~~ considered necessary and shall give timely notice of such meetings.

Section 9-2-40. The ~~board~~ panel shall review retirement and pre-retirement programs and policies, propose recommendations, and identify major issues for consideration.

Section 9-2-50. The ~~board~~ panel is authorized to seek reasonable staff assistance from the South Carolina Retirement System, the State Personnel Division, and other state agencies which may be concerned with a particular area of study. The ~~board~~ panel is also encouraged to use such resources as faculty and students at public universities, colleges, and technical education schools in South Carolina."

SECTION 66. Section 9-8-10(3) of the 1976 Code is amended to read:

"(3) 'Board' means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority."

SECTION 67. Section 9-8-30(1) of the 1976 Code is amended to read:

"(1) The administration and responsibility for the operation of the system and for making effective the provisions of this chapter are vested in the ~~State Budget and Control Board~~ board."

SECTION 68. The last undesignated paragraph of Section 9-8-60(1) of the 1976 Code, as added by Act 164 of 1993, is amended to read:

"A person receiving retirement allowances under this system who is elected to the General Assembly continues to receive the retirement allowances while serving in the General Assembly, and ~~must~~ also must be a member of the General Assembly Retirement System unless the person files a statement with the ~~State Budget and Control Board~~ board on a form prescribed by the board electing not to participate in the General Assembly Retirement System while a member of the General Assembly. A person making this election shall not make contributions to the General Assembly Retirement System nor shall the State make contributions on the member's behalf and the person is not entitled to benefits from the General Assembly Retirement System after ceasing to be a member of the General Assembly."

SECTION 69. Section 9-9-10(3) of the 1976 Code is amended to read:

"(3) 'Board' ~~shall mean~~ means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority."

SECTION 70. Section 9-9-30(1) of the 1976 Code is amended to read:

"(1) The general administration and responsibility for the proper operation of the system and for making effective the provisions hereof are hereby vested in the ~~State Budget and Control Board~~ board."

SECTION 71. Section 9-10-10(1) of the 1976 Code, as added by Act 155 of 2006, is amended to read:

"(1) 'Board' or 'board' means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority, acting pursuant to the provisions of this chapter through its Division of Retirement Systems."

SECTION 72. Section 9-10-60(D) of the 1976 Code, as added by Act 155 of 2005, is amended to read:

"(D) The General Assembly annually shall appropriate sums sufficient to establish and maintain the National Guard Retirement System on a sound actuarial basis as determined by the ~~State Budget and Control Board~~ board."

SECTION 73. Section 9-11-10(9) of the 1976 Code is amended to read:

"(9) 'Board' means the ~~State Budget and Control Board~~ board of directors of the South Carolina Public Employee Benefit Authority acting through its Division of Retirement Systems."

SECTION 74. Section 9-11-30(1) of the 1976 Code is amended to read:

"(1) The general administration and responsibility for the proper operation of the system and for making effective the provisions hereof are hereby vested in the ~~State Budget and Control Board~~ board."

SECTION 75. Section 9-11-75 of the 1976 Code, as added by Act 424 of 1988, is amended to read:

"Section 9-11-75. The ~~State Budget and Control Board~~ board shall adjust the employer contribution paid by employers under the South Carolina Police Officers Retirement System in an amount sufficient to offset the actuarial cost of the provisions of Sections 9-11-60 and 9-11-70, not to exceed three percent of payroll. If the employer contribution adjustment provided in this section is insufficient to offset the actuarial cost of the provisions of Sections 9-11-60, 9-11-70, 9-11-210, and 9-11-300, the board shall adjust employee contributions of the members of the South Carolina Police Officers Retirement System in an amount sufficient to offset the additional actuarial cost. If the contribution rates as set pursuant to Sections 9-11-60, 9-11-70, 9-11-210, and 9-11-300 exceed the actuarial cost of the provisions of Sections 9-11-60, 9-11-70, 9-11-120, and 9-11-300, the board shall decrease the contribution rate for both employers and employees on a proportional basis."

SECTION 76. Section 9-12-10(1) of the 1976 Code, as added by Act 311 of 2008, is amended to read:

"(1) 'Board' means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority acting as trustee of the retirement systems and acting through its Division of Retirement Systems."

SECTION 77. Section 9-18-10(3) of the 1976 Code, as added by Act 38 of 1995, is amended to read:

"(3) 'Board' means the ~~State Budget and Control Board~~ Board of Directors of the South Carolina Public Employee Benefit Authority."

SECTION 78. Section 9-20-30 of the 1976 Code, as last amended by Act 54 of 2001, is further amended to read:

"Section 9-20-30. (A) The South Carolina Retirement System shall provide for the administration of the State Optional Retirement Program under this chapter. The director ~~acting on behalf~~ of the South Carolina Retirement System acting on behalf of the Board of Directors of

the South Carolina Public Employee Benefit Authority shall designate no fewer than ~~four~~ ~~companies~~ two entities to provide annuity contracts, mutual fund accounts, or similar investment products offered through state or national banking institutions, or a combination of them, under the program. In making the designation, selection criteria must include:

- (1) the nature and extent of the rights and benefits to be provided by the contracts or accounts, or both, of participants and their beneficiaries;
- (2) the relation of the rights and benefits to the amount of contributions to be made;
- (3) the suitability of these rights and benefits to the needs of the participants;
- (4) the ability and experience of the designated companies in providing suitable rights and benefits under the contracts or accounts, or both;
- (5) the ability and experience of the designated companies to provide suitable education and investment options.

(B) If the board deselects a provider, vendor, plan administrator, or other entity, it shall ensure that the deselection and related transition are accomplished with minimal disruption to participants.

(C) Companies participating in the optional retirement program for publicly-supported four-year and postgraduate institutions of higher education as of July 1, 2002, or the optional retirement program for teachers and school administrators as of July 1, 2001, may continue to participate in this program and this participation is governed by their existing contracts."

SECTION 79. Section 11-53-20 of the 1976 Code is amended to read:

"Section 11-53-20. It is mandated by the General Assembly that the SCEIS shall be implemented for all agencies, with the exception of lump sum agencies, the General Assembly or its respective branches or its committees, Legislative Council, and the ~~Office of Legislative Printing and Information Technology Resources Services Agency~~. The South Carolina Enterprise Information System Oversight Committee, as appointed by the Comptroller General, shall provide oversight for the implementation and continued operations of the system. The ~~Budget and Control Board~~ Department of Administration is authorized to use any available existing technology resources to assist with funding of the initial implementation of the system. It is further the intent of the General Assembly to fund the central government costs related to the implementation of the system. Agencies are required to implement SCEIS at a cost and in accordance with a schedule developed and approved by the SCEIS Oversight Committee. Full implementation must be completed within five years. ~~An agency's implementation cost shall be borne by that agency through existing appropriations, grants, and/or the State Treasurer's Master Lease Program and shall be for the implementation of the "back office" administrative functions that are common to all agencies in the areas of purchasing, finance, human resources, payroll, and budgeting.~~ The Department of Administration must make an appropriation request for the implementation and operational costs for SCEIS, and the funding for those costs must be set out as a specific line item in the annual general appropriations act. Any issues arising with regard to project scope, implementation schedule, and associated costs shall be directed to the SCEIS Oversight Committee for resolution. In cooperation with the Comptroller General and the ~~Budget and Control Board's Division of the State CIO~~ Department of Administration, the South Carolina Enterprise Information System Oversight Committee is required to report by January 31, of the fiscal year to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of

the House Ways and Means Committee the status of the system's implementation and ongoing operations."

SECTION 80. Section 9-21-20(2) of the 1976 Code, as added by Act 12 of 2003, is amended to read:

"(2) 'Board' means the ~~State Budget and Control Board~~ board of directors of the South Carolina Public Employee Benefit Authority."

SECTION 81. Section 59-1-470 of the 1976 Code is amended to read:

"Section 59-1-470. Funds appropriated by the General Assembly for a deferred compensation employer matching contribution must be distributed by the State Department of Education to school districts for the purpose of providing an employer matching contribution for eligible school district employees making contributions to deferred compensation plans offered by the South Carolina Deferred Compensation Commission or, after December 31, 2013, the South Carolina Public Employee Benefit Authority, or other approved and qualified plans of other providers. These funds must be distributed in a manner consistent with the provisions of Section 8-23-110. The employer matching contribution by the school district may not exceed three hundred dollars for each eligible employee a year. ~~Individuals eligible for the matching contribution must be classified as required in Section 9-20-20, the Optional Retirement Program for Teachers and School Administrators.~~"

SECTION 82. This subpart takes effect July 1, 2012.

Subpart 3 Transfer and Dissolution

SECTION 83. Effective July 1, 2012, Section 9-16-310 of the 1976 Code, relating to the State Retirement Systems Investment Panel, is repealed. Effective after December 31, 2013, the Deferred Compensation Commission is abolished. All of the functions and duties of the Deferred Compensation Commission are devolved upon the Board of Directors of the South Carolina Public Employee Benefit Authority as of January 1, 2014.

SECTION 84. (A) Where the provisions of this act transfer portions of the Budget and Control Board to the South Carolina Public Employee Benefit Authority, the employees, authorized appropriations, and assets and liabilities of the transferred portions of the Budget and Control Board are also transferred to and become part of the South Carolina Public Employee Benefit Authority. All classified or unclassified personnel employed by the transferred portions of the Budget and Control Board either by contract or by employment at will, shall become on July 1, 2012, employees of the South Carolina Public Employee Benefit Authority, with the same compensation, classification, and grade level, as applicable. Prior to its abolition, the Budget and Control Board shall cause all necessary actions to be taken to accomplish this transfer in accordance with state laws and regulations. Notwithstanding the provisions of Section 9-4-10(A) of the 1976 Code as added by this act, on the effective date of this SECTION, the Governor and the Chairmen of the House Ways and Means Committee and the Senate Finance Committee jointly shall appoint the initial and any necessary succeeding Executive Director of the South Carolina Public Employee Benefit Authority to serve through December 31, 2013, after which the position must be filled by the appointment of the authority board. Notwithstanding the provisions of Section 9-4-10(F) of the 1976 Code as added by this act, the Governor shall name a member of the Board of Directors of the South Carolina Public Employee Benefit Authority to serve as chairman of that board through December 31, 2013.

(B) Regulations promulgated by the transferred portions of the Budget and Control Board are continued and are considered to be promulgated by the South Carolina Public Employee Benefit Authority. Contracts entered into by the Budget and Control Board and the Deferred Compensation Commission are continued and are considered to be devolved upon the South Carolina Public Employee Benefit Authority at the time of the transfer.

(C) The Code Commissioner is directed to change or correct all references to the Employee Insurance Program, the Retirement Division, and the Deferred Compensation Commission to reflect its transfer to the South Carolina Public Employee Benefit Authority. References to the name of the Employee Insurance Program, the Retirement Division, and the Deferred Compensation Commission in the 1976 Code or other provisions of law are considered to be and must be construed to mean appropriate references.

Subpart 4
Effective Date of this Part

SECTION 85 Except where otherwise provided, this Part takes effect upon approval by the Governor.

Part XIV
Performance Audit and Effective Date

SECTION 86. (A) All functions, powers, duties, responsibilities, and authority vested in the Budget and Control Board, including board officials and board programs, prior to the effective date of this act that are not otherwise specifically accounted for in this act are devolved upon the Department of Administration along with funding, staff, facilities, and other items necessary to carry out the devolved functions, powers, duties, responsibilities or authority. As provided in SECTION 48 of this act, on or before September 1, 2012, the Code Commissioner shall prepare and deliver a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives concerning appropriate and conforming changes in the South Carolina Code to reflect this devolution.

(B) All functions, powers, duties, responsibilities, and authority vested in the Budget and Control Board prior to the effective date of this act relating to the Employee Insurance Program and the Retirement Division that are not otherwise specifically accounted for in this act are devolved upon the Public Employee Benefits Agency along with funding, staff, facilities, and other items necessary to carry out the devolved functions, powers, duties, responsibilities, or authority. As provided in SECTION 48 of this act, on or before September 1, 2012, the Code Commissioner shall prepare and deliver a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives concerning appropriate and conforming changes in the South Carolina Code to reflect this devolution.

"Section 1-11-30. (A) There is established the Bond Review Authority comprised of the Governor, ex officio, who shall be chairman, the State Treasurer, ex officio, the Comptroller General, ex officio, one Senator selected by a majority of the Senate who shall serve ex officio, and one member of the House of Representatives selected by a majority of the House of Representatives who shall serve ex officio.

(B)(1) The Bond Review Authority shall exercise all functions, powers, duties, responsibilities, and authority related to the issuance of bonds and bonding authority, generally found in Title 11 of the 1976 Code but also contained in certain other provisions of South Carolina law, except for the functions, powers, duties, responsibilities, and authority vested in the Joint Bond Review Committee.

(2) Bonded indebtedness issued by the South Carolina Jobs - Economic Development Authority and political subdivisions do not require approval by the Bond Review Authority. The authority and political subdivisions shall submit a report to the Bond Review Authority of any bonds the entity issues. Bonded indebtedness issued pursuant to this item does not constitute nor give rise to a pecuniary liability to the State or a charge against the credit or taxing powers of the State.

(C) The authority may employ and organize its staff as it deems most appropriate to carry out the various functions, powers, duties, responsibilities, and authority assigned to it.

(D) The authority shall establish criteria, upon consultation with the Joint Bond Review Committee, to apply to the review and approval process."

D. Chapter 11, Title 1 of the 1976 Code is amended by adding:

"Section 1-11-40. (A) For the purposes of this section:

(1) 'Economic interest' has the same meaning as provided in Section 8-13-100(11).

(2) 'Family member' has the same meaning as provided in Section 8-13-100(15).

(3) 'Procurement' has the same meaning as provided in Section 11-35-310(24).

(4) 'Public employee' has the same meaning as provided in Section 8-13-100(25).

(5) 'Public member' has the same meaning as provided in Section 8-13-100(26).

(6) 'Public official' has the same meaning as provided in Section 8-13-100(27).

(B) It is unlawful for a public official, public officer, or public employee who is not directly associated with procurement as provided by law or regulation to attempt to influence a public official, public officer, or public employee who is directly associated with procurement as provided by law or regulation in the exercise of his duties or responsibilities.

(C) A person who violates this section is guilty of a felony and, upon conviction, must be fined no more than ten thousand dollars or imprisoned for not more than ten years, or both."

E. Section 1-11-440 of the 1976 Code is amended to read:

"Section 1-11-440. (A) The State must defend the members of the ~~State Budget and Control Board~~ Bond Review Authority, the Public Employee Benefit Authority, and the Director of the Department of Administration against a claim or suit that arises out of or by virtue of their performance of official duties on behalf of the ~~board~~ either authority or the department and must indemnify ~~these members~~ them for a loss or judgment incurred by them as a result of the claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. The State must defend officers and management employees of ~~the board~~ either authority, and legislative employees performing duties for ~~board~~ either authority's members, and management employees of the department against a claim or suit that arises out of or by virtue of the performance of official duties unless the officer, management employee, or legislative employee was acting in bad faith and must indemnify these officers, management employees, and legislative employees for a loss or judgment incurred by them as a result of such claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. This commitment to defend and indemnify extends to members, officers, the director and management employees of the department, and legislative employees after they have left their employment with ~~the board~~ either authority, or the General Assembly, ~~as applicable, or the department, as applicable,~~ if the claim or suit arises out of or by virtue of their performance of official duties on behalf of ~~the board~~ either authority or the department.

(B) ~~The State must defend the members of the Retirement Systems Investment Panel established pursuant to Section 16, Article X of the Constitution of this State and Section 9-16-310 against a claim or suit that arises out of or by virtue of their performance of official duties on behalf of the panel and must indemnify these members for a loss or judgment incurred by them as a result of the claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. This commitment to defend and indemnify extends to members of the panel after they have left their service with the panel if the claim or suit arises out of or by virtue of their performance of official duties on behalf of the panel."~~