



# Legislative Analysis

## South Carolina Policy Council

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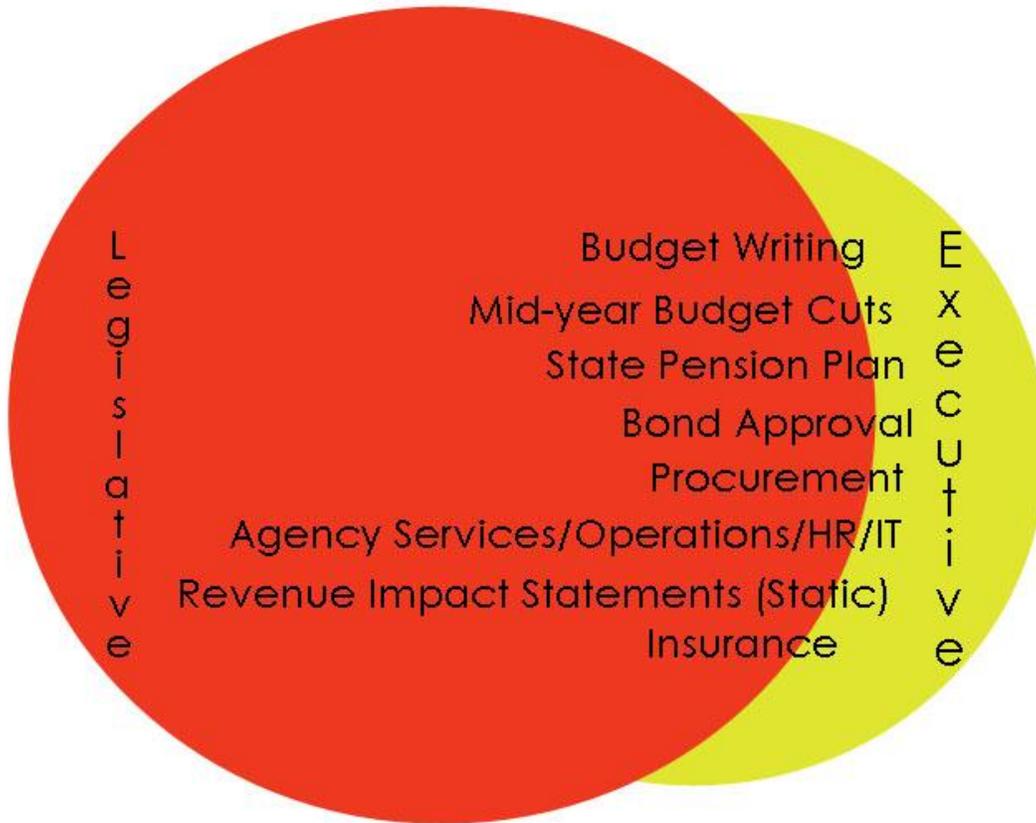
## Restructuring Done Right:

### Separate and Diffuse Power, Concentrate Accountability

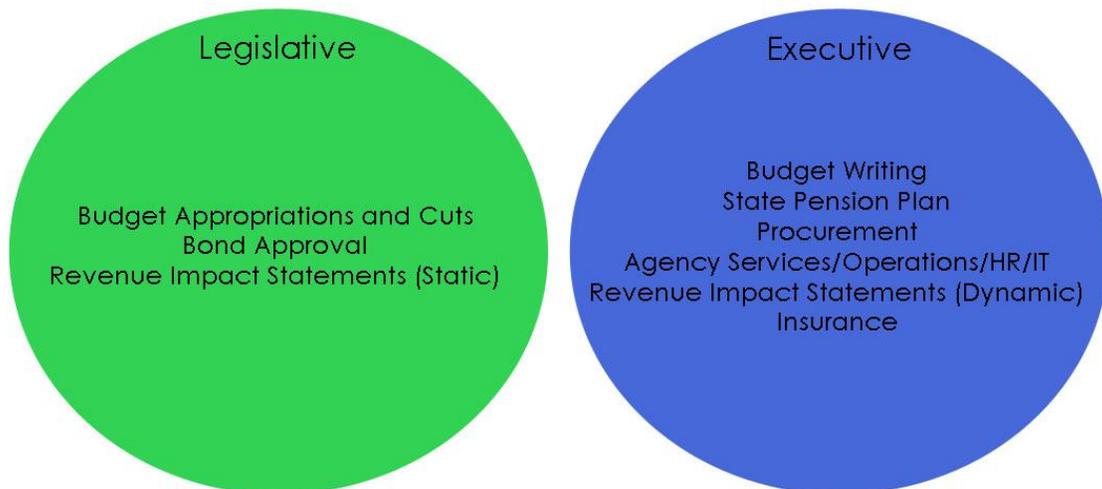
*The Budget & Control Board is the only agency of its kind in the nation – a legislative/executive hybrid with vast powers and virtually no accountability. After 61 years, lawmakers are finally considering ways to eliminate it. Yet current plans don't fully resolve the core problem – which is the concentration of power and the diffusing of accountability. Here are the kinds of reforms that would address that problem directly and decisively . . .*

- The power to cut the state budget and allow agencies to run deficits should reside with the Legislature – as is the case in many other states.
- As is done in most other states – and required by South Carolina law – the governor should act as the state's chief budget-writer. The Office of State Budget, rather than a proposed new agency, should help write a transparent budget that drives our state's priorities.
- Empower existing state agencies – the Legislative Audit Council and the Office of State Budget – to write dynamic fiscal impact statements showing how taxpayers would be affected by proposed legislation. Texas, for instance, requires that a dynamic fiscal impact statement be conducted on significant legislation – and then audits this statement for accuracy.
- The State Retirement System should be administered by a board consisting of a governor-appointed private sector actuary, a certified financial planner, the Comptroller General, the Treasurer, and active/retired participants – not controlled by a 5-member *ex officio* board.
- Bond approval authority should reside exclusively with the Legislature, instead of being handed off to the Board or the proposed State Financial Affairs Authority. As is the practice in other states (N.C., for instance), legislators should exercise oversight over all state debt.
- Put procurement (purchasing of goods/services) under the Department of Administration. In the majority of states, and in every southeastern state, procurement falls under the Executive.
- Redundant programs remaining under the Budget & Control Board (for example, the State Energy Office) should be eliminated.

## Current Budget & Control Board



## A Restructured State Government



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