COMMITTEE REPORT

April 25, 2012

**S. 10**

Introduced by Senators McConnell, McGill, Rose, Campsen and Knotts

S. Printed 4/25/12--S.

Read the first time January 11, 2011.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Joint Resolution (S. 10) to create the Commission on Streamlining Government and Reduction of Waste and provide for the membership, powers, duties, and functions of the commission; to provide a procedure, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the joint resolution, as and if amended, by striking all after the enacting language and inserting therein the following:

/ SECTION 1. It is essential that the State act to reduce the cost of state government, through all means available, including efficiencies, economies, greater effectiveness, and other means to streamline government in order to ensure that available state tax dollars are being spent efficiently and effectively. Many state agencies were created years ago, and a review of all agencies and their activities, functions, programs, and services is needed to determine whether the purpose served by the agency or activity, function, program, or service continues to be relevant and cost efficient.

SECTION 2. As used in this joint resolution, unless the context requires otherwise:

(1) “Agency” means and includes any office, department, board, commission, institution, division, instrumentality, or functional group, existing before or created after the enactment of this joint resolution, that is authorized to exercise, or that does exercise, a function in the executive branch of state government. “Agency” does not mean a public institution of postsecondary education, a postsecondary education governing or management board, an entity under the control of a public institution of postsecondary education or postsecondary education governing or management board, or an entity whose operating budget is not appropriated by the South Carolina General Assembly through the annual appropriations bill.

(2) “Commission” means the Commission on Streamlining Government and Reduction of Waste.

SECTION 3. (A) There is created the Commission on Streamlining Government and Reduction of Waste to examine each agency’s statutory activities, functions, programs, services, powers, duties, and responsibilities to determine, in an effort to reduce the size of state government, which of these activities, functions, programs, services, powers, duties, and responsibilities may be:

(1) eliminated;

(2) streamlined;

(3) consolidated;

(4) privatized; or

(5) outsourced.

(B) The commission shall target agencies whose activities, functions, programs, or services may be consolidated or eliminated, in addition to identifying opportunities for privatizing and outsourcing current state activities, functions, programs, or services.

(C) The commission shall examine the necessity and performance of activities, functions, programs, and services to ensure that they are meeting current performance standards effectively and efficiently and they are meeting the needs of South Carolina citizens.

(D) The commission is composed of:

(1) the Speaker of the House of Representatives, or his designee;

(2) the President Pro Tempore of the Senate, or his designee;

(3) the Chairman of the House Ways and Means Committee, or his designee;

(4) the Chairman of the Senate Finance Committee, or his designee;

(5) two individuals appointed by the Governor;

(6) one individual appointed by the Speaker of the House of Representatives; and

(7) one individual appointed by the President Pro Tempore of the Senate.

(E) The members of the commission are entitled to receive per diem as is allowed by law for legislative members of boards, committees, and commissions when engaged in the exercise of their duties as members of the commission. This must be paid from approved accounts of their respective appointing authorities.

(F)(1) The commission may hold public hearings as part of its evaluation process and may appoint advisory groups to conduct studies, research, or analyses, and make reports and recommendations with respect to a matter within the jurisdiction of the commission. Each advisory group shall consist of no more than five members including at least one commission member, with one of the commission members serving as its chairman, and no more than three non-commission members. The non-commission advisory group members shall be entitled to vote on matters before the advisory group.

(2) At the first meeting, the members of the commission shall elect from their membership a chairman and vice chairman and other officers as necessary. The President Pro Tempore of the Senate or his designee shall preside over the commission until a chairman is elected.

(3) Members of each advisory group are entitled to receive a per diem pursuant to subsection (E).

SECTION 4. (A) Reports submitted by the commission pursuant to this section may include recommendations:

(1) to eliminate, streamline, consolidate, privatize, or outsource constitutional and statutory agency activities, functions, programs, services, powers, duties, and responsibilities to provide the same or greater type and quality of activity, function, program, or service that results in cost reduction or greater efficiency or effectiveness;

(2) to ensure that agency activities, functions, programs, and services are not duplicative and are necessary, meeting or exceeding performance standards, and meeting the needs of South Carolina citizens;

(3) for the elimination, consolidation, privatization, or outsourcing of an agency to provide a more cost efficient or more effective manner of providing an activity, function, program, or service;

(4) providing for the use of alternative resources to the operation of agencies, activities, functions, programs, and services to provide a more cost-effective manner without impacting the quality or availability of needed services; and

(5) for standards, processes, and guidelines for agencies to use in order to review and evaluate government activities, functions, programs, and services to eliminate, streamline, consolidate, privatize, or outsource.

(B)(1) The commission shall submit an initial report of its recommendations, including recommendations requiring legislation or administrative action, to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives no later than December 3, 2012.

(2) The commission shall submit the recommendations in the report as a reorganization plan and submit the plan to the Governor, the President Pro Tempore of the Senate, the Chairman of the Senate Finance Committee, the Speaker of the House of Representatives, and the Chairman of the House Ways and Means Committee by January 2, 2013. The committees shall review the plan by February 5, 2013.

(3) Executive and legislative action should be taken to implement the portions of the reorganization plan that are either approved or modified as soon as possible.

(C) The commission shall submit a report before January 1, 2014, consisting of the status and implementation of the reorganization plan to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives. Upon request by the Governor, President Pro Tempore of the Senate, or the Speaker of the House of Representatives, the commission must submit an updated report of the status and implementation of the reorganization plan. A request for an updated report must be submitted no later than July first, and the report submitted by January first of the following year.

SECTION 5. The staffs of the Senate, House of Representatives, and State Budget and Control Board may provide staff support and otherwise assist the commission as requested by the commission. The commission may submit a written request to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, or the State Budget and Control Board for specific support and assistance to be provided by the staffs of their respective agencies.

SECTION 6. (A) Each agency shall furnish aid, services, and assistance as may be requested by the commission.

(B) To the extent permitted by, and in accordance with, applicable laws, each officer and agency shall make available all facts, records, information, and data requested by the commission and in all ways cooperate with the commission in carrying out the functions and duties imposed by this joint resolution.

(C) All information requested by the commission must be submitted to the commission as soon as possible but not more than fifteen business days after the date of the request. The commission chairman may extend this time period for good cause shown.

SECTION 7. The commission may apply for, contract for, receive, and expend for purposes of this joint resolution any appropriation or grant from the State, its political subdivisions, the federal government, or any other public or private source to carry out its duties and responsibilities.

SECTION 8. This joint resolution is repealed January 10, 2016.

SECTION 9. This joint resolution takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

A. SHANE MASSEY for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

**EXPLANATION OF IMPACT:**

The Senate and the House of Representatives

The legislature indicates there will be an additional cost for the proposed bill. The committee will consist of 8 members with 4 legislators or their designees and 4 non-legislators. The cost per legislator per one-day meeting is $245 per person, and the cost per non-legislator per one-day meeting is $190. The total cost will be between $1,520 and $1,740 per one-day meeting. This cost is to be paid from the approved accounts of the respective appointing authorities. The staff of the Senate, House, and State Budget and Control Board may provide staff support to the commission as requested by the commission in writing.

State Budget and Control Board

The board indicates that because the scope and nature of the staff support is general at this point, a precise cost figure cannot be determined. If the support is in the ordinary and usual course of services provided by the board, additional cost may not be incurred.

*Approved By:*

Harry Bell

Office of State Budget

**A** **JOINT RESOLUTION**

TO CREATE THE COMMISSION ON STREAMLINING GOVERNMENT AND REDUCTION OF WASTE AND PROVIDE FOR THE MEMBERSHIP, POWERS, DUTIES, AND FUNCTIONS OF THE COMMISSION; TO PROVIDE A PROCEDURE FOR THE SUBMISSION, CONSIDERATION, APPROVAL, AND IMPLEMENTATION OF RECOMMENDATIONS OF THE COMMISSION; TO PROVIDE FOR STAFF SUPPORT AND FINANCES FOR THE COMMISSION; TO PROVIDE FOR COOPERATION WITH AND SUPPORT FOR THE COMMISSION; TO PROVIDE FOR THE APPLICABILITY OF OTHER LAWS; AND TO PROVIDE FOR ITS TERMINATION.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. (A) The State of South Carolina faces a severe decline in revenues at least through fiscal year 2012 which, if no corrective action is taken, will leave a significant funding gap in state government expenditures and will create serious sustainability issues in financing of state obligations.

(B) It is essential that the State act now to reduce the cost of state government, through all means available, including efficiencies, economies, greater effectiveness, and other means to streamline government in order to overcome the projected severe revenue reductions occurring through 2012 and to ensure that available state tax dollars are being spent efficiently and effectively. Many state agencies were created years ago, and a review of all agencies and their activities, functions, programs, and services is needed to determine whether the purpose served by the agency or activity, function, program, or service continues to be relevant.

SECTION 2. As used in this joint resolution, unless the context requires otherwise:

(1) “Activity” means a distinct subset of functions or services within a program.

(2)(a) “Agency” means and includes any office, department, board, commission, institution, division, instrumentality, or functional group, existing before or created after the enactment of this joint resolution, that is authorized to exercise, or that does exercise, a function in the executive branch of state government.

(b) “Agency” does not mean a public institution of postsecondary education, a postsecondary education governing or management board, an entity under the control of a public institution of postsecondary education or postsecondary education governing or management board, or an entity whose operating budget is not appropriated by the South Carolina General Assembly through the annual appropriations bill.

(3) “Commission” means the Commission on Streamlining Government and Reduction of Waste.

(4) “Functions” means duties, jurisdiction, powers, rights, and obligations, conferred or imposed upon, or vested in, an agency by law, or exercised, performed, or discharged by an agency without contravention of a provision of law.

(5) “Objective” is a specific and measurable target for achievement, which describes the exact results sought, which is expressed in an outcome‑oriented statement that may reflect effectiveness, efficiency, or quality of work, and which may be either numeric or nonnumeric.

(6) “Performance indicator” means a statement identifying an activity, input, output, outcome, achievement, ratio, efficiency, or quality to be measured relative to a particular goal or objective in order to assess an agency’s performance. Performance indicator also means measurement of another aspect of performance.

(7) “Performance standard” means the expected level of performance associated with a particular performance indicator for a particular period.

(8) “Program” means a grouping of activities directed toward the accomplishment of a clearly defined objective or set of objectives.

(9) “Quality” means degree or grade of excellence.

SECTION 3. (A) There is created the Commission on Streamlining Government and Reduction of Waste to examine each agency’s constitutional and statutory activities, functions, programs, services, powers, duties, and responsibilities to determine, in an effort to reduce the size of state government, which of these activities, functions, programs, services, powers, duties, and responsibilities may be:

(1) eliminated;

(2) streamlined;

(3) consolidated;

(4) privatized; or

(5) outsourced.

(B) The commission shall target agencies whose activities, functions, programs, or services may be consolidated or eliminated, in addition to identifying opportunities for privatizing and outsourcing current state activities, functions, programs, or services.

(C) The commission shall examine the necessity and performance of activities, functions, programs, and services to ensure that they are meeting current performance standards effectively and efficiently and they are meeting the needs of South Carolina citizens.

(D) The commission is composed of:

(1) the Speaker of the House of Representatives, or his designee;

(2) the President Pro Tempore of the Senate, or his designee;

(3) the Chairman of the House Ways and Means Committee, or his designee;

(4) the Chairman of the Senate Finance Committee, or his designee;

(5) two individuals, appointed by the Governor;

(6) one individual, appointed by the Speaker of the House of Representatives; and

(7) one individual, appointed by the President Pro Tempore of the Senate.

(E) The members of the commission are entitled to receive per diem as is allowed by law for legislative members of boards, committees, and commissions when engaged in the exercise of their duties as members of the commission. This must be paid from approved accounts of their respective appointing authorities.

(F)(1) The commission may hold public hearings as part of its evaluation process and may appoint advisory groups to conduct studies, research, or analyses, and make reports and recommendations with respect to a matter within the jurisdiction of the commission. At least one member of the commission shall serve on each advisory group.

(2) At the first meeting, the members of the commission shall elect from their membership a chairman and vice chairman and other officers as necessary. The President Pro Tempore of the Senate or his designee shall preside over the commission until a chairman is elected.

SECTION 4. (A) Reports submitted by the commission pursuant to this section may include recommendations:

(1) to eliminate, streamline, consolidate, privatize, or outsource constitutional and statutory agency activities, functions, programs, services, powers, duties, and responsibilities to provide the same or greater type and quality of activity, function, program, or service that results in cost reduction or greater efficiency or effectiveness;

(2) to ensure that agency activities, functions, programs, and services are not duplicative and are necessary, meeting or exceeding performance standards, and meeting the needs of South Carolina citizens;

(3) for the elimination, consolidation, privatization, or outsourcing of an agency to provide a more cost efficient or more effective manner of providing an activity, function, program, or service;

(4) providing for the use of alternative resources to the operation of agencies, activities, functions, programs, and services to provide a more cost‑effective manner without impacting the quality or availability of needed services; and

(5) for standards, processes, and guidelines for agencies to use in order to review and evaluate government activities, functions, programs, and services to eliminate, streamline, consolidate, privatize, or outsource.

(B)(1) The commission shall submit an initial report of its recommendations, including recommendations requiring legislation or administrative action, to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives no later than December 15, 2011.

(2) The commission shall submit the recommendations in the report as a reorganization plan and submit the plan to the Governor, the Senate Judiciary Committee, and the House Ways and Means Committee by January 3, 2012. The committees shall review the plan by February 8, 2012.

(3) Executive and legislative action should be taken to implement the portions of the reorganization plan that are either approved or modified as soon as possible.

(C) The commission shall submit a report before January 1, 2013, consisting of the status and implementation of the reorganization plan to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives. Upon request by the Governor, President Pro Tempore of the Senate, or the Speaker of the House of Representatives, the commission must submit an updated report of the status and implementation of the reorganization plan. A request for an updated report must be submitted no later than July first, and the report submitted by January first of the following year.

SECTION 5. The staffs of the Senate, House of Representatives, and State Budget and Control Board may provide staff support and otherwise assist the commission as requested by the commission. The commission may submit a written request to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, or the State Budget and Control Board for specific support and assistance to be provided by the staffs of their respective agencies.

SECTION 6. (A) Each agency and political subdivision shall furnish aid, services, and assistance as may be requested by the commission.

(B) To the extent permitted by, and in accordance with, applicable laws, each officer, agency, and political subdivision shall make available all facts, records, information, and data requested by the commission and in all ways cooperate with the commission in carrying out the functions and duties imposed by this joint resolution.

(C) All information requested by the commission must be submitted to the commission within fifteen business days after the date of the request. The commission chairman may extend this time period for good cause shown.

SECTION 7. The commission may apply for, contract for, receive, and expend for purposes of this joint resolution any appropriation or grant from the State, its political subdivisions, the federal government, or any other public or private source to carry out duties and responsibilities.

SECTION 8. This joint resolution is repealed January 12, 2015.

SECTION 9. This joint resolution takes effect upon approval by the Governor.

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