COMMITTEE REPORT

February 11, 2015

**S. 382**

Introduced by Senators Matthews, Hutto, Williams, Courson, Hayes and Nicholson

S. Printed 2/11/15--S.

Read the first time January 28, 2015.

**THE COMMITTEE ON FINANCE**

To whom was referred a Joint Resolution (S. 382) to authorize the agency head of South Carolina State University to institute a mandatory furlough program of up to seven days in Fiscal Year 2014‑2015, and to provide, 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, page 1, SECTION 1, by striking line 24 and inserting:

/ of not more than twenty working days. The program must meet the /

Amend the joint resolution further, SECTION 1, page 2, by striking lines 15 through 17 and inserting:

/ the pay period within which the furlough occurs. The university is encouraged to consult the State Division of Human Resources of the Budget and Control Board in the development of the furlough plan to ensure that the plan meets the requirements of this section. The university shall report information regarding furloughs to the State Division of Human Resources as requested. /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

This bill would generate net savings of $2,506,060 in FY 2014-2015 in a mixture of general fund, federal funds, and other funds.

**Explanation of Fiscal Impact**

**State Expenditure**

This Joint Resolution authorizes the agency head of South Carolina State University (SCSU) to institute a mandatory furlough program of up to twenty days in FY 2014-2015 and to provide certain requirements for the furlough program. South Carolina State University reported a total actual payroll of $32,578,715 for full time staff from a mixture of general fund, federal funds, and other funds. Using 260 work days per year, the average savings per day of furlough is estimated to be $125,303.

**Explanation of Amendment (February 5, 2015) – By the Senate Finance Subcommittee**

This amendment would amend the Joint Resolution, as and if amended, by striking of not more than seven working days. The program must meet the requirements provided in subsection (B). and inserting of not more than twenty working days. The program must meet the requirements provided in subsection (B).

Further the amendment amends the Joint Resolution Section 1 page 2, by striking lines 15 through 17, The university shall report information regarding furloughs to the State Division of Human Resources of the Budget and Control Board and inserting, The university is encouraged to consult the State Division of Human Resources of the Budget and Control Board in the development of the furlough plan to ensure that the plan meets the requirements of this section. The university shall report information regarding furloughs to the State Division of Human Resources as requested.

A total furlough of twenty days would equal $2,506,060 in savings. The university has already instituted a voluntary furlough program which has netted a savings to date of $92,823. We estimate a net savings of $2,413,237 for the twenty day furlough would result after backing out the voluntary furlough dollars already saved. This net savings would accrue to a mixture of general fund, federal funds, and other funds dollars.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **JOINT RESOLUTION**

TO AUTHORIZE THE AGENCY HEAD OF SOUTH CAROLINA STATE UNIVERSITY TO INSTITUTE A MANDATORY FURLOUGH PROGRAM OF UP TO SEVEN DAYS IN FISCAL YEAR 2014‑2015, AND TO PROVIDE CERTAIN REQUIREMENTS FOR THE FURLOUGH PROGRAM.

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

SECTION 1. (A) Notwithstanding any other provision of law, in Fiscal Year 2014‑2015, the agency head of South Carolina State University may institute a mandatory employee furlough program of not more than seven working days. The program must meet the requirements provided in subsection (B).

(B) The furlough must be inclusive of all employees of the university or within a designated department or program regardless of source of funds, place of work, or tenure status, and must include employees in classified positions and unclassified positions in the designated area. A furlough program also may be implemented by pay band for classified employees and by pay rate for unclassified employees. Law enforcement employees, employees who provide direct patient or client care, and front‑line employees who deliver direct customer services may be exempted from a mandatory furlough. If the furlough includes the entire university, the furlough must include the agency head. Scheduling of furlough days, or portions of days, shall be at the discretion of the university, but under no circumstances shall the university close completely. If an employee participated in a voluntary furlough program in Fiscal Year 2014-2015, the furlough days taken voluntarily must count toward the furlough days required by the mandatory furlough authorized in this section.   During this furlough, affected employees shall be entitled to participate in the same state benefits as otherwise available to them except for receiving their salaries. As to those benefits which require employer and employee contributions, including but not limited to contributions to the South Carolina Retirement System or the optional retirement program, the university will be responsible for making both employer and employee contributions during the time of the furlough if coverage would otherwise be interrupted; and as to those benefits which require only employee contributions, the employee remains solely responsible for making those contributions. Placement of an employee on furlough under this provision does not constitute a grievance or appeal under the State Employee Grievance Procedure Act. The university may allocate the employee’s reduction in pay over the balance of the fiscal year for payroll purposes regardless of the pay period within which the furlough occurs. The university shall report information regarding furloughs to the State Division of Human Resources of the Budget and Control Board as requested.

SECTION 2. This joint resolution takes effect upon approval by the Governor.

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