



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4868 Signed by Governor on April 4, 2018
Author: G.M. Smith
Subject: PEBA Audit
Requestor: House of Representatives
RFA Analyst(s): Shuford
Impact Date: May 7, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$700,000
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will increase Other Fund expenditures of the retirement systems by \$700,000 to fund the required Public Employee Benefit Authority (PEBA) fiduciary audit in FY 2019-20.

Explanation of Fiscal Impact

Signed by Governor on April 4, 2018

State Expenditure

This bill requires a completed fiduciary audit of PEBA by January 15, 2020, and every four years thereafter. The State Auditor must choose the private audit firm. The previous statute required the audit be completed by January 15, 2019. In past years, earnings of the retirement system funded this audit, which cost \$700,000 when last performed in 2015. Additionally, the audit requirement has been suspended by temporary budget provisos through FY 2017-18. Given the audit suspensions in recent years, the delay of the audit by one year will have no General Fund, Federal Funds, or Other Funds expenditure impact until FY 2019-20 when the audit is required. In FY 2019-20, Other Fund expenditures will increase by \$700,000 as administrative costs of PEBA are funded from the earnings of the retirement systems pursuant to Section 9-1-310.

State Revenue

N/A

Local Expenditure and Revenue

N/A

Frank A. Rainwater, Executive Director