



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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<b>Bill Number:</b>	S. 0934	Amended by Senate Finance on February 7, 2018
<b>Author:</b>	Talley	
<b>Subject:</b>	Powers of the Board of Trustees of MUSC	
<b>Requestor:</b>	Senate Finance	
<b>RFA Analyst(s):</b>	Powell	
<b>Impact Date:</b>	February 13, 2018	

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**Estimate of Fiscal Impact**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill will allow the Medical University of South Carolina (MUSC) and the Medical University Hospital Authority (MUHA) to engage in joint procurement activities related to information technology, which would be exempt from the South Carolina Consolidated Procurement Code. The amended bill requires a study of the effectiveness of this exemption over a five year period. While the agency reports that it anticipates savings as a result of this change, it is unable to quantify those savings. The ongoing study will be performed in the normal course of agency business and the cost associated with it will be managed within existing appropriations and authorizations. As a result, there is no impact to the General Fund, Other Funds, or Federal Funds of MUSC, MUHA, the State Fiscal Accountability Authority (SFAA), or the Department of Administration (Department).

**Explanation of Fiscal Impact**

**Amended by the Senate Finance Sales and Income Tax Subcommittee on February 7, 2018**

**State Expenditure**

This bill will allow MUSC and MUHA to engage in joint procurement activities related to information technology, which would be exempt from the South Carolina Consolidated Procurement Code. Proviso 23.4 of the FY 2017-18 annual appropriations act directed MUSC, MUHA and the Procurement Services division of SFAA to work together to study and make recommendations regarding the opportunity, if any, to create efficiencies, cost savings, or economies of scale by combining similar operations and procurements of MUSC and MUHA. It also sets parameters for a five year study of the efficiencies, merits, and demerits of this partial exemption by MUSC, MUHA, SFAA, and the Department, due October 31, 2023.

**Medical University of South Carolina.** MUSC reports that, as a result of these its efforts under Proviso 23.4 of the FY 2017-18 annual appropriations act, several departments have been strategically consolidated. These efforts have been hampered due to the disparate systems used by both institutions, such as the travel system. MUSC estimates that it could achieve savings of 20 percent or more from the joint procurement of an automated travel system. However, the agency is unable to extrapolate these savings agency wide without further pursuing the procurement process for each impacted system. As to the required study, the data will be collected over time and the study will be performed in the normal course of agency business. As a result, there is no impact to the General Fund, Other Funds, or Federal Funds of MUSC or MUHA.

**Medical University Hospital Authority.** The amended bill requires a long term study of the impacts of the procurement exemption. Tracking these impacts will require minimal additional expenses, which can be managed within the agency's existing appropriations and authorizations.

**State Fiscal Accountability Authority.** The amended bill requires a long term study of the impacts of the procurement exemption. Tracking these impacts will require minimal additional expenses, which can be managed within the agency's existing appropriations and authorizations.

**Department of Administration.** The amended bill requires a long term study of the impacts of the procurement exemption. Tracking these impacts will require minimal additional expenses, which can be managed within the agency's existing appropriations and authorizations.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

## **Explanation of Fiscal Impact**

**Introduced on January 25, 2018**

**State Expenditure**

This bill will allow MUSC and MUHA to engage in joint procurement activities related to information technology, which would be exempt from the South Carolina Consolidated Procurement Code. Proviso 23.4 of the FY 2017-18 Appropriations Act directed MUSC, MUHA and the Procurement Services division of the State Fiscal Accountability Authority to work together to study and make recommendations regarding the opportunity, if any, to create efficiencies, cost savings, or economies of scale by combining similar operations and procurements of MUSC and MUHA. The agency reports that, as a result of these efforts, several departments have been strategically consolidated. These efforts have been hampered due to the disparate systems used by both institutions, such as the travel system. MUSC estimates that it could achieve savings of 20 percent or more from the joint procurement of an automated travel

system. However, the agency is unable to extrapolate these savings agency wide without further pursuing the procurement process for each impacted system. As a result, there is no impact to the General Funds, Other Funds, or Federal Funds of MUSC or MUHA.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director