

**State Fiscal Accountability Authority  
FY2025-26 Budget Request  
Key Officials**

<b><u>Name</u></b>	<b><u>Position Title</u></b>	<b><u>Email</u></b>	<b><u>Phone</u></b>
Grant Gillespie	Executive Director	<a href="mailto:ggillespie@sfaa.sc.gov">ggillespie@sfaa.sc.gov</a>	734-9414
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HARVEY S. PEELER, JR.  
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BRUCE W. BANNISTER  
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE  
GRANT GILLESPIE  
EXECUTIVE DIRECTOR

January 28, 2025

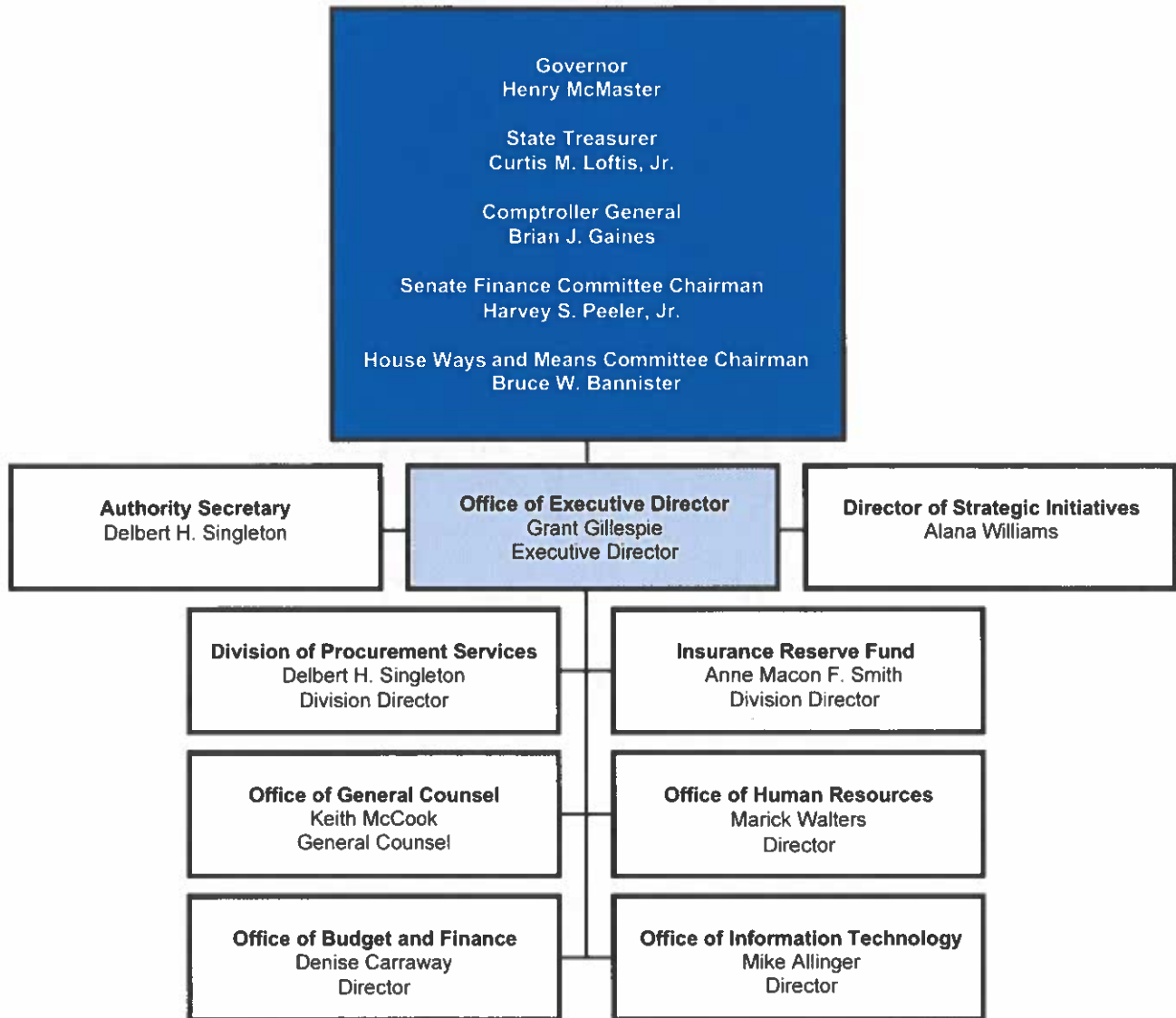
**Agency Overview:**

- The State Fiscal Accountability Authority (SFAA or the Agency) is governed by a five-member board (the Authority), consisting of: The Governor, the Treasurer, the Comptroller General, the Chairman of the Senate Finance, and the Chairman of the House Ways and Means, all of whom serve ex-officio.
- SFAA is in its tenth year of operations and is comprised of three major divisions: Insurance Services (Insurance Reserve Fund and Second Injury Fund-Sunset); Division of Procurement Services (DPS) and Administration.
- The administrative and operational functions of SFAA are led by Executive Director Grant Gillespie.
- SFAA provides administrative support to the Authority, the Agency Head Salary Commission, and the South Carolina Opioid Recovery Fund Board (SCORF Board)
- SFAA provides financial support to the Department of Administration to support the state's information technology planning program (Proviso 104.6-FY2024).

**Mission:**

The mission and purpose of the State Fiscal Accountability Authority is to provide fiscal oversight for the State of South Carolina and to meet the needs of the public sector by delivering quality, cost-effective insurance, procurement, and engineering services.

# STATE FISCAL ACCOUNTABILITY AUTHORITY



January 2024

**Budget Request Summary:**

The State Fiscal Accountability Authority (SFAA) is submitting three budget requests for FY2025-2026.

Priority 1: Non-recurring Operating State Appropriated funds (General Fund) increase-Funds requested for the continuing development and implementation of the SCPro system in collaboration with the Department of Administration. Adjustments to the schedule and scope were required due to unforeseen technical requirements. The resulting increase to the projected implementation costs exceed the original cost plans of the project and the available funds accumulated to implement this project. SCPro will serve agencies, school districts, and governments statewide in the purchase of goods and services. The non-recurring funds are requested to finalize the development and meet the final implementation date in FY2026 for this collaborative project.

**\$3,200,000.00**

Priority 2: Recurring-Other (non-federal) Funds Personal Service and Employer Contributions-Personal Service and Employer Contribution costs of the agency have increased over multiple years. The projections for agency expenditures in FY2026 include the impact of the salary and employer contribution increases over time, filling of vacant positions and calculated increase in operating costs for the agency. The projections require an increase in authorization in the Other (non-federal) Funds of the agency.

**\$ 4,547,620**

Priority 3: Recurring Other (non-federal) Funds Operating Increase-Authorization levels that have remained constant for multiple years need to be increased for changes in projected costs. These include a projected increase in cost for office space due to the expiration of the current lease and a hardware refresh to replace hardware over five years old.

**\$ 310,000**

**Constitutional Subcommittee Proviso Request Summary FY 2025-26  
State Fiscal Accountability Authority**

<b>Proviso # in FY 24-25 Act</b>	<b>Renumbered FY 25-26 Proviso #</b>	<b>Proviso Title</b>	<b>Short Summary</b>	<b>Agency Recommended Action (keep, change, delete, add)</b>
104.1	104.1	SFAA: Public Procurement Unit	Authorizes private, non-profit corporations that provide free medical care to participate as a local public procurement unit in the Minnesota Multi State Contracting Alliance for Pharmacy (MMCAP) cooperative purchase.	Keep
104.2	104.2	SFAA: Insurance Coverage for Aging Entities Authorized	Authorizes the IRF to offer insurance coverage to an aging entity and its employees serving clients countywide which previously obtained its tort liability insurance coverage from the IRF.	Keep
104.3	104.3	SFAA: IRF Report	Directs the SFAA to prepare a report on the prior fiscal year utilization of the IRF. Report shall include for each transaction the amount, recipient of the funds, date of the transfer or payment, and the action or reason that necessitated the transfer. Report should be submitted to the President Pro Temp, Speaker of House, SFC Chair and WMC Chair.	Keep
104.4	104.4	SFAA: Second Injury Fund Closure Plan	Authorizes the SFAA to take all necessary actions to implement and administer the closure plan for the Second Injury Fund. Directs applicable funds be transferred to the SFAA and used for administrative costs and closing transactions of the SIF.	Keep
104.5	104.5	SFAA: IT Planning Transfer	Directs the SFAA to transfer \$400,000 from revenue generated from the contract administration fees on IT contracts to the DOA to support the state's IT planning program.	Keep
104.6	104.6	SFAA: Attorneys	Directs that the IRF shall continue to approve attorneys-at-law retained to defend those it insures.	Keep
104.7	104.7	Compensation - Agency Head Salary	Directs approval requirements of salaries of agency heads and technical college presidents. Requires a compensation study for agency heads, technical college presidents and constitutional officers and provides for the distribution of the costs of the study.	Keep
104.8	104.8	SFAA: Continuation of Authority	Authorizes SFAA to carry forward funds from the current fiscal year.	Keep
104.9	104.9	SFAA: Revenue Bonding Authority Study	Authorizes SFAA to undertake a one-time study of revenue bonding authority by quasi-state agencies.	Keep
35.7	35.7	DMH: Lease Payments to SFAA for SVP Program	Directs that funds appropriated for the lease payments to SFAA for the SVP program are exempt from across-the-board base reductions and be used at the facility that houses Sexually Violent Predator Program.	Keep

Proviso # in FY 24-25 Act	Renumbered FY 25-26 Proviso #	Proviso Title	Short Summary	Agency Recommended Action (keep, change, delete, add)
36.14	36.14	DDSN: Regional Centers Condition Assessments and Renovation Plan	Requires OSE and MMO to assist DDSN in procuring professional services to conduct facility condition assessments at each of the Dept.'s regional centers.	Keep
59.9	59.9	AG: Public Official Attorney Fees	Requires the IRF to pay up to \$50,000 of opposing attorney's fees and court costs when the Attorney General defends a public official.	Keep
100.21	100.19	ADJ: Facility Insurance Coverage	Authorizes the Adj. General to work with IRF to make sure state-owned/leased properties are insured. Directs consideration be given to facilities eligible for federal and state cost-sharing.	Keep
117.41	117.41	GP: Sole Source Procurements	Directs the SFAA to evaluate and determine whether the written determinations, explanations, and basis for sole source procurements (§11-35-1560) and emergency procurements (§11-35-1570) are legitimate and valid reasons for awarding non-competitive contracts.	Keep
117.53	117.53	GP: FEMA Flexibility	Authorizes any appropriation designated as state share for federally declared disaster and unallocated funds from established state accounts may be used for the purpose of state share for federally declared disasters. Further, authorizes the 5-member SFAA to borrow from any internal accounts to maximize the federal match.	Keep
117.78	117.78	GP: Bank Account Transparency and Accountability	Requires agencies that have composite reservoir bank accounts to prepare a report of all transactions of the account to be submitted to SFAA by Oct. 1st.	Keep
117.82	117.82	GP: Civil Conspiracy Defense Costs	Directs the Court to make a final determination of whether or not a government employee was acting within the scope of their official duty when being sued for civil conspiracy based in part upon a personnel or employment action prior to going to trial. If within scope, then employee is immune from suit and the agency may expend funds to defend the claim.	Keep
117.83	117.83	GP: Recovery Audits	Directs the SFAA to contract with one or more firms to conduct recovery audits of payments made by all State agencies to vendors for goods and services to detect, document and recover overpayments and erroneous payments to vendors.	Keep
117.110	117.110	GP: State Engineer	Directs that the State Engineer is an office located within SFAA.	Keep

Proviso # in FY 24-25 Act	Renumbered FY 25-26 Proviso #	Proviso Title	Short Summary	Agency Recommended Action (keep, change, delete, add)
117.121	117.121	GP: Mobile Device Protection Plan	Directs the State Fiscal Accountability Authority, once policies have been developed by Admin., to establish a statewide contract for protecting state owned mobile devices and ensure the contract is awarded competitively according to the procurement code.	Keep
117.153	117.151	GP: Job Order Contracting Pilot Program	Allows SFAA to pilot test a job order contracting method on behalf of one or more government bodies by entering into job order contracts for construction services when exact time or quantities of jobs are not know at the time of award.	Keep

State Fiscal Accountability Authority  
Budget vs Actual  
for the  
Fiscal Year Ending 06/30/2025

		<b>FY 2025 Budget (Source: SCEIS)</b>	<b>FYE 2025 Actual -January 27, 2025</b>	<b>Budget vs Actual</b>
<b>I</b>	<b>Administration</b>			
	Executive Director	254,800	159,250	95,550
	Classified Positions	1,582,328	972,996	609,332
	Unclassified Positions	387,000	313,412	73,588
	Other Personal Services	157,000	41,485	115,515
	<b>Total Personal Service</b>	<b>2,381,128</b>	<b>1,487,144</b>	<b>893,984</b>
	Other Operating Expenses	875,786	679,671	196,115
	<b>TOTAL Administration</b>	<b>3,256,914</b>	<b>2,166,814</b>	<b>1,090,100</b>
<b>II</b>	<b>Procurement Services</b>			
	Classified Positions	4,668,807	3,099,987	1,568,820
	Unclassified Positions	609,238	306,087	303,151
	Other Personal Services	66,984	63,859	3,125
	<b>Total Personal Service</b>	<b>5,345,029</b>	<b>3,469,933</b>	<b>1,875,096</b>
	Other Operating Expenses	12,874,759	8,569,823	4,304,936
	<b>TOTAL PROCUREMENT SERVICES</b>	<b>18,219,788</b>	<b>12,039,756</b>	<b>6,180,032</b>
<b>III</b>	<b>INSURANCE SERVICES</b>			
<b>III.A.</b>	<b>INSURANCE RESERVE FUND</b>			
	Classified Positions	2,932,168	1,825,652	1,106,516
	Unclassified Positions	184,907	97,297	87,610
	Other Personal Services	7,925	6,916	1,009
	<b>Total Personal Service</b>	<b>3,125,000</b>	<b>1,929,865</b>	<b>1,195,135</b>
	Other Operating Expenses	3,155,000	578,561	2,576,439
	<b>TOTAL A. INSURANCE RESERVE FUND</b>	<b>6,280,000</b>	<b>2,508,426</b>	<b>3,771,574</b>
<b>III.B.</b>	<b>SECOND INJURY FUND SUNSET</b>			
	Classified Positions	107,000	51,737	55,263
	Other Personal Services	0	0	0
	<b>Total Personal Service</b>	<b>107,000</b>	<b>51,737</b>	<b>55,263</b>
	Other Operating Expenses	223,000	13,445	209,555
	<b>TOTAL B. SECOND INJURY FUND</b>	<b>330,000</b>	<b>65,182</b>	<b>264,818</b>
	<b>TOTAL III INSURANCE SERVICES</b>	<b>6,610,000</b>	<b>2,573,608</b>	<b>4,036,392</b>



State Fiscal Accountability Authority  
 Budget vs Actual  
 for the  
 Fiscal Year Ending 06/30/2025

		<b>FY 2025 Budget (Source: SCEIS)</b>	<b>FYE 2025 Actual -January 27, 2025</b>	<b>Budget vs Actual</b>
<b>IV.</b>	<b>BOND SRVCS AND TRANSFERS</b>			
	Other Operating Expenses	1	1	0
	Debt Service	2,764,493	2,763,244	1,249
	<b>TOTAL IV. BOND SRVCS AND TRANSFERS</b>	<b>2,764,494</b>	<b>2,763,245</b>	<b>1,249</b>
<b>V.</b>	<b>EMPLOYEE BENEFITS</b>			
	Employer Contributions	4,089,799	2,913,787	1,176,012
	<b>TOTAL EMPLOYEE BENEFITS</b>	<b>4,089,799</b>	<b>2,913,787</b>	<b>1,176,012</b>
	<b>TOTAL SFAA (E550)</b>	<b>34,940,995</b>	<b>22,457,210</b>	<b>12,483,784</b>

State Fiscal Accountability Authority  
Budget vs Actual  
for the  
Fiscal Year Ending 06/30/2024

		<b>FY 2024 Budget (Source: SCEIS)</b>	<b>FYE 2024 Actual</b>	<b>Budget vs Actual</b>
<b>I</b>	<b>Administration</b>			
	Executive Director	251,311	251,310	1
	Classified Positions	1,363,946	1,363,945	1
	Unclassified Positions	494,248	494,247	1
	Other Personal Services	20,564	20,563	1
	<b>Total Personal Service</b>	<b>2,130,069</b>	<b>2,130,066</b>	<b>4</b>
	Other Operating Expenses	1,146,845	706,319	440,526
	<b>TOTAL Administration</b>	<b>3,276,914</b>	<b>2,836,385</b>	<b>440,530</b>
<b>II</b>	<b>Procurement Services (includes General Fund and Other)</b>			
	Classified Positions	4,238,438	4,238,438	0
	Unclassified Positions	608,282	608,281	0
	Other Personal Services	236,079	236,079	1
	<b>Total Personal Service</b>	<b>5,082,799</b>	<b>5,082,798</b>	<b>1</b>
	Other Operating Expenses	7,343,425	7,076,376	267,049
	<b>TOTAL PROCUREMENT SERVICES</b>	<b>12,426,224</b>	<b>12,159,174</b>	<b>267,049</b>
<b>III</b>	<b>INSURANCE SERVICES</b>			
	<b>III.A. INSURANCE RESERVE FUND</b>			
	Classified Positions	2,669,167	2,669,167	0
	Unclassified Positions	174,190	174,190	0
	Other Personal Services	4,057	4,056	1
	<b>Total Personal Service</b>	<b>2,847,414</b>	<b>2,847,413</b>	<b>1</b>
	Other Operating Expenses	2,414,846	1,439,523	975,323
	<b>TOTAL A. INSURANCE RESERVE FUND</b>	<b>5,262,260</b>	<b>4,286,936</b>	<b>975,324</b>
	<b>III.B. SECOND INJURY FUND SUNSET</b>			
	Classified Positions	106,880	78,318	28,562
	Other Personal Services	120	120	0
	<b>Total Personal Service</b>	<b>107,000</b>	<b>78,438</b>	<b>28,562</b>
	Other Operating Expenses	223,000	91,463	131,537
	<b>TOTAL B. SECOND INJURY FUND</b>	<b>330,000</b>	<b>169,901</b>	<b>160,099</b>
	<b>TOTAL III INSURANCE SERVICES</b>	<b>5,592,260</b>	<b>4,456,837</b>	<b>1,135,423</b>

State Fiscal Accountability Authority  
 Budget vs Actual  
 for the  
 Fiscal Year Ending 06/30/2024

		<b>FY 2024 Budget (Source: SCEIS)</b>	<b>FYE 2024 Actual</b>	<b>Budget vs Actual</b>
<b>IV.</b>	<b>BOND SRVCS AND TRANSFERS</b>			
	Other Operating Expenses	1	1	0
	Debt Service	2,764,493	2,760,119	4,374
	<b>TOTAL IV. BOND SRVCS AND TRANSFERS</b>	<b>2,764,494</b>	<b>2,760,120</b>	<b>4,374</b>
<b>V.</b>	<b>EMPLOYEE BENEFITS</b>			
	Employer Contributions	4,193,376	4,173,506	19,871
	<b>TOTAL EMPLOYEE BENEFITS</b>	<b>4,193,376</b>	<b>4,173,506</b>	<b>19,871</b>
	<b>TOTAL SFAA (E550)</b>	<b>28,253,269</b>	<b>26,386,022</b>	<b>1,867,247</b>

## **FY2024 Highlights**

### **Division of Procurement Services**

- Awarded 937 contracts for a total of \$2,442,466,823.
  - 685 State Term Contracts - \$1,506,927,674
  - 252 Agency Contracts - \$935,539,149
- The State realized the following savings through cost avoidance strategies and negotiated savings:
  - Totals Cost Avoidance Savings \$ 35.6 million
  - Negotiated Savings \$ 20.76 million
  - Total Savings \$ 56.36 million
- Planned and conducted 31 instructor led procurement training courses and 9 webinars for 213 trainees.
- Provided the following services:
  - Architectural/Engineering Approved Contract Awards 568 contracts = \$164 Million
  - Construction Contracts and Contract Change Orders 261 contracts = \$ 1.3 Billion
  - Permanent Improvement Projects for Agencies 52 = \$ 3 Billion
  - Building Permits 352
  - Certificates of Occupancy 216
  - Flood Permits 16
- Increased the number of active agencies utilizing a new State Engineer database for completing and tracking professional services and construction forms. As of June 2024, approximately 100% of active agencies have been trained and can access the database.
- Continued managing the implementation of SCPro in collaboration with the SC Department of Administration and SCEIS. SCPro is the new web-based eProcurement system that will result in greater procurement purchasing efficiencies statewide and will improve access to business opportunities by suppliers and small businesses. SCPro will include a virtual marketplace that consists of online supplier catalogs which state agencies, local governments and political subdivisions can access to purchase goods and services electronically.

### **Insurance Reserve Fund**

- Finalized all first party loss payments to insureds related to the December 2022 Winter Storm Elliott; sought and received full reimbursement from the reinsurance markets. The total amount of losses paid to insureds was \$13,547,316.
- Responded to 5 Mini Catastrophe Claims:
  - Flood Event– December 17, 2023, estimated losses: \$3.69 million and 11 claims
  - Storm Event– January 9, 2024, estimated losses: \$1.4 million and 19 claims
  - Freeze Event– January 20-21, 2024, estimated losses: \$609 thousand and 10 claims
  - Hailstorm Event– April 20, 2024, estimated losses: \$3.98 million and 11 claims
  - Hailstorm Event– May 10, 2024, estimated losses: \$201 thousand and 2 claims
- Developed and implemented a risk management strategy plan to minimize interior originating water damage for insureds.
- Conducted virtual Underwriting seminar and Renewal Refresher workshop for 160 attendees to enhance the State's Risk Management Practices.
- Hosted Medical Professional Risk Management seminars directed to hospitals on the following topics: "Artificial Intelligence, Current Liability Issues, Workplace Violence, EMTALA, and ADA" in Charleston, SC and "Legislative updates and Current Trends in SC Court Cases" in Columbia.

- Received a favorable Statutory Examination Report for the Insurance Reserve Fund with no negative findings.

#### **Other**

- Conducted agenda review meetings with internal and external staff and others as needed prior to the seven Authority meetings held during the fiscal year.
- Managed the administration of the South Carolina Opioid Recovery Fund Board. Coordinated six in-person meetings and two virtual meetings and provided virtual viewing capabilities of the meetings for members of the public.
- Processed disbursement for the SCORF Board of approximately \$11,580,107.05 to 34 counties, towns and cities that requested funds to help combat the opioid epidemic and twenty-one disbursements to entities from the discretionary funding in the amount of \$7,421,013.54 for efforts to address the opioid crisis.
- Continued hosting a “Coffee Chat” virtual meeting for the public on the first Friday of each month on behalf of the SCORF Board.
- Provided staffing and administrative functions to the Agency Head Salary Commission.
- Redesigned the agency website to allow scheduling of Authority meetings and to track attendance of participants by offering a registration page and form.

# State Fiscal Accountability Authority FY 2024-2025 Authorized FTEs

