



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	S. 0438	Introduced on March 11, 2025
Subject:	Joint Bond Review Committee	
Requestor:	Senate Finance	
RFA Analyst(s):	Tipton	
Impact Date:	March 25, 2025	

Fiscal Impact Summary

This bill amends several sections of code related to the approval process for permanent improvement projects undertaken by state agencies and institutions. The bill shifts responsibilities for certain projects from the Joint Bond Review Committee (JBRC) of the General Assembly and the State Fiscal Accountability Authority (SFAA) to the Department of Administration (Admin) in their oversight of permanent improvement project approval. The bill further amends code to update the reporting requirements for institutions of higher learning, change requirements for permanent improvement projects that are financed through bonds or other indebtedness, and to remove outdated references.

This bill will have no impact on JBRC, SFAA, or Admin, as these entities indicated that the changes to the permanent improvement project approval process can be managed with existing resources.

Revenue and Fiscal Affairs (RFA) surveyed all state institutions of higher learning to determine the potential impact of this bill. Based on responses from the University of South Carolina (USC), Clemson University (Clemson), Coastal Carolina University (CCU), the College of Charleston (CofC), Lander University (Lander), Winthrop University (Winthrop) and Francis Marion University (FMU), as well as the state Technical College System (Tech System), this bill's changes to the permanent improvement project approval process are not expected to have a significant impact on the state's institutions of higher learning or technical colleges. Clemson noted that future cost savings may result from the changes made by the bill, the amount of which is currently undetermined.

Additionally, according to Admin's latest Comprehensive Permanent Improvement Plan, agencies with the largest sum of state funding for permanent improvement projects in FY 2024-25, not including institutions of higher learning or technical colleges, are the Department of Parks, Recreation, and Tourism, (PRT), the Department of Natural Resources (DNR), and the Department of Juvenile Justice (DJJ). The impact of this bill on these agencies is pending, contingent upon their response.

Explanation of Fiscal Impact

Introduced on March 11, 2025

State Expenditure

This bill amends several sections of code related to the approval process for permanent improvement projects undertaken by state agencies and institutions. The bill shifts certain responsibilities for certain projects from JBRC and SFAA to Admin in their oversight of permanent improvement project approval. The bill does not change current limits under which a permanent improvement project does not require JBRC approval. These limits are \$10,000,000 for the state's research institutions, \$2,500,000 for all other institutions of higher learning, and \$250,000 for all other state agencies, with certain exclusions applying.

Under the bill, Admin must provide JBRC with a copy of each project and corresponding justification, a responsibility currently held by SFAA. Upon review by JBRC, the bill requires each permanent improvement project to be formally established and approved by Admin, with SFAA approval only required for projects above \$2,500,000. Currently, SFAA establishes all permanent improvement projects once they have been reviewed by JBRC. The bill removes the specific requirement that any proposed revision of the scope or budget of an established permanent improvement project be reviewed and approved by JBRC, instead requiring that these changes go through the normal process for permanent improvement projects. The bill allows JBRC to assign to its designated staff responsibility for review of certain specified projects that do not exceed \$1,000,000. Currently, any project above the appropriate statutory threshold is required to obtain full committee approval. The bill also eliminates the current requirement that Admin, upon establishment and review by SFAA and JBRC, require submission and approval of plans and specifications of a permanent improvement project under \$1,000,000 before any contract is awarded. The bill similarly removes the requirement of SFAA approval for projects above \$1,000,000 before any contract is awarded. The bill further amends code to update the reporting requirements for institutions of higher learning, change requirements for permanent improvement projects that are financed through bonds or other indebtedness, and to update outdated references.

This bill will have no impact on JBRC, SFAA, or Admin, as these entities indicated that the changes to the permanent improvement project approval process can be managed with existing resources.

RFA surveyed all colleges and universities in the state to determine the potential impact of this bill. Based on responses from USC, Clemson, CCU, CofC, Lander, Winthrop, and FMU, as well as the Tech System, this bill's changes to the permanent improvement project approval process are not expected to have a significant impact on the state's institutions of higher learning or technical colleges. Clemson noted that future cost savings may result from the changes made by the bill, the amount of which is currently undetermined.

Additionally, according to Admin's Comprehensive Permanent Improvement Plan for FY 2024-25, agencies with the largest sum of state funding for permanent improvement projects, not

including institutions of higher learning or technical colleges, are PRT, DNR, and DJJ. The impact of this bill on these agencies is pending, contingent upon their response.

State Revenue

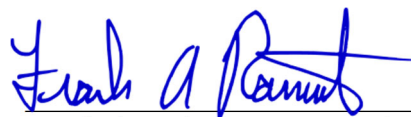
N/A

Local Expenditure

N/A

Local Revenue

N/A



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